## AIM XL Analysts

<table>
<thead>
<tr>
<th>Name</th>
<th>Company/Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cory Albertson</td>
<td>Warsaw, Indiana, Ford, Mattress Firm</td>
</tr>
<tr>
<td>Jasminka Arnaudovic</td>
<td>Ottawa, Canada, Deere &amp; Company, Facebook</td>
</tr>
<tr>
<td>Siddhartha Arora</td>
<td>Kolkata, India, UnitedHealth Group, Jazz Pharma</td>
</tr>
<tr>
<td>Ben Budish</td>
<td>Short Hills, New Jersey, Monsanto, Discover Financial</td>
</tr>
<tr>
<td>Liam Byrne</td>
<td>Chicago, Illinois, Las Vegas Sands, FedEx</td>
</tr>
<tr>
<td>Daniel Carey</td>
<td>Santa Rosa, California, Microsoft, 21st Century Fox</td>
</tr>
<tr>
<td>Richard Drew</td>
<td>Indianapolis, Indiana, Calumet Specialty Products, 8x8</td>
</tr>
<tr>
<td>Rahul Khobragade</td>
<td>Mumbai, India, Apple, Mastercard</td>
</tr>
<tr>
<td>Brendan Lesch</td>
<td>Westport, Connecticut, Google, Netflix</td>
</tr>
<tr>
<td>Robert Malonoski</td>
<td>Phoenixville, Pennsylvania, Gilead Sciences, Monster Energy</td>
</tr>
<tr>
<td>Matthew Nealon</td>
<td>Clarks Summit, Pennsylvania, Delphi Automotive, Mobileye</td>
</tr>
<tr>
<td>Vincent Ng</td>
<td>Mississauga, Canada, Covanta Holdings, Salesforce.com</td>
</tr>
<tr>
<td>Samuel Pope</td>
<td>Arlington Heights, Illinois, Hain Celestial Group, Roundy's</td>
</tr>
<tr>
<td>Joshua Rabinovitz</td>
<td>Los Angeles, California, Checkpoint Software, Cisco Systems</td>
</tr>
<tr>
<td>James Rapuzzi</td>
<td>Anchorage, Alaska, Union Pacific, Columbia Sportswear</td>
</tr>
<tr>
<td>Rex Redlingshafer</td>
<td>Fairway, Kansas, Atwood Oceanics, Gentex</td>
</tr>
<tr>
<td>Jason Rodrigues</td>
<td>Mangalore, India, Lockheed Martin, Micron Technology</td>
</tr>
<tr>
<td>Ryan Smith</td>
<td>Summit, New Jersey, Seadrill, IMAX</td>
</tr>
<tr>
<td>Sloan Smith</td>
<td>Concord, New Hampshire, Intel, Royal Caribbean, Verifone Systems, Kinder Morgan</td>
</tr>
<tr>
<td>Syed Farooq Tirmizi</td>
<td>Karachi, Pakistan, Verifone Systems, Kinder Morgan</td>
</tr>
<tr>
<td>Jonathan Welch</td>
<td>Virginia Beach, Virginia, InterActive Corp, ExxonMobil</td>
</tr>
<tr>
<td>Jiakia Xu</td>
<td>Yangzhou, China, Schlumberger, Michael Kors</td>
</tr>
<tr>
<td>Joseph Yang</td>
<td>Los Angeles, California, Activision Blizzard, Ecolab</td>
</tr>
</tbody>
</table>
Agenda

Investment Objectives and Guidelines
Economic Overview
Security Analysis
Portfolio Performance
AIM XL Highlights
Closing
Objectives and Guidelines

AIM Overview
Analyst Responsibilities
Stock Selection Process
Investment Policies
Market Capitalization Profile
Ethics Policies
Objectives and Guidelines

AIM Overview

Course Objectives

- Provide students with exposure to the process of portfolio management, from asset allocation decisions through individual stock evaluation
- Combines academic theory with hands-on experience

Analyst Selection

- Selection based on academic record and professional experience
- Analysts assume responsibilities for all portfolio management decisions
Objectives and Guidelines

Analyst Responsibilities

- Each analyst covers two companies:
  - First round: assigned stock from current portfolio
  - Second round: selected stock of interest

- For each stock, analysts produce and present a series of reports:
  - Company Overview
  - Fundamental Analysis
  - Industry Report
  - EPS Forecast
  - Technical Analysis
  - Valuation and Final Recommendation
Objectives and Guidelines

Group Responsibilities

Economic Outlook

- Analyze recent developments and trends of economic factors
- Assess portfolio impact

Portfolio Performance

- Analyze risk-adjusted performance and portfolio attribution
- Report on recent and long-term performance compared to benchmarks

Newsletter

- Produce quarterly newsletters to alumni and advisory board
- Provide economic and performance summaries, as well as alumni updates.

Trading

- Manage trading activities for portfolio
- Maintain communication with Investment Office
Objectives and Guidelines

Stock Selection Process

- Analysts discuss inputs, drivers, and potential upside/downside risk

- Analysts provide buy, hold, or sell recommendations based on an intrinsic valuation

- Final portfolio positions require a majority vote of all analysts

- AIM XL allowed to take long and short positions using sector ETFs in industries that exhibit positive and negative trends
Objectives and Guidelines

Investment Philosophy

- Long-term objective is to outperform the returns of the S&P 500 by identifying undervalued stocks

- Additional benchmarks
  - Russell 2000
  - Hank Blended Index (HBI) (65% S&P 500, 35% Russell 2000)

- Bottom-up approach, accompanied by top-down consideration
  - Determine intrinsic value of stock while maintaining macroeconomic and specific industry outlook

- Risk is not actively managed since portfolio diversification naturally limits risk
Objectives and Guidelines

Investment Constraints

- **Liquidity**
  - Stocks should have high liquidity

- **Time Horizon**
  - Long-term (3-5 years)

- **Laws & Regulation**
  - Fund abides by “Prudent Person Rule”

- **Tax Considerations**
  - Not a constraint for the fund given its tax-exempt status
Objectives and Guidelines

Investment Guidelines

- Common equities traded on major US exchanges
- Sector Allocation should be roughly that of the S&P 500
- Portfolio Target Allocation
  - 35% in Small & Mid-Cap stocks
  - 65% in Large-Cap stocks
  - +/- 10% boundary
- Any one stock should not exceed 10% of the portfolio
- Goal is to be fully invested
Objectives and Guidelines

Market Capitalization Profile

AIM XXXIX Portfolio Composition

- Cash: 1.1%
- Small: 7.3%
- Mid: 18.1%
- Large: 73.5%

AIM XL Portfolio Composition

- Cash: 0.2%
- Small: 3.4%
- Mid: 24.1%
- Large: 72.2%

Based on prices as of 04/22/15
Avoid companies “whose values are not consistent with those of the University”

- Including (but not limited to):
  - Abortifacients
  - Birth Control
  - Tobacco
Economic Overview
Summary & Thesis
GDP Projections
Employment
Inflation & Interest Rates
Fuel Prices
Currencies
Global Events
Economic Impact Analysis
Economic Overview

Summary & Thesis

Domestic Factors
- Unemployment declining
- Inflation remains low
- Low energy prices

Global Factors
- Lower oil prices
- Slowdown in China
- Crisis in Europe

Economic Impact
- Consumer confidence is up
- Interest rates likely to rise very slowly
- US dollar strengthening in flight to quality

Portfolio Considerations
- Higher US bias in revenues is a positive
- Consumer-facing sectors likely to do well
- Recalibrate energy towards lower risk
Economic Overview
GDP Projection & Overview

- US GDP increased 2.2% in Q4 2014, to a current level of $17.42T
  - Real personal consumption expenditures increased 4.4% in Q4 2014
  - Business investment increased, most notably in intellectual property products
  - Offset be decreased defense spending and higher imports

- Fed anticipates GDP growth between 2.3% and 2.7% in 2015

- AIM GDP growth projection is 2.2% for 2015
  - Increased disposable income from depressed oil prices
  - Tighter labor markets → increased wages
  - Risks in Europe
  - Student loans hampering ability of young new home buyers
  - Potential rise in interest rates

Source: U.S. Bureau of Economic Analysis, IMF
Economic Overview
Quarterly GDP Growth Rates

Seasonally Adjusted Annualized GDP Growth Rates

Source: Bureau of Economic Analysis
Alt. Measures of Unemployment

- **U1**: 2.4%, unemployed 15 weeks or longer
- **U2**: 2.7%, job losers and persons completing temporary jobs
- **U3**: 5.5%, official unemployment rate
- **U4**: 5.9%, U3 + discouraged workers
- **U5**: 6.7%, U4 + those marginally attached to the labor force
- **U6**: 10.9%, U5 + total employed part-time for economic reasons

Source: Bureau of Labor Statistics
Economic Overview
Unemployment

Updates in Unemployment

- March unemployment 5.5%
  - Unchanged since February
  - Down from 6.6% in March 2014

- U6 unemployment 10.9%
  - Down from 12.7% in March 2014
  - Down from high of 17.1% in April 2010

- Total long-term unemployed 8.6 million
  - Down from 10.4M in March 2014

Labor Force Participation Race

- Civilian labor force participation rate 62.7%
  - Has fluctuated between 62.7-62.9% in past year
  - 66% pre-recession

- Why so low?
  - BLS points to aging baby boomers
  - Young Americans stay in school
  - Did companies get “spoiled” in the recession?
  - Are workers retiring early because they’re discouraged?

Source: Bureau of Labor Statistics
Economic Overview

Unemployment

Wage Growth

- Average hourly wage increased 0.1% from February to March
  - YoY growth of 2.3%

- Low inflation giving the appearance of slow wage growth?
  - Low nominal increases are still increasing purchasing power

- “Wage hangover?”
  - Wages already too high

- High U6 unemployment?
  - More hours vs. higher pay

Economic Overview

Inflation Projections

Inflation Measures

- **Fed Target**: 2.0%
- **CPI**: -0.1%
  - Measures prices paid by urban consumers for a basket of goods
- **PCE**: 0.3%
  - Accounts for consumers switching away from higher priced goods
  - Fed focuses on PCE

Recent declines in CPI and PCE can be attributable to the falling oil and gas prices

Source: Federal Reserve
Economic Overview
Core Inflation Projections

Inflation Measures

- Fed Target: 2.0%
- Core CPI: 1.7%
  - Measures prices paid by urban consumers for a basket of goods
  - Excludes food and energy

Historic Annual Inflation

Important for gauging longer-run trends because food and gasoline prices can have big, often-transitory swings

Source: Federal Reserve
Economic Overview
Fuel Prices

Retail Prices of Gasoline

Consumer Sentiment Index

Source: Energy Information Administration, University of Michigan Consumer Sentiment Index
**Economic Overview**

**Interest Rates**

**Background**

- Fed Reserve Dual Mandate
  - Manage inflation
  - Maximize employment

- Expect low rates through June 2015
  - Weak economic data causing rates to stay low
  - Fed wants to be confident inflation is rising and the job market is continuing to improve

**Federal Funds Rate**

With inflation rising toward 2.0% goal and improvement in the job market, we expect the Fed to increase rates toward the end of 2015

Source: Federal Reserve
Economic Overview

USD Appreciation

- USD has been appreciating relative to foreign currencies
- The strong USD is a source of restraint on U.S. exports, encourages imports

Source: FRED Economic Data, St Louis Fed
Economic Overview
USD Appreciation Relative to Commodity Currencies

- USD strengthening against ‘commodity’ currencies
- Low oil prices and commodity prices affecting these currencies

Source: FRED Economic Data, St Louis Fed
Economic Overview
Impact of Strong USD on AIM Portfolio

Anticipated Impact of Strong USD on AIM Portfolio Companies

- No Impact: 6
- Slight Positive Impact: 2
- Positive Impact: 0
- Slight Negative Impact: 10
- Negative Impact: 6
Recent Global Events

- Greece debt crisis
- European Central Bank quantitative easing
- Brazilian Petrobras scandal

What to Watch For

- China slowdown?
- New oil minister in Saudi Arabia
- Negotiations with Iran
- Pace of economic reforms in India
- Asian debt overhang from post-crisis
## Economic Overview

### Impact Analysis

<table>
<thead>
<tr>
<th>Domestic Factors</th>
<th>Impact on Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low inflation</td>
<td>Consumer-facing stocks to outperform</td>
</tr>
<tr>
<td>Declining unemployment</td>
<td>Consumer-facing stocks to outperform</td>
</tr>
<tr>
<td>GDP growth tepid but picking up</td>
<td>Industrials likely to underperform</td>
</tr>
<tr>
<td>Stronger US dollar</td>
<td>US-focused companies likely to outperform</td>
</tr>
<tr>
<td>Sustained low energy prices</td>
<td>Recalibrate energy portfolio towards lower risk business models</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Factors</th>
<th>Impact on Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greek exit</td>
<td>Euro down, multinationals to suffer</td>
</tr>
<tr>
<td>New Saudi oil minister</td>
<td>Oil prices to remain low</td>
</tr>
<tr>
<td>Iran deal</td>
<td>Supply glut in oil to get even worse</td>
</tr>
<tr>
<td>Asian debt overhang</td>
<td>Further strengthening of US dollar</td>
</tr>
</tbody>
</table>
Security Analysis

Overview
Growth Dynamics
Discovery
Fundamental Analysis
Technical Analysis
Management Team
Industry Dynamics
EPS and Valuation
## Security Analysis

### Overview

<table>
<thead>
<tr>
<th>Stock</th>
<th>Analyst</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>salesforce.com, inc.</td>
<td>Vincent Ng</td>
<td>Growth Dynamics</td>
</tr>
<tr>
<td>InterActive Corp.</td>
<td>Jonathan Welch</td>
<td>Fundamental Analysis and Discovery</td>
</tr>
<tr>
<td>Jazz Pharmaceuticals</td>
<td>Siddhartha Arora</td>
<td>Fundamental Analysis</td>
</tr>
<tr>
<td>Royal Caribbean Cruises</td>
<td>Sloan Smith</td>
<td>Fundamental and Technical Analysis</td>
</tr>
<tr>
<td>Union Pacific Corp.</td>
<td>James Rapuzzi</td>
<td>Management Team</td>
</tr>
<tr>
<td>21st Century Fox</td>
<td>Dan Carey</td>
<td>Industry Dynamics</td>
</tr>
<tr>
<td>Mattress Firm</td>
<td>Cory Albertson</td>
<td>EPS and Valuation</td>
</tr>
</tbody>
</table>
## Security Analysis

### Overview

<table>
<thead>
<tr>
<th>Recommendation: BUY</th>
<th>Portfolio Decision: NO BUY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valuation Method</strong></td>
<td><strong>Weight</strong></td>
</tr>
<tr>
<td>Discounted Free Cash Flow</td>
<td>80%</td>
</tr>
<tr>
<td>Implied Forward P/E</td>
<td>20%</td>
</tr>
<tr>
<td>Book Value</td>
<td>0%</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
</tr>
</tbody>
</table>

### Investment Thesis
salesforce.com, inc.
NYSE: CRM

Price (04/15/15): $67.21
1-yr Forward P/E: N/A
Market Cap: $43.52B
Dividend Yield: N/A
LTM EPS: -$0.42

Focus – Growth Dynamics

Source: Yahoo Finance
salesforce.com, inc.  
Overview

- Salesforce is a leading provider of enterprise cloud computing solutions, with a focus on customer relationship management, or CRM.
- 15,000+ employees
- 150,000+ customers
- Expected $82B TAM (CY2018)

Historical Revenue

$Billions

CAGR +26%

2015 Revenue By Segment

- Sales Cloud 45%
- Service Cloud 25%
- Salesforce1 Platform and Other 14%
- Marketing Cloud 7%
- Other 9%

Source: CRM 2015 Annual Report
salesforce.com, inc.

Growth

- Platform of opportunity

- Diverse customer base
  - Approximately 800 customers pay more than $1M annually, e.g. ADP, Coca-Cola, GE, Merrill Lynch, and Louis Vuitton
  - Only Pure-Play Cloud Vendor with FedRAMP Status (Federal Risk and Authorization Management Program)

- Market leader with over 40% market share

Source: CRM 2015 Annual Report
## Valuation and Thesis

### Investment Thesis
- Market leader and strong leadership at the top
- Top-line growth (future outlook)
- Growing TAM

### Valuation and Portfolio Decision

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>80%</td>
<td>$66.04</td>
<td>$52.83</td>
</tr>
<tr>
<td>EV/ Sales (7.0X)</td>
<td>20%</td>
<td>$106.41</td>
<td>$21.28</td>
</tr>
<tr>
<td>P/ BV (10.0X)</td>
<td>0%</td>
<td>$79.11</td>
<td>--</td>
</tr>
<tr>
<td>P/ EBITDA (63.0X)</td>
<td>0%</td>
<td>$66.92</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$74.11</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$67.21</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>10.3 %</td>
</tr>
</tbody>
</table>

**Recommendation:** BUY

**Portfolio Decision:** NO BUY
InterActive Corp.
NASDAQ: IACI

Price (04/15/15): $72.05
1-yr Forward P/E: 20.2x
Market Cap: $6.03B
Dividend Yield: 1.90%
LTM EPS: $2.88

Source: Yahoo Finance, IACI 10-K
InterActive Corp.

Overview

- IACI is a leading media and internet company with 150 brands, 24 internet companies and over one billion monthly website visits
- Market leader in online dating market
- 45% of revenues from Google contract
- Reported Q1 2015 earnings today

Source: IACI 2014 Annual Report
InterActive Corp.
Fundamentals

Insights

- Management has done a good job of controlling costs
- Positive net profit margin for first time in 2010
- ROE steadily increasing since 2009

Source: IACI 2014 Annual Report
InterActive Corp.

Discovery

Survey on Tinder

- Users would prefer ad-based monetization
- Users would switch to a free, competing app
- Users do not want to pay for Tinder

Insights

- Tinder has a huge user base
- Recent monetization of IACI crown jewel was subscription-based

Preferred Monetization Method

- 90% prefer ads
- 10% prefer subscription

Switch the competing app if fee?

- 68% would not switch
- 32% would switch

Source: Survey on Tinder (60 Participants)
InterActive Corp.  
Valuation and Thesis

### Recommendation: HOLD

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>90%</td>
<td>$88.77</td>
<td>$79.89</td>
</tr>
<tr>
<td>Dividend Discount Model</td>
<td>10%</td>
<td>$65.74</td>
<td>$6.57</td>
</tr>
<tr>
<td>Book Value Per Share</td>
<td>0%</td>
<td>$23.93</td>
<td>--</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>0%</td>
<td>$102.20</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$86.46</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$72.05</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>20.0 %</td>
</tr>
</tbody>
</table>

### Portfolio Decision: SELL

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>90%</td>
<td>$88.77</td>
<td>$79.89</td>
</tr>
<tr>
<td>Dividend Discount Model</td>
<td>10%</td>
<td>$65.74</td>
<td>$6.57</td>
</tr>
<tr>
<td>Book Value Per Share</td>
<td>0%</td>
<td>$23.93</td>
<td>--</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>0%</td>
<td>$102.20</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$86.46</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$72.05</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>20.0 %</td>
</tr>
</tbody>
</table>

### Investment Thesis

- Solid presence in online search engine market and market leader in online dating
- Risk of losing Google contract in 2016 could impact 45% of revenues
- Skepticism on subscription-based Tinder monetization
Jazz Pharmaceuticals
NASDAQ: JAZZ

Price (04/15/15): $187.00
1-yr Forward P/E: 19.28x
Market Cap: $11.31B
Dividend Yield: –
LTM Adjusted EPS: $8.43

Focus – Fundamental Analysis

Source: S&P Capital IQ
Jazz Pharmaceuticals
Overview

- Key drug is Xyrem
  - Only FDA approved product for treatment of both cataplexy and Excessive Daytime Sleepiness (EDS) in patients with narcolepsy

- Other drugs include Erwinaze (treatment of ALL) and Defitelio (Hepatic VOD)

- Key pipeline drugs include
  - JZP-386 or next Gen Xyrem (Phase I)
  - JZP-110 - a wake-promoting agent (Phase III)

Source: JAZZ 2014 Annual Report
## Jazz Pharmaceuticals
### Fundamental Analysis

### Historical Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Xyrem Revenue ($ M)</td>
<td>142.6</td>
<td>233.3</td>
<td>378.7</td>
<td>569.1</td>
<td>778.6</td>
</tr>
<tr>
<td>Total Revenue Growth (%)</td>
<td>-</td>
<td>64%</td>
<td>62%</td>
<td>50%</td>
<td>37%</td>
</tr>
<tr>
<td>Price Increase (%)</td>
<td>-</td>
<td>53%</td>
<td>51%</td>
<td>40%</td>
<td>25%</td>
</tr>
<tr>
<td>Volume Increase (%)</td>
<td>-</td>
<td>11%</td>
<td>11%</td>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Source:** JAZZ Annual Report
**Investment Thesis**

- Differentiated specialty pharma model - pricing, distribution, life-cycle management
- Underappreciated pipeline - key is to execute and educate the medical community
- Management keen to execute strategic, value-creating transactions
- Might be considered as a takeover target due to its tax-efficient location

### Valuation Method

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>80%</td>
<td>$250.22</td>
<td>$200.17</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>10%</td>
<td>$167.36</td>
<td>$16.74</td>
</tr>
<tr>
<td>P/E</td>
<td>10%</td>
<td>$174.60</td>
<td>$17.50</td>
</tr>
<tr>
<td>EV/Sales</td>
<td>0%</td>
<td>$147.20</td>
<td>-</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$234.41</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$187.00</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>25.5%</td>
</tr>
</tbody>
</table>
Royal Caribbean Cruises
NYSE: RCL

Price (04/15/15): $79.44
1-yr Forward P/E: 19.5x
Market Cap: $17.47B
Dividend Yield: 1.65%
2014 EPS: $3.45

Focus – Fundamental and Technical Analysis

Source: Yahoo Finance and S&P Capital IQ
Royal Caribbean Cruises

Fundamental Analysis

- Cruise company that operates six brands on 41 ships worldwide
- Aggressive “Double-Double Program”
- Strong push into Asia-Pacific with Quantum of the Seas and Ovation of the Seas fleets

Net Profit Margin

Return on Capital

Return on Equity
Moving Averages: Provides smoothed indicators of the overall price trends

Support & Resistance

Relative Strength

Technical Analysis

MA 50
MA 200

$40
$45
$50
$55
$60
$65
$70
$75
$80
$85
$90

Moving Averages
BUY

Royal Caribbean Cruises
Technical Analysis
Royal Caribbean Cruises
Technical Analysis

Moving Averages
BUY

Support & Resistance
BUY

Relative Strength

Technical Analysis

Support and Resistance: Channel breakout with strong support and resistance levels

Resistance at $82.50
Support at $72.71
Relative Strength: Examines the performance of a stock relative to a market index.
# Royal Caribbean Cruises
## Valuation and Thesis

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>80%</td>
<td>$90.85</td>
<td>$72.68</td>
</tr>
<tr>
<td>Dividend Discount Model</td>
<td>5%</td>
<td>$94.42</td>
<td>$4.72</td>
</tr>
<tr>
<td>Forward Price-to-Equity</td>
<td>5%</td>
<td>$84.89</td>
<td>$4.24</td>
</tr>
<tr>
<td>Forward Price-to-Sales</td>
<td>5%</td>
<td>$84.04</td>
<td>$4.20</td>
</tr>
<tr>
<td>Forward EV/EBITDA</td>
<td>5%</td>
<td>$78.40</td>
<td>$3.92</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$89.77</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$79.44</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>13.0%</td>
</tr>
</tbody>
</table>

### Recommendation: BUY

### Portfolio Decision: BUY

#### Investment Thesis
- Wide economic moat due to high barriers to entry
- Bottom line growth due to expansion of fleet and cost cutting initiatives
- Strong capacity growth in underpenetrated markets (i.e. China)
- “Double-Double Program” creates definitive expectations
Union Pacific Corp.  
NYSE: UNP

1-Year Price Chart

Price (04/15/15): $107.40
1-yr Forward P/E: 14.8x
Market Cap: $96.4B
Dividend Yield: 1.82%
LTM EPS: $5.77

Focus – Management Team

Source: Yahoo Finance and Morningstar
Union Pacific Corp.

Overview

Industry Breakdown

- [CATEGORY NAME] 30%
- [CATEGORY NAME] 15%
- [CATEGORY NAME] 16%
- [CATEGORY NAME] 28%

2014 Revenue by Segment

- Diversified freight offering
- Intermodal expansion
- Decreasing emphasis on coal

- Two hemisphere duopoly
- Consolidation at critical mass
- Immense capex spend req’d to join

Source: UNP 2014 Annual filing
Union Pacific Corp.
Management Team Review

Key Personnel

- **Jack Koraleski** – Chairman
  - Started at UNP in 1971
  - CEO - 2012-2015

- **Lance Fritz** – CEO
  - COO 2010 – 2015
  - Started at UNP in 2000

- **Rob Knight** – CFO
  - 2004 – Present
  - WSJ #2 CFO in 2014

Revenue (B) and Op. Margin Trend

Source: UNP historical filings / Morningstar / The Wall Street Journal
## Union Pacific Corp.

### Valuation and Thesis

<table>
<thead>
<tr>
<th>Recommendation: BUY</th>
<th>Portfolio Decision: HOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valuation Method</strong></td>
<td><strong>Weight</strong></td>
</tr>
<tr>
<td>Discounted Free Cash Flow</td>
<td>90%</td>
</tr>
<tr>
<td>Dividend Discount Model</td>
<td>10%</td>
</tr>
<tr>
<td>P/E Multiplier</td>
<td>0%</td>
</tr>
<tr>
<td>Book Value / Share</td>
<td>0%</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
</tr>
<tr>
<td>Market Price (4/15/15)</td>
<td></td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
</tr>
</tbody>
</table>

### Investment Thesis

- Established footprint / large capex spend
- Outstanding management team
- Intermodal expansion
- U.S. shale boom
21st Century Fox
NASDAQ: FOXA

Price (04/15/15): $34.06
1-yr Forward P/E: 16.6x
Market Cap: $72.18B
Dividend Yield: 0.90%
LTM EPS: $4.21

1-Year Price Chart

Focus – Industry Dynamics

Source: Yahoo Finance and S&P Capital IQ
21st Century Fox

Overview

Operating Segments

- **Cable Networks:** 40 domestic channels; 22 RSNs; 325 international channels in 50 languages

- **Television:** FOX broadcasting; 28 owned stations in 16 markets

- **Filmed Entertainment:** Live-action and animated motion-pictures and television series

- **Direct Broadcast Satellite:** Stake in BskyB (UK); recently sold German and Italian assets
21st Century Fox

Overview

Cable Brands by Genre

Source: FOXA 2014 Annual Report
21st Century Fox

Industry Dynamics

Cable Dynamics

Opportunities

- Heavy investments in FS1 and FX
- Long-term sports rights – 8 yr. avg.
- Affiliate renewals locked for 3-5 yrs.

Threats

- Declining subscriber base – Industry lost 125,000 subs in 2014
- Slowing advertising market
- Over-the-top services: Netflix, Amazon, HBO Now

Monthly Sub Fees

<table>
<thead>
<tr>
<th>Channel</th>
<th>Monthly Sub Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESPN</td>
<td>$6.04</td>
</tr>
<tr>
<td>TNT</td>
<td>$1.48</td>
</tr>
<tr>
<td>3net</td>
<td>$1.37</td>
</tr>
<tr>
<td>NFL Net</td>
<td>$1.22</td>
</tr>
<tr>
<td>Disney</td>
<td>$1.21</td>
</tr>
<tr>
<td>FOX News</td>
<td>$0.99</td>
</tr>
<tr>
<td>USA</td>
<td>$0.83</td>
</tr>
<tr>
<td>ESPN 2</td>
<td>$0.74</td>
</tr>
<tr>
<td>TBS</td>
<td>$0.72</td>
</tr>
<tr>
<td>FOX Sports 1</td>
<td>$0.68</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, Wall Street Journal
## 21st Century Fox
### Valuation and Thesis

<table>
<thead>
<tr>
<th><strong>Recommendation:</strong> BUY</th>
<th><strong>Portfolio Decision:</strong> NO BUY</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>80%</td>
<td>$37.77</td>
<td>$30.22</td>
</tr>
<tr>
<td>Price-to-Sales</td>
<td>20%</td>
<td>$34.68</td>
<td>$6.94</td>
</tr>
<tr>
<td>Dividend Discount Model</td>
<td>0%</td>
<td>$15.70</td>
<td>--</td>
</tr>
<tr>
<td>EV/EBITDA</td>
<td>0%</td>
<td>$46.57</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$37.15</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$34.06</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>9.1%</td>
</tr>
</tbody>
</table>

### Investment Thesis
- Leading cable portfolio with broad array of live sports
- Strong international footprint; commitment to local sports and entertainment
- Top global film studio and franchise library
- Robust balance sheet to support strategic priorities within dynamic industry
Focus – EPS and Valuation

Price (04/15/15): $67.32
1-yr Forward P/E: 19.1x
Market Cap: $2.44B
Dividend Yield: N/A
LTM EPS: $1.27

Source: Yahoo Finance
Mattress Firm
Overview

- Mattress specialty retailer founded in Houston in 1986
- Young management team: CEO R. Stephen Stagner, 45, led company through 2011 IPO
- Strategy: expand store base by new openings and acquisitions to increase market power and unlock synergies
- Goal: reach “Fortress level” border to border, coast to coast in U.S. defined as one store for every 90,000 residents

Number of Store Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Wall St.</th>
<th>AIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>1,500</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>2016e</td>
<td></td>
<td>2500</td>
</tr>
<tr>
<td>2017e</td>
<td></td>
<td>3000</td>
</tr>
</tbody>
</table>

CAGR: 26%

EPS Estimates

<table>
<thead>
<tr>
<th></th>
<th>Wall St.</th>
<th>AIM</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Est.</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>High EPS</td>
<td>$2.70</td>
<td></td>
</tr>
<tr>
<td>Low EPS</td>
<td>$2.58</td>
<td></td>
</tr>
<tr>
<td>Consensus</td>
<td>$2.63</td>
<td>$2.72</td>
</tr>
</tbody>
</table>

Source: MFRM 2014 Annual Report, AIM Analyst Estimates
Mattress specialty retailers account for half of industry sales, up from 23% 15 years ago

Growth yields better prices and exclusive offerings from manufacturers

Regional to national shift in advertising focus unlocks 20-30% savings

Competitor price-matching amplifies immunity to “show-rooming” losses

Aggressive expansion and discounting is eating market share

<table>
<thead>
<tr>
<th>(In millions)</th>
<th>Current</th>
<th>2020</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>2,224</td>
<td>3,300</td>
<td>8.2%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,400</td>
<td>$2,900</td>
<td>4.9%</td>
</tr>
<tr>
<td>Rev. per Store</td>
<td>$1.08</td>
<td>$0.88</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>Ad % of SG&amp;A</td>
<td>37%</td>
<td>32%</td>
<td>-</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>3.5%</td>
<td>3.9%</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: MFRM 2014 Annual Report, AIM Analyst Discovery
# Mattress Firm Valuation and Thesis

## Recommendation: BUY

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>70%</td>
<td>$130.67</td>
<td>$91.47</td>
</tr>
<tr>
<td>Implied Forward P/E</td>
<td>30%</td>
<td>$70.17</td>
<td>$21.05</td>
</tr>
<tr>
<td>Book Value</td>
<td>0%</td>
<td>$12.51</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$112.52</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$67.32</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>64.2 %</td>
</tr>
</tbody>
</table>

## Portfolio Decision: BUY

<table>
<thead>
<tr>
<th>Valuation Method</th>
<th>Weight</th>
<th>Valuation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounted Free Cash Flow</td>
<td>70%</td>
<td>$130.67</td>
<td>$91.47</td>
</tr>
<tr>
<td>Implied Forward P/E</td>
<td>30%</td>
<td>$70.17</td>
<td>$21.05</td>
</tr>
<tr>
<td>Book Value</td>
<td>0%</td>
<td>$12.51</td>
<td>--</td>
</tr>
<tr>
<td>Intrinsic Value</td>
<td></td>
<td></td>
<td>$112.52</td>
</tr>
<tr>
<td>Market Price (04/15/15)</td>
<td></td>
<td></td>
<td>$67.32</td>
</tr>
<tr>
<td>Estimated Upside / (Downside)</td>
<td></td>
<td></td>
<td>64.2 %</td>
</tr>
</tbody>
</table>

## Investment Thesis

- Strategy aims for mattress specialty retail market dominance; not priced to grow
- Quality management team has quadrupled store base since 2011 IPO
- Value for shareholders to be unlocked as this mattress PE firm expands
Portfolio Performance

- Historical Returns vs. Benchmarks
- Sector Allocation
- Attribution Analysis
- Best & Worst Performers
- Risk-Adjusted Performance
- Active Share
- Portfolio Additions & Deletions
Wealth Ratio Comparison
Cumulative Return of $1

As of 31 March 2015
Historical Performance
AIM Portfolio Returns vs. Benchmarks

As of 31 March 2015
### Sector Allocations

Portfolio Emphasizes Technology and Energy

#### AIM XXXIX Portfolio

<table>
<thead>
<tr>
<th>Sector</th>
<th>S&amp;P</th>
<th>AIM</th>
<th>Difference +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>19%</td>
<td>34%</td>
<td>+15%</td>
</tr>
<tr>
<td>Energy</td>
<td>11%</td>
<td>18%</td>
<td>+7%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>13%</td>
<td>10%</td>
<td>-3%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>12%</td>
<td>13%</td>
<td>+1%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>9%</td>
<td>5%</td>
<td>-4%</td>
</tr>
<tr>
<td>Industrials</td>
<td>10%</td>
<td>4%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Portfolio allocations as of 15 April 2015
Performance Attribution Analysis

- **Allocation**: Ability to effectively allocate assets to various sectors

- **Selection**: Ability to select securities within a sector relative to a benchmark

- **Net Management Effect** = Allocation + Selection
Performance vs S&P 500

1 Year

As of March 31, 2015
Performance vs S&P 500
5 Year

As of March 31, 2015
## Best and Worst Performers

**Trailing Twelve Months**

### Top 5 Performers

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc.</td>
<td>Technology</td>
<td>59.5%</td>
</tr>
<tr>
<td>United Health Group</td>
<td>Healthcare</td>
<td>56.9%</td>
</tr>
<tr>
<td>Gilead Sciences Inc.</td>
<td>Healthcare</td>
<td>40.3%</td>
</tr>
<tr>
<td>Kinder Morgan Inc.</td>
<td>Energy</td>
<td>34.4%</td>
</tr>
<tr>
<td>Checkpoint Software</td>
<td>Technology</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

### Bottom 5 Performers

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seadrill Ltd.*</td>
<td>Energy</td>
<td>(46.7%)</td>
</tr>
<tr>
<td>Atwood Oceanics*</td>
<td>Energy</td>
<td>(24.9%)</td>
</tr>
<tr>
<td>Schlumberger</td>
<td>Energy</td>
<td>(10.0%)</td>
</tr>
<tr>
<td>Deere &amp; Co.</td>
<td>Industrial</td>
<td>(7.0%)</td>
</tr>
<tr>
<td>Calumet Specialty</td>
<td>Industrial</td>
<td>(1.1%)</td>
</tr>
</tbody>
</table>

As of 13 April 2015

* Denotes companies that have been in the portfolio for less than twelve months, and the return since November 21, 2014 is represented.
Risk Measures
Standard Deviation

As of 31 March 2015
Risk Measures

Beta

As of 31 March 2015
Risk-adjusted Performance

Other Measures

- **Jensen’s Alpha**: $r_{p,t} - [r_{f,t} + \beta_p \times (r_{m,t} - r_{f,t})]$
  - Shows average portfolio return beyond that predicted by CAPM
  - Positive alpha indicates excess (abnormal) returns to market risk

- **Sharpe Ratio**: $(r_p - r_f) / \sigma_p$
  - Measures the reward to total risk
  - Shows whether portfolio returns are due to increased risk or smart investment decisions
Risk-Adjusted Performance

Jensen’s Alpha: Abnormal Returns

As of 31 March 2015

-3.6% 0.5% 2.8% 2.2%
-0.4% 1.6% 3.8% 2.1%
4.5% 5.2% 6.1%

1 Year 3 Years 5 Years Since Inception

AIM vs. S&P 500  AIM vs. HBI  AIM vs. Russell 2000
Risk-Adjusted Performance
Sharpe Ratio: Excess Returns to Total Risk

As of 31 March 2015
Active Share
Introduction

% of Portfolio - % of Market = Active Share Contribution

- Developed by Professor Martijn Cremers from ND Finance Department and has become widely used in the financial industry
- Measure of differentiation between a portfolio and the market
- A method used to detect closet indexing
- Higher percentage indicates more active management
- Historically, funds with Active Share above 90% outperformed their benchmarks by 1.13% after fees
### Active Share

#### Current Portfolio

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Ticker</th>
<th>Market Value</th>
<th>Portfolio Weight</th>
<th>S&amp;P 500 Weight</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activision Blizzard Inc.</td>
<td>ATVI</td>
<td>$480,900</td>
<td>4.33%</td>
<td>0.00%</td>
<td>4.33%</td>
</tr>
<tr>
<td>Apple Inc.</td>
<td>AAPL</td>
<td>$530,287</td>
<td>4.78%</td>
<td>4.03%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Atwood Oceanics</td>
<td>ATW</td>
<td>$383,180</td>
<td>3.45%</td>
<td>0.00%</td>
<td>3.45%</td>
</tr>
<tr>
<td>Check Point Software</td>
<td>CHKP</td>
<td>$535,222</td>
<td>4.82%</td>
<td>0.00%</td>
<td>4.82%</td>
</tr>
<tr>
<td>Cisco Systems</td>
<td>CSCO</td>
<td>$466,125</td>
<td>4.20%</td>
<td>0.78%</td>
<td>3.42%</td>
</tr>
<tr>
<td>Covanta Holding Corp.</td>
<td>CVA</td>
<td>$401,940</td>
<td>3.62%</td>
<td>0.00%</td>
<td>3.62%</td>
</tr>
<tr>
<td>Delphi Automotive</td>
<td>DLPH</td>
<td>$544,375</td>
<td>4.91%</td>
<td>0.13%</td>
<td>4.78%</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>XOM</td>
<td>$466,824</td>
<td>4.21%</td>
<td>1.96%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Gilead Sciences Inc.</td>
<td>GILD</td>
<td>$540,956</td>
<td>4.88%</td>
<td>0.84%</td>
<td>4.04%</td>
</tr>
<tr>
<td>Google Inc.</td>
<td>GOOG/GOOGL</td>
<td>$436,675</td>
<td>3.94%</td>
<td>1.70%</td>
<td>2.24%</td>
</tr>
<tr>
<td>Hain Celestial Group</td>
<td>HAIN</td>
<td>$512,148</td>
<td>4.62%</td>
<td>0.00%</td>
<td>4.62%</td>
</tr>
<tr>
<td>IMAX</td>
<td>IMAX</td>
<td>$466,180</td>
<td>4.20%</td>
<td>0.00%</td>
<td>4.20%</td>
</tr>
<tr>
<td>Jazz Pharmaceuticals</td>
<td>JAZZ</td>
<td>$467,500</td>
<td>4.21%</td>
<td>0.00%</td>
<td>4.21%</td>
</tr>
<tr>
<td>Kinder Morgan Inc.</td>
<td>KMI</td>
<td>$434,951</td>
<td>3.92%</td>
<td>0.40%</td>
<td>3.52%</td>
</tr>
<tr>
<td>Las Vegas Sands</td>
<td>LVS</td>
<td>$397,390</td>
<td>3.58%</td>
<td>0.00%</td>
<td>3.58%</td>
</tr>
<tr>
<td>Mastercard</td>
<td>MA</td>
<td>$464,100</td>
<td>4.18%</td>
<td>0.48%</td>
<td>3.71%</td>
</tr>
<tr>
<td>Mattress Firm</td>
<td>MFRM</td>
<td>$471,240</td>
<td>4.25%</td>
<td>0.00%</td>
<td>4.25%</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>MSFT</td>
<td>$426,826</td>
<td>3.85%</td>
<td>1.90%</td>
<td>1.95%</td>
</tr>
<tr>
<td>Mobileye</td>
<td>MBLY</td>
<td>$466,400</td>
<td>4.20%</td>
<td>0.00%</td>
<td>4.20%</td>
</tr>
<tr>
<td>Monsanto Co.</td>
<td>MON</td>
<td>$441,632</td>
<td>3.98%</td>
<td>0.30%</td>
<td>3.68%</td>
</tr>
<tr>
<td>Royal Carribean</td>
<td>RCL</td>
<td>$468,696</td>
<td>4.22%</td>
<td>0.06%</td>
<td>4.16%</td>
</tr>
<tr>
<td>Seadrill Ltd.</td>
<td>SDRRL</td>
<td>$365,110</td>
<td>3.29%</td>
<td>0.00%</td>
<td>3.29%</td>
</tr>
<tr>
<td>Union Pacific Corp.</td>
<td>UNP</td>
<td>$386,640</td>
<td>3.48%</td>
<td>0.51%</td>
<td>2.97%</td>
</tr>
<tr>
<td>UnitedHealth Group Inc.</td>
<td>UNH</td>
<td>$539,672</td>
<td>4.86%</td>
<td>0.60%</td>
<td>4.26%</td>
</tr>
</tbody>
</table>

**Total**

$11,094,969

100.00%  13.70%  86.30%

---

*Securities held in the AIM Portfolio that are not in the S&P 500*
## Portfolio Turnover

### Additions & Deletions

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMAX</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Royal Caribbean</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Mattress Firm</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>Cisco Systems</td>
<td>Technology</td>
</tr>
<tr>
<td>Mobileye</td>
<td>Technology</td>
</tr>
<tr>
<td>Jazz Pharma</td>
<td>Healthcare</td>
</tr>
<tr>
<td>ExxonMobil</td>
<td>Energy</td>
</tr>
<tr>
<td>Mastercard</td>
<td>Financials</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intel</td>
<td>Technology</td>
</tr>
<tr>
<td>Verifone Systems</td>
<td>Technology</td>
</tr>
<tr>
<td>InterActive Corp</td>
<td>Technology</td>
</tr>
<tr>
<td>Schlumberger</td>
<td>Energy</td>
</tr>
<tr>
<td>Calumet Specialty Products</td>
<td>Energy</td>
</tr>
<tr>
<td>Deere &amp; Co</td>
<td>Industrial</td>
</tr>
<tr>
<td>Ford Motor Company</td>
<td>Consumer Dis.</td>
</tr>
<tr>
<td>Lockheed Martin</td>
<td>Defense</td>
</tr>
</tbody>
</table>

As of April 22, 2015
Sector Allocations
AIM XXXIX & AIM XL

AIM XXXIX Portfolio

AIM XL Portfolio

- Defense
- Consumer Staples
- Industrial
- Financials
- Technology
- Agriculture
- Transportation
- Energy
- Consumer Discretionary
- Healthcare
# Portfolio Considerations

**Stocks That Were Not Added**

## Consumer Discretionary
- Columbia Sportswear
- Monster Energy
- Michael Kors

## Consumer Staples
- Roundy's

## Industrials
- Ecolab

## Financials
- Discover Financial Services

## Technology
- Salesforce
- Gentex
- Micron Technology
- 8 x 8 (Eight by Eight)
- Facebook

## Services
- FedEx

## Media
- 21st Century Fox
- Netflix
AIM XL Highlights
Guest Speakers
Chicago Trip
March Madness
Newsletter
Website
Guest Speakers

Ed Trubac
Professor Emeritus, Finance
University of Notre Dame

Gianna Bern
Associate Professor, Finance
Academic Director, Master of Science in Finance
University of Notre Dame

Scott Malpass
Vice President
Chief Investment Officer
University of Notre Dame
Chicago Trip
Chicago Trip

Troy Hanikoff – Managing Director

Kelly Cornelis (’96, AIM I) - Partner
Chicago Trip

Kimberly Flynn (’99, AIM) - SVP

Ann Kritzmire (’84) – Managing Director
Chicago Trip

Adam Fleck (’06, AIM) - Director

Jeremy Stampien (’05, AIM) - Director
## NCAA Tournament

<table>
<thead>
<tr>
<th>Date</th>
<th>Opponent</th>
<th>Location</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/19/15</td>
<td>vs. Northeastern</td>
<td>Pittsburgh, Pa. (CONSOL Energy Center)</td>
<td>W, 69-65</td>
</tr>
<tr>
<td>03/21/15</td>
<td>vs. Butler</td>
<td>Pittsburgh, Pa. (CONSOL Energy Center)</td>
<td>W, 67-64 (OT)</td>
</tr>
<tr>
<td>03/26/15</td>
<td>vs. Wichita State</td>
<td>Cleveland, Ohio (Quicken Loans Arena)</td>
<td>W, 81-70</td>
</tr>
<tr>
<td>03/28/15</td>
<td>vs. Kentucky</td>
<td>Cleveland, Ohio (Quicken Loans Arena)</td>
<td>L, 68-66</td>
</tr>
</tbody>
</table>
AIM Newsletter

Newsletter Contents

- State of the Economy
- Portfolio Performance
- Sector Updates
- Company Developments
- Portfolio Composition
- Alumni Updates
- Trips
- Current Class Profile
AIM Website
aim.nd.edu

- Home Page
  - News & Events
  - Current Portfolio
- About AIM
  - Course Overview
  - Instructors
  - Advisory Board
  - Historical Performance
- Current Analysts & Stocks
- Alumni
  - Recruiting from AIM
  - Career Opportunities
  - Social Networking
- Publications
Closing

- AIM XL would like to thank:
  - The Advisory Board
  - Scott Malpass and the Notre Dame Investment Office
  - Advisors Langley, McDonald, Reilly, and Trubac
  - Rachel Karnafel

- Post-Presentation Agenda:
  - Short break
  - Advisory Board panel discussion