



University of Notre Dame

Mendoza College of Business

Advisory Board Presentation

May 1st, 2006

AIM XXII



Presentation Agenda

- Introductions
- Portfolio objectives and guidelines
- Current economic environment
- Security analysis
- Portfolio performance evaluation
- Trip, guest speaker, and website overview



Class Portfolio Investment Objectives and Guidelines



Course Overview

- Course Description:

“Actively engaged in hands-on portfolio management from the asset allocation decision to individual stock selection and finally to portfolio performance evaluation.”



Course Overview

- First stock inherited from AIM XXI
 - Company Background
 - Fundamental Analysis
 - Earnings Forecast
 - Industry Overview
 - Beta Forecast
 - Valuation
 - Technical Analysis



Course Overview

- Second stock selected based on personal preferences and portfolio industry weighting
 - Company Background/Industry Overview
 - Fundamental Analysis/Beta Forecast/ Technical Analysis
 - EPS/Valuation
- Decisions based on final intrinsic value



Investment Philosophy

- Investment Objective
 - Outperform S&P 500 over the long-term

- AIM Portfolio
 - U.S. Long Equity
 - 3 – 5 year investment horizon

- Investment Decisions
 - Fundamental Analysis



Investment Policies

- Prudent person rule
- University of Notre Dame policy against inimical values
- Not actively managing constraints of:
 - Liquidity
 - Tax



Investment Policies

- Long positions in U.S. equities **except** industry hedge position for less than 1% of the portfolio
- Long term target for cash position is 0%
- Roughly match the S&P 500 industry weighting
- No individual holding should exceed 10% of current market value of portfolio



Market Capitalization Profile

Allocation Target:

65% Large Cap

35% Mid & Small Cap

Within a +/- 10% boundary

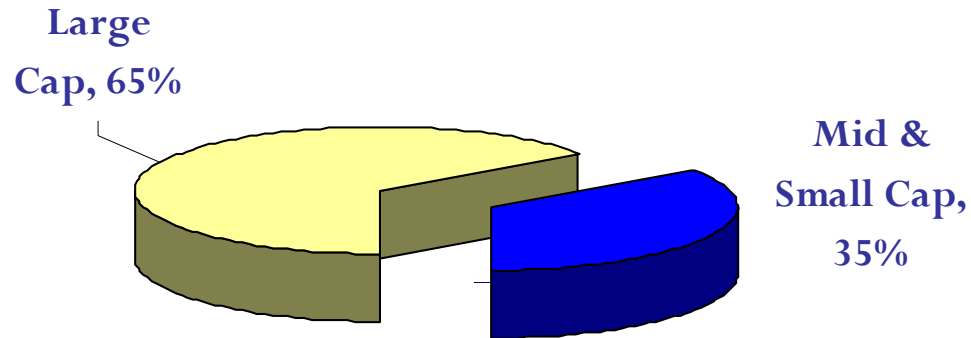
(Small Cap : < \$ 1 B
Mid Cap : \$ 1 B to \$ 5 B
Large Cap : > \$ 5 B)

- indicative of risk tolerance levels
- meant to ensure enough diversification and acceptable volatility levels



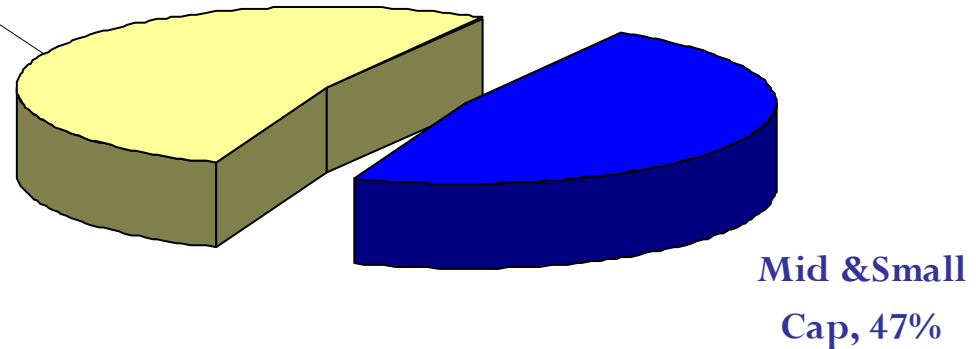
Market Capitalization Profile

Allocation Targets



Large Cap,
53%

AIM Portfolio as of 3/31/06





Economic Environment



Economy Report Outline

- Domestic Economic Analysis
 - Central Issue – Upcoming Fed meeting
 - Inflation
 - Energy
 - Housing
 - Labor Market
 - Interest Rates
 - GDP
- Portfolio Impact
 - International Markets
 - Domestic Market



Domestic Economic Analysis



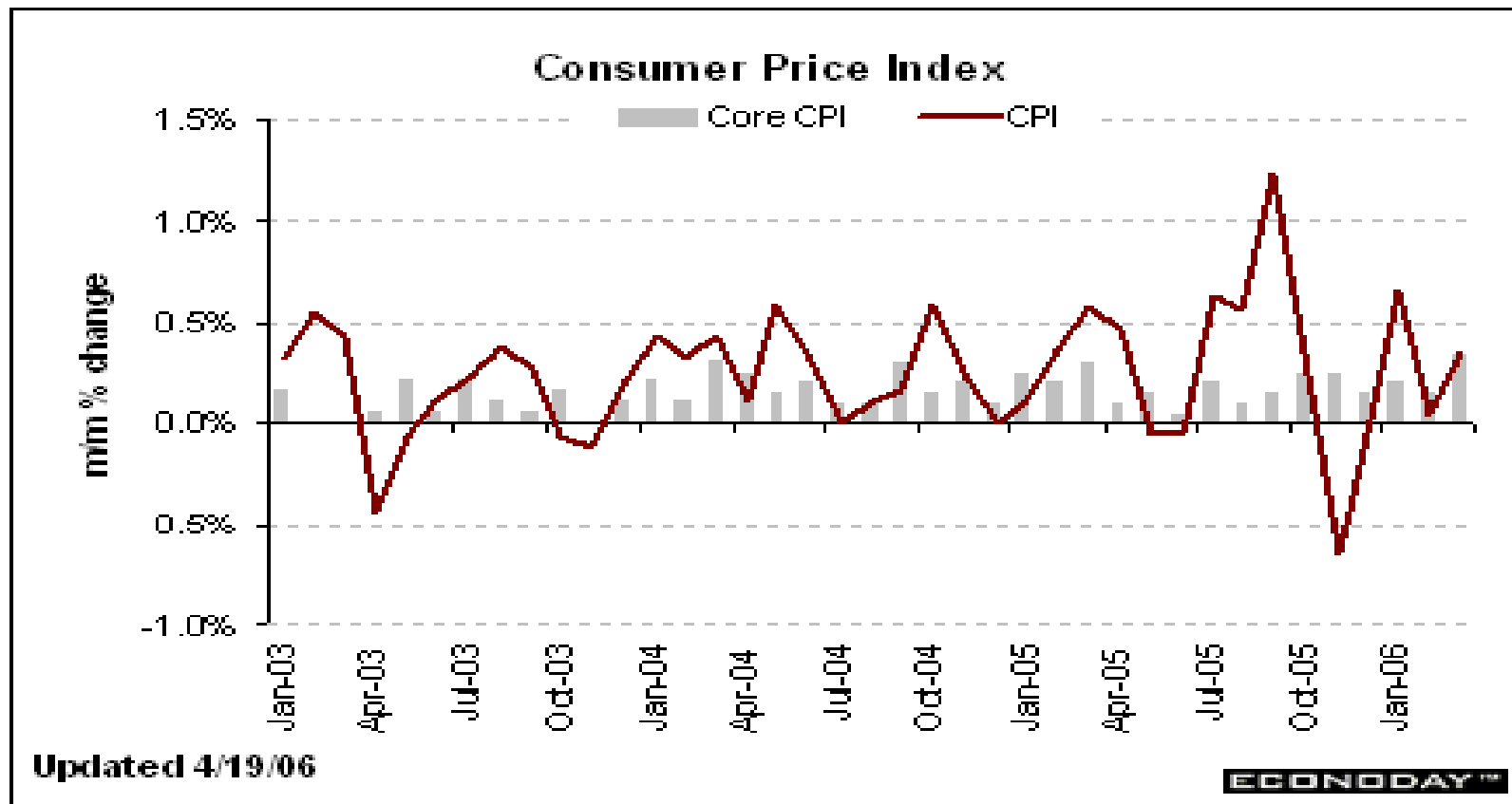
Key Economic Issues

- Economy in flux
- Upcoming Fed meeting (5 / 10)
 - Rate hike?
 - Raise to 5.00% or hold at 4.75%
 - Decision will be “data dependent”
 - GDP, inflation, energy prices and housing
 - End of tightening in sight



Inflation – Recent Trends

- Inflation (Core CPI) rose 0.3% in March
 - First evidence of energy costs pass-through

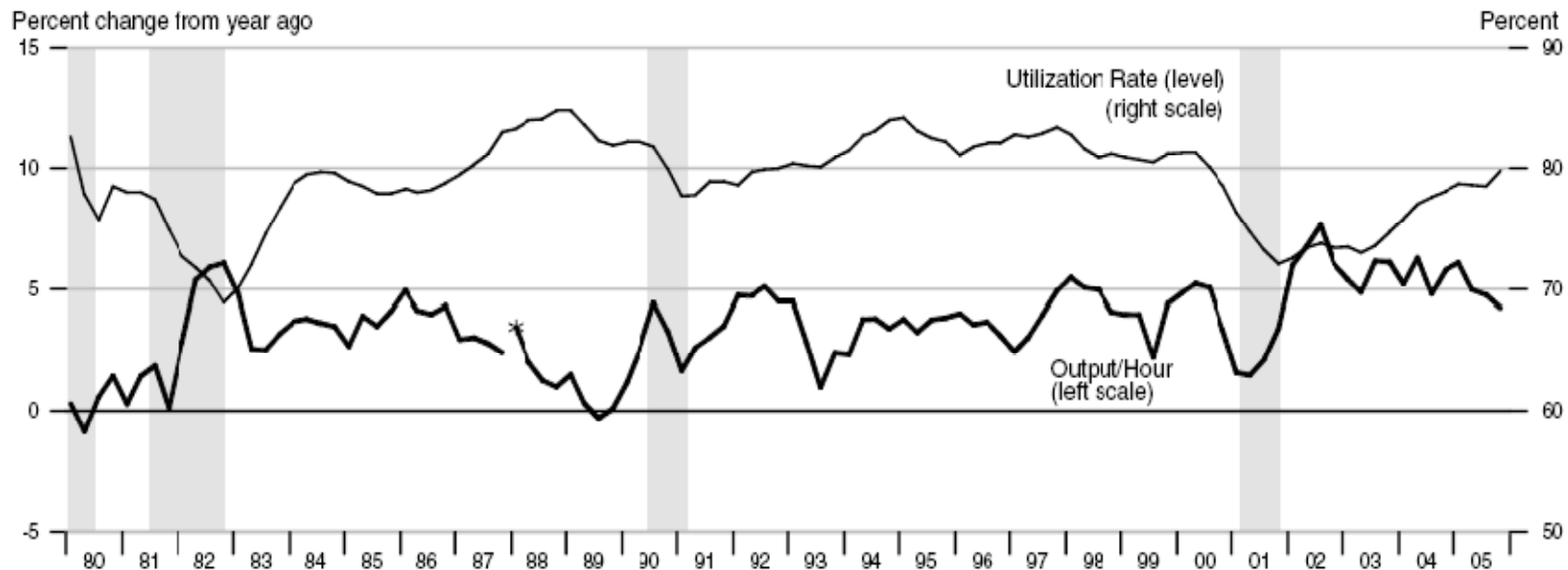




Inflation – Recent Trends

- Overall, Fed believes inflation remains in check
 - Limited energy cost pass-through
 - Strong domestic & international competition
 - Limited labor cost growth
- Fed raised March rates over capacity concerns

Output per Hour and Capacity Utilization, Manufacturing



Source: Federal Reserve (St. Louis)



Inflation - Outlook

- Expected slight acceleration in inflation during 2nd half of 2006 followed by a decline in 2007
 - Acceleration due to:
 - Import Prices
 - Higher energy costs
 - Projections – (CPI)
 - 2006: 2.5% (Q4) – continued high energy costs
 - 2007: 2.3% - moderating energy prices
 - Fed Target: 2.0%



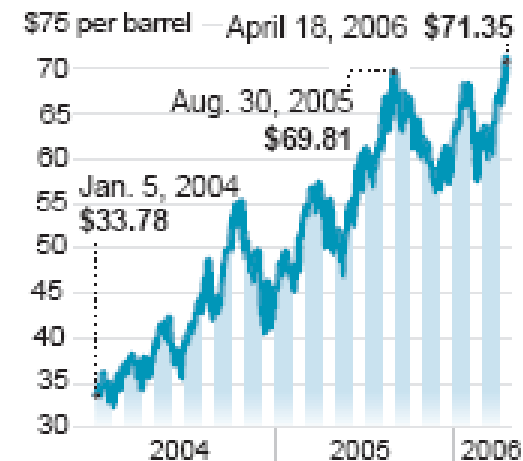
Energy Prices- Recent Trends

- Energy prices – Oil/ Gas
 - Supply Disruptions
 - Nigeria, Iraq and Gulf of Mexico
 - 38% rise in crude oil prices over the past year
 - Ethanol supply constraints
 - Demand slightly weakening
 - Response to higher pump prices
 - Prices up 67.8% y.o.y.
 - March gas demand up 0.3% y.o.y compared to 1.5% in 2005

Oil prices top \$71

Light, sweet crude oil on Tuesday settled at \$71.35 a barrel.

NYMEX crude oil prices



SOURCE: Department of Energy AP



Energy Prices Outlook

- Expected continued high energy prices
 - No end in sight to geopolitical concerns
 - Demand to remain relatively stable

Oil Price Range (Year-end 2006)	Below \$ 40	\$40-\$60	\$60-\$80	\$80-\$100	Over \$100
	Likelihood				
Nov. 05 NABE Survey	10%	45%	32%	9%	4%
Feb. 06 NABE Survey	7%	37%	40%	11%	5%

Source: NABE Outlook 2006



Housing Market – Recent Trends

- Weakening Housing Market
 - Housing starts fell 7.8% in March
 - Mortgage applications fell 16.1% in March
- Existing home prices fell 3.1% since end of '05

Housing Starts and New Home Sales



Source: Federal Reserve (St. Louis)



Housing Market – Outlook

- Increased interest rates
 - Housing sales - decrease
 - Housing prices - slight decrease

- Economic impact of dynamic housing market
 - Driver of the economy in 2003-2005
 - Expected negative impact in 2006-2007
 - GDP growth could fall by 0.5% in 2007 due to housing
 - Indirect impact on consumption
 - Wealth effect
 - Mortgage equity withdrawal - decline in borrowing power

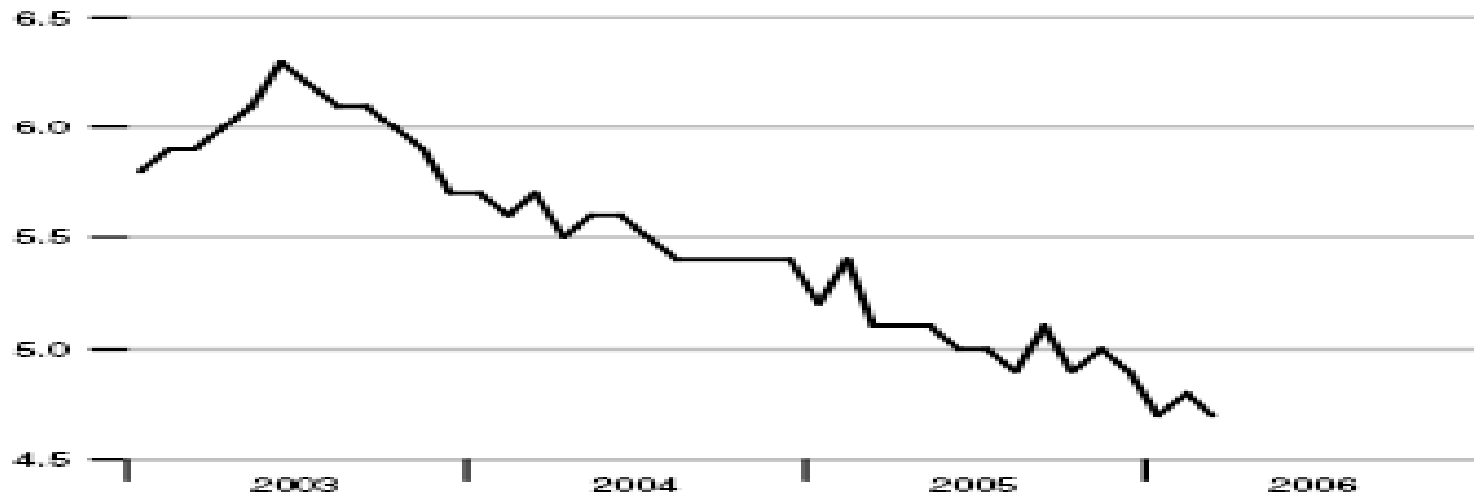


Labor Markets- Recent Trends

- March unemployment - 4.7%

Unemployment Rate

Percent of labor force



- Labor productivity - 2.5%-3.0% TTM growth
- Labor Costs steadily increased in 2005



Labor Market - Outlook

- Unemployment
 - Expected to remain in 4.8% - 4.9% range in 2006
- Labor productivity
 - Projected 2.5% y.o.y. growth in 2007
- Labor Costs
 - Continued increases consistent with inflation and rising energy costs
 - Q1 surprise, sustainable?



Interest Rates – Recent Trends

- Fed has steadily increased rates since 2004
- Long-term yields have outpaced short-term yields during Q1
 - 30 yr. T-bond
 - Inflation expectations

Interest Rates



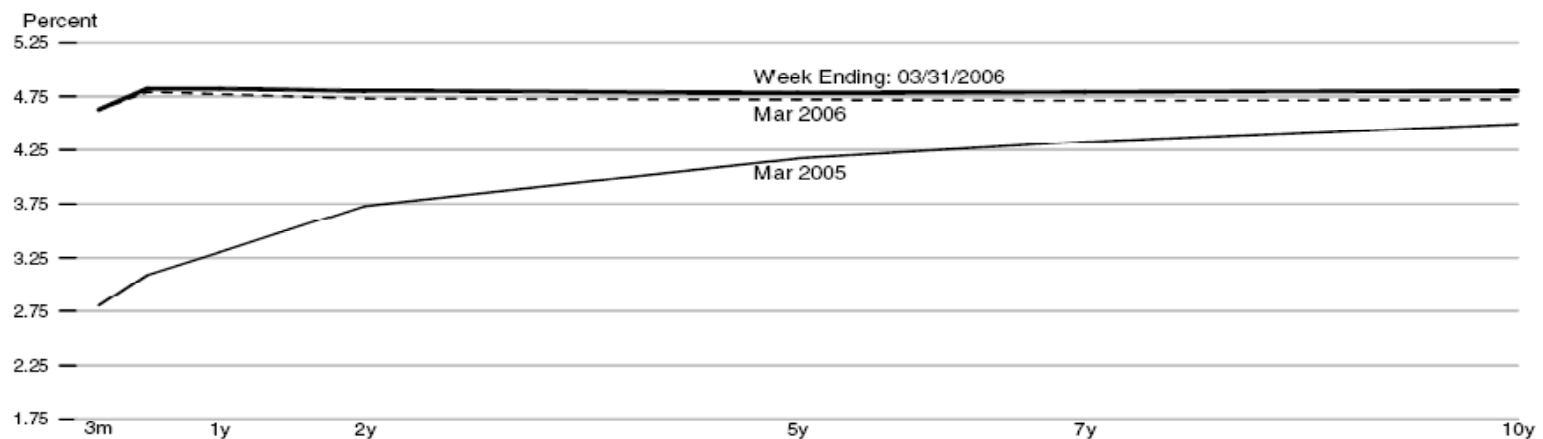
Source: Federal Reserve (St. Louis)



Interest Rates – Outlook

- Mixed views regarding further rate hikes
 - Fears about balancing inflation vs. over tightening
 - **Likely May rate hike to 5%, then pause**
 - Rate cut in 2007?
- Economic Impact
 - Re-steepening yield curve- cycle already peaked?
 - Consumption dip, savings rate rise

Treasury Yield Curve

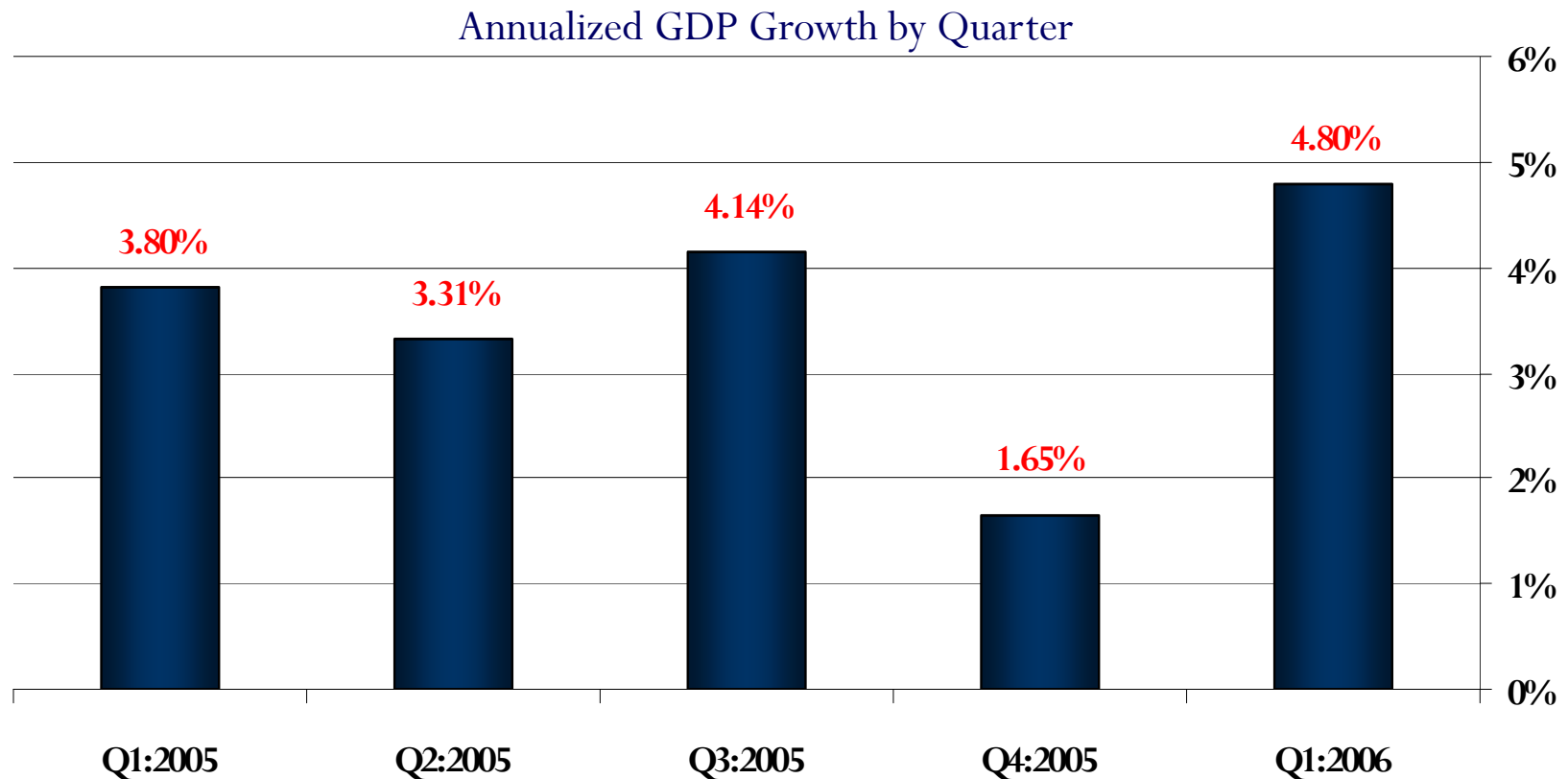


Source: Federal Reserve (St. Louis)



GDP – Recent Trends

- Katrina related downturn in 4th Quarter 2005
- Rebound in 1st Quarter 2006

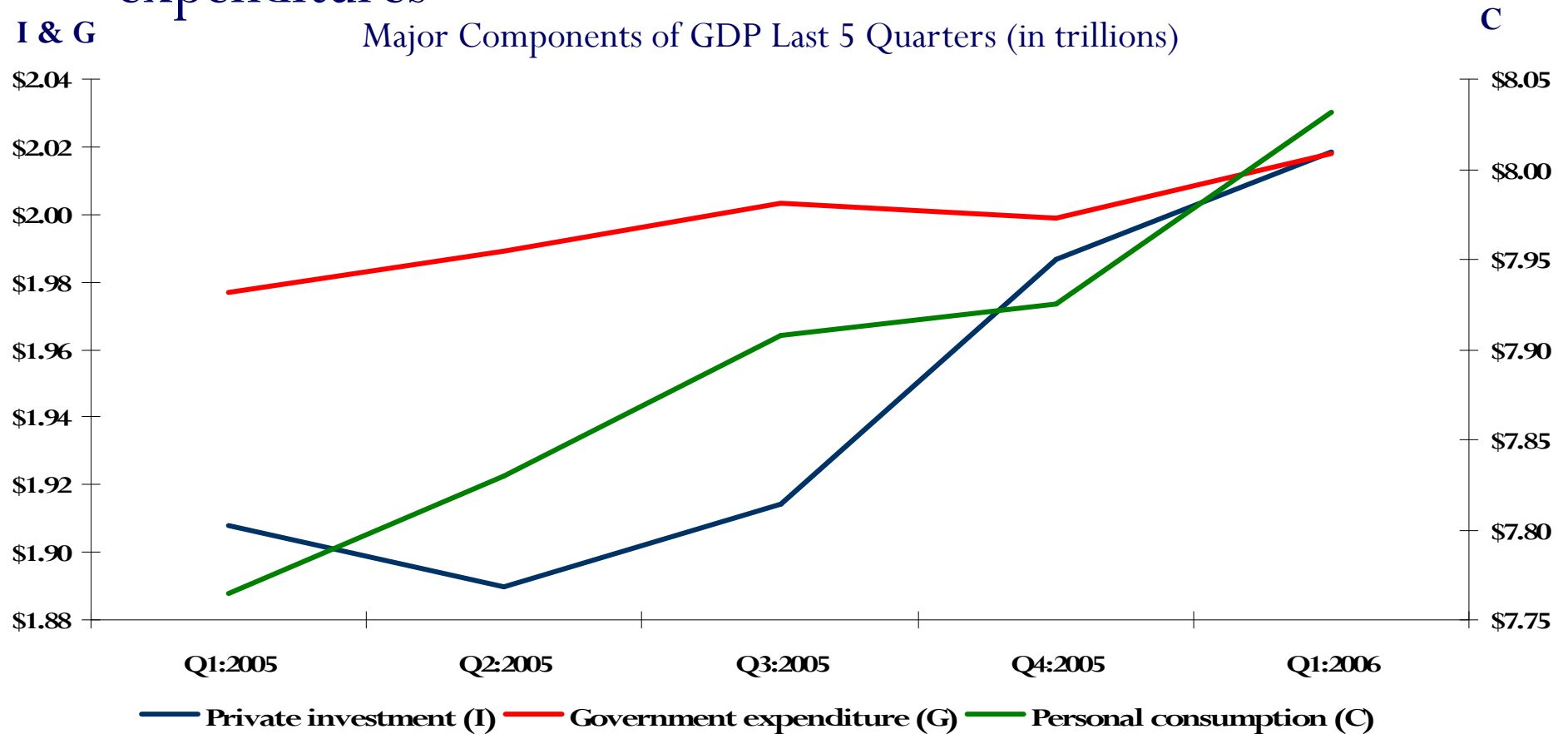


Source: BEA



Drivers of GDP Growth

- Increasing consumption, investment, and government expenditures

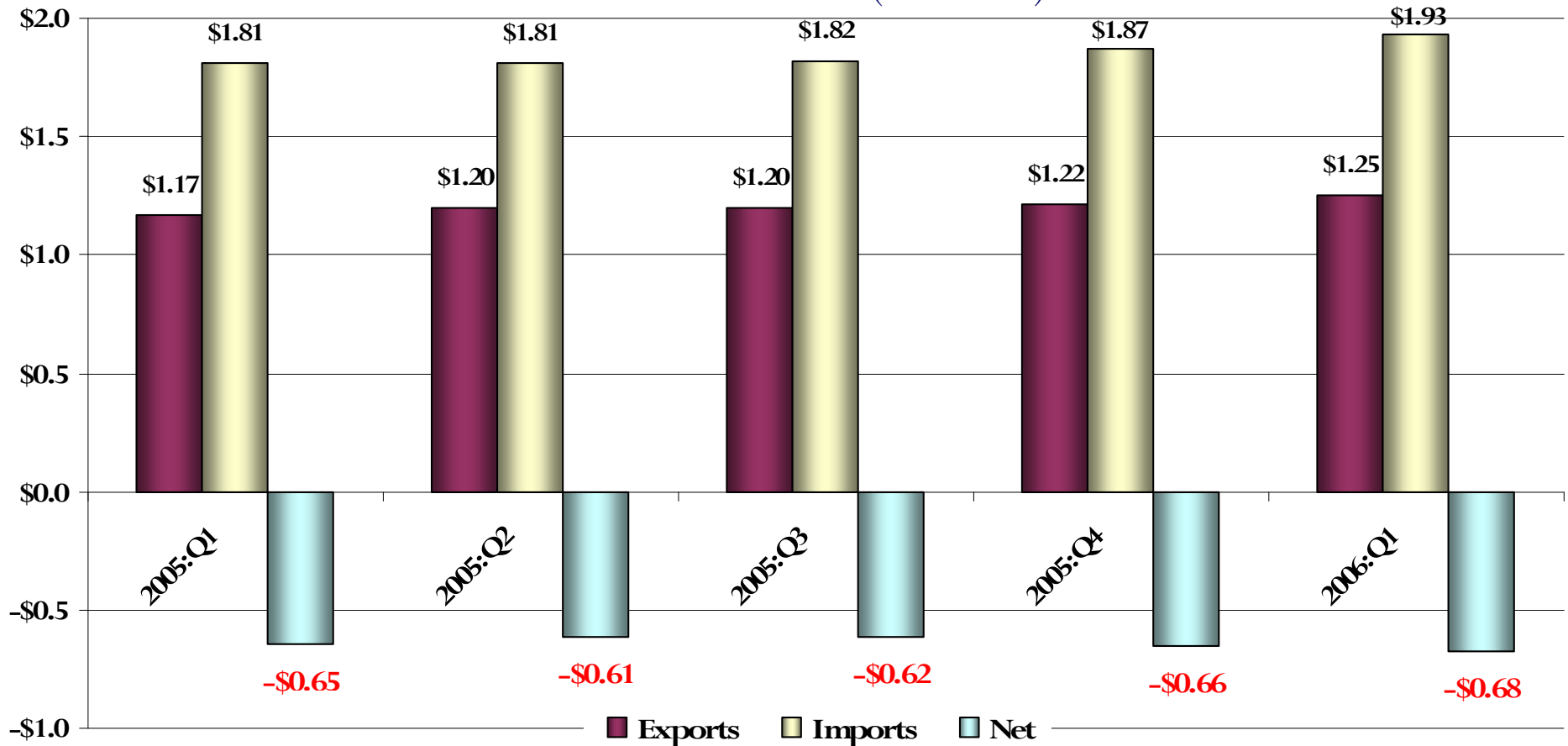




Exports vs. Imports

- Trade deficit drags on growth, sustainability issues

U.S. Trade Deficit (in trillions)





Domestic Summary Outlook

Consensus Forecast For 2006 & 2007*

	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
GDP	4.5%	3.4%	3.1%	3.0%	3.0%	3.0%	3.1%	3.0%
Core CPI	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%
Effective Fed Funds	4.50%	4.80%	5.00%	5.00%	4.94%	4.75%	4.75%	4.50%
10-Year Treasury	4.61%	4.80%	4.90%	5.00%	5.10%	5.16%	5.13%	5.05%

*NABE Outlook Feb. 2006

Significant Economic Trends

- Likely rate hike in May and then pause followed by possible drop
 - Move to 5% to curb inflation & full employment concerns
- GDP growth slowing in subsequent quarters
 - Consumer spending falls
 - High energy prices
 - Housing market weakening



Portfolio Impacts

I. International Markets

II. Domestic Market



International Perspective

- AIM portfolio has large international exposure
- Trade flows are changing
 - Will US dollar continue to weaken?
- Geopolitical risks
 - Anti-US sentiment (Iran, US Foreign Policy, etc..)
- 3 Groups of countries
 - Developed nations
 - The New Tigers
 - Rest of the world



Developed Economies

- European Union
 - Ascension of Eastern European economies
 - Slow recovery
- Japan
 - GDP growing again
 - 2005 was second consecutive year of 2%+ GDP growth
- GDP growth for both is expected to be 2-3%
- **Portfolio Impact:** Growing export opportunities



The New Tigers

- China
 - Inflation is a growing concern
 - Appreciation of Yuan against the US\$
- India
 - Inflation also a concern
 - Government is hindering economic growth
- GDP growth for both is expected to be 7-10%
- **Portfolio Impact:** Short term, no major changes; long term opportunities



Other Developing Countries

- Latin America
 - Narrowing trade surpluses
 - Interest Rate/Currency concerns
- Southeast Asia
 - Regional GDP growth over 6%
 - SARS and avian flu
- **Portfolio Impact:** Emerging middle class creates more demand for US exports
- Commodity Based Markets
 - Oil and metals recent appreciation
- **Portfolio Impact:** Energy prices remain volatile






International Outlook

- Solid growth outside U.S.
 - Higher growth = continued depreciation of dollar
 - Depreciating dollar:
 - Greater dollar profit on same sales
 - Higher costs for imports
- Potential impacts on key trading relationships
 - Prolonged depreciation of the dollar
 - Volatility in oil prices
- **Positive:** Anheuser-Busch, Medtronic, and McDonald's
- **Negative:** Coach and Tupperware



Portfolio Impacts

- Analyzed portfolio by sector
 - Sector analysis primarily focused on portfolio stocks within sectors
 - Analyzed in regards to 4 key variables:
 - Increasing Energy Prices
 - Increasing Interest Rates
 - Foreign Exchange Rates (Depreciating US Dollar)
 - Decreasing Personal Disposable Income
 - What type of effect will forecast have:
 - Positive 
 - Neutral 
 - Negative 



Portfolio Impacts

- Sector Impacts
 - Consumer Discretionary and Consumer Staples

Sector	Increasing Energy Prices	Increasing Interest Rate	Depreciating US Dollar	Decreasing Disposable Income
Consumer Discretionary				
Coach, McDonald's, Quiksilver, Tupperware, et al				
Changing Disposable Income will have the greatest effect.				
Consumer Staples				
Anheuser-Busch, Sanderson Farms, Sysco				
Increasing Energy Prices will tend to squeeze margins.				



Portfolio Impacts

- **Sector Impacts**
 - Energy and Materials

Sector	Increasing Energy Prices	Increasing Interest Rate	Depreciating US Dollar	Decreasing Disposable Income
Energy				
BJ Services, Exxon Mobil				
Increasing Energy prices will dominate				
Materials				
Barrick Gold				
Increasing interest rates will tend to increase demand for gold				



Portfolio Impacts

- **Sector Impacts**
 - Financial and Health Care

Sector	Increasing Energy Prices	Increasing Interest Rate	Depreciating US Dollar	Decreasing Disposable Income
Financial				
Bluegreen Corporation, Citigroup, Moody's, Morgan Stanley				
Rising interest rates are key consideration, slope of yield curve important also				
Healthcare				
Amgen, Medtronic, UnitedHealth Group				
Healthcare firms are well positioned to thrive, even in a downturn				



Portfolio Impacts

- **Sector Impacts**
 - Technology and Industrial

Sector	Increasing Energy Prices	Increasing Interest Rate	Depreciating US Dollar	Decreasing Disposable Income
Industrial				
Headwaters				
Increasing Interest Rates will decrease industrial demand				
Technology				
Dell, Ixia, Websense				
Increasing energy prices and interest rates will hit technology hard				



Security Analysis



Security Analysis

- Stock Research- Round 1
 - Company Background
 - Fundamental Analysis
 - Earnings Forecast
 - Industry Analysis
 - Beta
 - Valuation
 - Discovery
 - Free Cash Flow Model
 - Relative Valuation
 - Technical Analysis



Security Analysis

- Stock Research- Round 2
 - Company Background & Industry Report
 - Fundamental Analysis/Beta/Technical Analysis
 - Earnings Forecast/Valuation



Univision Communications



Univision Communications

- Ticker: UVN
- Price: \$34.65
- Forward P/E: 36
- Mkt Cap: \$10.7B
- Revenue: \$1.95B
- 2006E EPS: \$0.98

UNIVISION COMM INC CL A
as of 25-Apr-2006

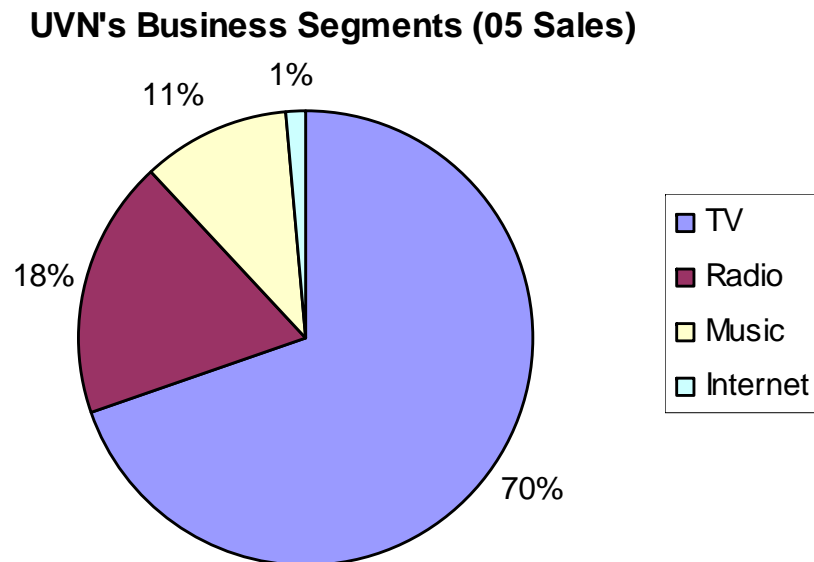
Splits: ▼





Univision Communications

- Large-cap growth media company that caters to booming Spanish-Speaking population in U.S.
- 4 main business segments:
 - TV
 - Radio
 - Music
 - Internet





Univision Communications

Positive:

- **Strong Market Position**
 - UVN dominates Spanish-TV market in U.S.
 - Well-diversified
- **Demographics bolster UVN's outlook**
 - Hispanic population growth
 - Increase in Hispanic's purchasing power
- **“Sustainable” competitive advantage**
 - Exclusive Televisa & Venevision programming until 2017



Univision Communications

Negative:

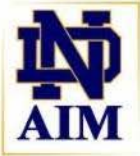
- Very expensive price-tag
 - 36 forward-looking P/E
- Telemundo on the move?
 - Increased competition: Agreement w/ Grupo Xtra
- “Assimilation” effect
 - UVN may lose viewers to mainstream media
- Technology
 - TiVo, Satellite Radio will cut “old” media’s growth



Valuation

Univision Communications- Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$32.52	50%	\$16.26
Price to Sales	\$31.76	25%	\$7.94
Forward Price to Earnings	\$31.40	25%	\$7.85
Total			\$32.05
Market Price	\$34.65		
Upside/ (Downside)	(8%)		
Recommendation	SELL		



Royal Caribbean



Royal Caribbean

- Ticker: RCL
- Price: \$42.00
- Current Fwd. P/E: 13.8
- Mkt Cap.: \$8.86B
- Revenue: \$4.9B
- 2006E EPS: \$3.02





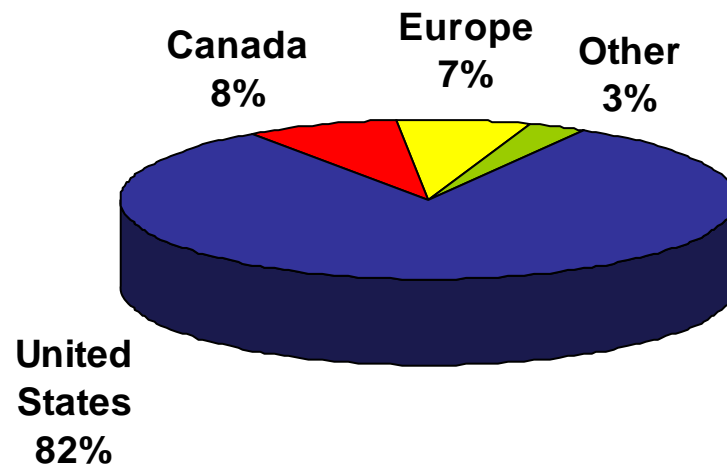
Revenue and brands



- Contemporary and premium segments
- Big fun ships
- “Cool” destinations
- Entertainment
- 24 hour meals



- Premium segment
- Luxury ships
- High % of suites
- High quality cuisine
- Excellent service





Assumptions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue Growth	12.6%	9.7%	9.2%	10.2%	20.4%	7.6%	8.0%	8.0%	8.0%	8.0%	7.0%
Margins											
Gross	43.0%	39.0%	39.0%	38.0%	39.0%	40.0%	40.0%	40.0%	39.0%	39.0%	39.0%
Operating	20.0%	15.0%	17.0%	15.0%	17.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Net	15.5%	8.1%	10.2%	7.4%	10.4%	13.5%	13.3%	14.2%	14.3%	15.1%	15.5%

- Demographic trends are favorable:
 - Retiring baby boomers spending on vacation and leisure services
 - European market is yet to be maximized



Valuation

Royal Caribbean- Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$51.58	90%	\$46.42
Price to Book	\$57.40	2.5%	\$1.44
Price to Sales	\$49.57	2.5%	\$1.24
Price to Operating profit	\$52.94	2.5%	\$1.32
Forward Price to Earnings	\$52.85	2.5%	\$1.32
Total			\$51.74
Market Price	\$41.50		
Upside/(Downside)	25%		
Recommendation	No Buy		



Risks

- Industry reputation
- Threats of war and terrorism
- Media coverage: “Poseidon” effect
- U.S. economic slowdown
- Industry overcapacity
- Increase in fuel price
- Tax exemption disappears



Labor practices

- Flag of Convenience
- Long hours – low wages : “Sweatships”
- Illegal fees to get jobs
- Human rights violations
- Gender and racial discrimination
- Nationality discrimination
- Sexual harassment



Bluegreen Corporation



Bluegreen Corp

- Ticker: BXG
- Price: \$12.66
- Forward P/E: 8.3
- Mkt Cap: \$382 MM
- Revenue: \$684 MM
- 2006E EPS: \$1.53





Bluegreen Corp.- Sales Breakdown

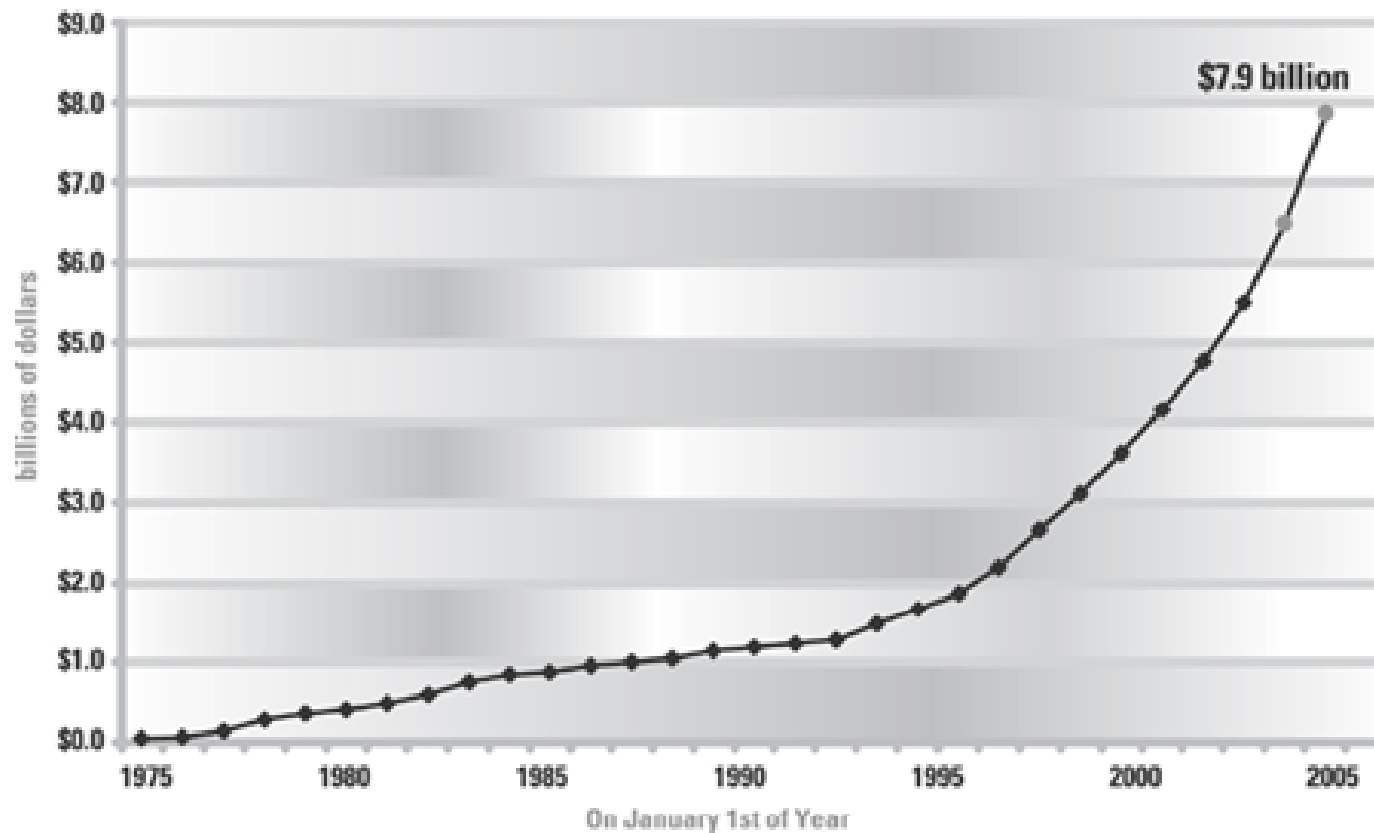
- Communities Division
 - 35% of revenues
 - “Horizontal development”
 - Appeal to baby-boomers, second homes
- Resorts Division
 - 65% of revenues
 - 40 resorts
 - Exchange network of 3,700





U.S. Vacation Ownership Growth

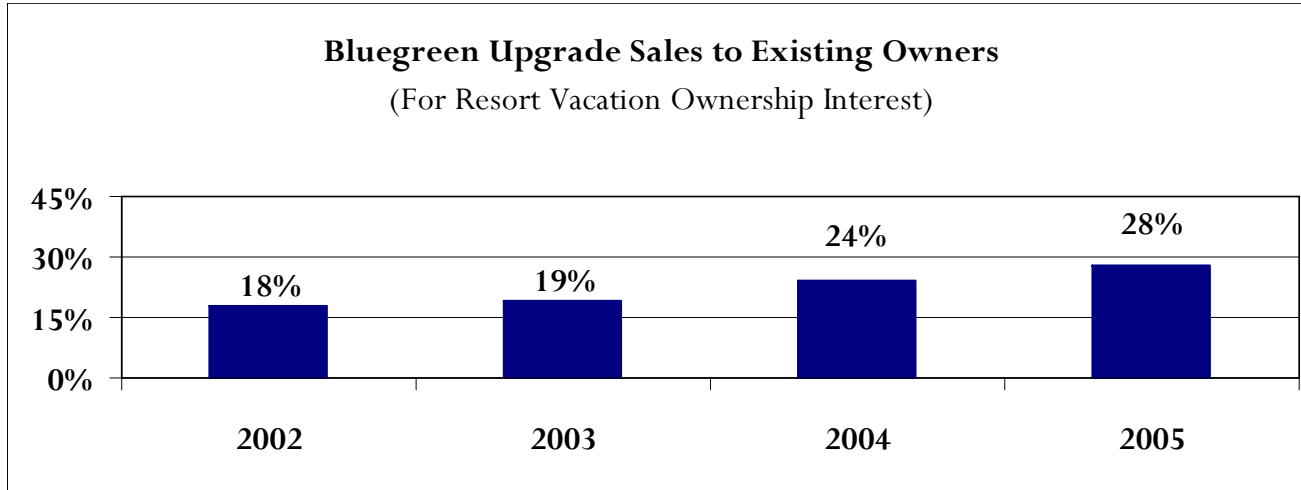
Amount of U.S. Timeshare Sales



Source: American Resort Development Association



Bluegreen Corp. Growth Projections



Projected Sales Growth						
	2006 (E)	2007 (E)	2008 (E)	2009 (E)	2010 (E)	Terminal Value (E)
Resorts Sales (65% of Revenues)	12%	15%	13%	13%	10%	6%
Communities Sales (35% of Revenues)	1%	8%	10%	10%	8%	7%
Weighted Growth Rate	8.3%	12.6%	12.0%	12.0%	9.3%	6.4%



Valuation

Bluegreen Corp. - Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$19.99	40%	\$8.00
Book Value per Share	\$10.32	5%	\$0.52
Price to Book	\$18.01	10%	\$1.80
Price to Sales	\$15.81	15%	\$2.37
Forward Price to Earnings	\$14.54	30%	\$4.36
Total			\$17.05
Market Price	\$12.66		
Upside/(Downside)	35%		
Recommendation	BUY		



Standard Parking



Standard Parking

- Ticker: STAN
- Price: \$27.02
- Forward P/E: 17
- Mkt Cap: \$273 MM
- Revenue: \$586 MM
- 2006E EPS: \$1.52

STANDARD PARKING CP
as of 26-Apr-2006





Standard Parking (STAN)

- National provider of parking facility management services
 - Operations in 43 states, D.C., & 3 Canadian provinces
- Services include:
 - Providing all necessary personnel
 - Collection/Deposit of parking revenues
 - Facility maintenance
- Clients include:
 - Public/Private Owners
 - Office buildings
 - Airports



Parking Industry Overview

- Highly fragmented industry
 - 30,000 parking facilities in the U.S. with \$29 B in customer collections
 - 4 largest operators manage 20% of facilities
 - 1700 firms manage remaining 80%
- Trends favor consolidation
 - Large property managers prefer larger operators
 - Smaller operators lack resources & efficiencies



Revenue Drivers

- 2 Sources of Revenue
 - Leased Facilities (62% of rev.)
 - Gross profit margin = 8%
 - Forecasted rev. growth of 4% per year
 - Management Contracts (38% of rev.)
 - Gross profit margin = 60%
 - Forecasted rev. growth of 12% next 2 years, 8% thereafter



STAN: WACC

Value of Equity (millions of \$)	\$284
Value of Debt (millions of \$)	\$281
Weight of Equity	50.3%
Weight of Debt	49.7%
Risk Free Rate	4.96%
Beta	0.54
Mkt. Risk Premium	5.00%
WACC	6.15%
Terminal Growth Rate	2.00%



Valuation

Standard Parking - Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$35.56	90%	\$32.00
Price to Book	\$21.69	3%	\$0.72
Price to Sales	\$17.31	3%	\$0.58
Forward Price to Earnings	\$22.72	3%	\$0.76
Total			\$34.06
Market Price	\$28.06		
Upside/(Downside)	21%		
Recommendation	BUY		



Tupperware Brands



Tupperware Brands Corp.

- Ticker: TUP
- Price: \$20.90
- Forward P/E: 11.48
- Mkt Cap: \$1.27B
- Revenue: \$1.72B
- 2006E EPS: \$1.82

TUPPERWARE BRANDS
as of 28-Apr-2006



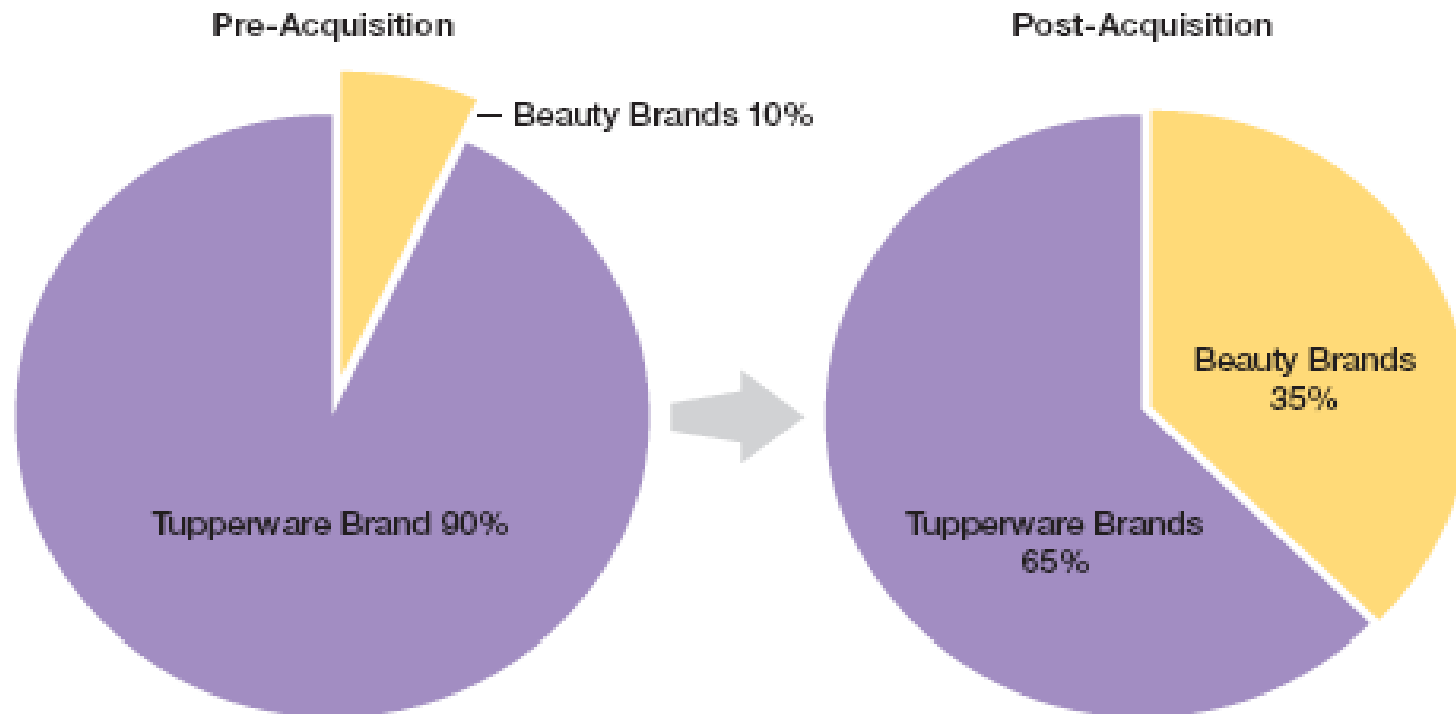
Tupperware®



Recent Developments

- Acquired Sara Lee direct selling cosmetic business
 - Higher growth & margins

Product Category Mix

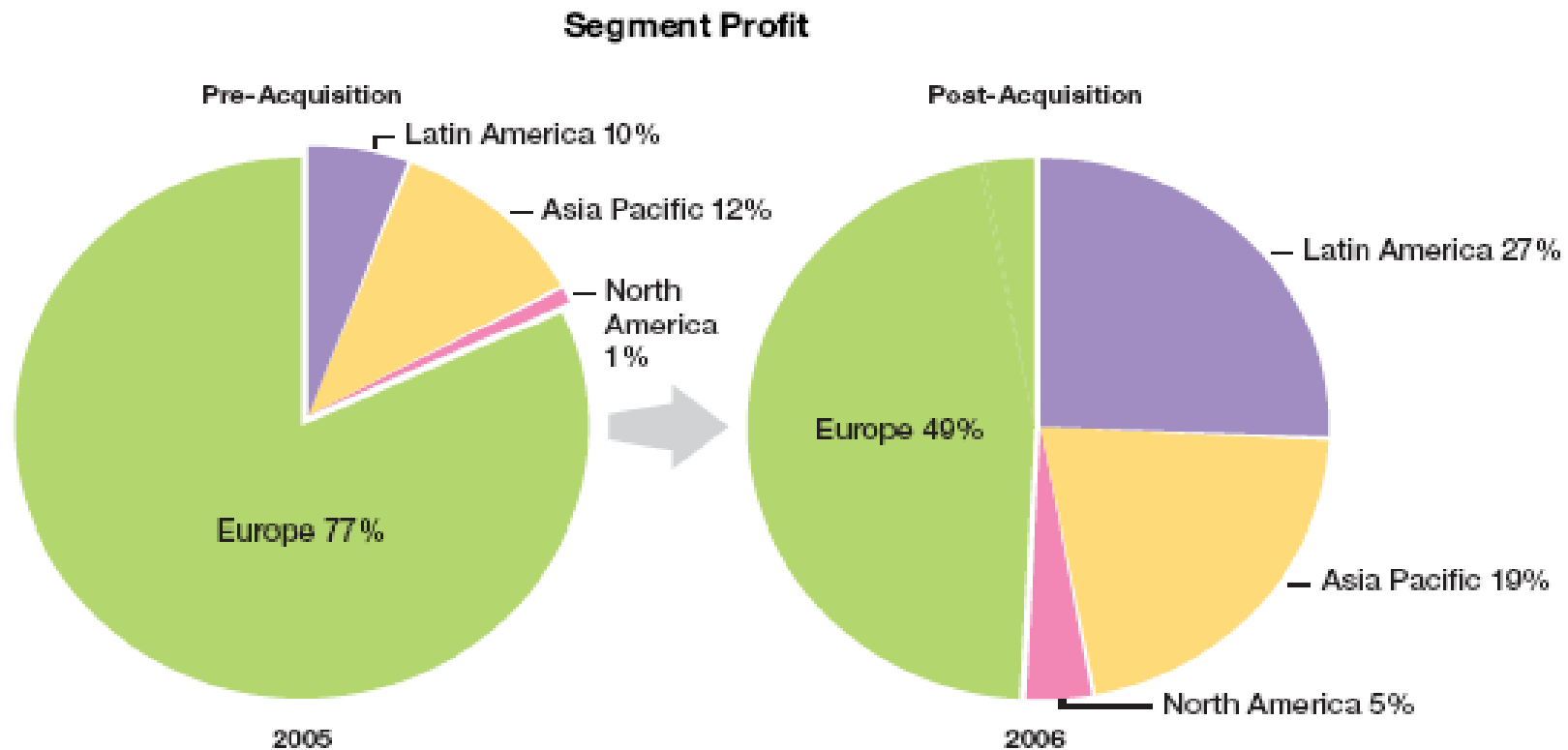




Recent Developments

- Greater international diversification

Geographic Mix





Key Ratios

Tupperware

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05
Forward P/E	15.76x	10.05x	16.11x	10.82x	13.48x	12.04x
Average Forward P/E						13.04x
P/BV	7.66x	5.10x	3.38x	3.22x	3.39x	3.36x
Average P/BV						4.35x
P/S	0.87x	0.78x	0.66x	0.76x	0.66x	0.73x
Average P/S						0.74x

Newell Rubbermaid

	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05
P/E	19.32x	20.48x	-159.12x	-299.86x	17.79x	14.82x
P/BV	2.10x	3.10x	3.68x	3.26x	3.87x	4.26x
P/S	0.74x	0.86x	0.96x	0.85x	1.00x	0.99x

- Cheap valuation on all metrics
- Under valued compared to NWL
- Diversified business will yield higher multiples



Key Ratios

	TUP
Intrinsic value	\$25.54
Implied forward P/E	14.00x
Intrinsic value	\$26.14
Implied forward P/BV	4.00x
Intrinsic value	\$22.63
Implied forward P/S	0.75x

- Consistent intrinsic value based on multiple analysis



Factors & Assumptions

- Moderate sales growth
 - 5% in 2006 up to 6% in 2010
 - 0% terminal growth
- Operating efficiencies from acquisition of Sara Lee's cosmetics business
- 4% (\$0.88) dividend is secured by strong free cash flow



Valuation

Tupperware Brands - Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$24.42	75%	\$18.32
Price to Book	\$26.14	5%	\$1.31
Price to Sales	\$22.63	5%	\$1.13
Forward Price to Earnings	\$25.54	15%	\$3.83
Total			\$24.58
Market Price	\$20.90		
Upside/(Downside)	18%		
Recommendation	BUY		

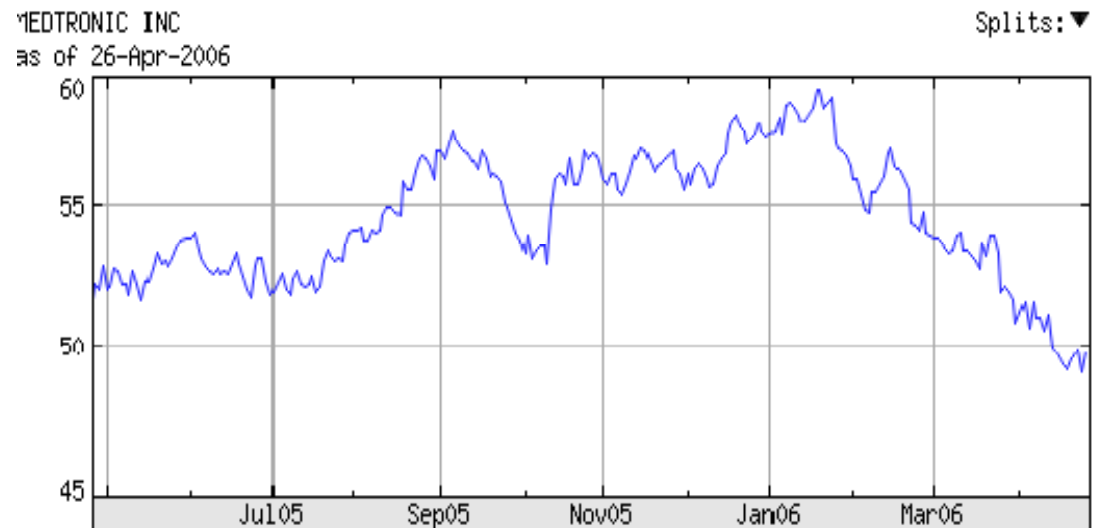


Medtronic, Inc.



Medtronic, Inc.

- Ticker: MDT
- Price: \$49.29
- Forward P/E: 19.31
- Mkt Cap: \$59.20B
- Revenue: \$10.06B
- 2007E EPS: \$2.54



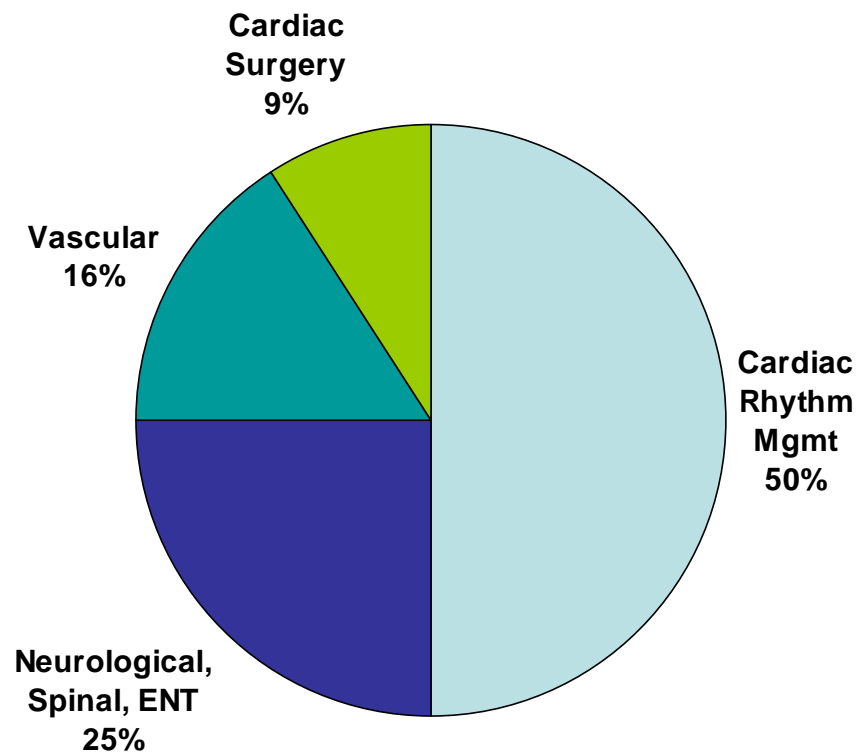
Medtronic

Alleviating Pain · Restoring Health · Extending Life

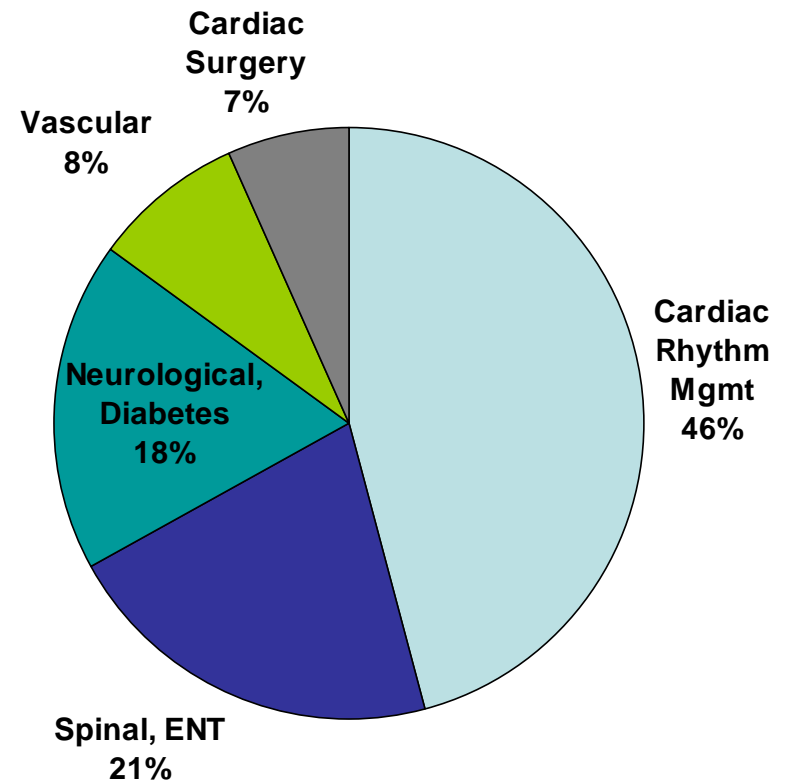


Operating Segment Mix

FY 2000



FY 2005





DuPont Analysis: Time Series

	2001	2002	2003	2004	2005	TTM
ROE	20.92	16.48	22.32	23.07	18.48	18.04
Leverage	1.08	1.28	1.42	1.36	1.33	1.36
ROC	19.34	12.90	15.75	16.96	13.91	13.25
GPM	74.59	74.22	75.34	75.21	75.67	74.98
NPM	18.84	15.35	20.87	21.56	17.94	18.19
CapitalT/O	1.03	0.84	0.75	0.79	0.78	0.73



DuPont Analysis: Industry TTM

Medical Equipment & Supplies Industry

	MDT	Industry	S&P 500
ROE	18.04	15.7	19.8
Leverage	1.36	1.3	1.7
ROC	13.25	9.9	11.6
GPM	74.98	64.4	45.2
NPM	18.19	11.7	13.8
Capital T/O	0.73	0.8	0.9



Valuation

Medtronic - Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$65.61	33%	\$21.87
Forward Price to Earnings	\$63.36	33%	\$21.12
Forward Price to Sales	\$63.57	33%	\$21.19
Total			\$64.18
Market Price	\$49.29		
Upside/(Downside)	30%		
Recommendation	BUY		



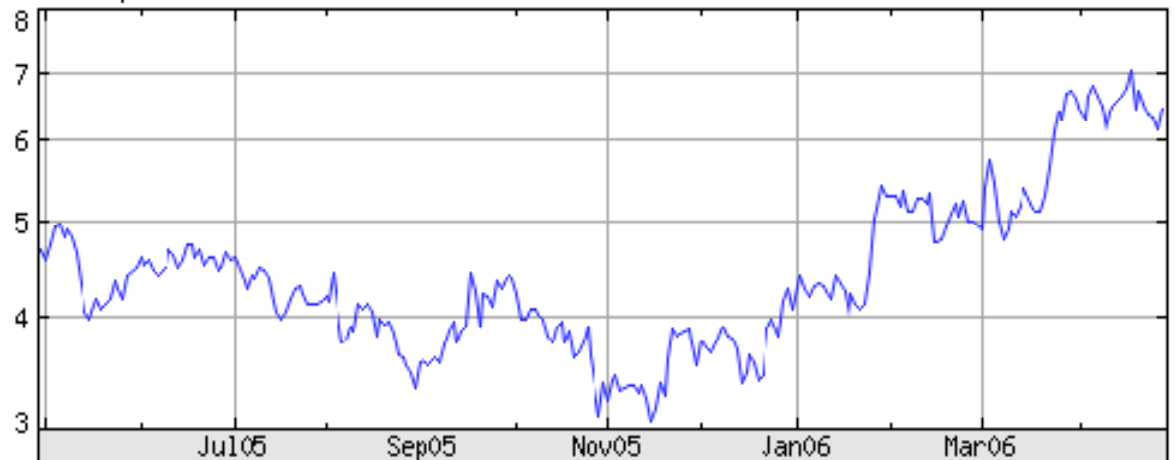
Hecla Mining Co.



Hecla Mining Company

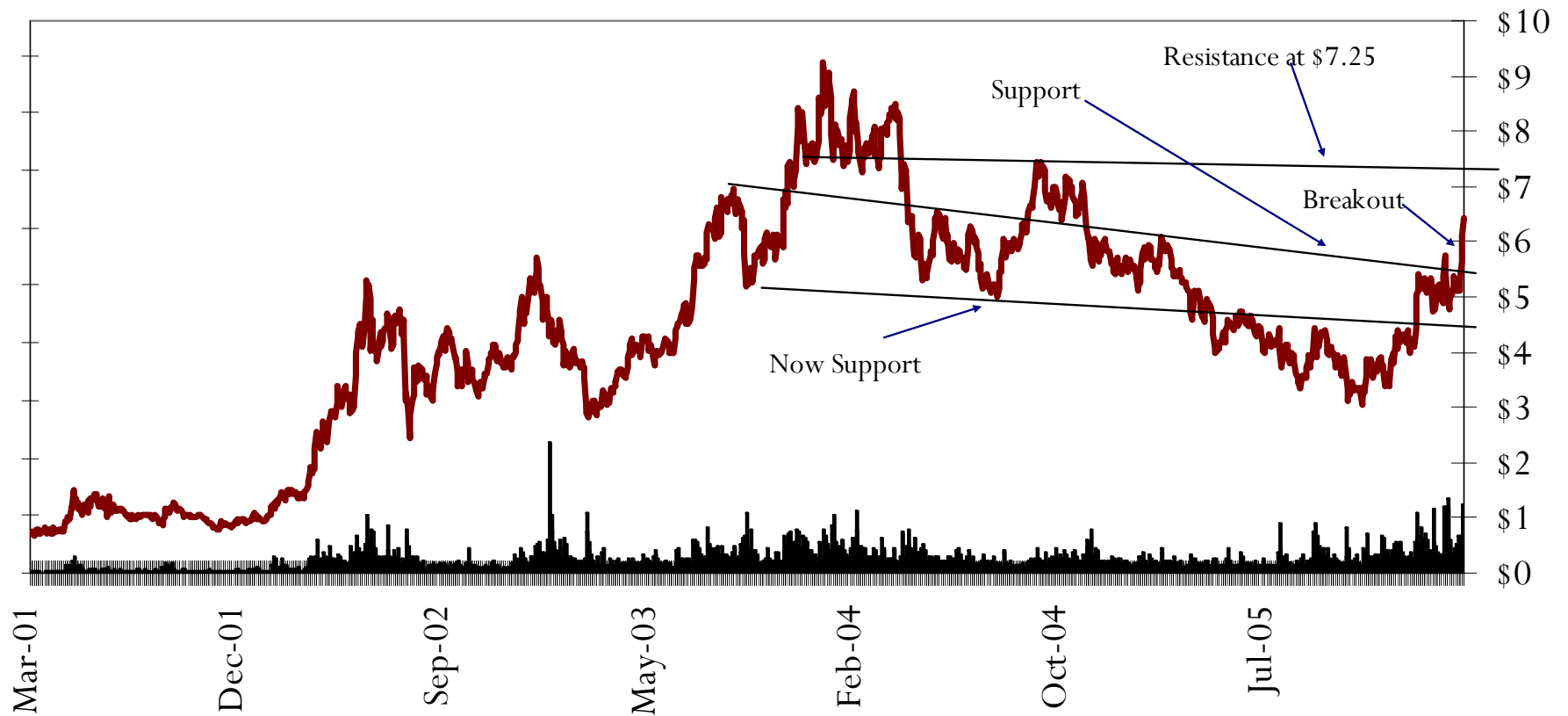
- Ticker: HL
- Price: \$7.02
- Forward P/E: 36.9
- Mkt Cap: \$828.3 MM
- Revenue: \$110 MM
- 2006E EPS: \$0.19

HECLA MINING
as of 28-Apr-2006





Hecla 5 Year Support and Resistance





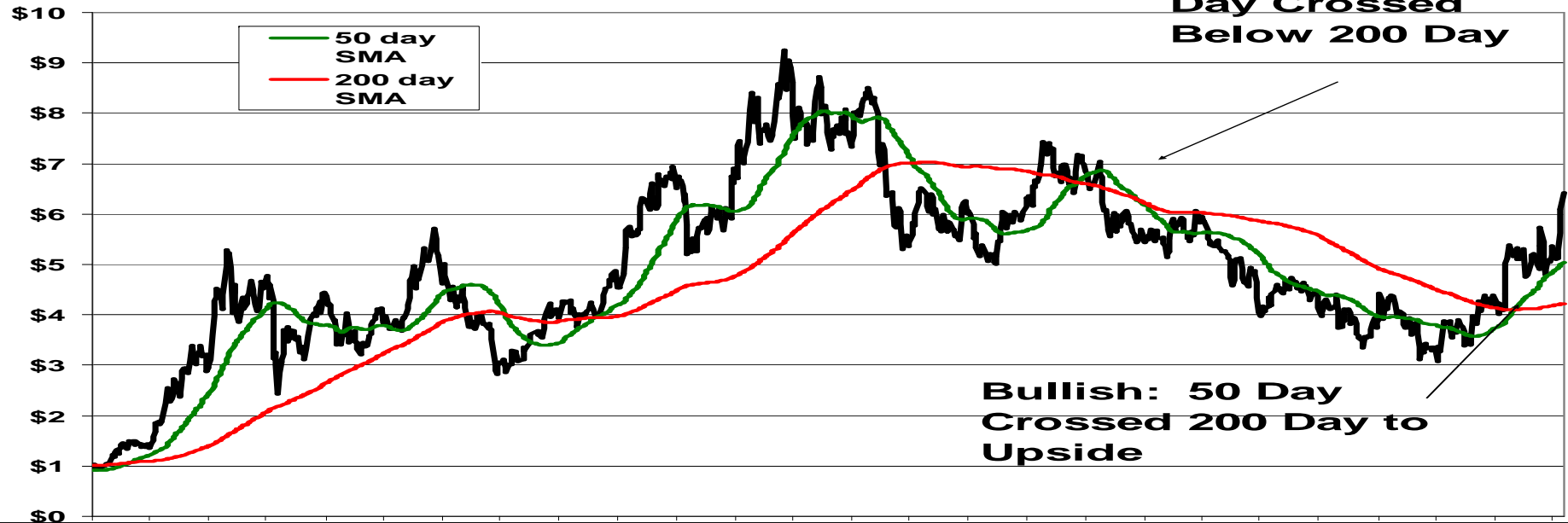
Hecla: 5 Year Relative Strength (vs. S&P 500)



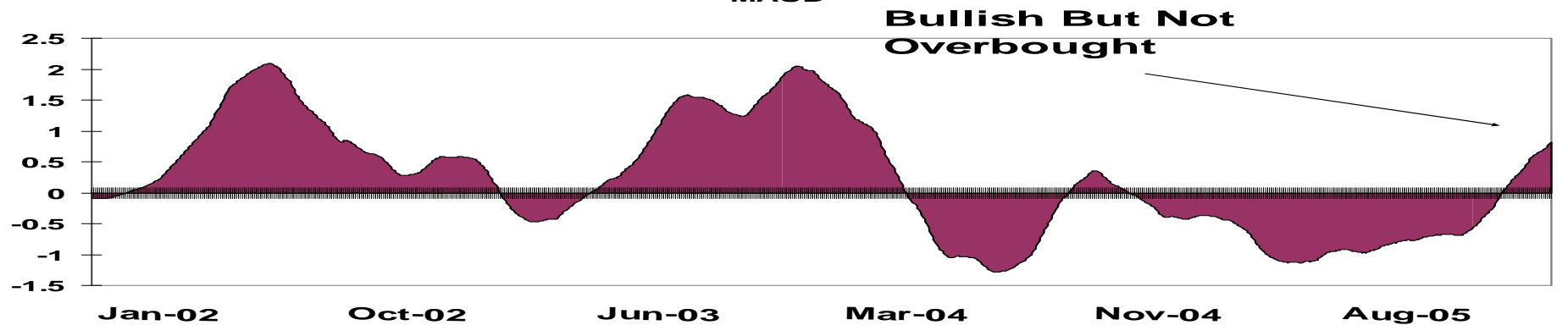


Hecla: Moving Averages

Moving Averages



MACD





Common Technical Observations

- Insider Transactions
- Support and Resistance
- Classic Technical Formations (head and shoulders, flags, etc.)
- Moving Averages
- Relative Strength
- Oscillators (RSI, MACD, Stochastics)
- ‘Wild Card’



Assumptions

- Pro Forma line items projected as cost/oz. as opposed to % of Sales
- No organic growth (company has poor record even in bull markets)
- WACC < 7% due to low beta. True discount rate may be much higher due to foreign operations
- Used existing futures curve to forecast realized prices



Valuation

Hecla Mining - Final Valuation

ANALYSIS	VALUE	WEIGHT	CONTRIBUTION TO WEIGHTED AVERAGE
Free Cash Flow	\$5.21	67%	\$3.47
Price to Book	\$5.76	0%	\$0.00
Forward Price to Earnings	\$5.70	33%	\$1.90
Total			\$5.37
Current Market Price	\$6.14		
Upside/(Downside)	(12%)		
Recommendation	Sell		



Portfolio Performance Evaluation



AIM Portfolio Overview

(As of 4/28/06)

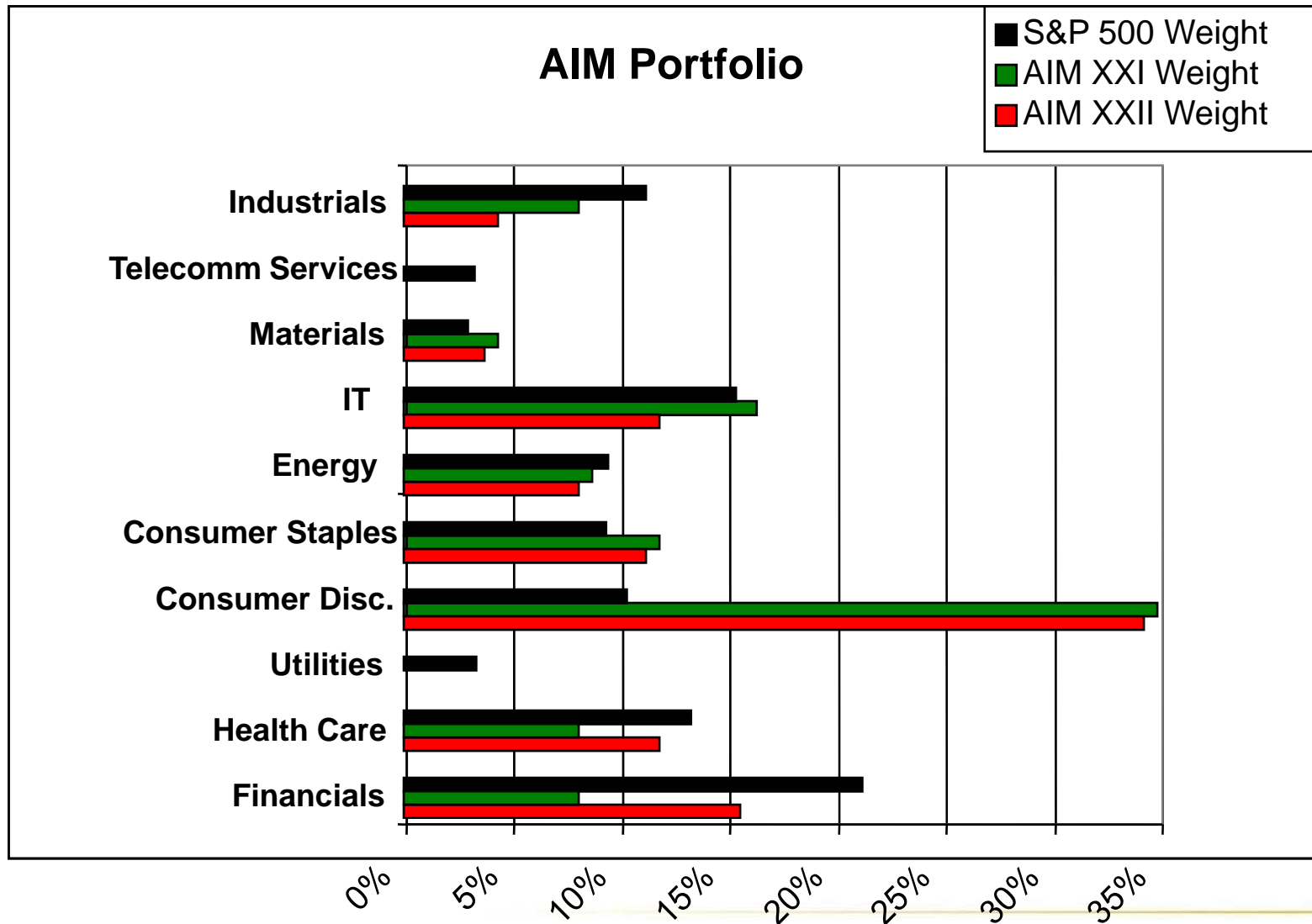
	<i>Beta*</i>	<i>P/E</i>	<i>Div Yield</i>	<i>Price/Book</i>
<i>S&P 500</i>	1.00	17.6	1.68	3.23
<i>Russell 2000</i>	1.28	25.2	1.02	2.86
<i>AIM Portfolio</i>	1.21	18.9	0.43	4.05

Source: Mellon

*5yr,mnthly regression



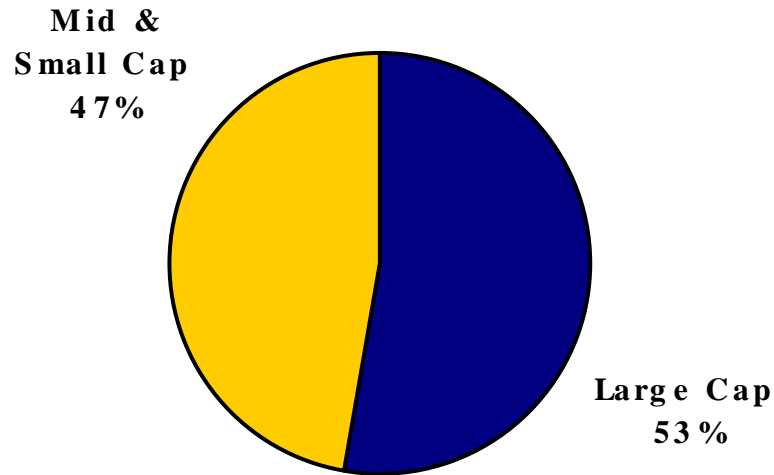
Portfolio Sector Allocation





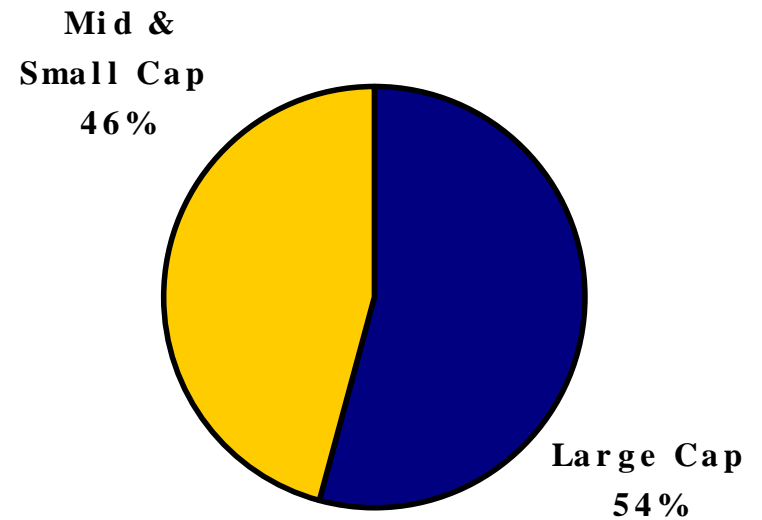
Portfolio Composition

Old Portfolio



(As of 3/31/06)

New Portfolio

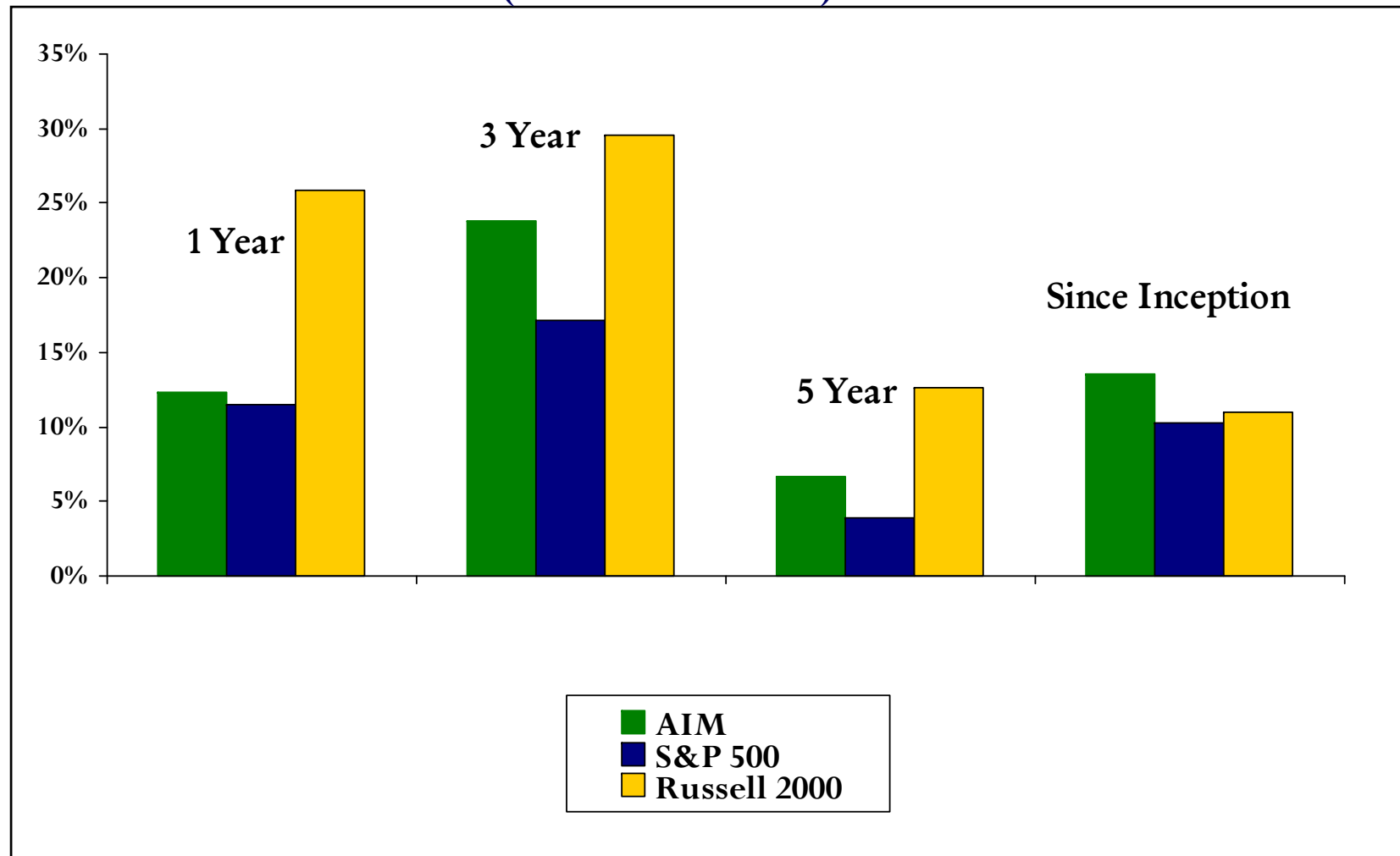


(As of 4/28/06)



AIM Portfolio Performance vs. S&P500 & Russell 2000

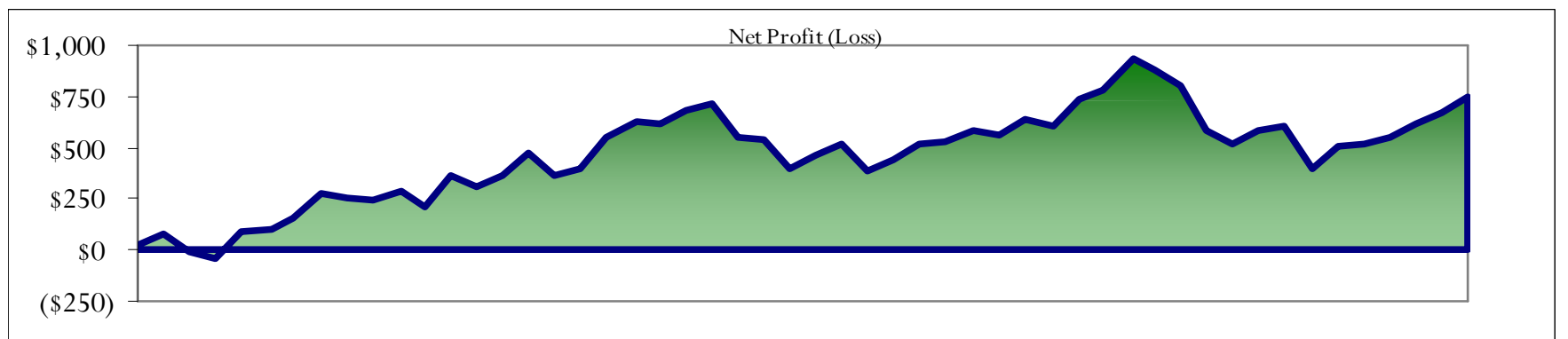
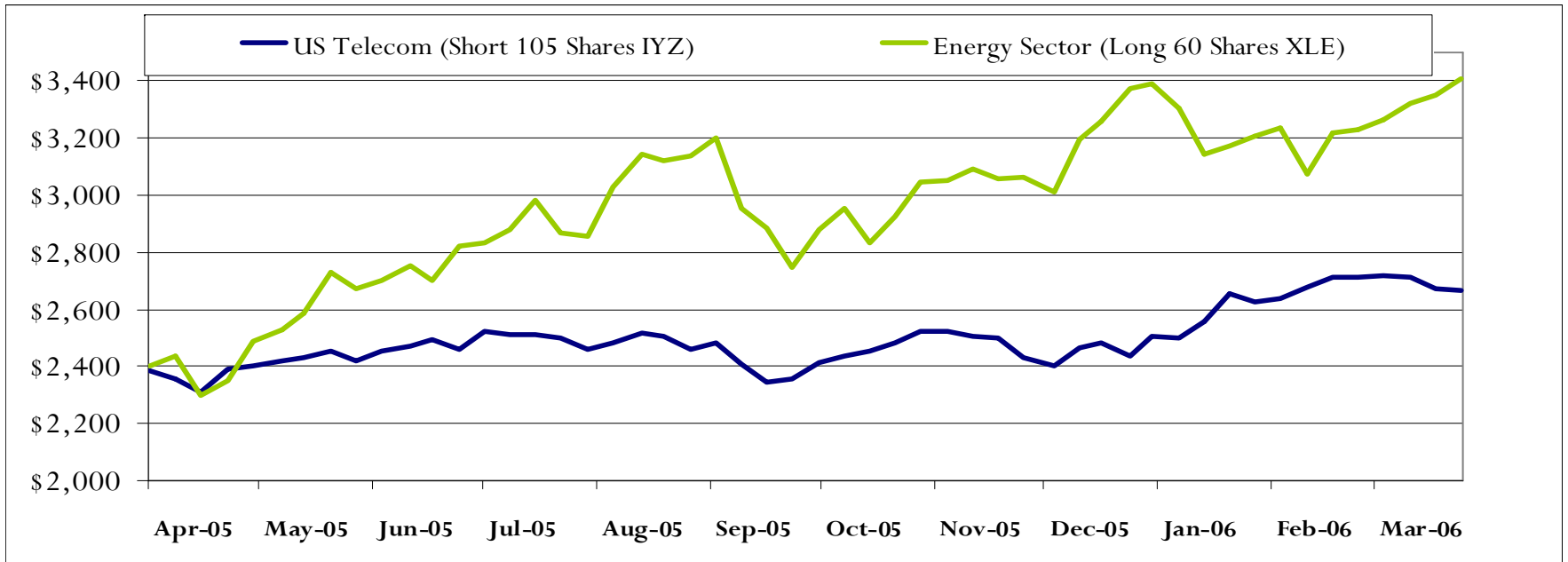
(Annualized 3/31/06)





Hedge Portfolio Performance

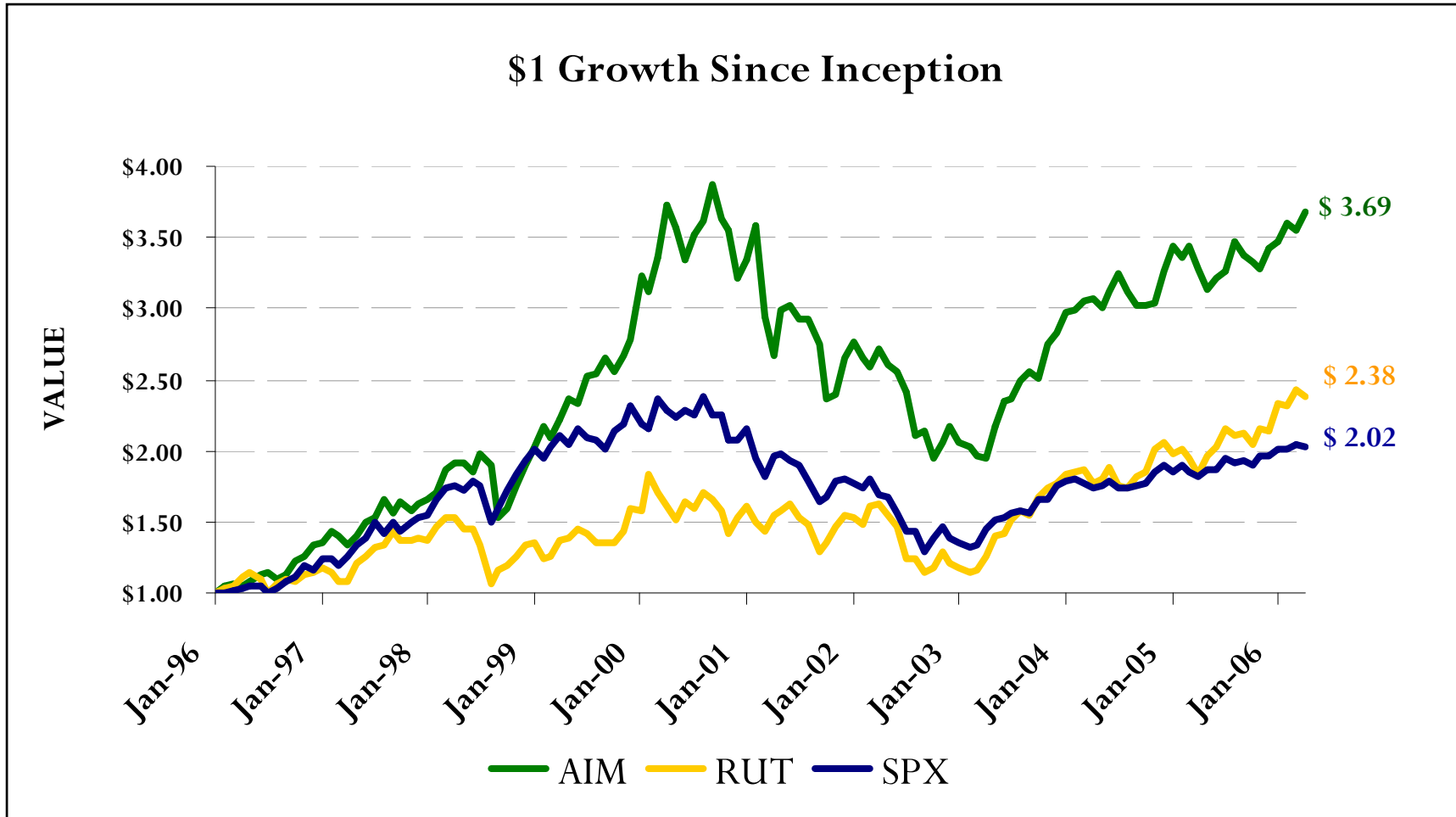
(4/21/05 – 4/17/06)





Dollar Growth: AIM Portfolio vs. S&P500 & Russell 2000

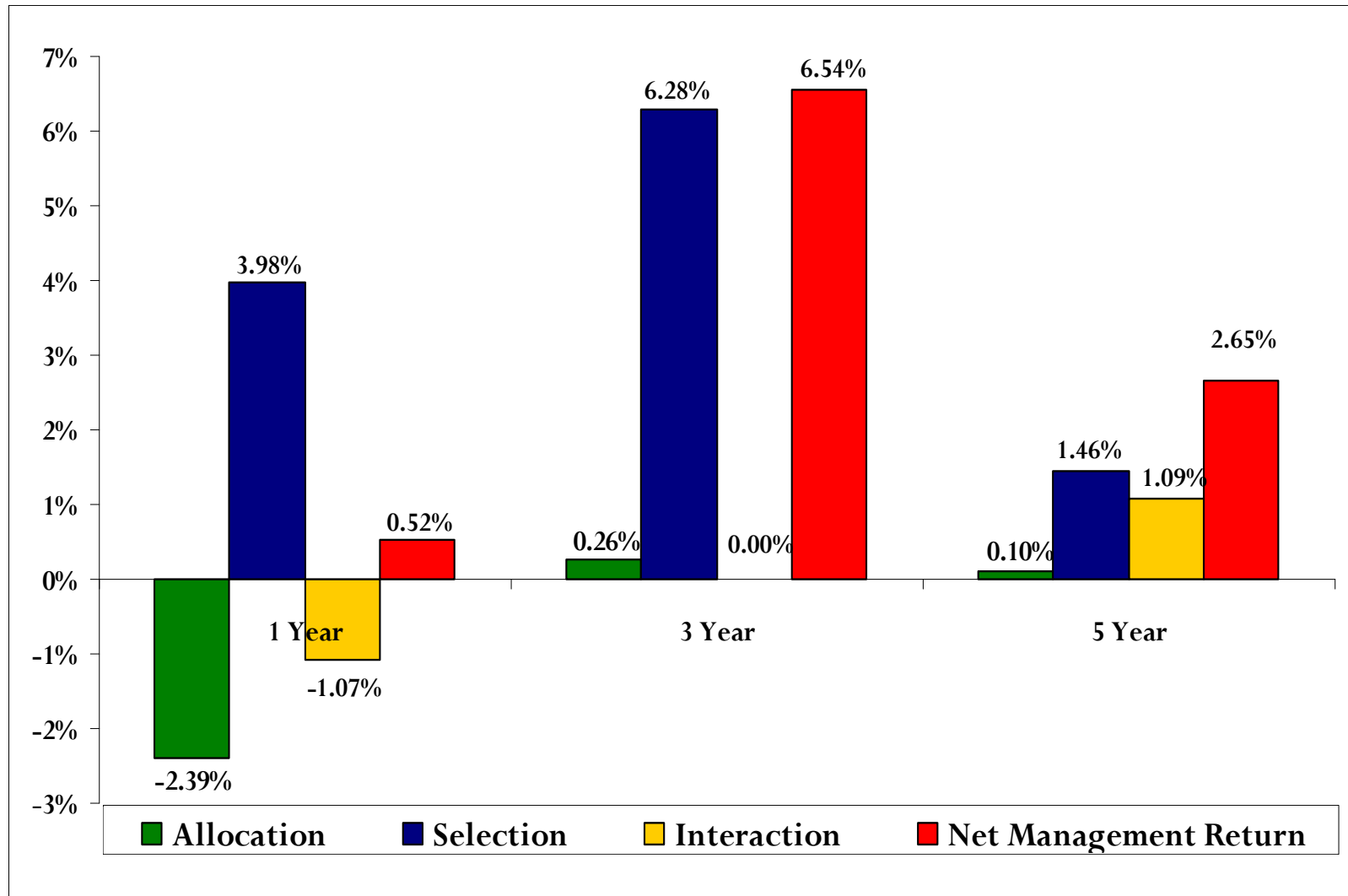
(As of 3/31/06)





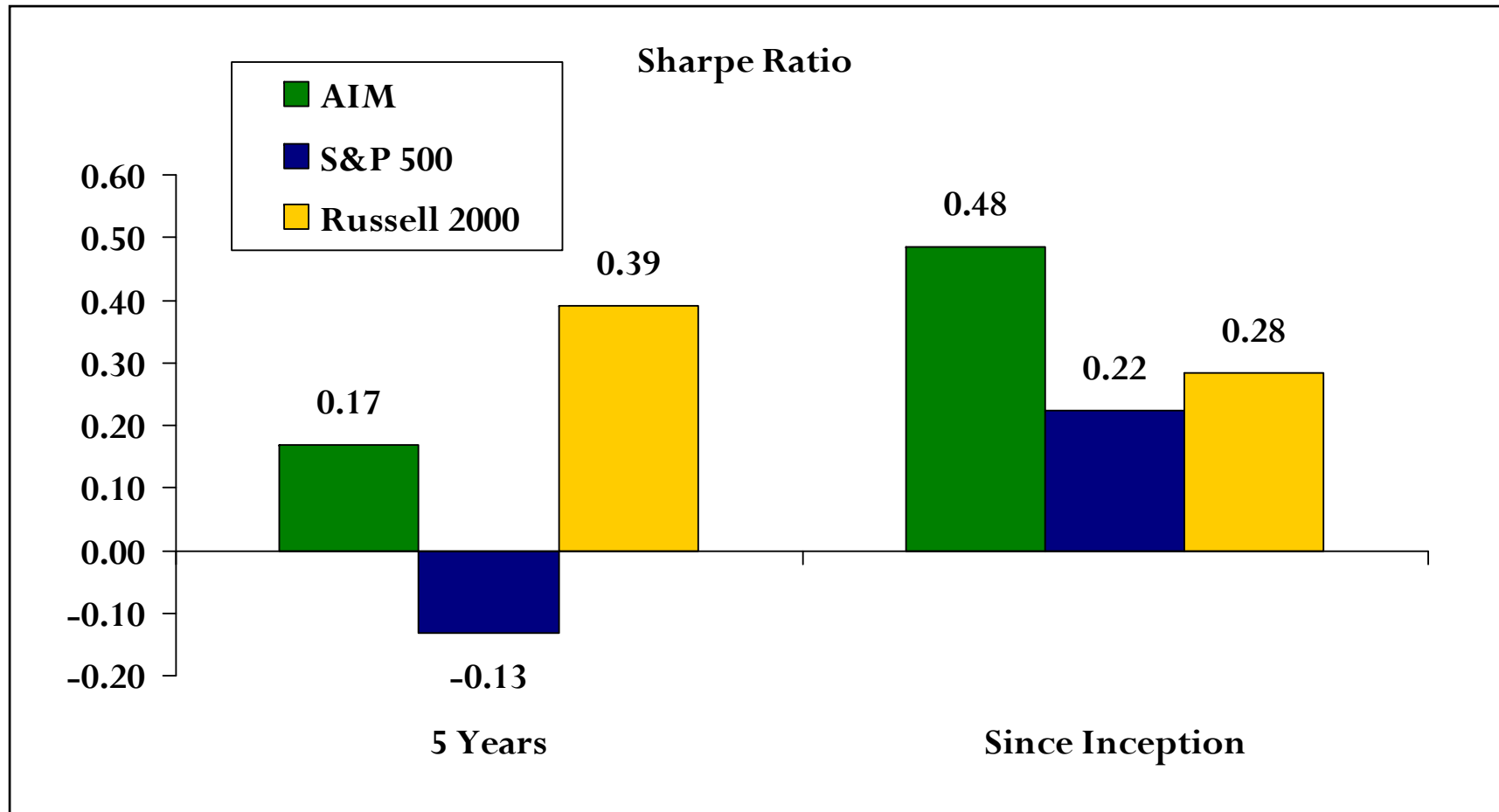
Performance Attribution

(As of 3/31/06)



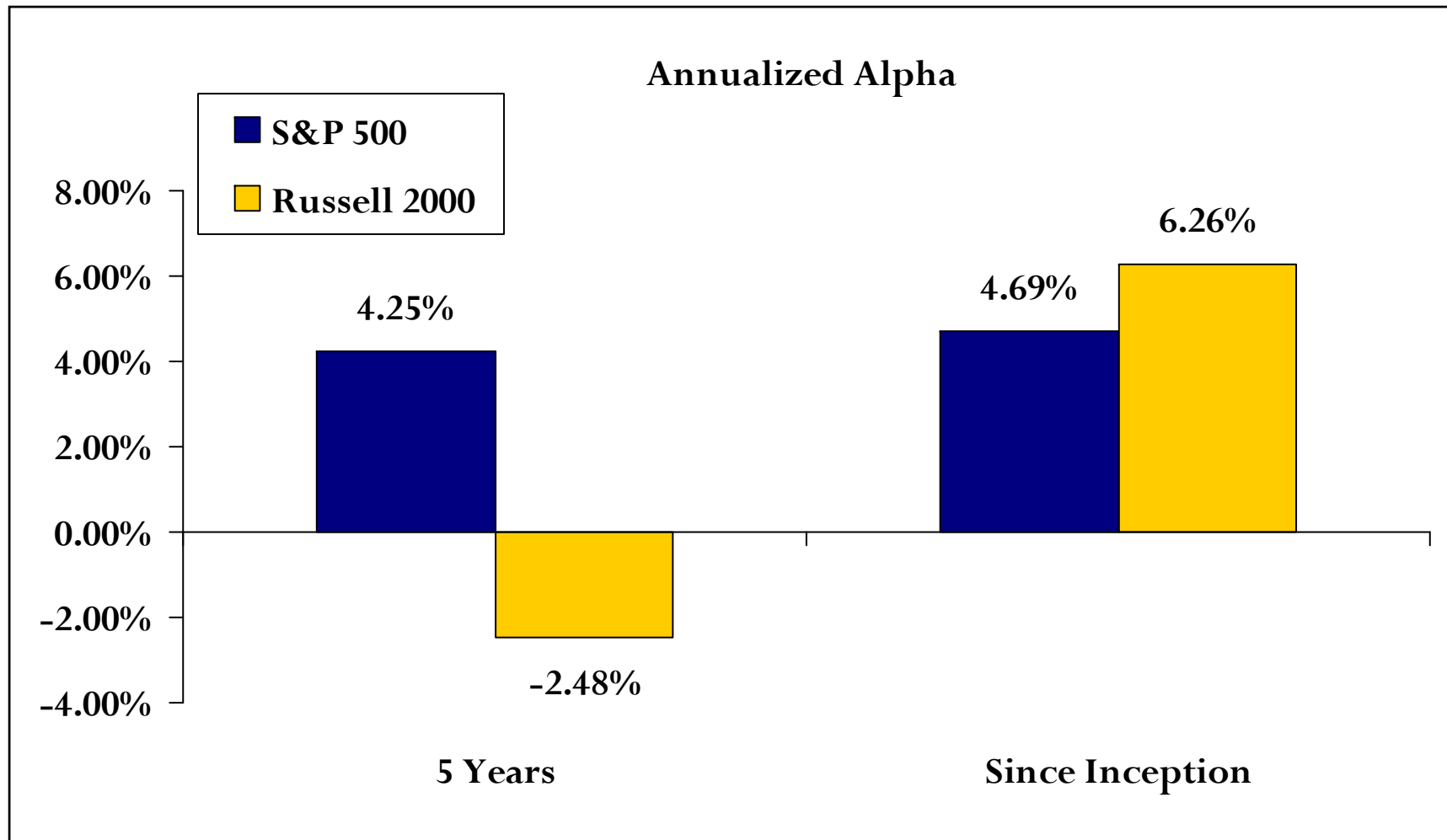


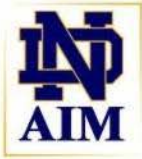
Risk Adjusted Performance – Sharpe





Performance - Alpha





AIM Portfolio Return vs. S&P 500 and Russell 2000

5 Years

	AIM Portfolio Returns vs.	
	S&P 500	Russell 2000
Correlation	0.93	0.88
Beta	1.21	0.85

Since Inception

	AIM Portfolio Returns vs.	
	S&P 500	Russell 2000
Correlation	0.91	0.79
Beta	1.21	0.81



Individual Stock Returns

(As of 4/28/06)

Top 5 individual performers

Stock	Return (TTM or *HPR)
Multi Fineline Electronix (MFLX)*	66.9%
BJ Services (BJS)	57.0%
Moody's Corp (MCO)	53.8%
Amcol Intl Corp (ACO)	44.3%
Intl Game Technology (IGT)	40.2%



Individual Stock Returns

(As of 4/28/06)

Bottom 5 individual performers

Stock	Return (TTM or *HPR)
Sanderson Farms Inc. (SAFM)	(25.9%)
Dell Inc. (DELL)	(25.0%)
Ixia (XXIA)*	(14.7%)
Sysco Corp (SYY)	(11.9%)
Intl Speedway Corp (ISCA)	(6.2%)



Portfolio Transactions

	Sells	Market Cap Billions	Buys	Market Cap Billions
Small Cap	Spartan Motors	\$ 0.18	Standard Parking	\$ 0.27
	AMCOL International	\$ 0.86	Bluegreen	\$ 0.38
Mid Cap	Multi-Fineline Electronix	\$ 1.40	Websense	\$ 1.20
	Cheesecake Factory	\$ 2.52	Tupperware Brands	\$ 1.29
	Edwards Lifesciences	\$ 2.65	Quiksilver	\$ 1.67
	Waters Corporation	\$ 4.73	Herman Miller	\$ 2.04
Large Cap	Univision Communications	\$ 10.83	Coach	\$ 12.66
	Intl. Game Technology	\$ 12.82	Barrick Gold	\$ 16.14
	Marriot	\$ 15.10	Medtronic	\$ 30.30
	Electronic Arts	\$ 17.31	Amgen	\$ 79.34
			Citigroup	\$ 247.02



General Information



Trips

- Boston – March 30th to April 2nd
 - Fidelity Investments (\$800+ billion)
 - Changing their business structure and how they look at stocks
 - Emphasis on the information that can be learned from meeting with management
 - Sankaty Advisors (\$5.5 billion)
 - Fixed income and distressed debt
 - Focus on fundamental analysis
 - Mellon Asset Management (\$630 billion)
 - Learned of growth opportunities both geographically and through increased product offerings
 - Post-retirement healthcare issues



Trips

- Boston – March 30th to April 2nd
 - Summit Partners (\$9 billion)
 - Raise capital for growing private equity funds and venture capital funds
 - Martingale Asset Management (\$3.6 billion)
 - Behavioral finance
 - Focus on company fundamentals, equity characteristics, and investor behavior
 - Geologic Resources (\$300 million)
 - Long/short equity fund focused on the natural resource sector
 - Ranges from primary exploration and production down to end users



Speakers

- Ed Trubac
 - Current economic overview
 - Key questions for 2006
 - Discussed trends that will affect our portfolio
- Bill Kennedy - Fidelity Investments
 - Discussed investment opportunities abroad
 - Explained the often overlooked potential investments in countries outside the U.S.
- Bill O'Brien – NASDAQ
 - Corporate Client Group



Newsletter

- Objectives
 - Allows AIM Alumni to stay up to date
 - Provides quarterly overview of present portfolio
- Current newsletter points of interest:
 - New portfolio as of April 26, 2006
 - New stocks
 - AIM Alumni updates
 - Boston trip review
 - Quick economic snapshots
 - AIM XXII analysts' future plans



AIM Website

- Website Address
 - <http://aim.nd.edu>
- E-Mail Address
 - aim@nd.edu
- Specific Areas of Interest
 - Analysts and Alumni
 - Publications
 - Portfolio
 - News

AIM Portfolio Tracker			
Ticker	Position	Price	\$ Chg.
^DJI	0	11,283.25	-53.07
ACO	6400	29.48	-0.52
BUD	3000	42.63	-0.40
BJS	4800	38.85	-0.50
CAKE	3700	35.06	-0.47
CTRN	3400	48.50	-0.28
DELL	3300	26.62	0.15
EW	3200	44.68	-0.23
ERTS	2500	54.87	-0.01
HW	4500	33.89	-0.45
IGT	3400	38.70	1.03
ISCA	2250	49.01	-0.05
MAR	2000	72.34	-0.59
MCD	3400	33.85	-0.41
MCO	3000	70.43	-0.61
MFLX	3800	61.20	0.26
MS	2300	64.37	-0.94
PETM	5500	28.62	0.01
SAFM	3400	24.03	0.08
SPAR	7600	11.18	-0.09
SYY	4100	30.44	-0.32
UNH	3000	49.36	-0.80
UVN	4500	34.68	0.02
WAT	2800	43.55	-0.44
XOM	2600	63.95	-0.46
XXIA	10400	10.90	0.03
Cash Account			0.00
Portfolio Value:		\$3,566,292.10	
As of:		Apr/25/06, 5:45	



AIM Contact Information

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Thank You

The Notre Dame Investment Office

AIM Professors:

- Jerry Langley
- Bill McDonald
- Frank Reilly
- Scott Malpass

Also to Rachel Karnafel for her supporting efforts



Special Thanks

The AIM Advisory Board

Including those who could not make the trip

Please join us for a reception in the MBA Lounge!