Letter from the President

The month of May was bittersweet for our group. As our time as members of the Bowden Investment Group came to an end, we worked hard to position the BIG portfolio for the summer and are confident that next year’s group is adopting solid companies. I would like to extend a special thank you to all the members of the 2011-2012 Bowden Investment Group. One of the most rewarding parts of being selected as a member of this group was the opportunity to develop lasting relationships with eleven of the most talented people in Appalachian State’s College of Business. To my fellow members: you are all tremendous leaders and I am honored to call myself your peer.

I speak on behalf of our entire group when I say that the impact that Dr. Goff and Mr. Thompson had on us will surely stand the test of time. We are all well aware of the time and energy our advisors dedicated to our advancement as students and professionals. Without the guidance of Dr. Goff and Mr. Thompson, the Bowden Investment Group could not have possibly maintained the level of excellence that it has.

Finally, I would like to thank every supporter of the Bowden Investment Group. The strength of Appalachian’s College of Business lies within its Alumni network, and this network is what paved the way for the extraordinary opportunities our group had this year. Thank you for your continued support of the Bowden Investment Group.

Warm Regards,
Ethan

Economic Outlook

The United States over this last month has shown mixed economic data. Evidence has shown that the economic recovery in the U.S. is showing signs of slowing. Even though consumer sentiment decreased in the month of April, it has bounced back to a new post-recession high as of mid-May. This suggests that individuals’ expectations are heavily correlated to the events in the European markets. With many European nations hitting a double-dip recession and an increasing amount of concern over Spain, it appears this summer will be full of wild swings. I’m expecting the environment for this summer to be much like the summer of 2011, with the markets moving primarily on European news. I would not be surprised to see another country within Europe to get downgraded this summer.

The eyes of the world seem to be fixed on Europe, but it is important to remember that economic indicators are suggesting that China is slowing. The implications of this transition from an investment based economic growth model to one that relies on consumption to generate GDP growth could have some serious implications for our portfolio. The most visible exposure we had was iron ore and steel manufacturers, which we took efforts to neutralize. All in all, it is extremely confusing economically, and it’s looking like the rest of the year will be extremely volatile due to major headwinds in the global economy.

Eric McTeir
Economic Analyst
**Fund Composition**

Apple (AAPL)
ABB (ABB)
Apache (APA)
Buffalo Wild Wings (BWLD)
Chipotle Mexican Grille (CMG)
CSX (CSX)
Deckers Outdoor (DECK)
Danaher (DHR)
Express Scripts (ESRX)
PH Glatfelter (GLT)
Google (GOOG)
International Business Machines (IBM)
Intel (INTC)
Novartis (NVS)
Patterson-UTI Energy (PTEN)
Staples (SPLS)
Stryker (SYK)
Tupperware (TUP)
Vanguard Energy ETF (VDE)
Vanguard Financials ETF (VFH)
Wal-Mart (WMT)
Exxon Mobil (XOM)

**Fund Performance**

<table>
<thead>
<tr>
<th>YTD 2012 Returns</th>
<th>April 2012 Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowden</td>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>9.36%</td>
<td>11.87%</td>
</tr>
</tbody>
</table>

**Value of Fund at Beg. of April:** $93,557.83  
**Value of Fund at End of April:** $90,747.57  
**% Change:** -3.00%

The BIG group made several changes to the portfolio to position it for the year ahead and the next group taking over the fund:

**Bought**
- Apple (AAPL)
- CSX (CSX)
- Deckers Outdoor (DECK)
- Patterson-UTI Energy (PTEN)

**Naught**
- Covance (CVD)
- ArcelorMittal (MT)
- Medtronic (MDT)
- Enterprise Product Partners (EPD)

**Sold**
- Goldcorp (GG)
- Microsoft (MSFT)
- Rio Tinto (RIO)

**Graduation Party at the Thompson’s**

On Friday May 11, the BIG group was invited to the Thompson’s residence for an end-of-year graduation reception to celebrate all the accomplishments of the BIG group. It was a night for family and friends to get together to meet one another, reflect on the past year, and talk about the exciting times ahead.

On behalf of the entire group, I thank Mr. Thompson and Dr. Goff for all that they have done to prepare us for our future, both personally and professionally.

“From what we get, we can make a living; what we give, however, makes a life.” ~ Arthur Ashe