

BIG UPDATE: SEPTEMBER 2011



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Letter from the President

September was a busy month for the Bowden Investment Group. The group spent the last week of the month in New York City where we were fortunate enough to host an Appalachian Alumni Reception as well as visit some of the more prestigious firms in the area. The group was very privileged to have one on one exposure with some elite companies including BlackRock, Neuberger Berman, Bloomberg, ISI Group and Tiger Management, where we met the legendary hedge fund manager, Julian Robertson, and his son, Alex Robertson. We were also able to visit the New York Stock Exchange, which was particularly interesting considering the protests taking place. As a group we would like to express our sincere gratitude for everyone involved in the success of this trip, especially the firms who were gracious enough to host us and the alumni who made it possible. We understand the magnitude of the opportunity that we were given and we are extremely thankful.

Officer elections were conducted this month and I am proud to report that Alex Burchins was elected Vice President, Jacob Finkbiner was elected Accountant, Charlie Hinkle was elected Annual Report Editor, David Jones and Eric McTier were both elected to be Economic Analysts, and Evan Jones was previously elected BIG Update Editor. In

addition, Daniel Favitta, Ross Karcher, Happy Stewart, Bill Strausbaugh and Trevor Wall will serve as Industry Analysts.

Our expectation is that this next month will prove as equally exciting as the last. Each group member has selected a stock to analyze and will ultimately present a recommendation on their stock for the group's consideration. Our group will also begin preparation for the CFA Challenge; we are eager to compete and make Appalachian State proud. Thank you for your continued support of the Bowden Investment Group.

Ethan Foster
President

Economic Outlook

U.S. Outlook: The United States economy faces a bleak outlook amid worldwide economic woes, mainly based out of Europe. The U.S. and European economies are both part of a greater global economy that becomes more interconnected by the day. Moody's puts the odds of a double-dip recession in the U.S. at one in three, with that probability possibly increasing if stock prices suffer much more. This outlook was downgraded much in part due to the downgrading of U.S. Treasuries in early

August by Standard and Poor's. This downgrade was largely due to the inefficiency of U.S. politicians to solve the debt ceiling issue. Soon after the downgrade, U.S. stock indexes became very volatile, resulting in huge downturns followed by huge upturns, possibly signaling a natural correction in stock prices. Even when the U.S. receives good news about the economy, there seems to be bad news to go along with it. The U.S. added 103,000 jobs in September, yet unemployment still remains at a dismal

9.1 percent. Also, corporate earnings grew in 2011, yet we have recently been seeing declines in these numbers. Overall, the United States economy is in a tough situation, with the best case scenario seeming to be a stagnant economy in the short term. It will take cooperation in Washington and increased employment to fix the problems we face.

David Jones
Economic Analyst

Europe Outlook: The European economic climate is distressing to say the least. Greece is considered by many to be completely insolvent, and with the recent downgrade of Italian debt the Eurozone is looking terrible. We are expecting consumer spending among Eurozone countries to decline due to slowing bank loans, higher short rates, rising unemployment, and declining real household income. Europe, we believe,

is entering into a long deleveraging process with Germany starting to show signs of slowing with declining exports, and French banks being the majority holder of Italian debt. The economic situation of the Eurozone, simply put, is a complete mess. The Germans and the French have announced a plan to support Eurozone banks, but there have been many attempts to band-aid the situation instead of fixing it. European investor

confidence has reached its lowest point in two years, and any kind of forecasts for the Eurozone are met with large amounts of uncertainty. With fear, uncertainty, and poor economic outlooks gripping the Eurozone, it sounds like an extremely volatile place for investors.

Eric McTeir
Economic Analyst



BIG New York Trip

Bowden Investment Group and advisors at Tiger Management with legendary hedge fund manager and investor, Julian Robertson

Special Thanks to Alex Robertson for hosting us and taking the picture

This was one of the highlights of our New York trip

Bowden Investment Fund Cumulative Returns Since Inception

