



ADVISORY BOARD PRESENTATION DISCUSSION MATERIALS

AIM LI | November 11, 2020



AIM Advisory Board and Notre Dame Attendees

Mark Brown

Jenni Lanktree

Tom Roderick

Notre Dame Attendees

Kevin Casey

Jessica Matthes

John Rudolph

Erin Bellissimo

Steve DuFour

Ken Meyer

Tom Schreier

Scott Malpass

Brian Hogan

Rich Murphy

Chris Zepf

Frank Reilly



- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS
 - VI. CONCLUDING REMARKS AND Q&A



AIM LI Analysts

Andrew Ameen

Estee Lauder, Floor & Decor

Megan Baumbach

Alphabet, Walmart

Brayden Bishop

Nordstrom, WW International

Kendall Bulleit

Intercontinental Exchange, Match Group

Connor Campbell

Crown Holdings, Service Corp. International

Daniel Cassidy

Costco, Albemarle

Alex Clark

The Trade Desk, Delta Airlines

Olivia Coyle

Facebook, Veeva Systems

Matthew Fraizer

Alteryx, Vail Resorts

Zachary Gartenhaus

Waste Management, Dish Networks

Patrick Harris

Lockheed Martin, Installed Building Products

Katie Jacoby

NextEra Energy, Lululemon Athletica

Sean Keller

Qualys, Shervin-Williams

Madeline Martin

Constellation Brands, Intuit

Jack Mulliken

W.R. Grace, Crown Castle International

Allie Okon

Mastercard, Dick's Sporting Goods

Zachary Pavlin

CVS Health Corp., Oportun Financial Group

Peter Pillari

Zillow Group, Brinker International

Sean Ratigan

Aercap Holdings, LCI Industries

Maggie Rohling

Live Nation Entertainment, The Walt Disney Company

Andrew Seketa

Union Pacific, Enterprise Product Partners

Garrett Smith

Microsoft, Malibu Boats

William Suter

Stryker Corporation, General Motors



Course Fundamentals

Course Objectives

- Blend traditional academic objectives with practical experience of hands-on investment management
- Provide thorough grounding in the practice of portfolio management
- Emphasis on rigorous individual security evaluation and selection

Hybrid Class Settings



Methodology

- AIM LI inherited a ~\$20M million portfolio from the previous class
- For round one, each student analyzed an existing stock and ultimately pitched a buy or sell recommendation
- For round two, analysts pitch a new stock of their choice to be considered for addition to the portfolio
- Finally, the class votes on the composition of the new portfolio based on each analyst's final recommendations





Analyst Responsibilities

Individual Responsibilities

- A student is assigned as “CIO” for each class
 - CIO responsibilities include a market update and organization of the class period
- Completion of various analyst reports and group projects
- Staying informed on the markets / stocks in the portfolio
- In-depth research and coverage of two stocks and effective communication of findings to peers

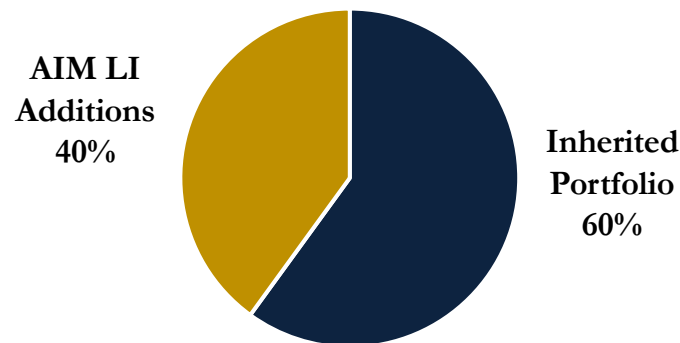
Group Projects

- Economic Analysis
- Portfolio Performance
- Idea Sourcing
- Newsletter

Analyst Reports

- Company Strategy and Competitive Position
- Fundamental Analysis
- Earnings and Cost of Capital Forecast
- Valuation
- Peer Reviews

AIM LI Portfolio Composition





AIM Returns to the Classroom

Effects of COVID-19 on AIM

- Notre Dame resumed classes on campus except for a two-week hiatus in early September
- New York class trip was canceled
- Class continued to meet 2-3 times a week in the classroom and Zoom
- We presented most of our round 1 and all of round 2 presentations to each other in-person
- The Business Information Center was shut down throughout the semester
- It is an extremely interesting time to be thinking about the future of the macroeconomy, the United States government, and the equity markets



Business as Usual

- Pete Pietraszewski, the Mendoza librarian, provided the class remote access to Capital IQ and Bloomberg
- Analysts continued to provide high quality work
- We compiled a portfolio of 25 companies

Changes to this Presentation

- Given the virtual structure, we cut some of the traditional parts of this presentation
- We would like to make this as interactive as possible
 - We invite you to put yourself in the shoes of an AIM analyst and join in our discussion about our new portfolio

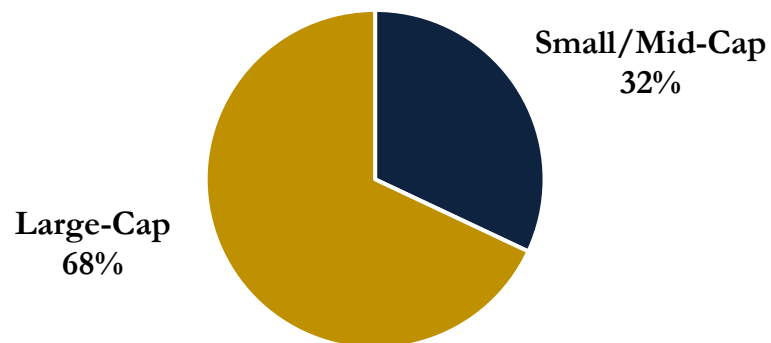


Investment Philosophy and Policies

Investment Philosophy and Goals

- Bottom-up, deep fundamental analysis approach with top-down consideration
- Create a portfolio with well-researched trade decisions that contribute to the growth of the portfolio's value for the use of future classes
- Outperform the benchmark over the long-term
 - The primary benchmark is the Russell 3000 & the secondary benchmark is the S&P 500

AIM LI Portfolio Composition



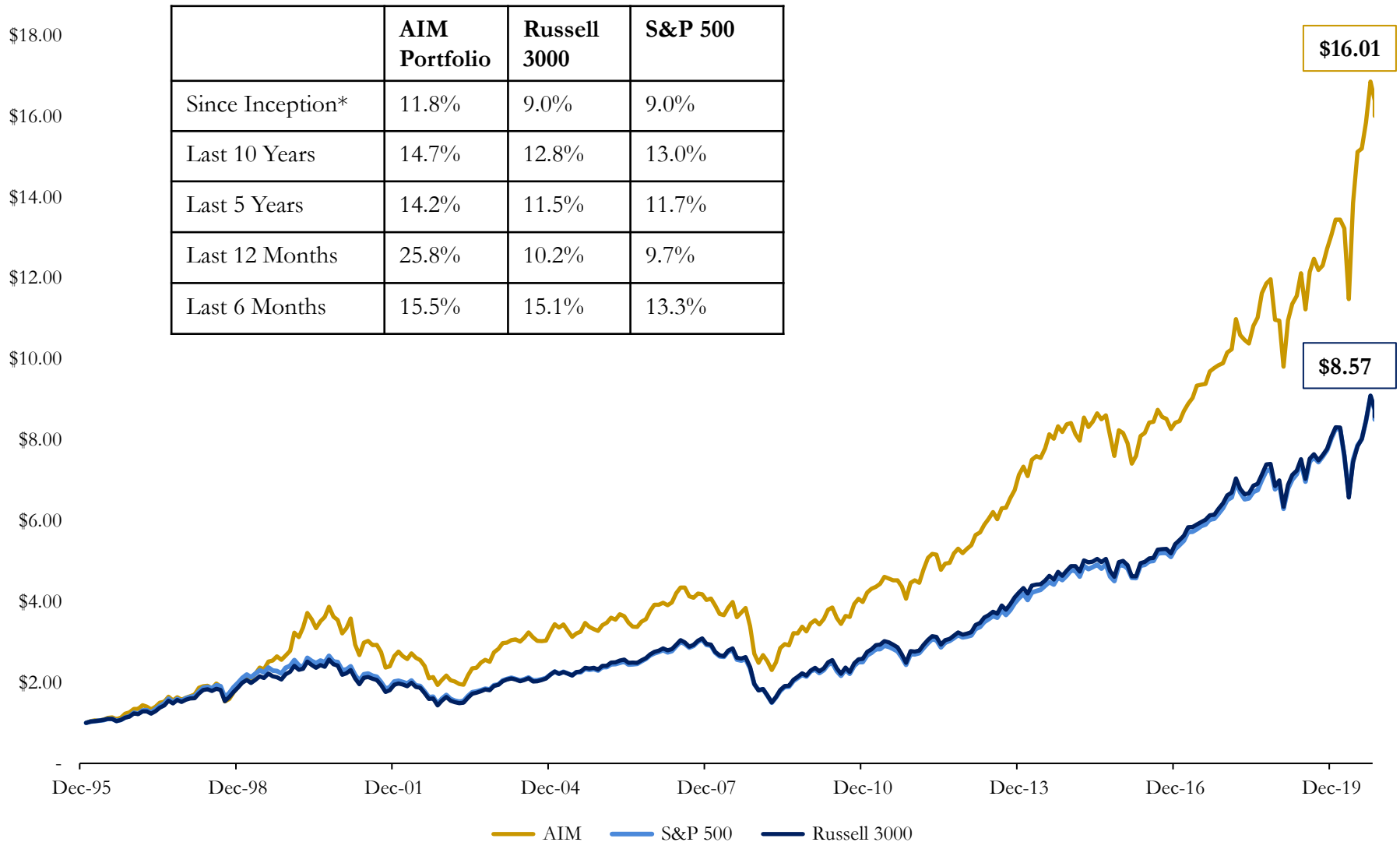
Investment Guidelines and Constraints

- Only common equities traded on major U.S. exchange
- Target allocation: 35% Small & Mid-Cap, 65% Large-Cap – With a +/- 10% limit
- Industry composition should roughly match that of the Russell 3000
- One stock should not exceed over 10% of the portfolio
- Avoid companies whose ethics are not in line with those of the University (e.g., abortifacients, birth control, tobacco, etc.)
- Time Horizon: Three-to-five-year outlook

- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS
 - VI. CONCLUDING REMARKS AND Q&A

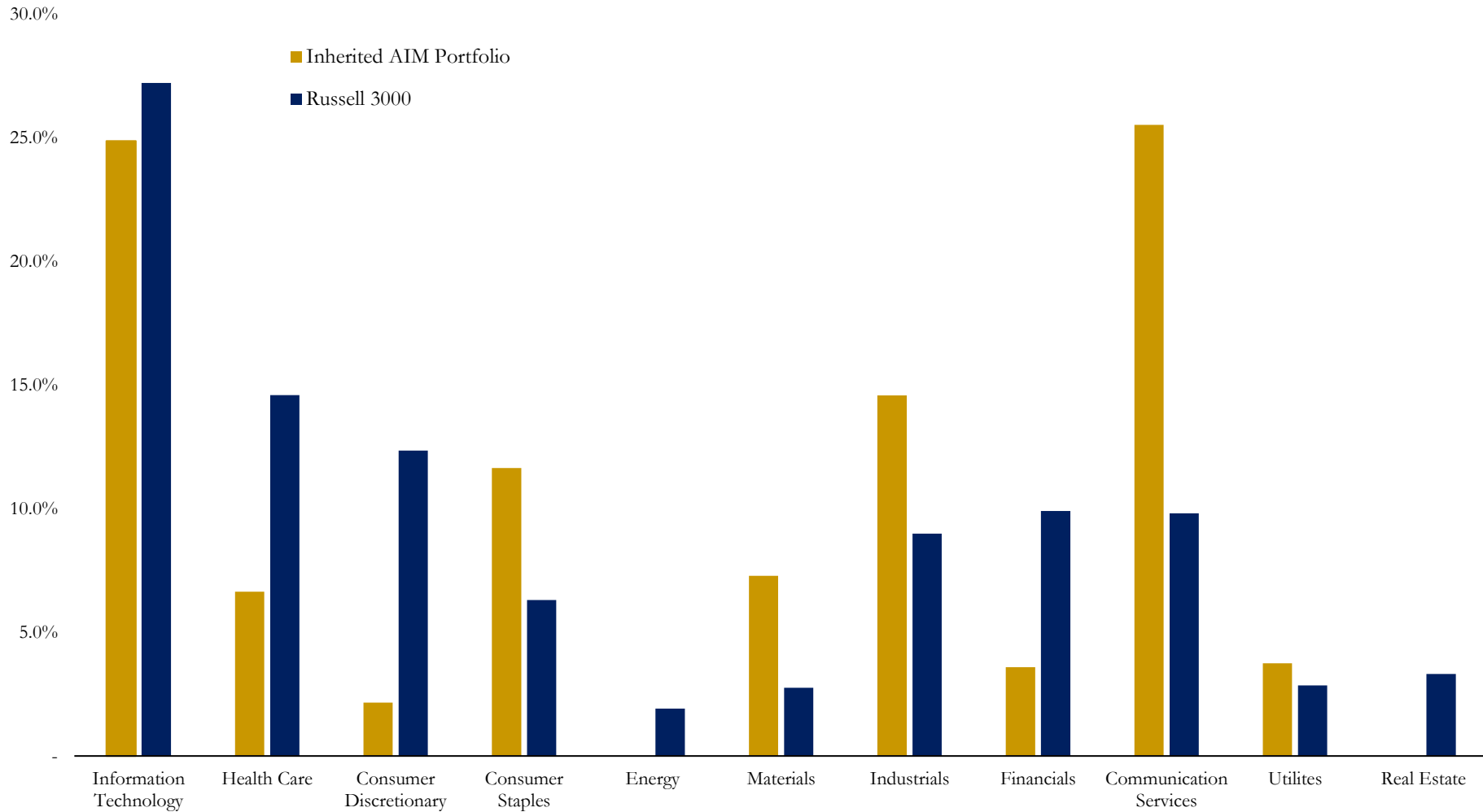


Growth of \$1.00 Since Inception (as of 10/31/2020)





Inherited Sector Weight versus Benchmark





Six Month Return (as of 10/31/2020)

Top 5 Performers



Zillow

ZG

Return: 105.2%



The Trade Desk

TTD

Return: 93.6%



Crown Holdings

CCK

Return: 33.2%



Facebook

FB

Return: 28.5%



Next Era

NEE

Return: 28.1%

Bottom 5 Performers



Nordstrom

JWN

Return: (35.6%)



Qualys

QLYS

Return: (16.7%)



AerCap

AER

Return: (11.7%)



Lockheed Martin

LMT

Return: (8.9%)



CVS Health

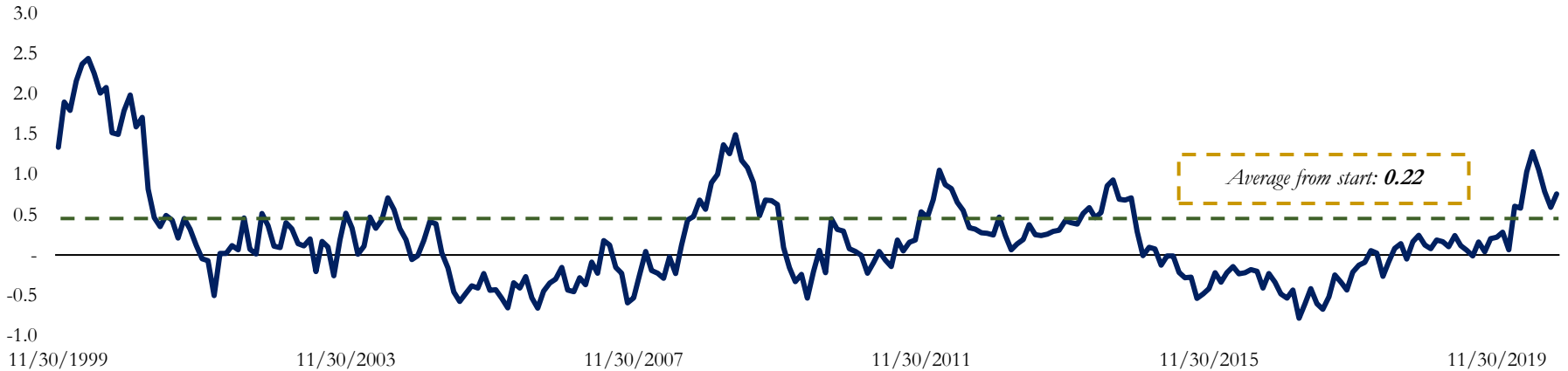
CVS

Return: (7.3%)

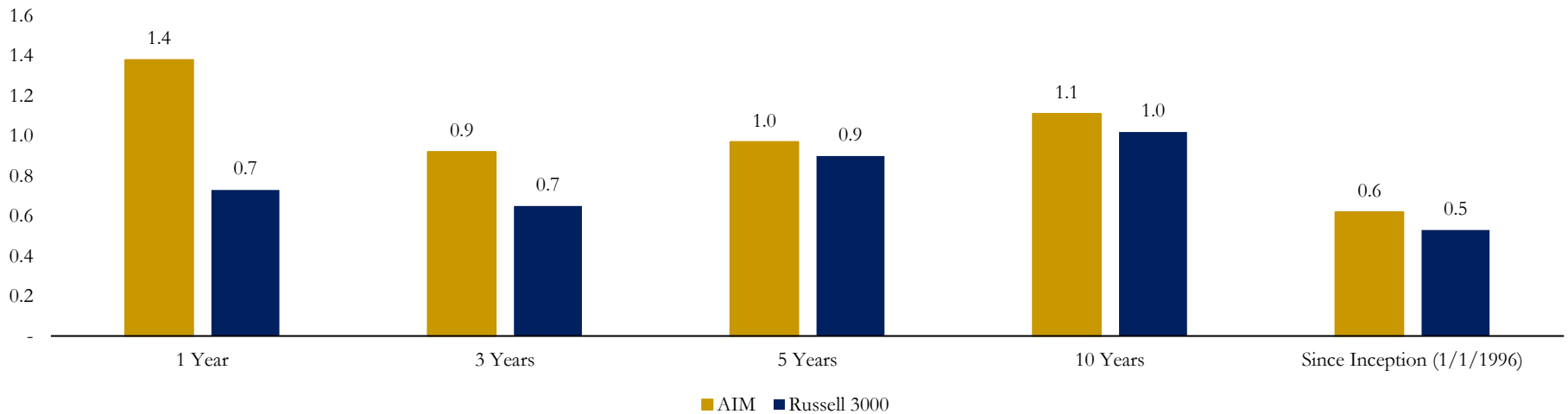


Alpha and Sharpe (as of 10/31/2020)

Rolling 1-Year Average Monthly Alpha



Sharpe Ratio



- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS
 - VI. CONCLUDING REMARKS AND Q&A



Economic Indicators

GDP Growth by Category YoY

| Category | Q4 2019 | Q1 2020 | Q2 2020 |
|---------------------|---------------|----------------|----------------|
| Total Growth | 2.3% | 0.3% | (9.1%) |
| Consumption | +2.5% | +0.2% | (10.5%) |
| Investment | (1.0%) | (4.2%) | (16.8%) |
| Trade | (8.1%) | (13.2%) | (20.0%) |
| Government | +2.4% | +1.9% | +1.2% |

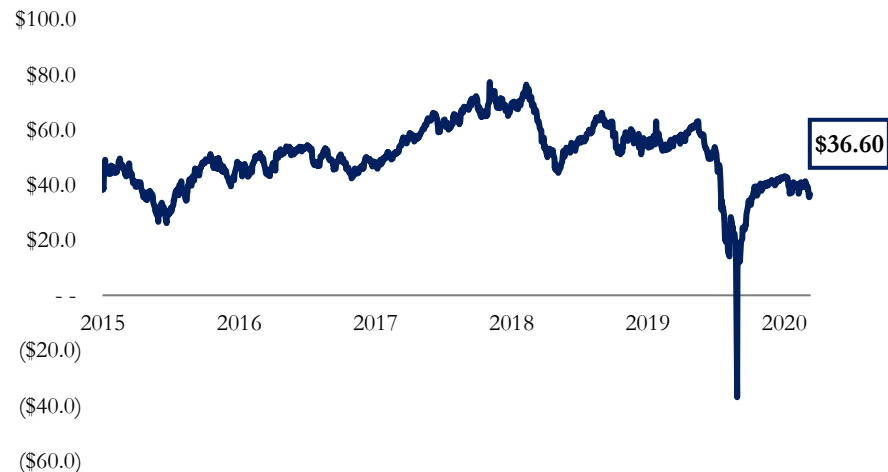
Inflation (CPI YoY Monthly)



30-year Mortgage Rates



Oil Prices (WTI Crude)

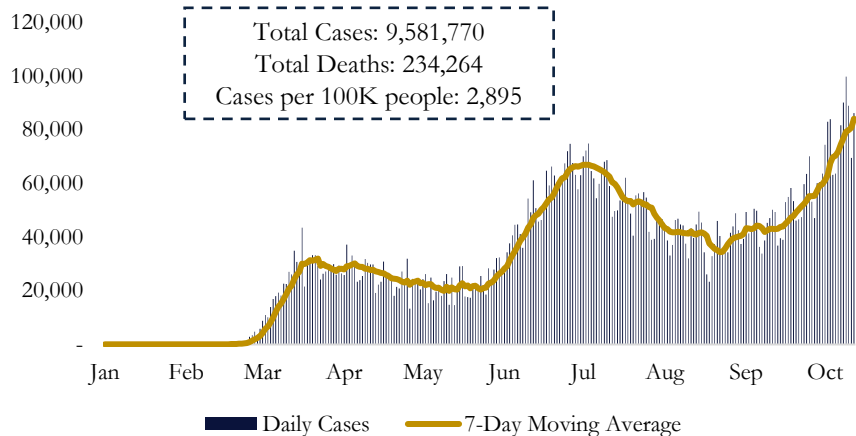


Sources: Federal Reserve of St. Louis, Beige Book, Freddie Mac
 Note: Inflation as of 9/1/2020, mortgage rates as of 11/5/2020, oil prices as of 11/2/2020



COVID-19 Implications

Number of US COVID-19 Daily Cases



Trend Acceleration

- **E-commerce:** acceleration of the shift from brick-and-mortar to online sales and heightened consumer expectations of companies' digital capabilities
- **Housing Market:** spike in US home ownership rate and tailwind of historically low 30-year fixed mortgage rates at 2.75%
- **Rise in Connectivity:** pivot to shopping, playing, working, and learning through connected devices heightens use of virtual platforms from Disney+ to Zoom
- **Health and Wellness:** awareness of personal health and hygiene and accelerated importance of telehealth, healthcare resource management, and public health data

Economic Stimulus

CARES Act
(passed
3/25/2020)

Heroes 2.0 Act
(pending Senate
approval)

- \$560bn to individuals, \$377bn to small businesses, \$500bn to large businesses
- Grants, forgivable loans, and changes to help keep employees on payroll
- \$58bn in relief for airline industry
- Providing cash to US citizens (\$1,200 to single filers, \$500 to dependents)
- Moratorium on evictions and foreclosures and \$50bn rent assistance
- \$225bn for education and childcare

Impact on Portfolio Decisions

Tailwinds



Headwinds





Election Implications

Environmental Plans

Biden

- Furthering investments in renewable energy
- Continuing limitations on greenhouse gases
- \$1.7 trillion of investment in this plan

Trump

- Boosting production of oil and gas
- Emphasis on a clean water infrastructure
- Rollback of Obama-era climate policies on carbon capture and other climate concerns

Healthcare Impact

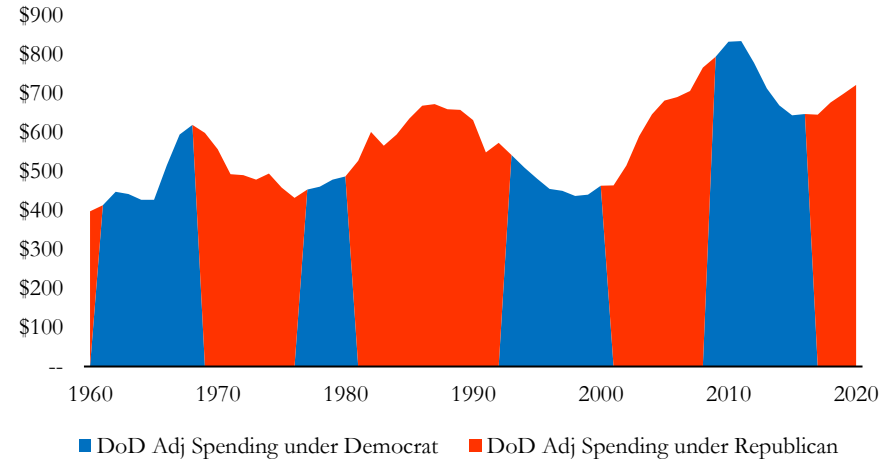
Biden

- Public insurance option and lower eligibility age for Medicare to 60 from 65
 - \$750bn over a decade
- Limit cost of coverage to 8.5% of income

Trump

- 2021 budget proposal suggests healthcare spending cuts over the next decade
 - Medicaid: \$900bn
 - Medicare: \$450bn

DoD Inflation Adjusted Spending (\$bn)



Impact on Portfolio Decisions

Resilient



Volatile



- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS
 - VI. CONCLUDING REMARKS AND Q&A



Final Portfolio Decisions

| Inherited Portfolio | |
|---------------------------|-----------------|
| Company | YTD Performance |
| AerCap Holdings | (56.2%) |
| Alphabet | 28.8% |
| Alteryx | 9.9% |
| Costco | 32.3% |
| Crown Holdings | 31.7% |
| Facebook | 39.9% |
| Intercontinental Exchange | 8.6% |
| Intuit | 32.3% |
| Mastercard | 3.4% |
| Microsoft | 39.3% |
| Qualys | 9.2% |
| Union Pacific | 4.3% |
| The Walt Disney Company | (14.0%) |
| Waste Management | 4.4% |
| Zillow Group | 165.7% |
| Constellation Brands | (1.3%) |
| CVS Health Corp. | (12.4%) |
| Dish Networks | (22.5%) |
| Estee Lauder | 15.7% |
| Lockheed Martin | (9.5%) |
| NextEra Energy | 26.9% |
| Nordstrom | (68.0%) |
| Stryker Corporation | 1.4% |
| The Trade Desk | 201.8% |
| W.R. Grace | (36.9%) |

15 Stocks Kept in the Inherited AIM LI Portfolio

10 Stocks Sold from the Inherited AIM LI Portfolio

| AIM LI Evaluated Stocks | |
|-----------------------------|-----------------|
| Company | YTD Performance |
| Crown Castle International | 15.8% |
| Enterprise Product Partners | (40.8%) |
| Installed Building Products | 36.8% |
| LCI Industries | 12.5% |
| Malibu Boats | 36.1% |
| Match Group | 57.5% |
| Oportun Financial Group | (37.5%) |
| Veeva Systems | 108.9% |
| Walmart | 22.6% |
| WW International | (34.3%) |
| Albemarle | 54.6% |
| Brinker International | 7.6% |
| Delta Airlines | (46.8%) |
| Dick's Sporting Goods | 17.3% |
| Floor & Décor | 60.2% |
| General Motors | 0.2% |
| Live Nation Entertainment | (22.0%) |
| Lululemon Athletica | 47.3% |
| Service Corp. International | 7.5% |
| Sherwin-Williams | 28.7% |
| Vail Resorts | (0.2%) |

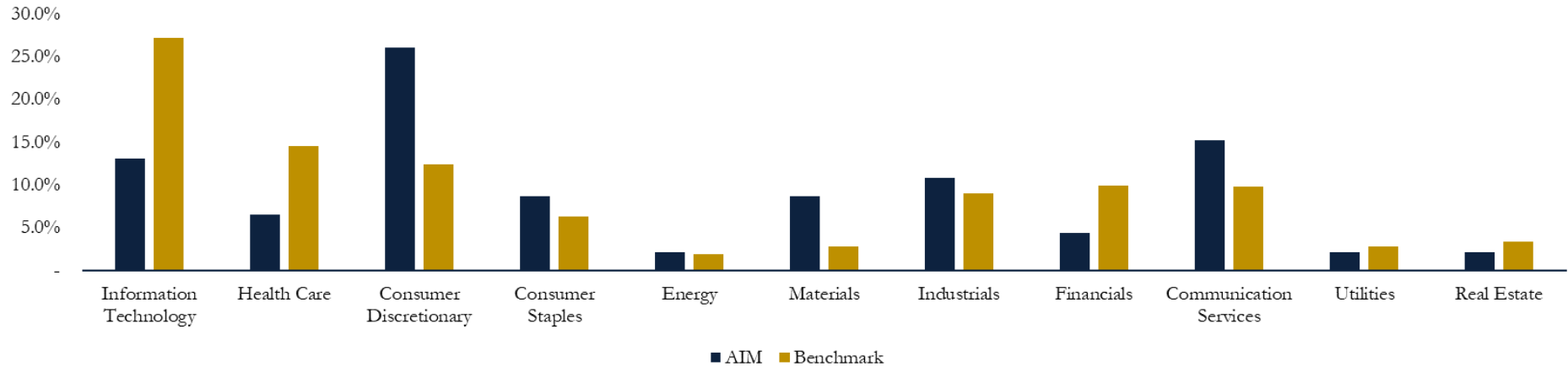
10 Stocks Added to the Portfolio by AIM LI

11 Other Stocks Evaluated by AIM LI

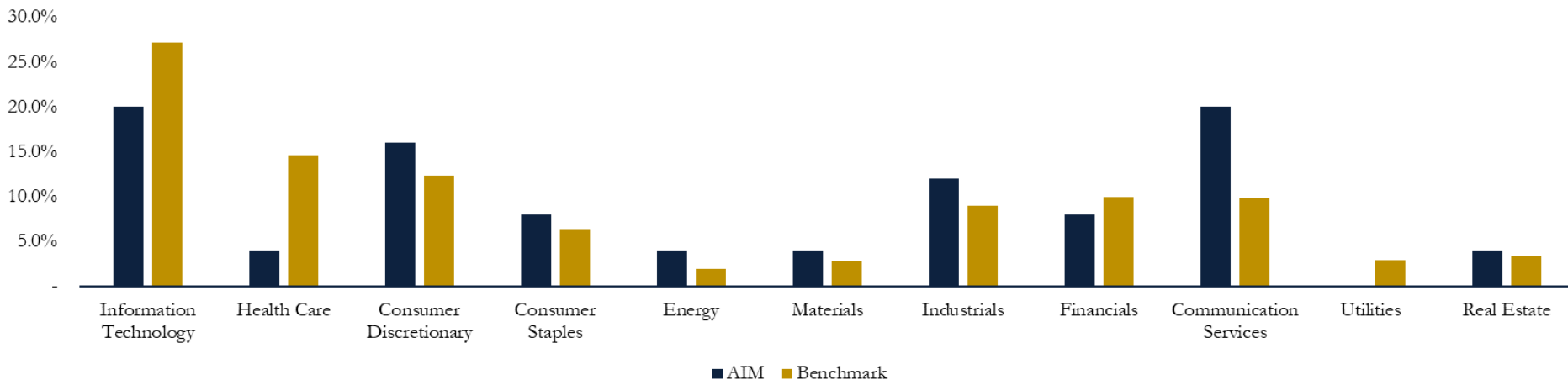


Sector Distribution

All AIM LI Stocks Evaluated



Final AIM LI Portfolio Distribution



- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS**
 - VI. CONCLUDING REMARKS AND Q&A

BREAKOUT ROOM 1:

- I. KENDALL BULLEIT – INTERCONTINENTAL EXCHANGE, MATCH GROUP
- II. ZACHARY GARTENHAUS – WASTE MANAGEMENT, DISH NETWORK
- III. DANIEL CASSIDY – COSTCO, ALBEMARLE
- IV. MEGAN BAUMBACH – ALPHABET, WALMART
- V. SEAN RATIGAN – AERCAP HOLDINGS, LCI INDUSTRIES



Intercontinental Exchange (ICE)

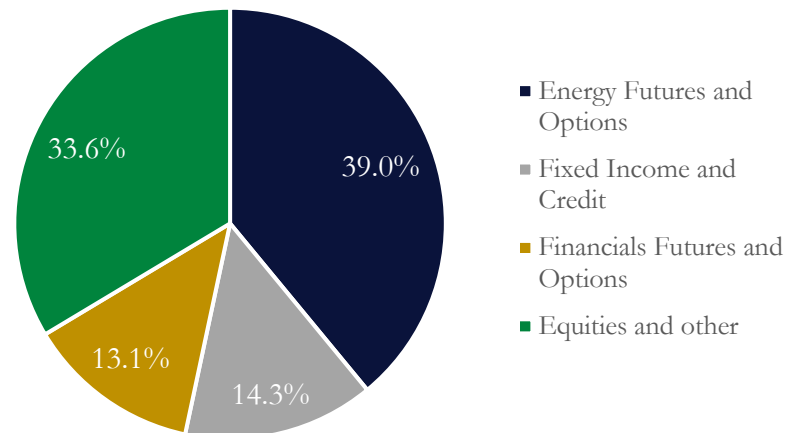


Investment Thesis: **BUY** | AIM Decision: **BUY**

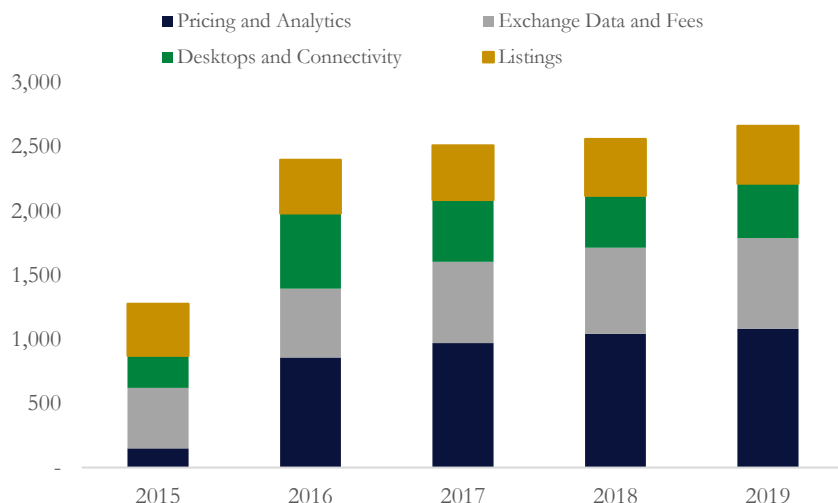
Intercontinental Exchange is an operator of regulated exchanges and clearing houses and provider of mortgage technology, data, and listings services

1. Robust acquisition and integration history that builds out both asset classes and technological advantages
2. Consistent data services segment growth with solid subscription count keeping revenue streams normalized
3. Growing volumes and rate per contracts that will exponentially grow ICE's trading and clearing segment revenue

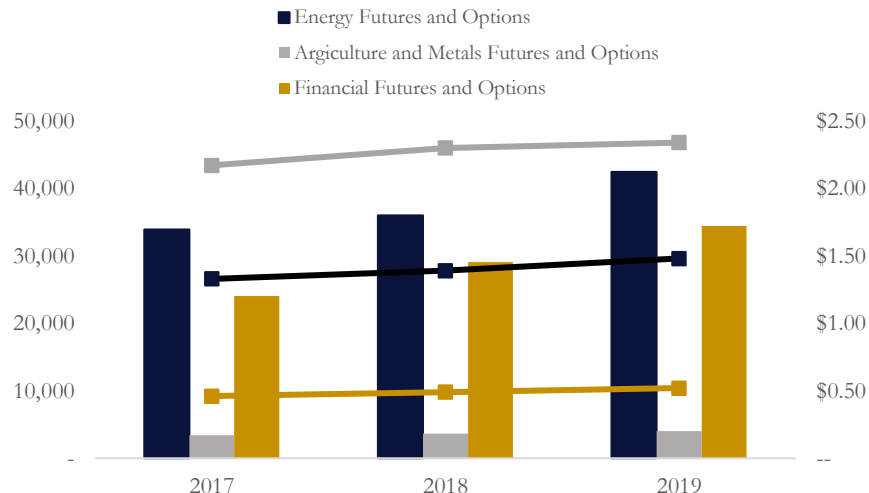
Diverse asset class exposure



Steady data and listings segment growth



Growing volumes and rate per contracts



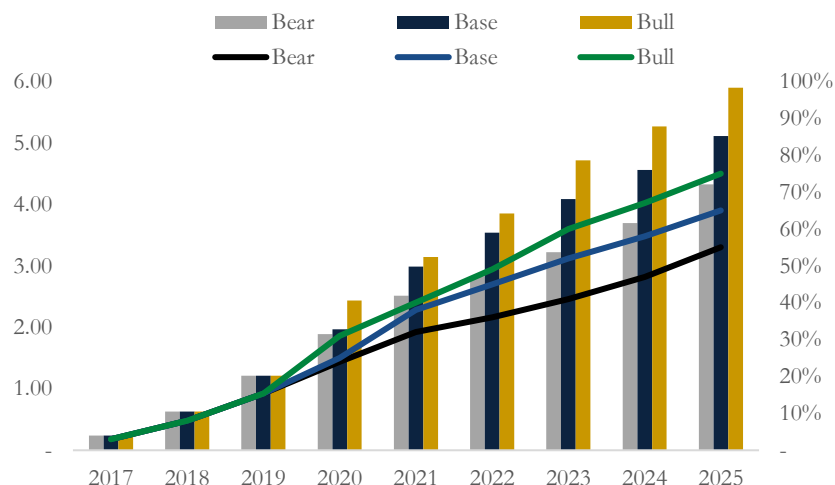


Investment Thesis: **BUY** | AIM Decision: **BUY**

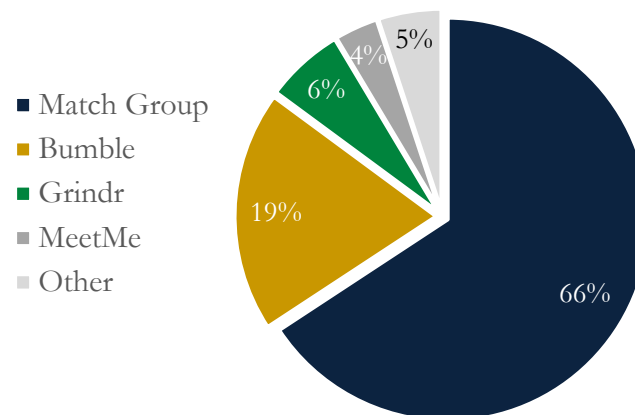
Match Group owns and operates a diverse portfolio of 21 online dating services, including Tinder, Hinge, Match.com, and OkCupid.

1. Unparalleled dominance and market share in the online dating industry
2. Hinge is driving future growth for the company and set to capture 65% of Tinder's current audience by 2025
3. Innovative technology and the increased emphasis on pay-per-use features across all services drive up margins and revenue organically

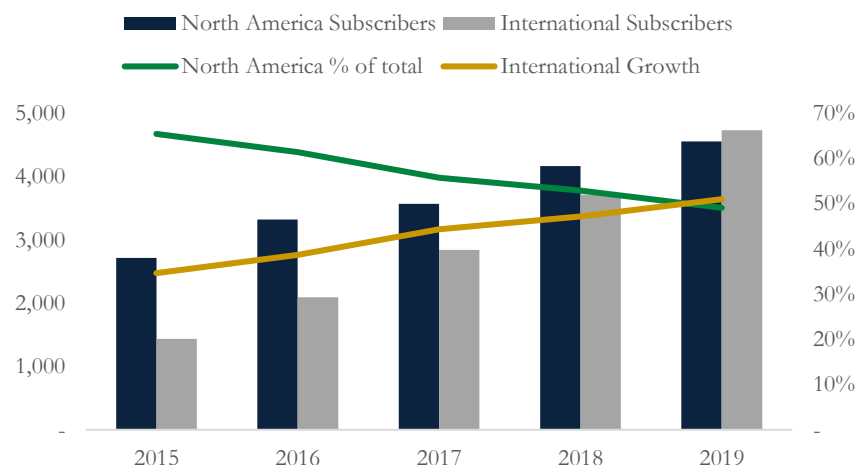
Hinge users as % of Tinder 2019 users



Online dating market share



Increasing international subscriber growth



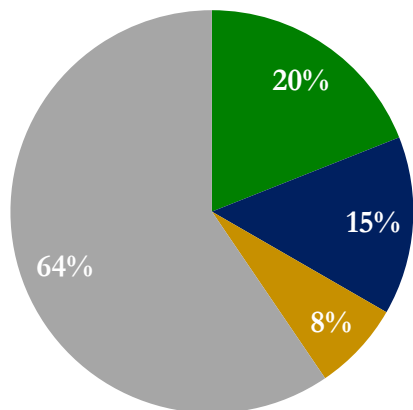


Investment Thesis: **BUY** | AIM Decision: **BUY**

Waste Management is the largest provider of collection, transfer, disposal, and recycling services in North America.

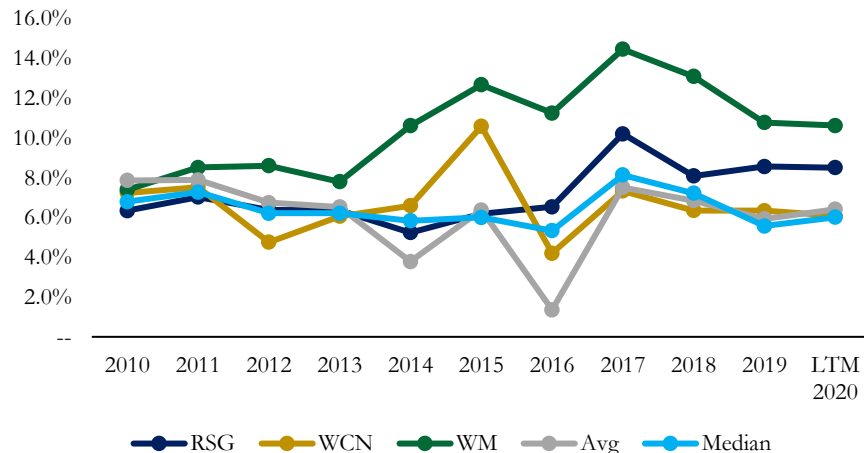
1. Stable and highly resilient business model that will continue to demonstrate growth across segments going forward
2. Strong management team has historically allocated capital effectively to high return projects and continues to pursue attractive opportunities, particularly in sustainability
3. Competitive industry with beneficial industry structure for large, diversified players

Market Share



■ WM ■ Republic ■ Waste Connections ■ Other

Return on Capital



Primary Discovery

“The circular economy will drive companies to buy recycled commodities” –ND Waste Director

“WM is certainly the most sustainable company in the space” –Former WM Operations VP

“In the last 20 years we have maybe changed our provider one time” –Restaurant Owner

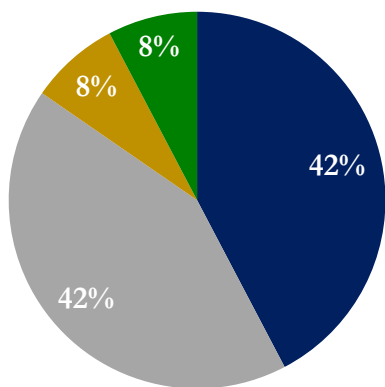


Investment Thesis: **SELL** | AIM Decision: **SELL**

Dish Network is the second largest satellite television provider in North America and is currently attempting to enter the wireless telecommunications space.

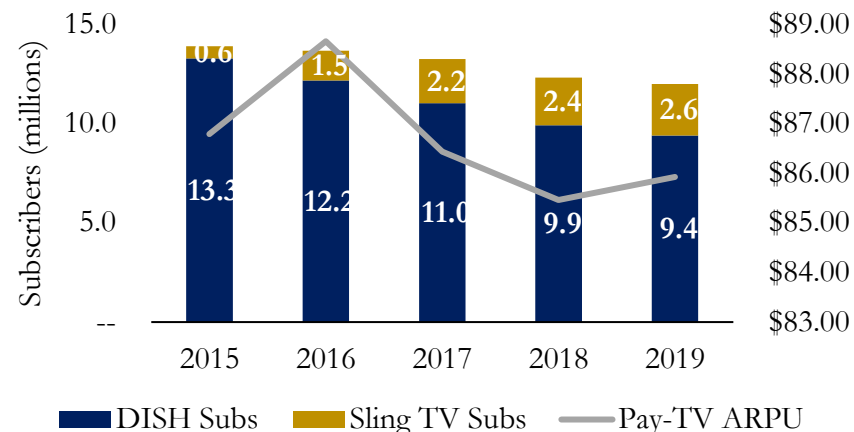
1. Essentially all of the revenue from the business is in an industry that is experiencing secular decline due to demographic trends and cord cutting
2. Aggressive investments in the wireless telecommunications space could be difficult to sustain as the legacy satellite TV business declines
3. Concerns regarding the management team, incentive structures, and insider ownership

I have/would consider cord cutting

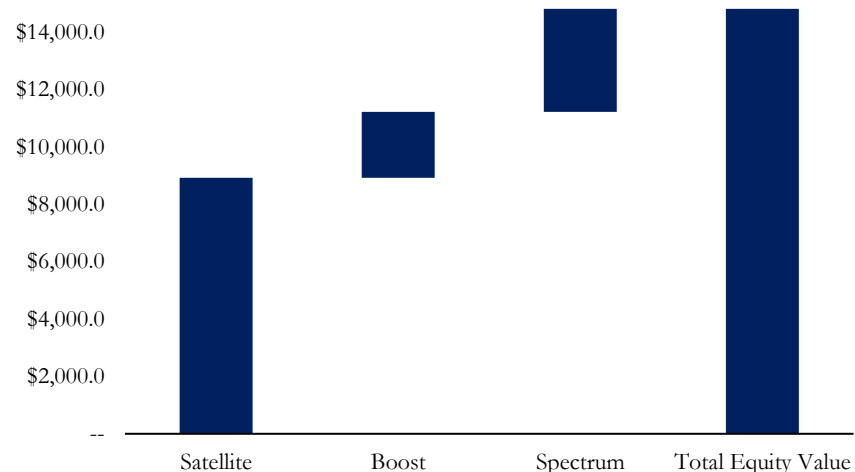


■ Strongly Agree
 ■ Agree
 ■ Neutral
 ■ Disagree
 ■ Strongly Disagree

Subscribers and ARPU



Sum of the Parts





Costco Wholesale Corp (COST)

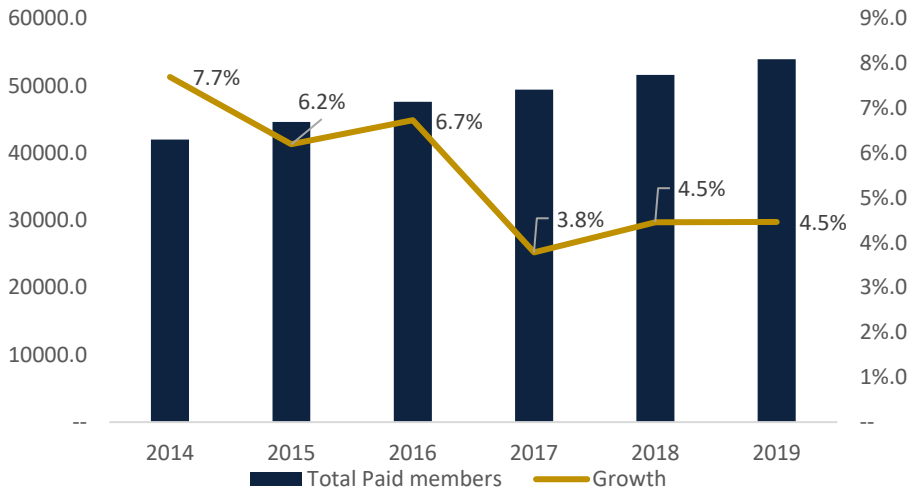
Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Costco has an incredibly sticky membership base with 91% renewal rates due to their offerings of high-quality products at low prices
2. Costco has long been a market leader in liquidity and leverage which makes them flexible to change and adapt to the emergence of E-commerce
3. Costco has consistently outperformed analyst expectations and will be one of the few firms benefitting from Covid no matter how long these restrictions may last

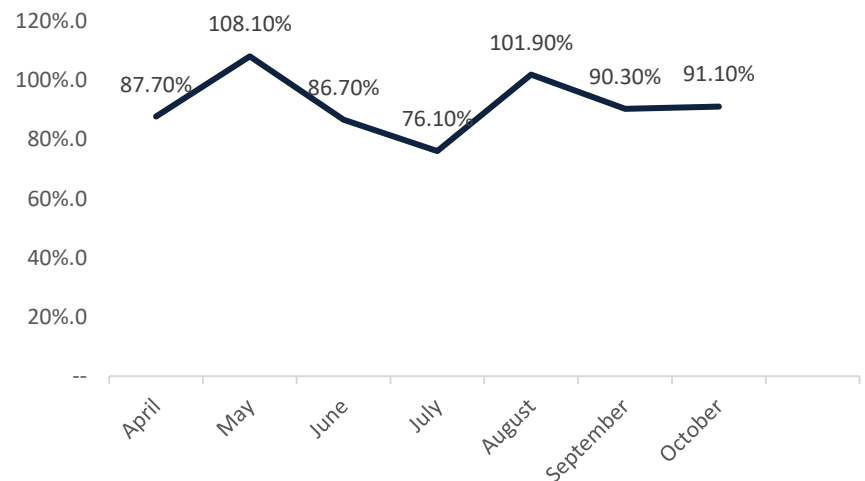
Primary Discovery

- Growth opportunity in Asia markets
 - Asian consumers see American brands like Kirkland as high quality, specifically compared to Asian products
 - Asian consumers enjoy bargain hunting and finding deals
- The premium membership warehouse in the USA
 - Doing store walks and customer counting demonstrated the massive difference in a Costco compared to Sam's Club
 - Exposure to e-commerce with Instacart and their own online platform

Memberships and Membership Growth



Growing E-Commerce Compared to 2019

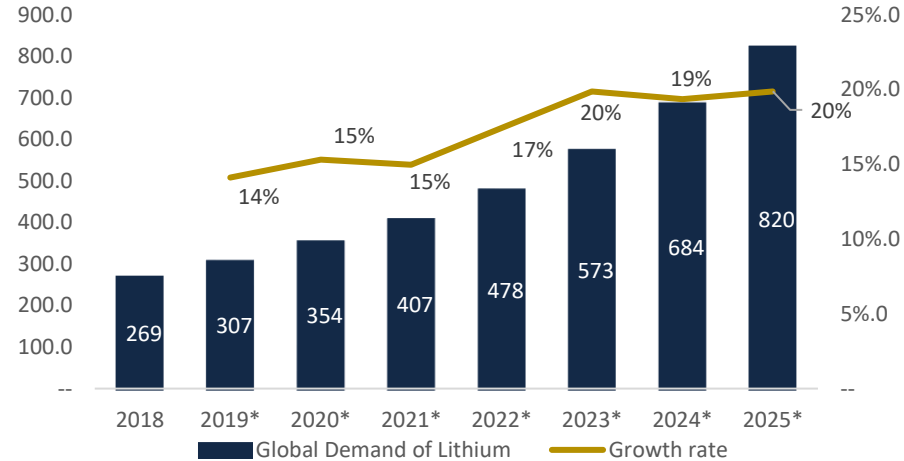




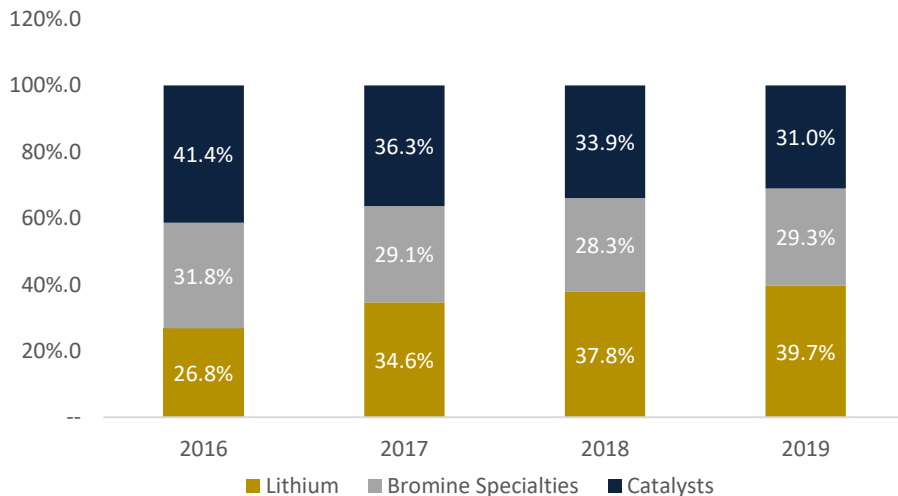
Investment Thesis: **SELL** | AIM Decision: **SELL**

1. Albemarle is the largest player in the lithium space and is continually reinvesting to grow their business. This offers an interesting way to invest in EV
2. In an industry operating at 60-70% capacity there is too much risk that new sources of lithium are found, and the over supply is not corrected
3. Technological advances could present ways in which less lithium is used in batteries, which would push demand farther into the future

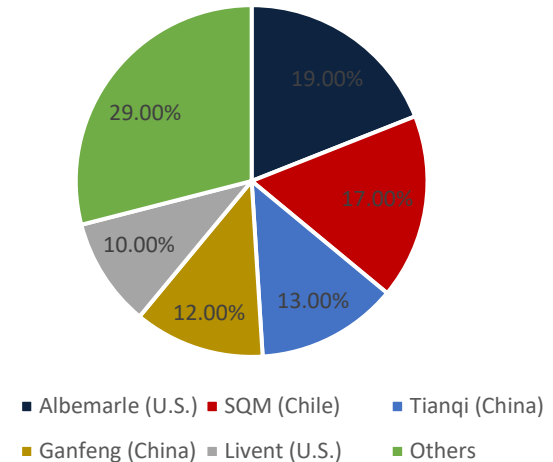
Global Lithium Demand (in 1,000 metric tons)



Revenue Breakdown by Segment



Lithium production in 2019 by company

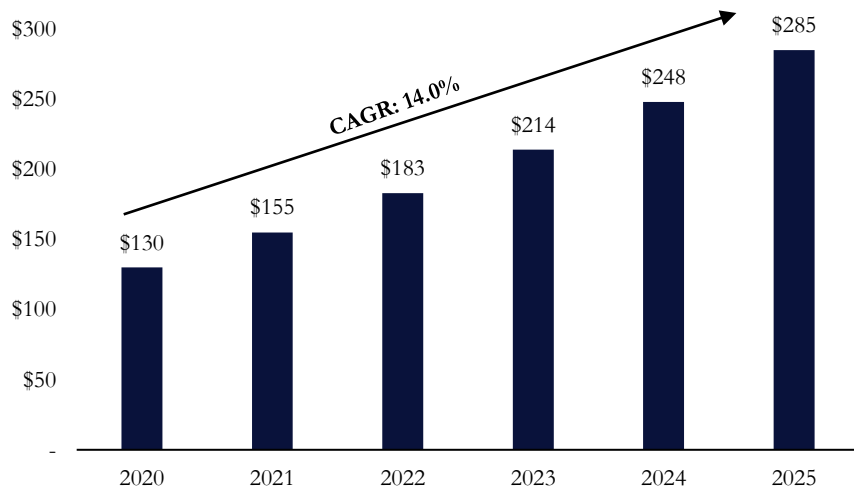




Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Market misunderstanding of potential privacy and regulation risk
2. Market views conglomerate as a traditional advertising business without potential to grow in emerging segments. Significant upside potential in Cloud and YouTube segments based on projected market growth in Cloud & Online Streaming
3. Other Bets segment offers potential upside, especially given Alphabet's strong history as an operator. Upside driven by key Other Bets investments such as Nest and Waymo

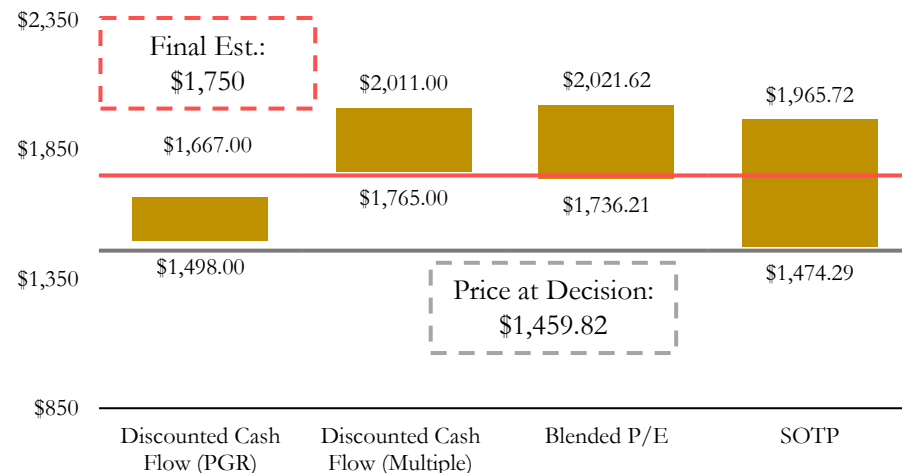
Opportunity in Cloud Segment



Insights from Primary Discovery

- Olivia Quintana Dale – Video Deal Lead for YouTube
 - Advertising opportunity in online streaming with 59% of advertisers planning to increase online streaming spend over the next year
- Reed Freeman – Partner of Advertising Privacy at Venable, Former Staff Attorney within FTC's Bureau of Consumer Protection
 - FTC more focused on secondary use of data
 - Previous DOJ settlement with Microsoft is the most likely outcome for Alphabet

Valuation Implies Significant Upside





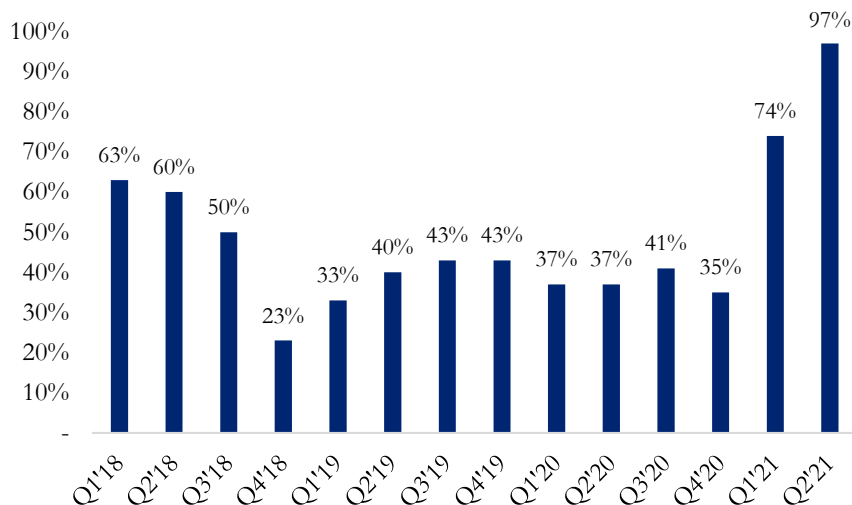
Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Market misunderstands Walmart's ability to leverage its omnichannel capabilities to create a competitive E-commerce platform
2. Market undervalues Walmart's ability to compete with Amazon, which primary discovery reveals could possibly occur over the next 4-5 years
3. Market underestimates possible success of management's long-term growth strategy for international expansion

Primary Discovery Insights

- Spoke to Shinaola Atoro, Supply Chain Analytics Specialist at Walmart E-Commerce and Emily Velez, Category Specialist at Walmart E-Commerce
- Recent omnichannel effort to combine .com and in-store is intended to reduce pain point in delivering a true omnichannel experience
- Can compete on last-mile delivery and same-day shipping with Amazon.com through geographic superiority
- Current efforts to create micro-fulfillment centers in store should enhance same-day delivery capabilities

The Move to E-Commerce Sales



E-Commerce Initiatives

- **Walmart Plus:** Paid subscription service for purchasing groceries along with products Walmart carries online and in-store for \$98/year
- **Shopify:** 1,200 Shopify sellers to join Walmart.com marketplace by the end of 2020
- **TikTok Global:** Tentative agreement to purchase 7.5% of TikTok Global
- **FlipKart & PhonePe:** Use of mobile payment capabilities and logistics services in international geographies

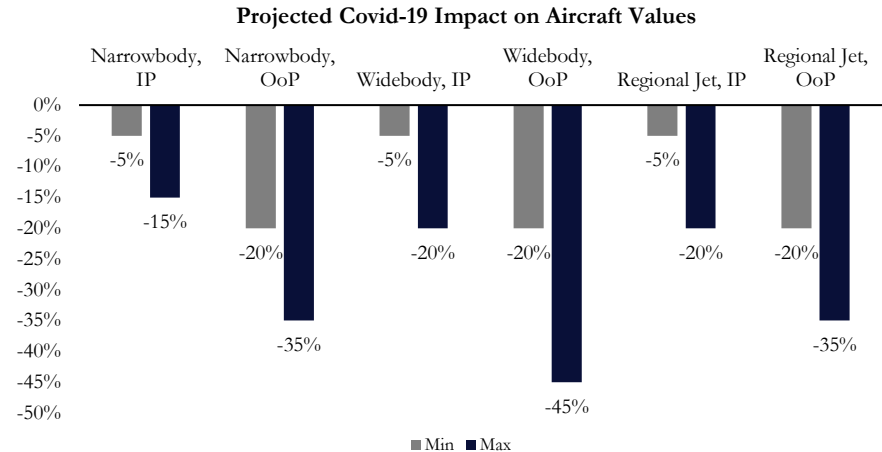




Investment Thesis: **BUY** | AIM Decision: **BUY**

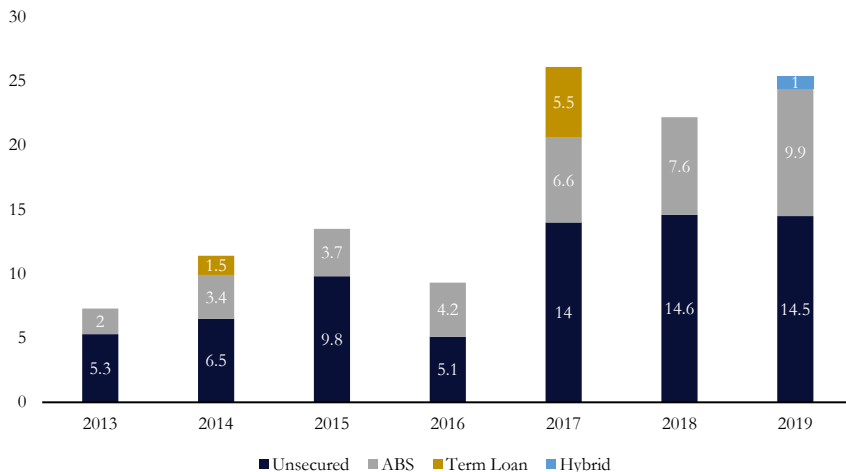
- Industry-leading liquidity** provides downside cushion for sustained pandemic headwinds
- Portfolio scale** enables AER to negotiate deferral agreements, continue to acquire capital, and close opportunistic sale-leaseback deals with airlines
- Severely depressed valuation multiples** compared to historic levels reflect a value buying opportunity as the industry recovers
- Differentiated view** arises from the market's overestimation of AER's impairment/bankruptcy risk and underestimation of the Company's ability to continuously acquire attractively priced capital

Portfolio Scale/Diversity Provides Cushion

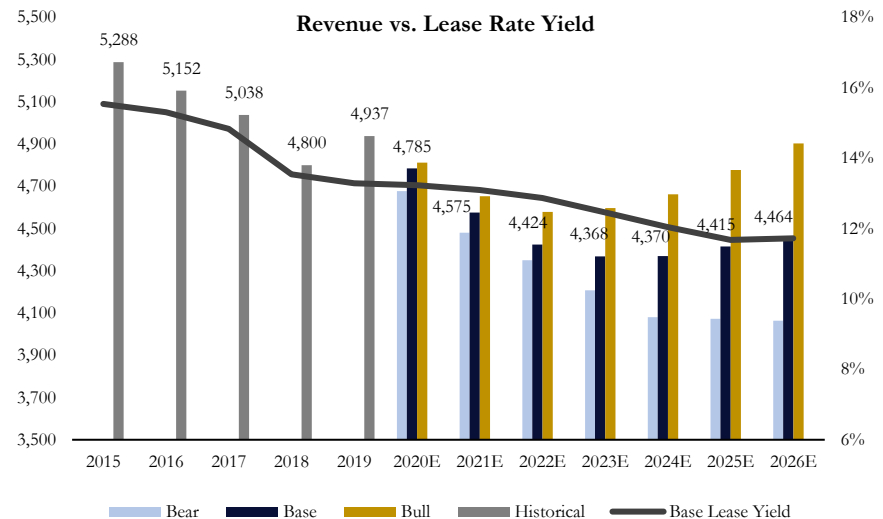


Increased Lessor Liquidity

Issuance by Type (\$bn)



Market Discounting Revenue Generation

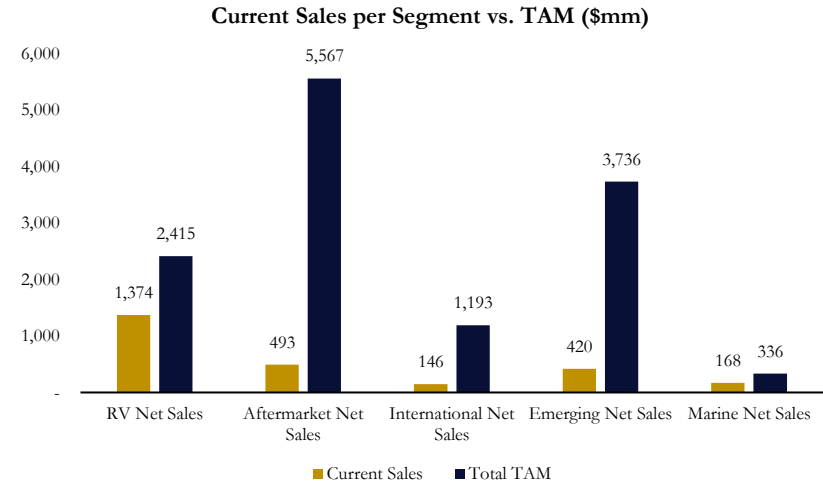




Investment Thesis: **BUY** | AIM Decision: **BUY**

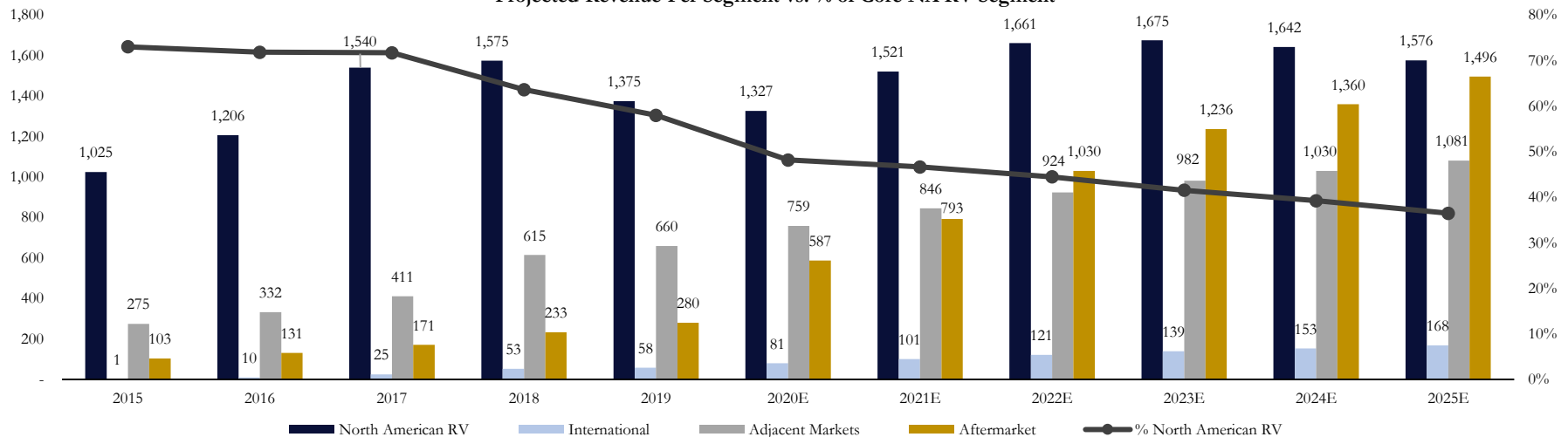
- Ability to execute diversification strategy** across industries without losing legacy North American RV segment
- Favorable market trends** towards leisure travel and demand for end-market products that require Lippert's segment-leading products
- Strong management team** with a reputable track record currently focused on expanding organic growth
- Differentiated view** arises from market's undervaluation of the recent CURT acquisition and the Company's ability to take control of the overall aftermarket segment, affirmed by site tour and management discussions

Untapped Aftermarket Segment



Diversification Strategy

Projected Revenue Per Segment vs. % of Core NA RV Segment



BREAKOUT ROOM 2:

- I. ZACHARY PAVLIN – CVS HEALTH CORPORATION, OPORTUN FINANCIAL GROUP
- II. OLIVIA COYLE – FACEBOOK, VEEVA SYSTEMS
- III. ANDREW AMEEN – ESTEE LAUDER, FLOOR & DECOR
- IV. CONNOR CAMPBELL – CROWN HOLDINGS, SERVICE CORP INTERNATIONAL
- V. MAGGIE ROHLING – LIVE NATION ENTERTAINMENT, THE WALT DISNEY CO.
- VI. BRAYDEN BISHOP – NORDSTROM, WW INTERNATIONAL



Investment Thesis: **SELL** | AIM Decision: **SELL**

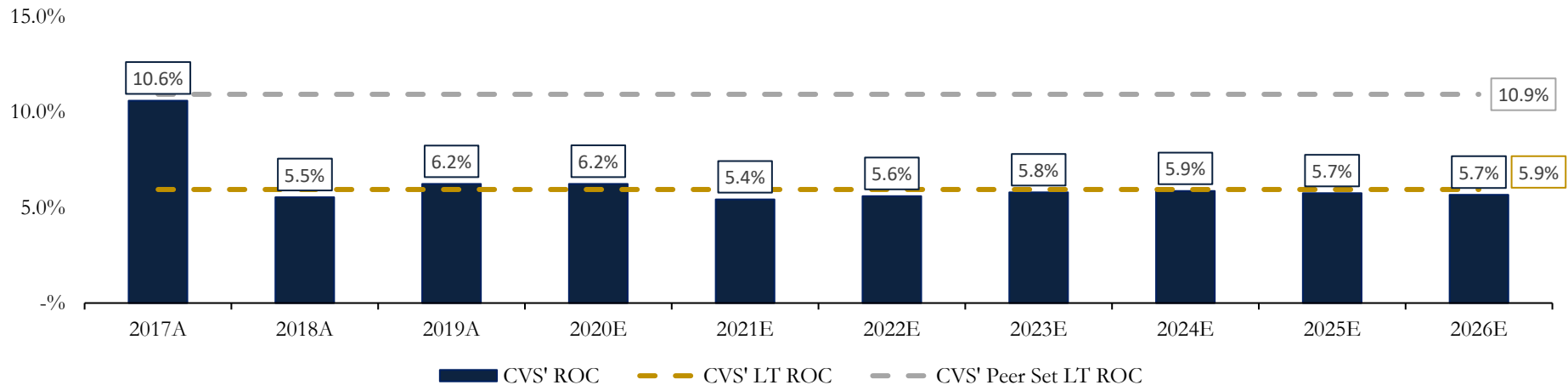
Structural issues within CVS' legacy segments and growing regulatory concerns will continue to negatively impact shareholder value creation and hamper fundamental growth

1. Primary discovery with an owner of a regional PBM emphasizes the potential for transformative disruption
2. Fundamental analysis highlights operational deficiencies across the core pharmacy retail and services segments
3. Industry headwinds will offset any synergy realization from the Aetna deal and lead to margin compression

Primary Discovery

- 1 Revenue per prescription and claims will continue to compress in the future due to increased regulation and competition
- 2 Consensus estimates are not accounting for the competition Amazon and other private sector companies will bring to the retail pharmacy and PBM sectors
- 3 The rise of biosimilars, which are 15%-20% cheaper than traditional pharmaceuticals, will compress margins
- 4 Lowering drug prices in America is a bipartisan issue

Historical & Forecasted Return on Capital





Oportun Financial Group (OPRT)

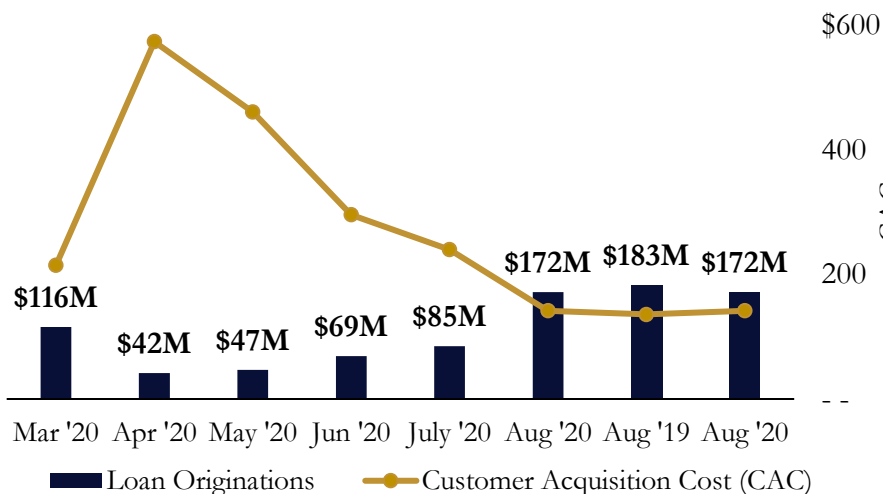


Investment Thesis: **BUY** | AIM Decision: **BUY**

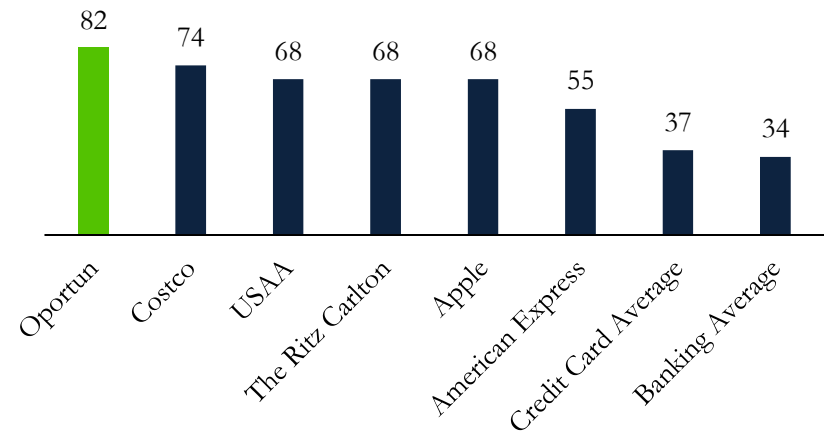
Mission driven non-prime lender that leverages its proprietary data driven technology to provide affordable loans to the underserved credit invisible segment in the broader financial services sector

1. Strong brand equity, a world class management team, and a first mover advantage due to its proprietary technology
2. Fragmented credit-invisible market provides tremendous runway for geographic and product expansion
3. Depressed Price-to-Book will improve as Oportun scales and economic conditions stabilize

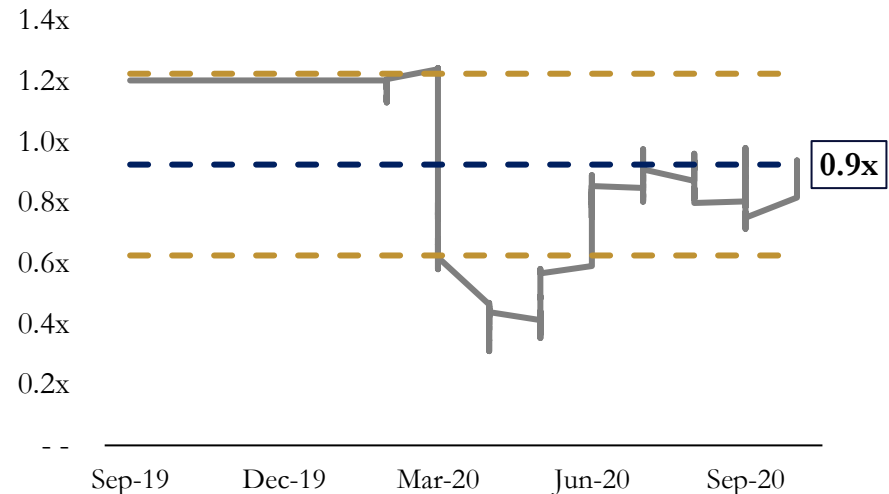
Stabilizing Unit Economics



Unprecedented Net Promoter Score



Depressed Price-to-Book Points to Upside





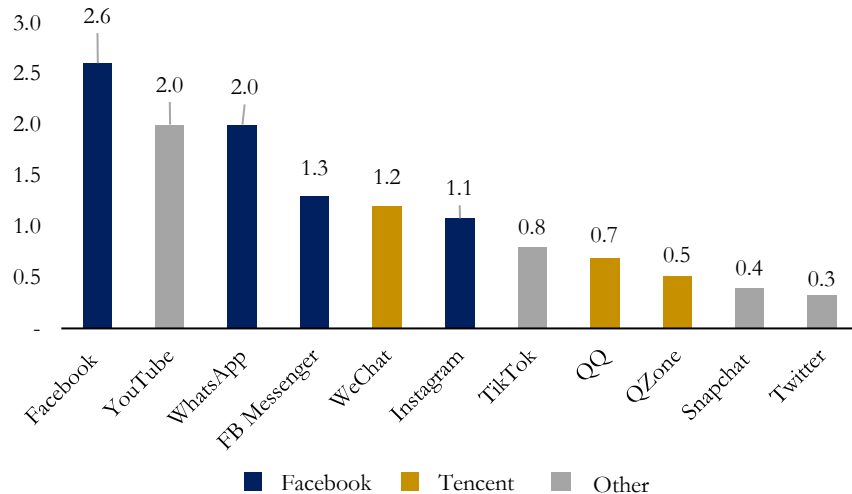
Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Durable network effect and targeted advertising capabilities allow entrenched position in growing social media advertising market
2. Regulatory risks are misunderstood by market and data privacy concerns will be mitigated by FB's re-investment in the platform
3. Market undervalues eCommerce opportunity, especially in India

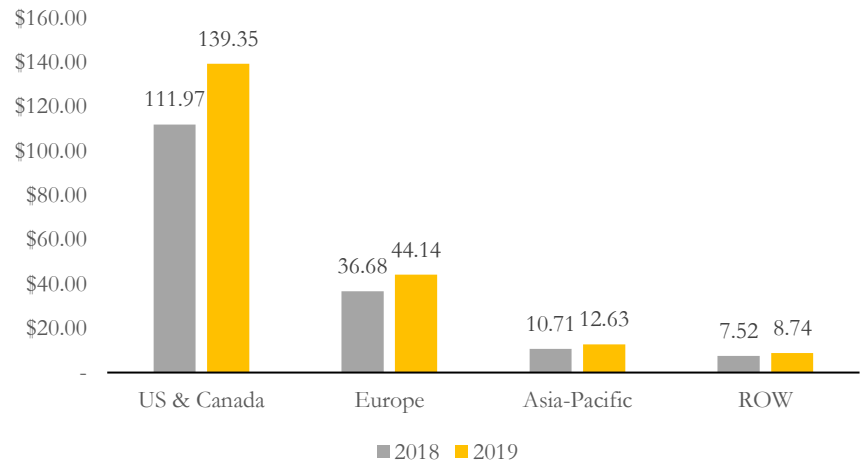
Primary Discovery Takeaways

- Growth opportunity in India
 - Internet penetration <40%
 - WhatsApp pay and Jio/FB partnership could transform eCommerce in India
- Regulatory & privacy risk
 - Targeted ads aren't going anywhere, FB won't be broken up
 - Anti-trust regulation is less of a risk than is privacy

Largest Social Network by # of Users (Bn)



Opportunity to Monetize Lower ARPU Users



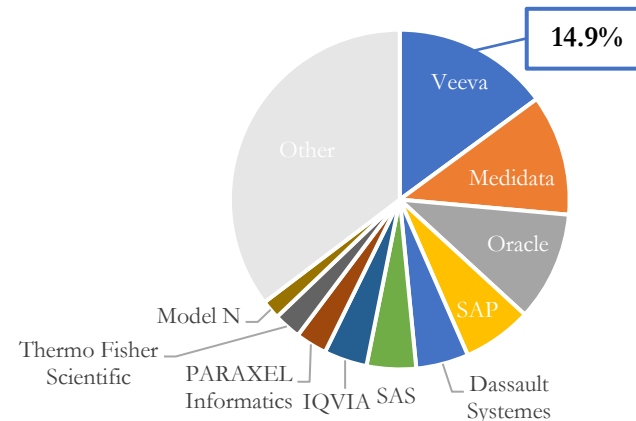


Investment Thesis: **BUY** | AIM Decision: **BUY**

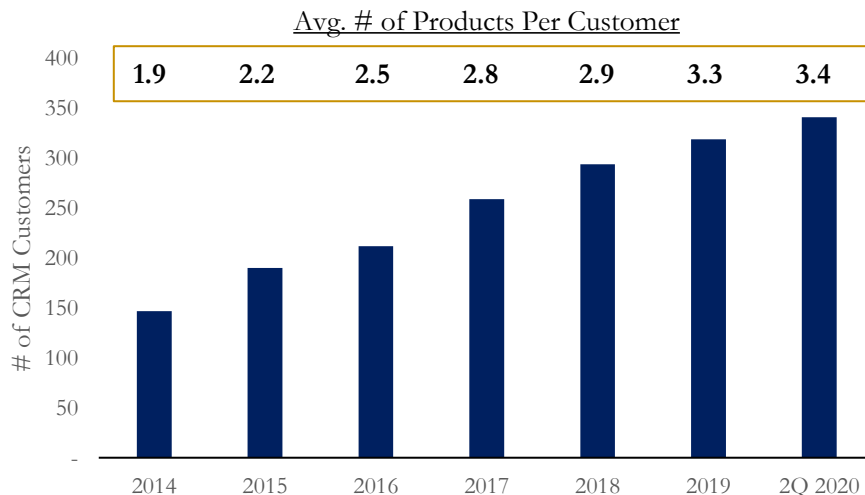
Veeva is a global provider of cloud-based software solutions for life sciences and pharmaceutical companies

1. Well-positioned to gain further market share in quickly growing and fragmented life sciences SaaS industry
2. Increasing regulation of life sciences and pharmaceutical companies will drive increased demand for Veeva's products
3. High switching costs for Veeva's mission-critical software provides upselling opportunities and further entrenches Veeva's position in the market
4. Concerns regarding high valuation mitigated by 10% price decline

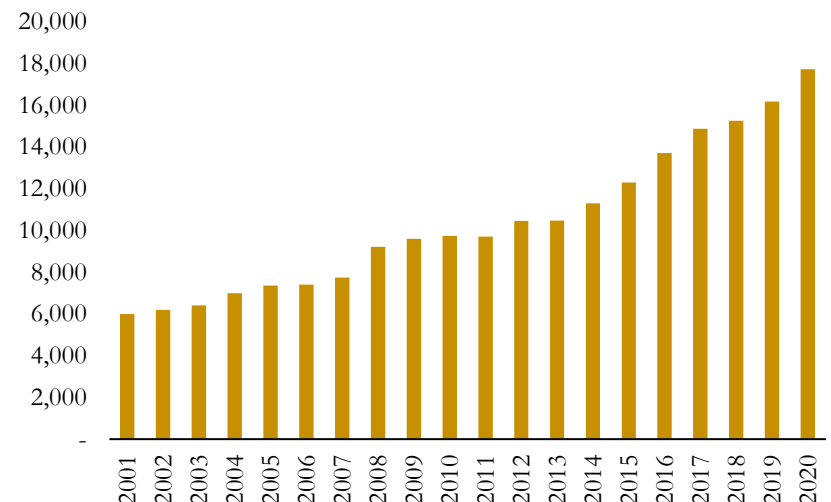
Uniquely Positioned in Fragmented Market



Upselling Opportunities



Increasing # of Drugs in R&D Pipeline



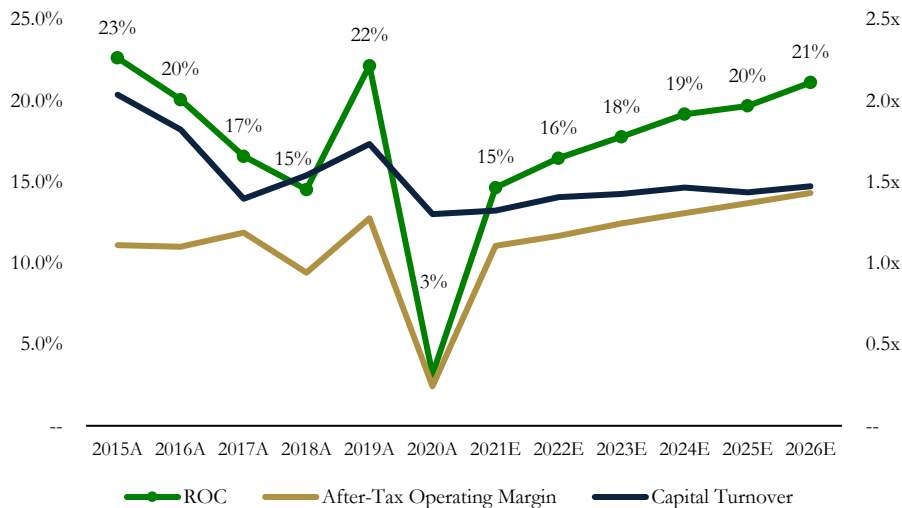


Investment Thesis: **BUY** | AIM Decision: **SELL**

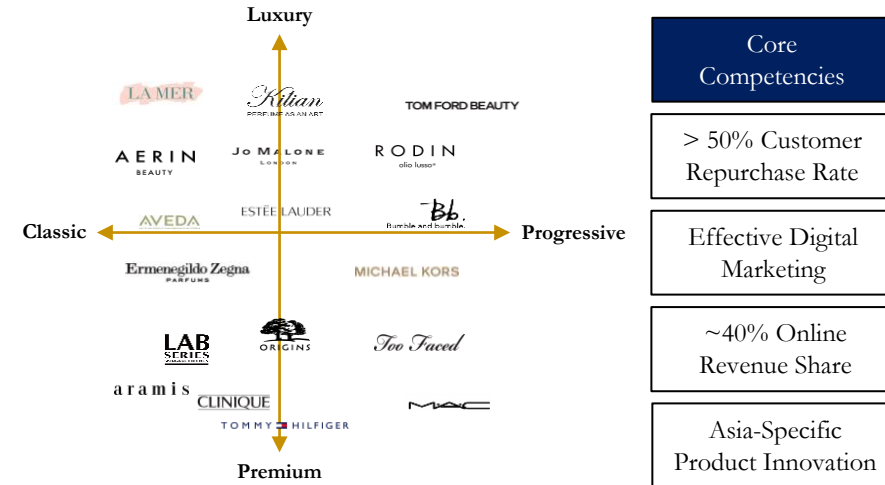
Estée Lauder is a global manufacturer and marketer of skincare, makeup, fragrance, and hair care products operating under a diverse portfolio of brands

1. An emphasis upon high-quality skincare products aligns with secular shifts toward health-consciousness and personal care
2. Backed by an experienced management team, Company has significant potential to benefit from growing Asian market
3. Shift toward e-commerce bears potential to realize cost savings and effectively scale customer engagement
4. Uncertainty remains over the Company's ability to reduce its dependence upon a struggling department store sector

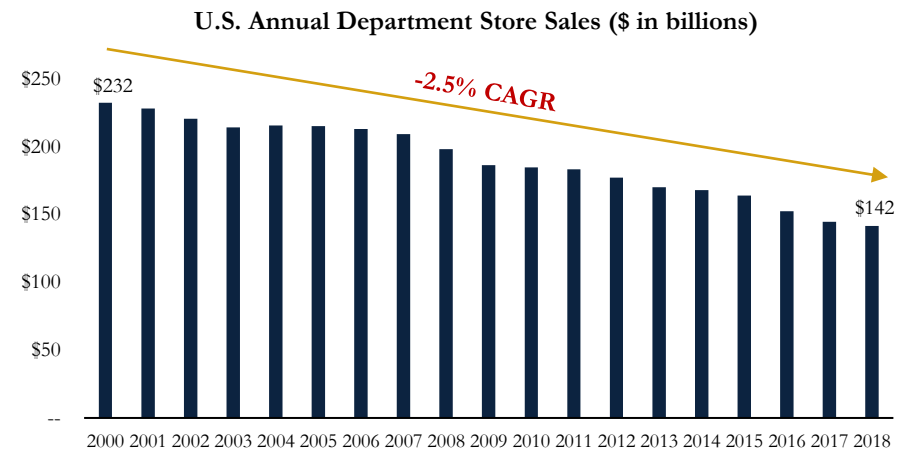
Profitability-Driven Return Profile



Brand Diversity and Customer Engagement



Risk of Declining Brick-and-Mortar Industry



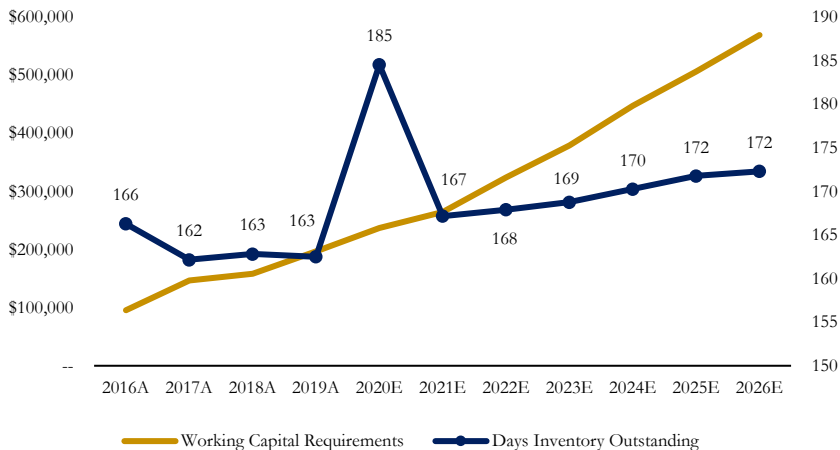


Investment Thesis: **SELL** | AIM Decision: **SELL**

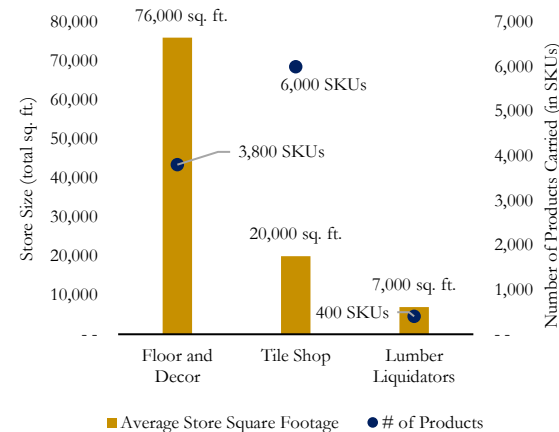
Floor & Decor is a U.S.-based, warehouse-style specialty retailer of hard surface flooring and related accessories serving professional and DIY customers

1. The aggressive expansion plan laid out by management will be capital intensive, limiting the Company's ability to invest in long-term organic growth opportunities
2. Large warehouse-style stores place company at risk of inventory buildup, potentially straining product offering fluidity and eroding competitive advantage over time
3. Recent multiple expansion reflects market over-exuberance toward the Company due to its well-publicized growth plan and housing market tailwinds

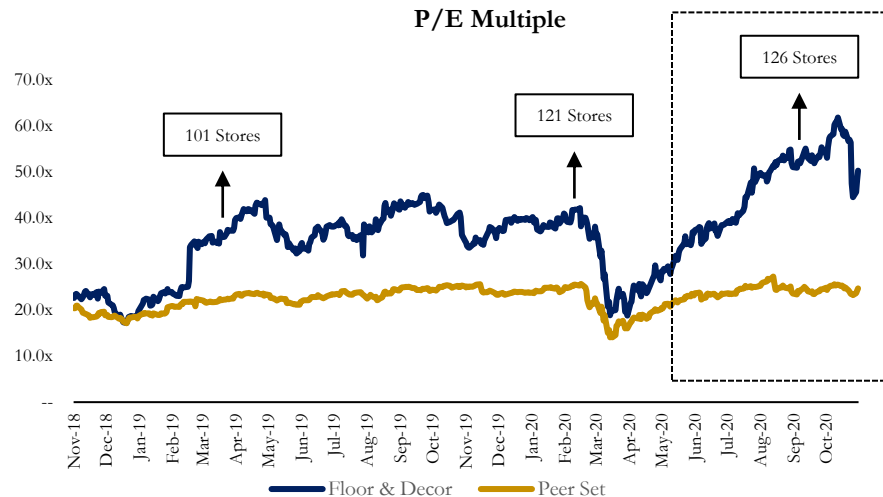
Capital-Intensive Business Model



Differentiated Go-to-Market Approach



Post-COVID Price Run-Up

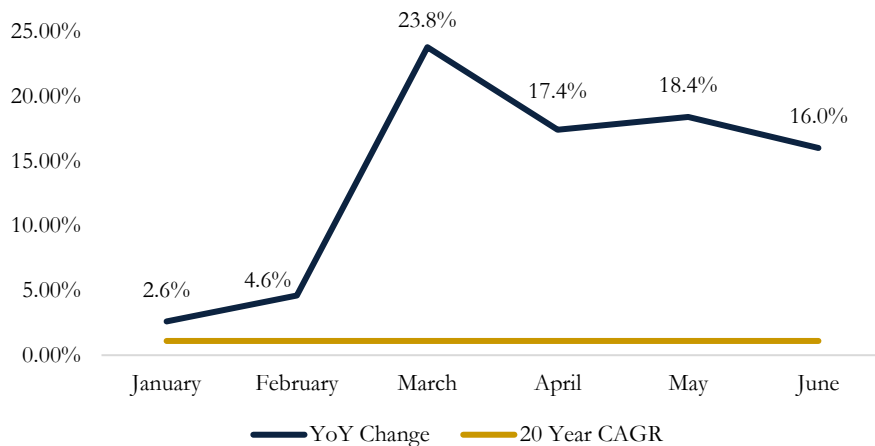




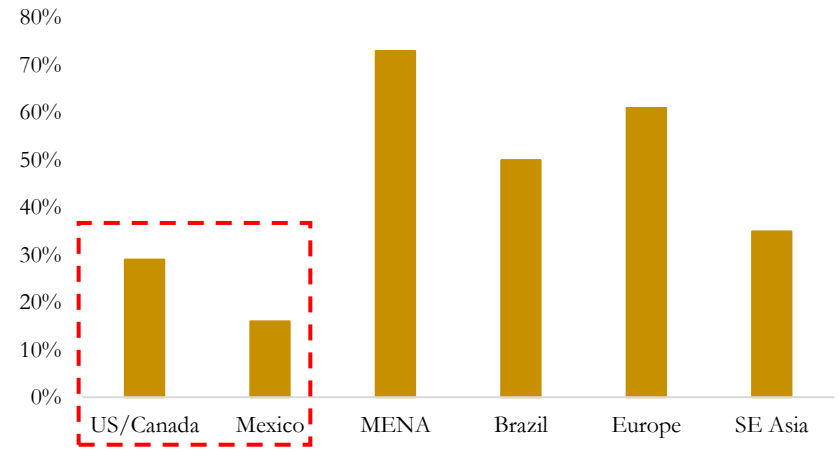
Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Industry's moat will protect incumbent returns that are well above their cost of capital
2. 2020 pandemic has led to a material shift in negotiation power for can manufacturers
3. Risk of overcapacity in the aluminum can market mitigated by strong shifts from bottlers towards specialty cans

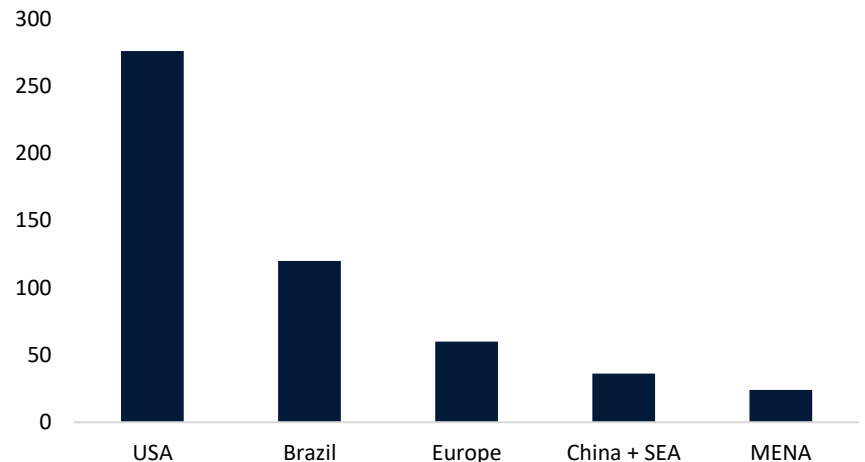
US Can Volumes YoY vs 20 Year CAGR



Specialty Cans as a % of Total Cans



Annual Can Consumption per capita

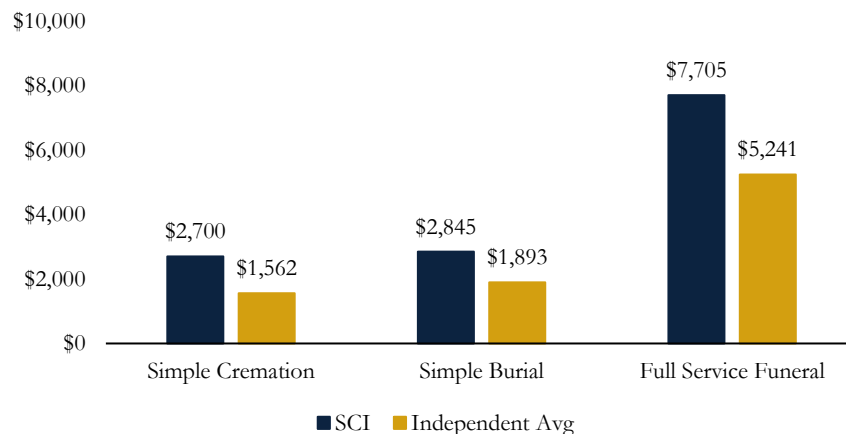




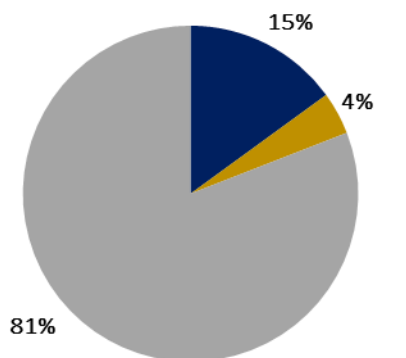
Investment Thesis: **SELL** | AIM Decision: **SELL**

1. SCI's business model relies on a lack of price discovery by deathcare customers in the market
2. Consumer price discovery is slowly increasing through online price aggregators; however, FTC regulation under review could make this shift happen much quicker
3. Despite these risks to the return on capital for SCI, the business trades at highest EBITDA multiple in over 20 years

SCI Pricing versus Independent Funeral Homes



SCI Market Share in North America

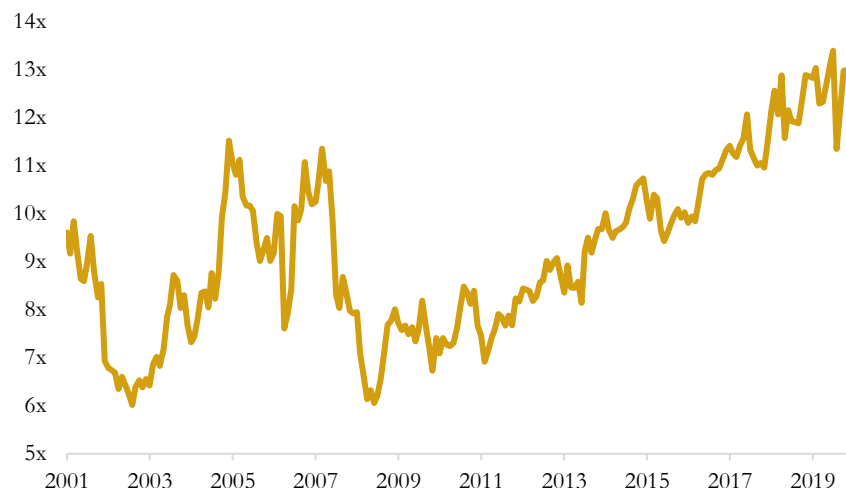


Fragmented and inefficient

10x their largest competitor

■ SCI ■ 5 other Roll-ups ■ Independent

EV/EBITDA Multiple



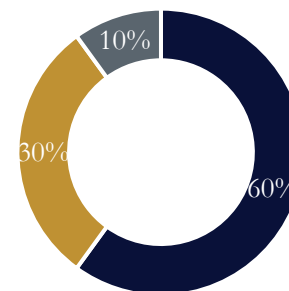


Investment Thesis: **SELL** | AIM Decision: **SELL**

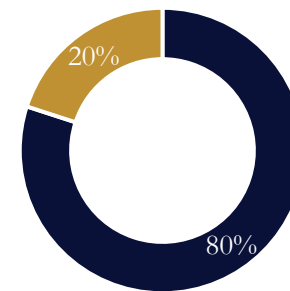
1. Vertical integration and dominance of the live events industry
2. Limited revenue streams for the duration of the pandemic
3. Liquidity to only sustain the company through mid-2021, adversely affecting credit ratings and M&A activity
4. Assumption that 86% of fans will return to live events once a vaccine is widespread
5. Regulation risk due to possibility of additional DOJ / Congress investigations given monopoly concerns

Live Nation / Ticketmaster Monopoly

Live Events Production



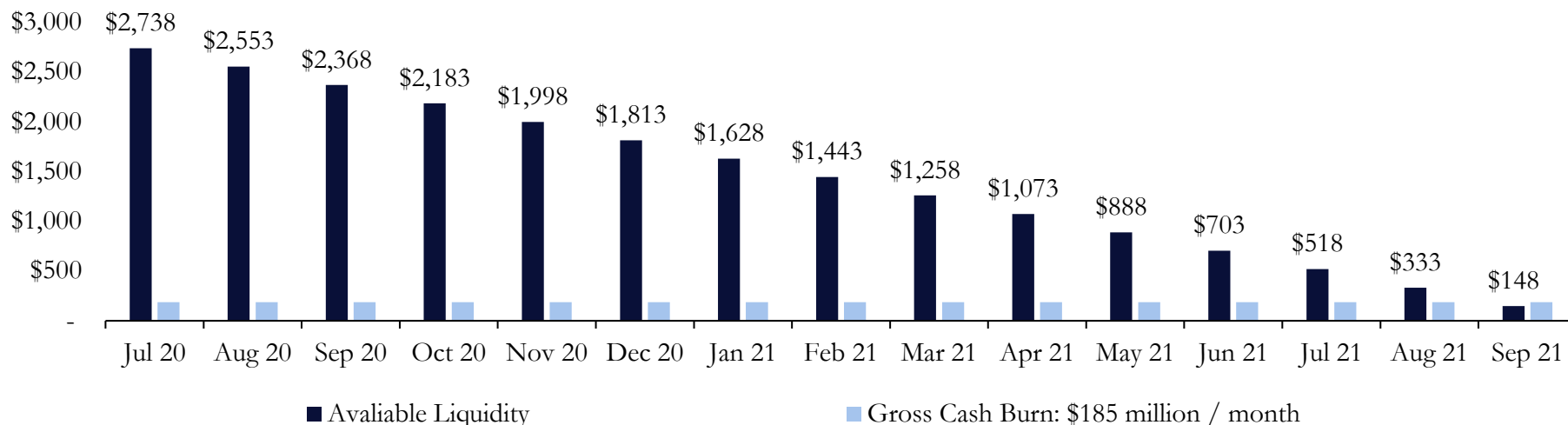
Ticketing



■ Live Nation ■ AEG ■ Others

■ Ticketmaster ■ Others

Runway will adversely affect credit ratings and M&A activity





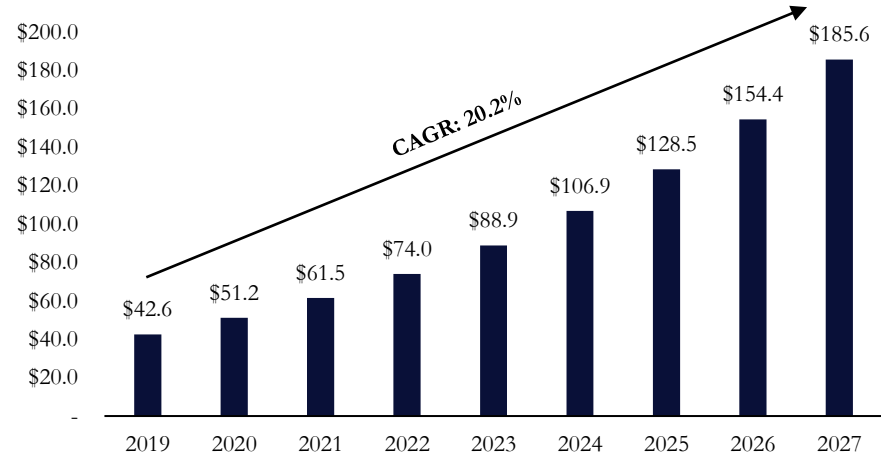
The Walt Disney Company (DIS)



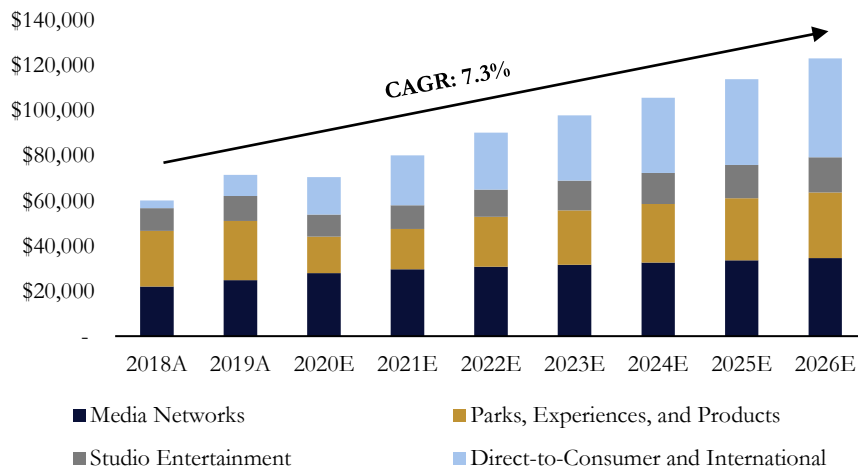
Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Ability to leverage world-class brand across all business lines
2. Competitive advantage in the media and entertainment industry
3. Shifting strategy towards Disney+, which appears poised for immense growth
4. Potential for Disney to successfully become a streaming giant and rival Netflix
5. Parks, Experiences, and Products and Studio Entertainment revenues negatively affected by pandemic
6. Margins will be depressed for the duration of the pandemic

Streaming Total Addressable Market

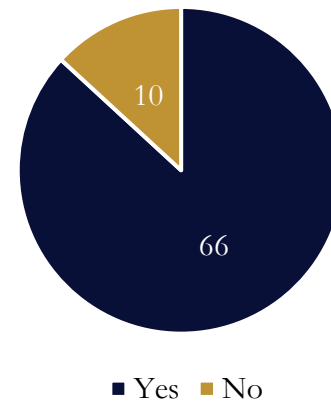


Revenue Build



Primary Discovery

Would you consider subscribing to Disney+?

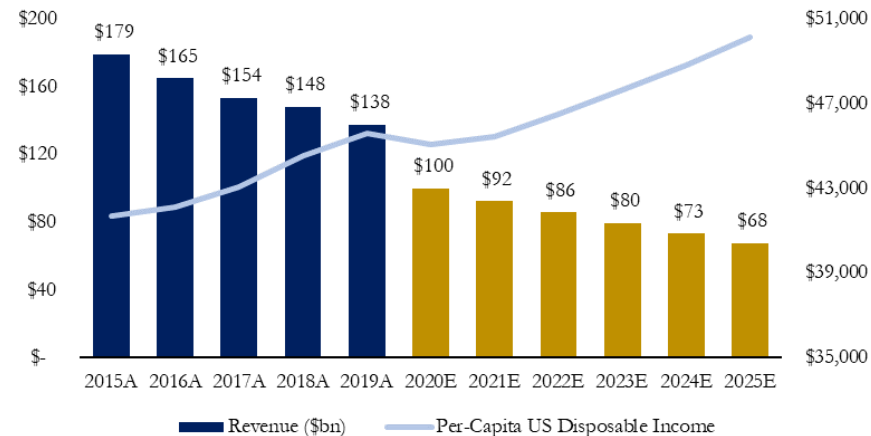




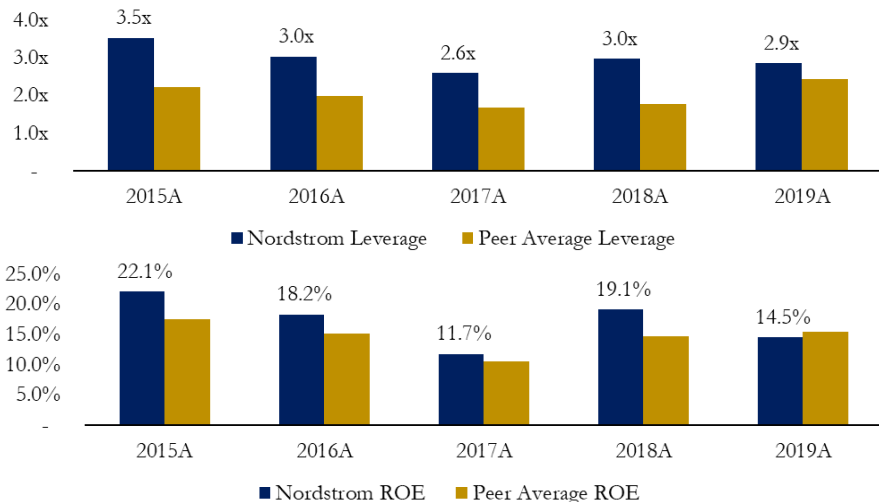
Investment Thesis: **SELL** | AIM Decision: **SELL**

1. Focus on customer experience has failed to fundamentally differentiate Nordstrom from peers
2. Significant fashion apparel will hinder sales volume for the near-mid term
3. Elevated price-based competition in online retail prevents significant profit generation through via online sales
4. Nordstrom's last mile delivery infrastructure through Nordstrom Local store models is underdeveloped

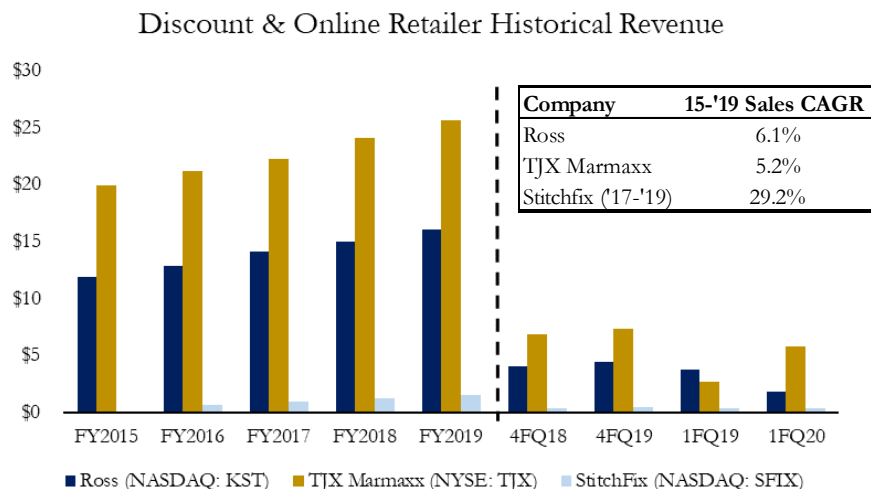
Challenging Headwinds



Leverage-driven ROE



Value Exodus to Online and Discount

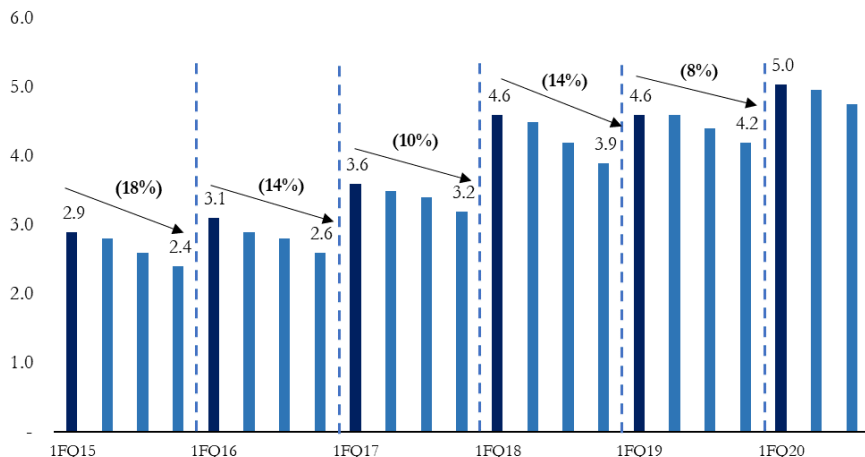


Investment Thesis: **BUY** | AIM Decision: **BUY**

1. Largest and most reputable/clinically studied player in the weight loss solutions industry
2. Rising U.S. obesity rates and employer health costs represent significant tailwinds
3. Cyclicalities in share performance provides an attractive entry point
4. Significant upside rests on WW's ability to adapt to customer preferences and diversify customer demographics

Improving Subscriber Churn

Subscriber Churn (mm of subscribers)



Well-Developed Competitive Advantage



CDC Official Diabetes Prevention Program Provider



50+ Year Track Record of Market Dominance and Adaptation to Consumer Trends



Numerous Partnerships Encompassing the Whole Sphere of Wellness

Promising Diversification Opportunities

Millennial Demographic

WEIGHT WATCHERS 360°

- Eat real food. Really.** Learn to make the smart choices that let you eat the foods you love, when you want to. *Nothing is forbidden.*
- You. In control. Always.** In our imperfect world, food cues are everywhere. Learn how to take charge of temptation at home, at the office, out on the town. Anywhere and everywhere.
- The smart choice is the easy choice.** From your seat by learning new routines and great habits. Pretty soon you can find yourself making healthy choices without even thinking about it.
- We've got your back. Always.** Get in-person inspiration at Meetings, or follow the Plan entirely online. And we offer a suite of mobile apps and digital tools that put the Plan right at your fingertips.
- Get moving, get healthy.** A little exercise can help you feel great — and our tools can help you take the first step towards achieving your goals.
- 50 years of human triumph — and counting.** For 50 years we've helped the world lose weight and get healthy. Person by person. Pound by pound. It continues today, with you.

weightwatchers360°

I love that Weight Watchers didn't expect me to be perfect. And I still love weights 21.
— Jamie, Meetings Member

Employee Health Solutions

WW Health Solutions

We inspire healthy habits for real life.*

*For people, families, communities, the world—for everyone.

BREAKOUT ROOM 3:

I. ALLIE OKON – MASTERCARD, DICK'S SPORTING GOODS

II. MATTHEW FRAIZER – ALTERYX, VAIL RESORTS

III. ANDREW SEKETA – UNION PACIFIC, ENTERPRISE PRODUCT PARTNERS

IV. KATIE JACOBY – NEXTERA ENERGY, LULULEMON ATHLETICA

V. SEAN KELLER – QUALYS, SHERWIN WILLIAMS

VI. WILLIAM SUTER – STRYKER CORPORATION, GENERAL MOTORS

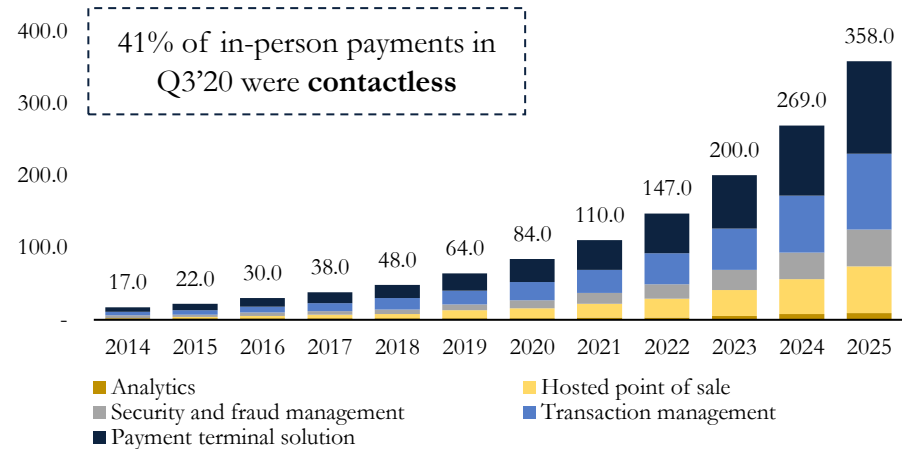


Investment Thesis: **BUY** | AIM Decision: **BUY**

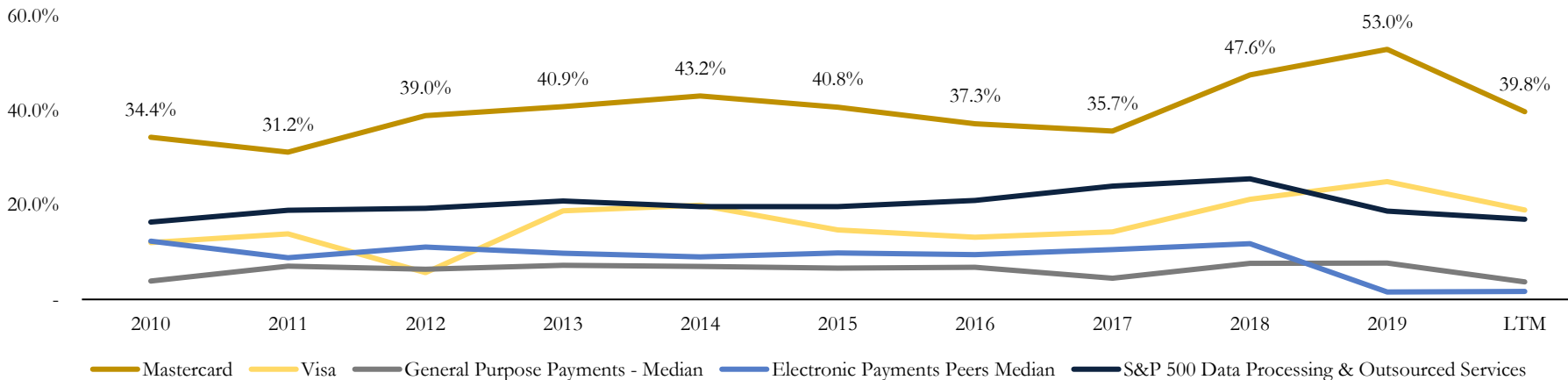
Mastercard is a global payments company that works with consumers and commercial clients to switch transactions

1. Mastercard's **entrenched market position** as a key industry player alongside Visa stems from its established global multi-rail payments network
2. The **viability and variety of growth prospects** for the firm, particularly through its value-added services, poses a strong investment opportunity
3. Management has proven its ability to generate shareholder value through **industry-leading returns on capital**

Contactless Payment Market in the U.S. (\$bn)



Return on Capital vs. Peers





DICK'S Sporting Goods (DKS)

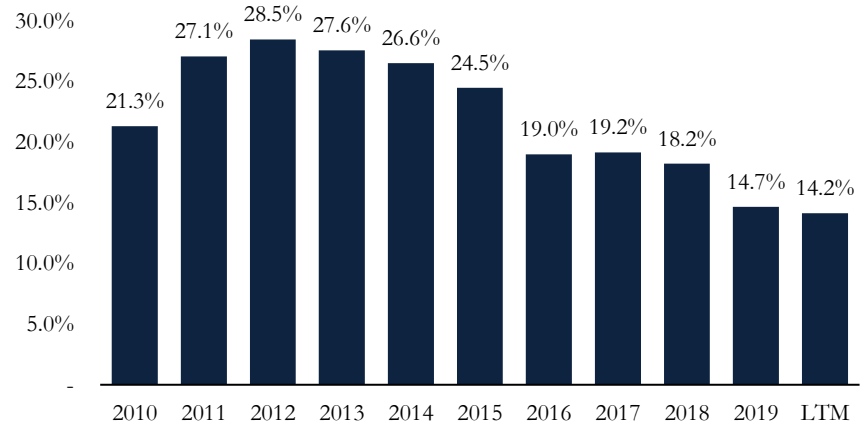


Investment Thesis: SELL | AIM Decision: SELL

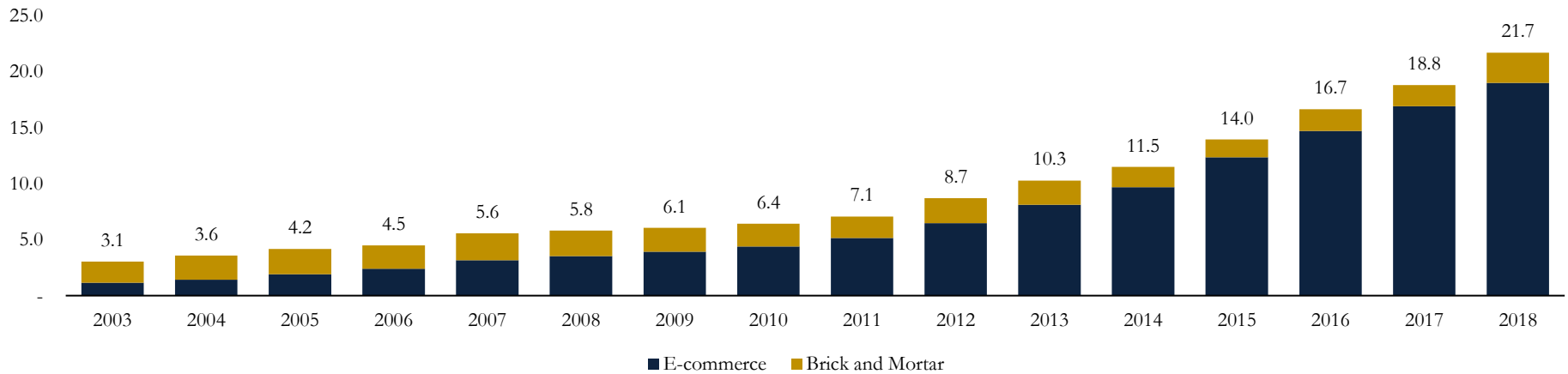
DICK'S Sporting Goods is the leading pure sporting goods retailer as an omnichannel provider of sports equipment, apparel, footwear, and accessories

1. DICK'S has **no true competitive moat**, especially as key vendors such as Nike continue investments in their higher-margin DTC channels
2. **Margins have compressed** as eCommerce begins to compose a higher percentage of net sales
3. Dependence on store expansion to fuel growth **creates exposure to a struggling retail industry**

Weakening Operating Margins



U.S. Sales of Sporting Goods by Channel (\$bn)



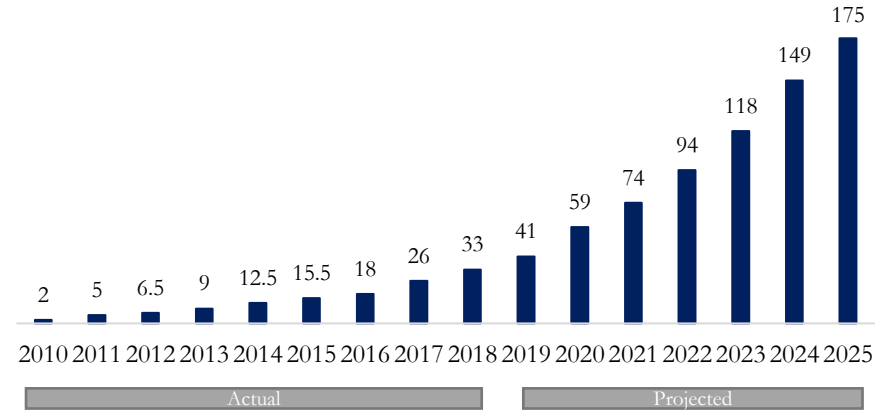


Thesis: **BUY** | AIM Decision: **BUY**

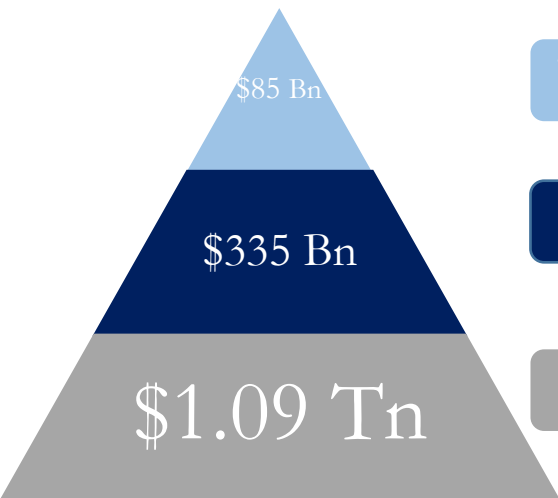
Alteryx provides software to automate manual data processes making employees more efficient.

1. Alteryx possesses a highly scalable product that is user friendly and highly customizable
2. Massive TAM where Alteryx is the market leader
3. Tailwinds in the increasing prevalence of the problem Alteryx solves
4. Short term prices highly driven by quarterly results

The Growth of Data



Huge TAM with Key Decision Maker Buy In

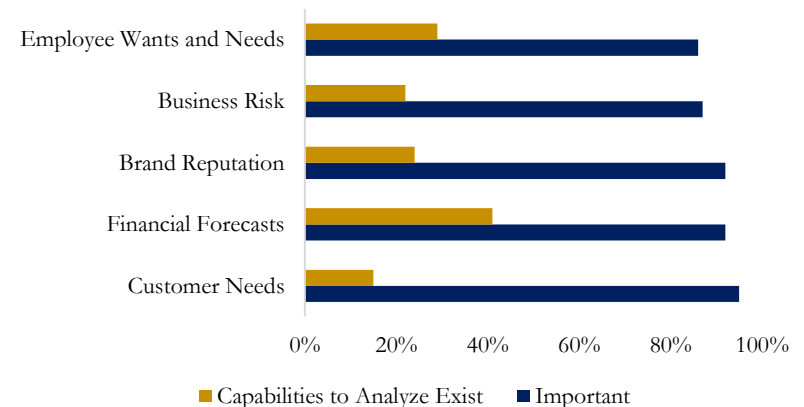


~5 million Americans waste up to 8 hours a week

~21 million global users waste up to 8 hours a week

~21 million global users spend 26 hours a week

PwC CEO Survey - "Data Gap"



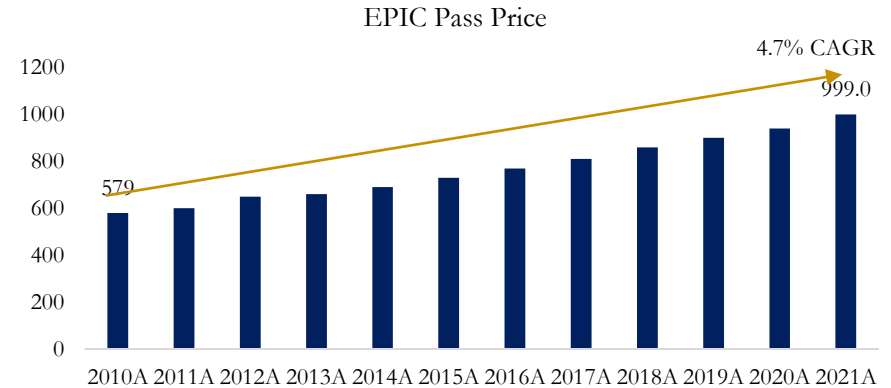


Thesis: SELL | AIM Decision: SELL

Vail Resorts owns and operates ski resorts in the United States, Canada and Australia

1. Inherent competitive advantages due to terrain scarcity
2. Large amounts pricing power around season pass offerings
3. Vail has exhausted new markets to enter inorganically
4. Skiing is a notoriously hard market to attract new customers to enter

Extreme Pricing Power



Vail has Run Out of Inorganic Growth Opportunities in a Market that doesn't Historically Grow





Investment Thesis: **BUY** | AIM Decision: **BUY**

UNP is the second largest Class One railroad in the US and operates 32,240 route miles linking Mexico, west coast ports and Canada to eastern gateways

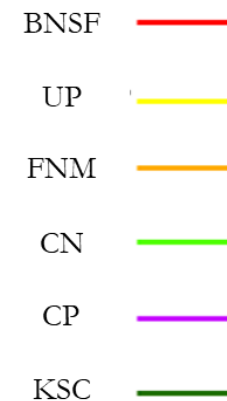
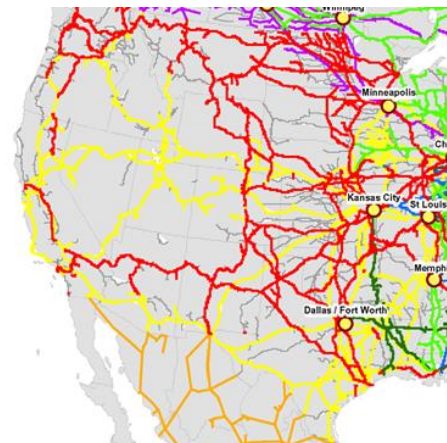
- 1. Entrenched Competitive Position:** the rail transportation industry in the western United States is a practical duopoly with large capital moats and growing profit margins
- 2. Unified Plan 2020:** The Unified Plan 2020, led by Jim Vena, has substantially increased UNP's ROE compared to peers through increases in profitability and efficiency.
- 3. Massive Economic Upside:** Full effect of capital allocation improvements muted until volume and fuel price normalization

Unified Plan 2020 Operational Impact

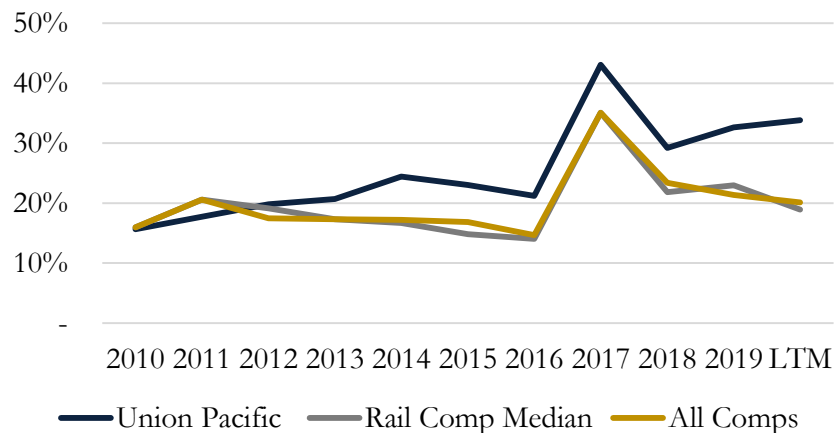
| Metric | 2018 | 2020 | Change |
|-------------------------|--------|--------|----------|
| Car Velocity | 209 | 225 | 16 |
| Car Dwell Time | 27 | 22 | (5) |
| Locomotive Productivity | 111 | 133 | 22 |
| Workforce Productivity | 840 | 882 | 42 |
| Employees | 42,114 | 31,965 | (10,149) |
| EBITDA Margin | 48.6% | 52.3% | 3.7% |
| Trip Compliance* | 69% | 82% | 13% |

These operating improvements have significantly advanced UNP's service quality while maintaining capacity, but the true profit potential has been muted by 2019 one-off events and coronavirus volume declines

Defensible Position



ROE Impact





Enterprise Products Partners (EPD)

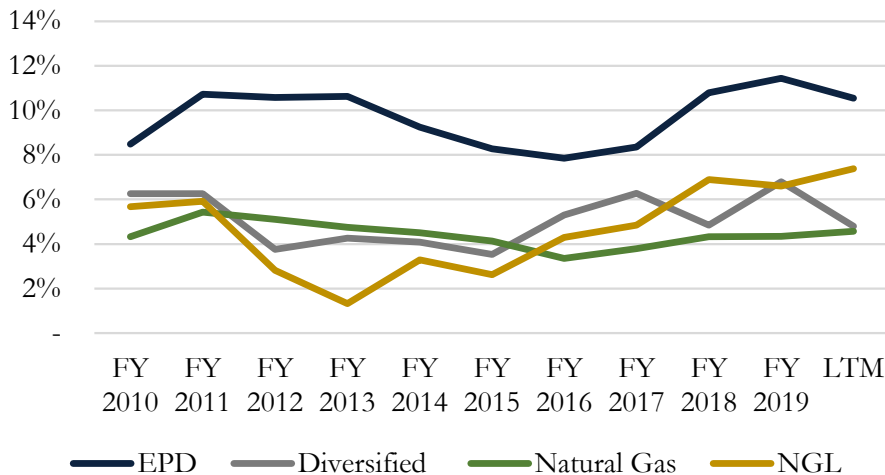


Investment Thesis: **BUY** | AIM Decision: **BUY**

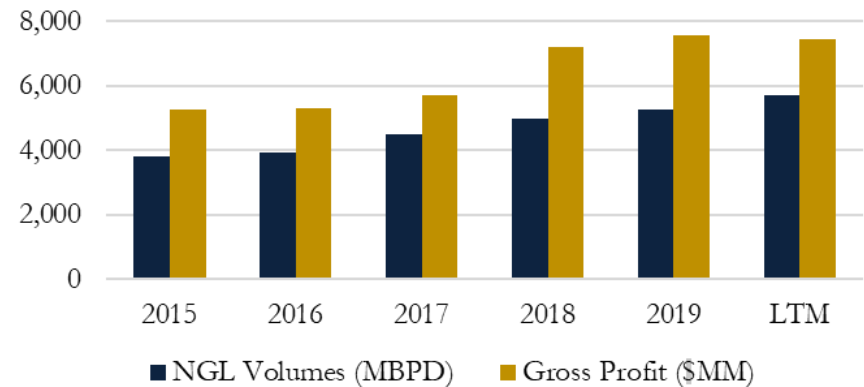
EPD is the one of the largest diversified midstream energy companies in the US and the largest player in the natural gas liquid (NGL) space

- 1.NGL Production:** Long-term growth potential from industrial and manufacturing demand even if oil and gas demand declines
- 2.Unrivaled Fundamentals:** Enterprise Products has the strongest profitability, ROE, asset turnover, and leverage statistics of any other midstream energy player
- 3.Massive, Sustainable Distributions:** If EPD never increased its dividend again, it would still provide an upside even though distribution coverage is strong, and no solvency concerns exist

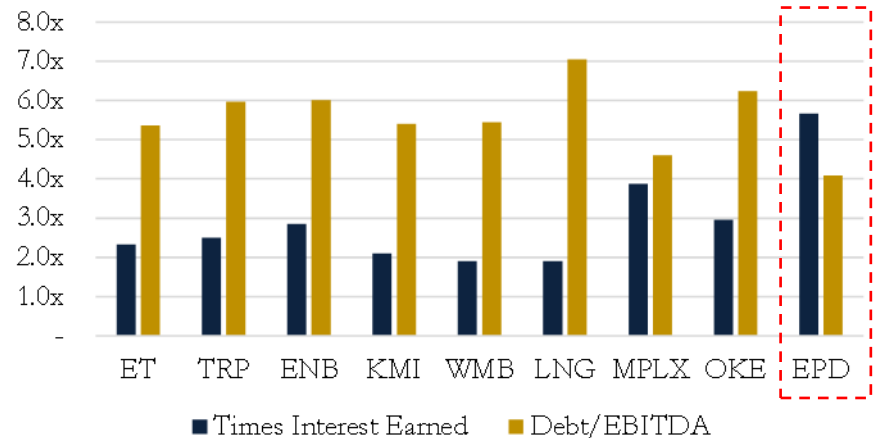
Returns Significantly Stronger Than Peers



Volume/Profit Growth with Declining Prices



No Solvency Concerns





Investment Thesis: **SELL** | AIM Decision: **SELL**

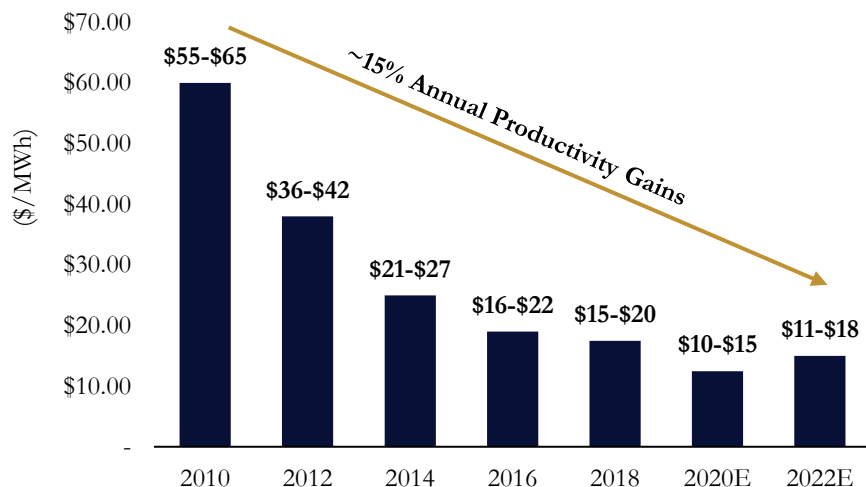
1. NextEra maintains stable, contractual cash flows from its regulated businesses, providing capital for continual development of its diverse asset base
2. Currently, battery storage is too expensive to realistically integrate into large-scale solar energy projects
3. NextEra is trading at high multiples relative to both regulated and diversified utility peer sets

Segment Overview

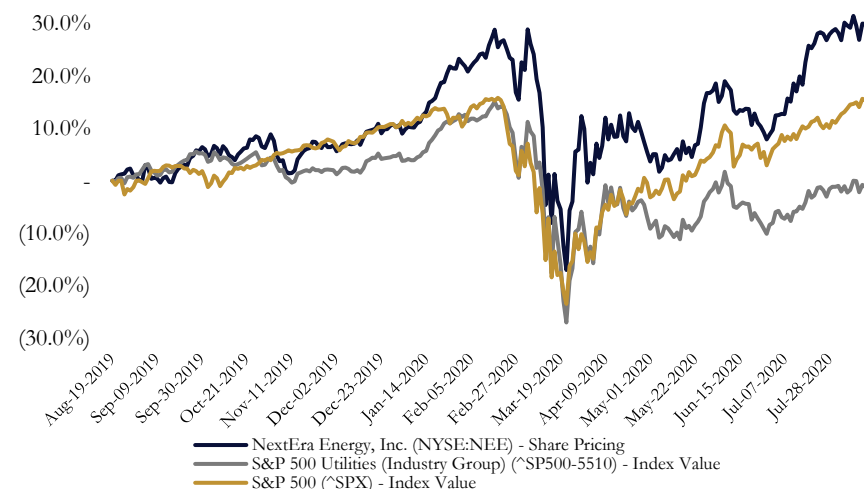
- Florida Power & Light (FPL) & Gulf Power
 - Retail rate-regulated businesses
 - Collectively serve over 5.5 million accounts
- NextEra Energy Resources (NEER)
 - World's largest generator of wind and solar energy
 - Maintains 158 projects across 41 locations in the US and Canada



Levelized Cost of Electricity from Wind



One-Year Stock Chart





Lululemon Athletica (LULU)



Investment Thesis: **SELL** | AIM Decision: **SELL**

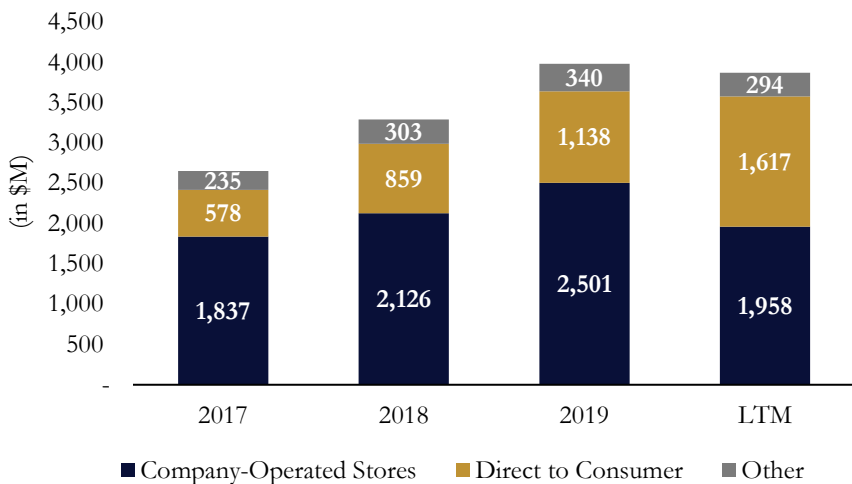
1. The athletic apparel market is highly competitive, forcing companies to continuously innovate and diversify to win over consumers
2. While the acquisition of MIRROR expanded the company's omnichannel presence, the early success of the product is not likely to result in long-term sustainable growth
3. Lululemon's current multiples are high relative to both large and small player peer sets

Primary Discovery Insights

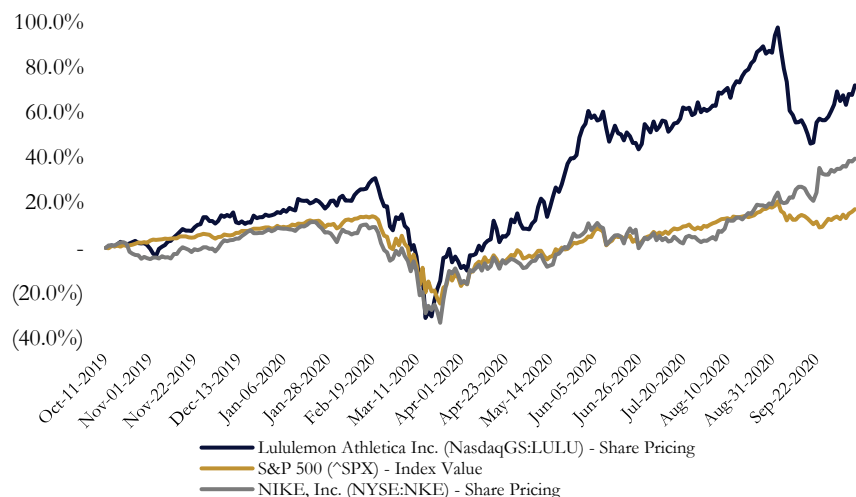
- Dynamic store layouts are highly efficient
- Large success of seasonal "pop-up shops"
- Brand ambassadors believe MIRROR will not see major growth in many North American markets



Net Revenue by Channel



One-Year Stock Chart





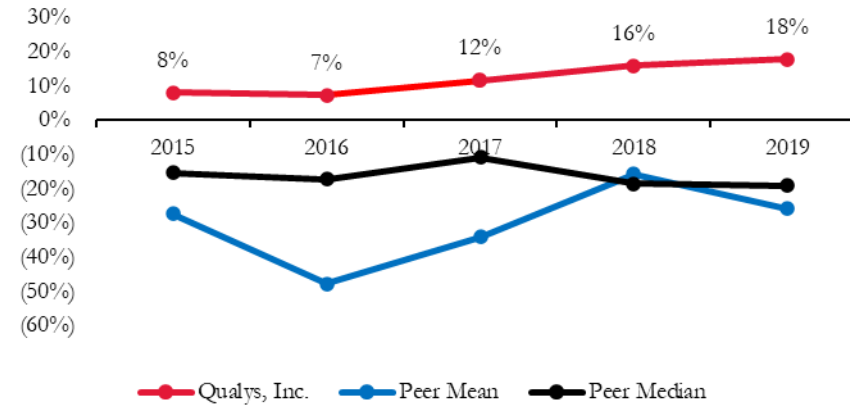
Investment Thesis: **BUY** | AIM Decision: **BUY**

Qualys is a leading provider of cloud-based security and compliance solutions through their Qualys Cloud Platform

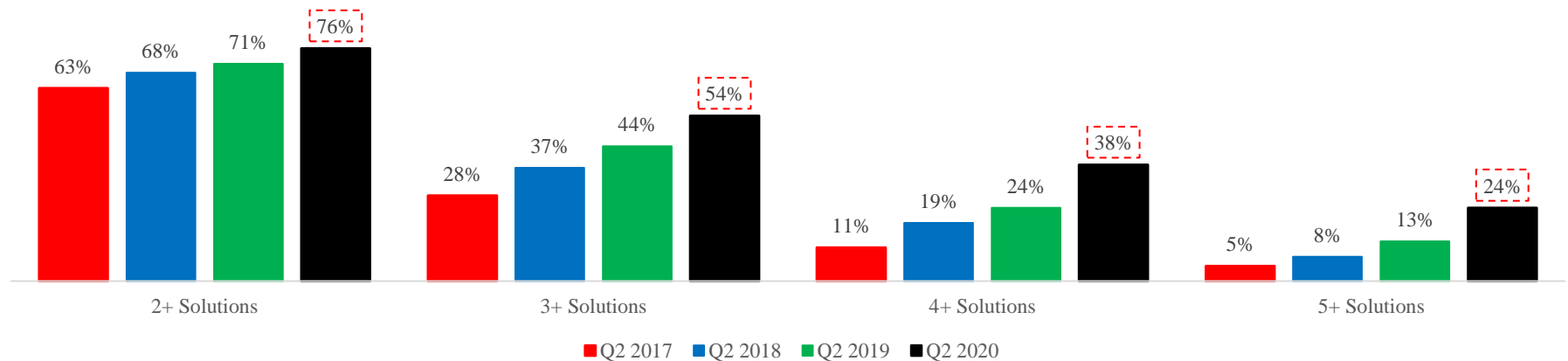
The pandemic has accelerated a trend toward cloud computing, an industry already expected to grow at a five-year 10% CAGR

1. Strong tailwinds for cybersecurity industry that Qualys is well-positioned to capitalize on
2. Industry leading margins due to low-cost structure and significant operating leverage
3. High growth company with a sticky customer base who are expected to continue to upgrade onto more platforms

Historical ROE



Strong Ability to Upsell Customers





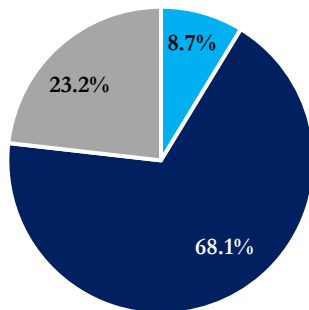
Investment Thesis: **SELL** | AIM Decision: **SELL**

Sherwin-Williams is the largest paint and coatings manufacturer and distributor in the world with over 4,750 company-operated stores in the Americas

Positive tailwinds for the industry given a U.S. housing deficit and aging housing stock which will drive remodeling activity

1. Superior products, distribution, and supply chain relative to peers
2. Strong fundamentals
3. Expensive Relative to peers and DCF analysis

U.S. Paint Store Share

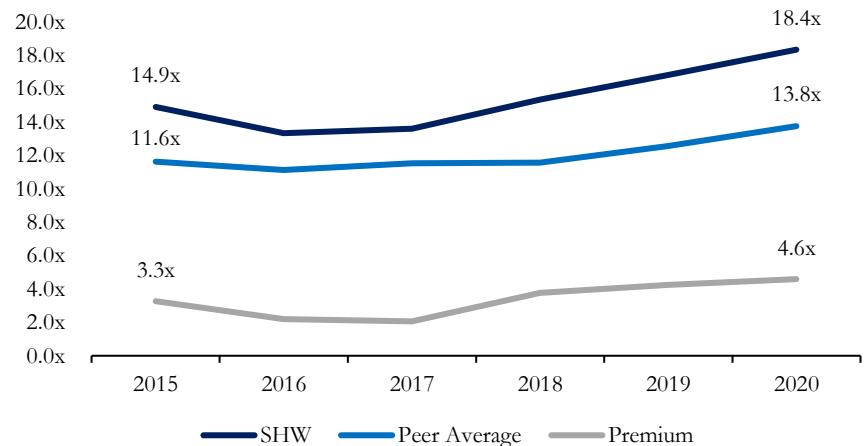


■ PPG Industries ■ The Sherwin-Williams Company ■ Other

Primary Discovery Insights

- 1 Sherwin-Williams has higher quality paint products relative to other brands
- 2 They cater to contractors by establishing long-term relationships and making them more efficient
- 3 The customer service employees at their 4,750+ stores are extremely knowledgeable and efficient
- 4 The company owned store model allows SHW to dictate pricing versus going through distribution channels

EV / NTM EBITDA Shows High Price

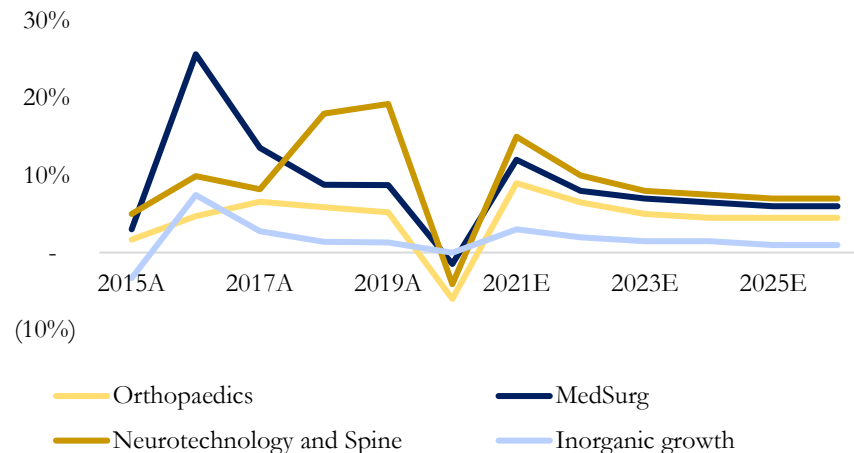




Investment Thesis: **BUY** | AIM Decision: **SELL**

1. Stryker's **trusted brand, product quality, extensive offering and technological advantages** solidify them as a market leader in the medical devices space
2. Growth story does not rely on acquisitions, but instead **organic growth has risen** from 5.3% in 2014 to 8.1% in 2019
3. Stryker's leading EBIT margins, revenue growth, and return on capital relative to its peer set gives it **significant fundamental advantages**
4. **Sell Rationale:** Uncertainty related to regulation risk under Biden, insurance reform, and ability to maintain revenue growth

Growth Expected Across all Segments



Fundamental Advantages Relative to Peers

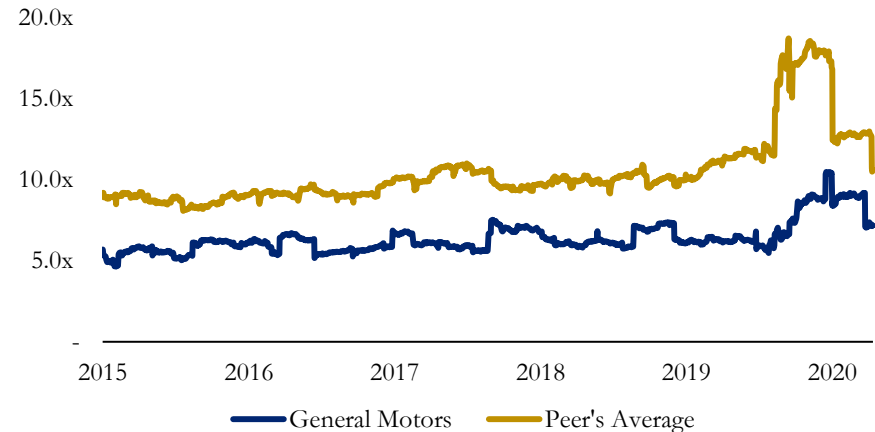
| | Stryker | Zimmer Biomet | Medtronic | Smith & Nephew | Becton, Dickinson, & Co. | Hill-Rom | STERIS | Terumo |
|--------------------|---------|---------------|-----------|----------------|--------------------------|----------|--------|--------|
| Market Cap. (\$Bn) | \$76.9 | \$27.6 | \$138.0 | \$16.8 | \$65.3 | \$5.5 | \$14.7 | \$30.1 |
| EBIT Margin | 22.8% | 17.0% | 22.2% | 18.6% | 16.9% | 12.8% | 17.2% | 18.2% |
| Revenue Growth | 9.4% | 0.6% | 2.0% | 4.8% | 8.2% | 2.1% | 6.2% | 2.0% |
| Return on Capital | 7.8% | 2.7% | 3.3% | 4.5% | 3.6% | 7.4% | 7.4% | 6.3% |



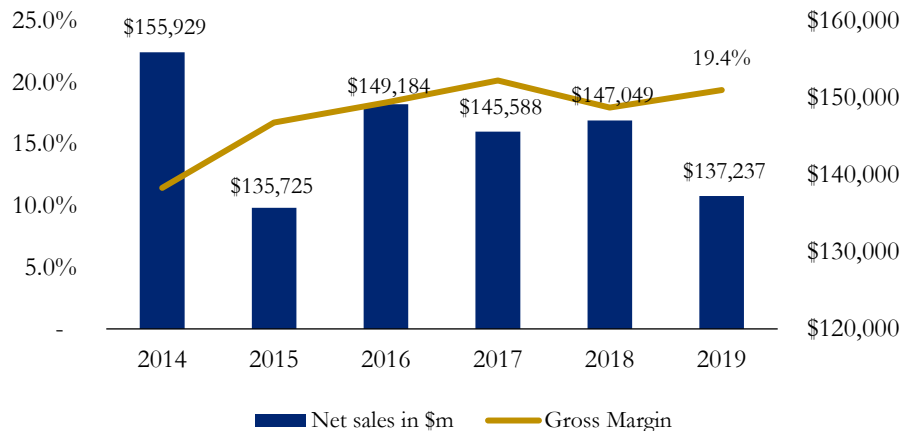
Investment Thesis: **BUY** | AIM Decision: **SELL**

1. GM has cut failing product lines and exited unprofitable geographic regions, significantly boosting margins
2. Investment in autonomous and electric technologies places General Motors in 2nd behind Waymo and Tesla, respectively
3. These initiatives were championed by CEO Mary Barra and a management team focused on **long-term success**
4. **Sell Rationale:** Uncertainty regarding high operating leverage as well as the ability to maintain competitive advantages and profit off them in the future

Trades at Significant Discount to Peers



Business Model has Shrunk, but Improved



Well Positioned for Long Term Trends

| | |
|--------------------|--|
| Electric | <ul style="list-style-type: none"> • Will launch 22 EV models by 2023 • Currently, GM has sold the 2nd most EVs in the US, only trailing Tesla |
| Autonomous | <ul style="list-style-type: none"> • Consumer Reports ranked GM's Super Cruise the best of driver assistance program; Tesla's Autopilot was a "distant second" |
| Ridesharing | <ul style="list-style-type: none"> • GM Cruise has been approved to test driverless ridesharing in San Francisco • Plans to offer autonomous vehicle service rivalling Uber, Lyft, and Waymo |

BREAKOUT ROOM 4:

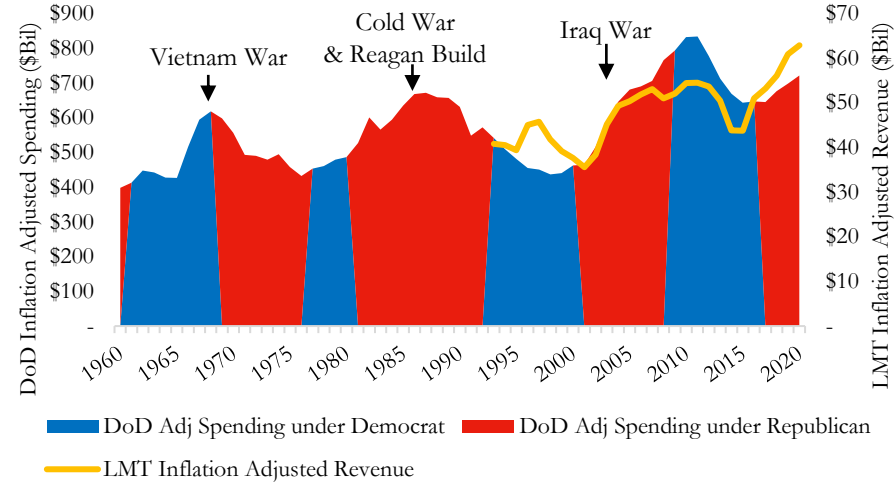
- I. PATRICK HARRIS – LOCKHEED MARTIN, INSTALLED BUILDING PRODUCTS
- II. GARRETT SMITH – MICROSOFT, MALIBU BOATS
- III. MADELINE MARTIN – CONSTELLATION BRANDS, INTUIT
- IV. JACK MULLIKEN – W.R. GRACE, CROWN CASTLE INTERNATIONAL
- V. ALEX CLARK – THE TRADE DESK, DELTA AIRLINES
- VI. PETER PILLARI – ZILLOW GROUP, BRINKER INTERNATIONAL



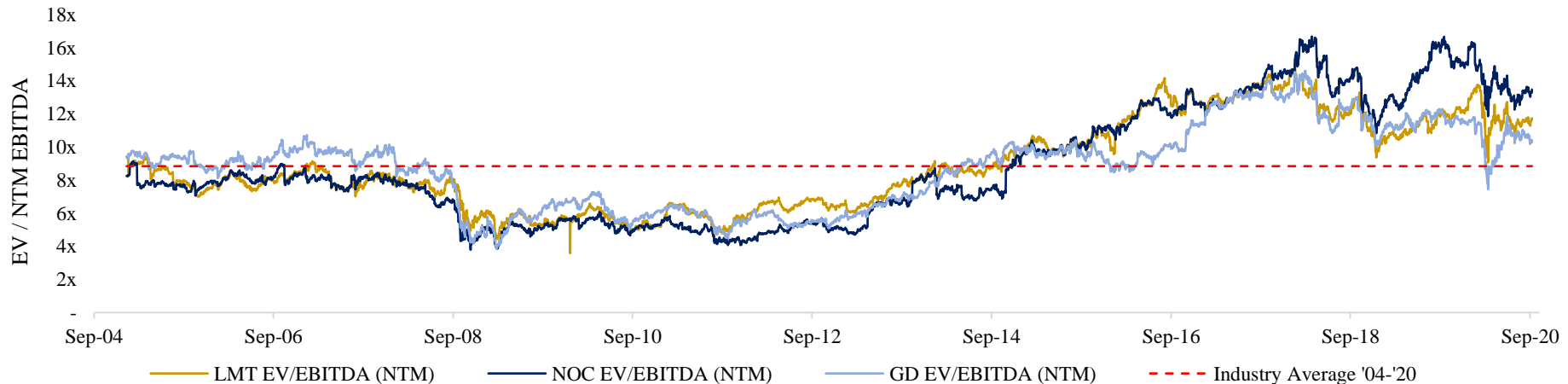
Investment Thesis: **SELL** | AIM Decision: **SELL**

- 2020 Election introduces significant uncertainty** into the short- and mid-term outlook for the future of DoD budget, F-35 Program, and LMT top-line
- Growing federal deficit and waning public support for defense spending increases** will make it difficult for US Government to grow defense spending regardless of the outcome of the election
- Elevated top-of-cycle-risk** as high valuation multiples seem at odds with binary election outcomes
- Defense contractor business model at odds with Catholic Social Teaching**, thus LMT violates the spirit of the AIM mandate, and should not be included in the portfolio

Inflation Adjusted Defense Spending vs LMT Revenue



Potential for Declining Defense Spending a Key Tail Risk, given Elevated Multiples





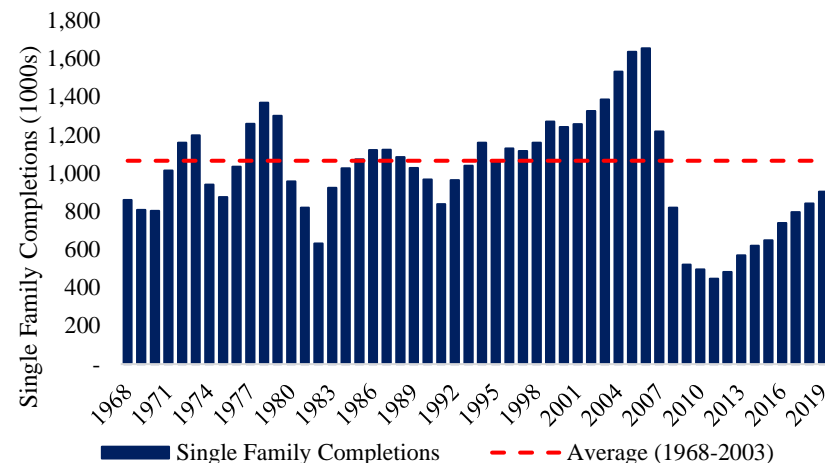
Installed Building Products (IBP)



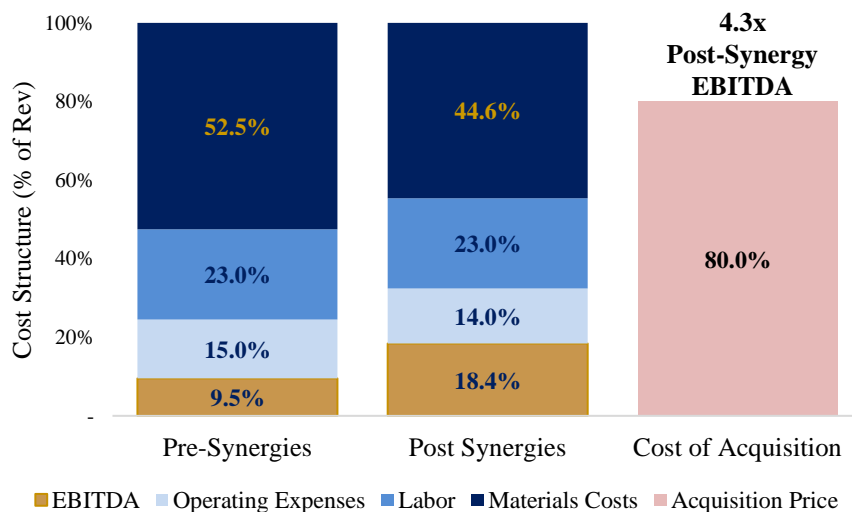
Investment Thesis: **BUY** | AIM Decision: **BUY**

- 1. Rebound in the new housing market** to continue as historically low rates and Covid-19 Pandemic push aging Millennials out of multifamily rental arrangements and to entry-level single-family homes
- 2. IBP has a long growth runway** as stellar management team executes on their proven acquisition strategy by buying into new residential and commercial markets and taking share through service quality, cost advantages, and ancillary product sales
- 3. Branch-level economics to improve over time** as the continued consolidation of fragmented residential and commercial markets will improve IBP's purchasing power and scale buying advantages

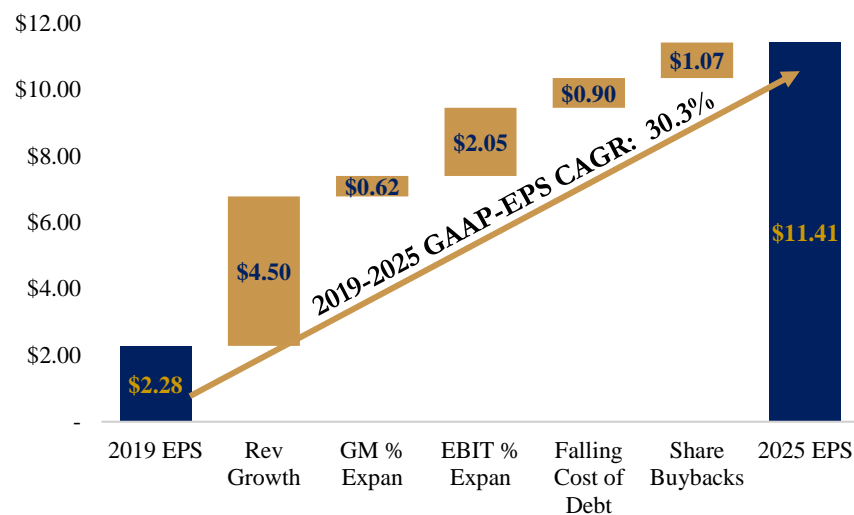
Housing Market Positioned for Sustained Rebound



IBP's Accretive Acquisitions to Drive Growth:



IBP to Grow Earnings at 30% Annually Through 2025





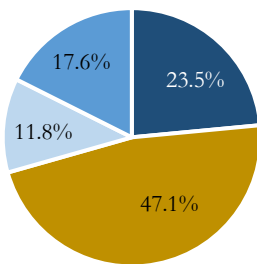
Investment Thesis: **BUY** | AIM Decision: **BUY**

Microsoft Corporation develops, licenses, and supports software, services, devices, and solutions worldwide

1. Microsoft's cloud computing service, Azure, has **established itself as the clear #2 player to AWS** with potential to grow even more in a rapidly expanding market
2. Microsoft's core business segments, especially **Office 365 and Windows, have extremely wide economic moats** and will provide cushion for the Company should margins get squeezed in Azure
3. The Company **has proven its ability to expand existing segments either organically or through acquisition**, setting a foundation for future growth in other segments like Gaming or LinkedIn

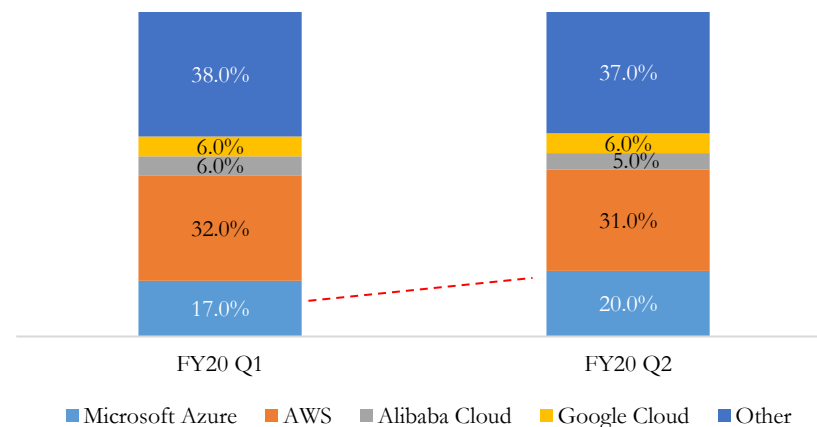
Primary Discovery: Survey of 17 Startup CEOs

Why did you choose your specific cloud computing software?

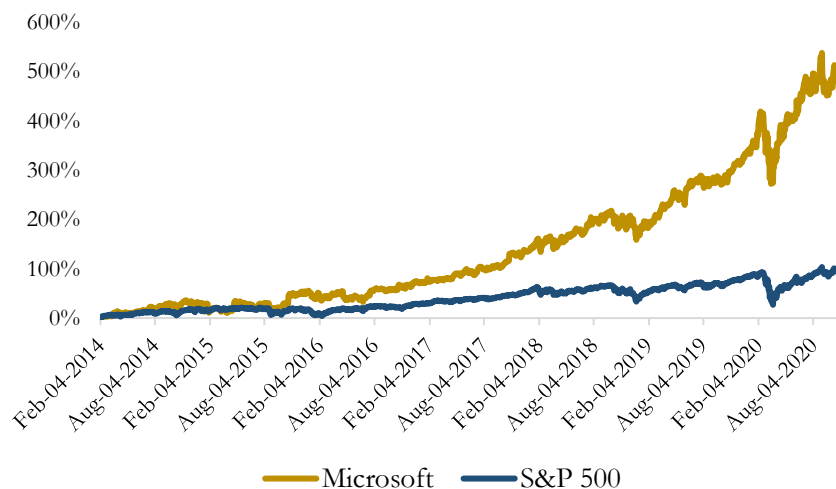


■ Personal Preference ■ Ease of Integration ■ Additional Benefits ■ Other

Expanding Market Share in the Cloud



Market Outperformance since CEO appointed in 2014





Investment Thesis: **BUY** | AIM Decision: **BUY**

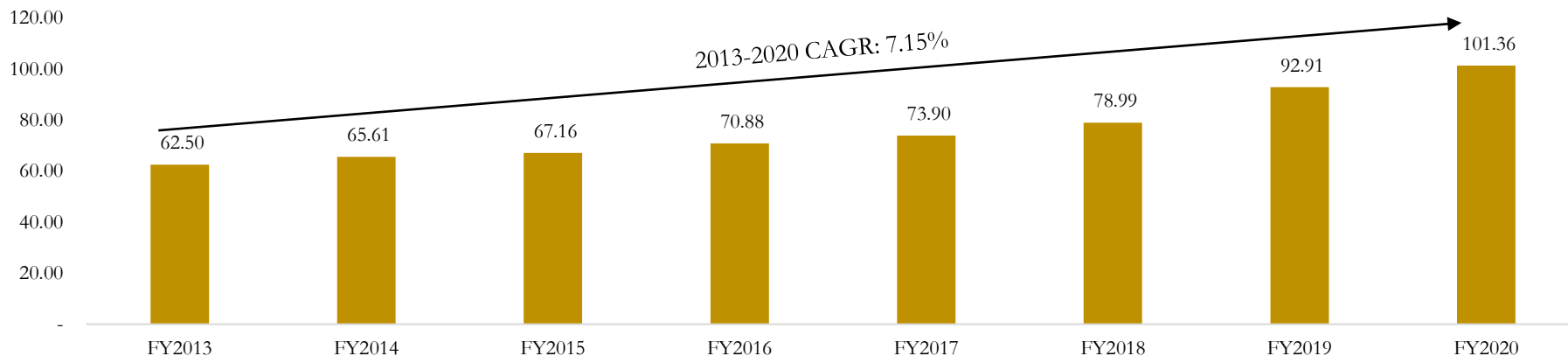
Malibu Boats is a manufacturer, designer, and distributor of recreational powerboats

1. Malibu is the **#1 player in the performance sport boat industry**, and has increased its market share over the past decade through proprietary technology and brand reputation
2. The Company's acquisitions of Cobalt in 2017 and Pursuit in 2018 presents them with an **opportunity to apply their brand reputation and innovation to new, larger markets**
3. Malibu has been **able to increase its average selling price (ASP) annually** through add-on proprietary technology and will continue to do so in the future

Primary Discovery Insights

- ✓ Malibu should be able to increase ASP into the future given its ability to innovate and introduce add-on products
- ✓ Near-term revenue should be relatively stable given a currently low amount of on-premise Malibu inventory for boat dealers
- ✓ Malibu's recent acquisitions Cobalt and Pursuit are already reputable brands in the boating industry and Malibu will be able to invest heavily in building out both segments
- ✓ If the economy grows at a modest pace, the business should continue to do well

Historical Average Selling Price per unit (\$ in thousands)

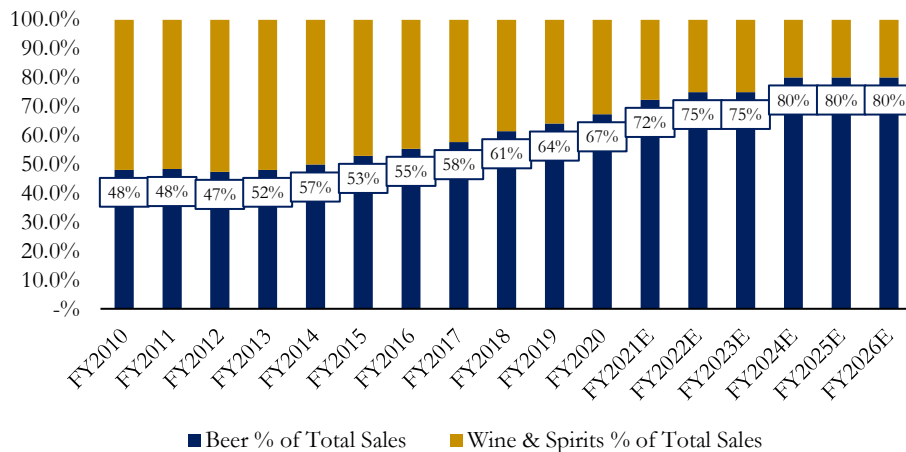




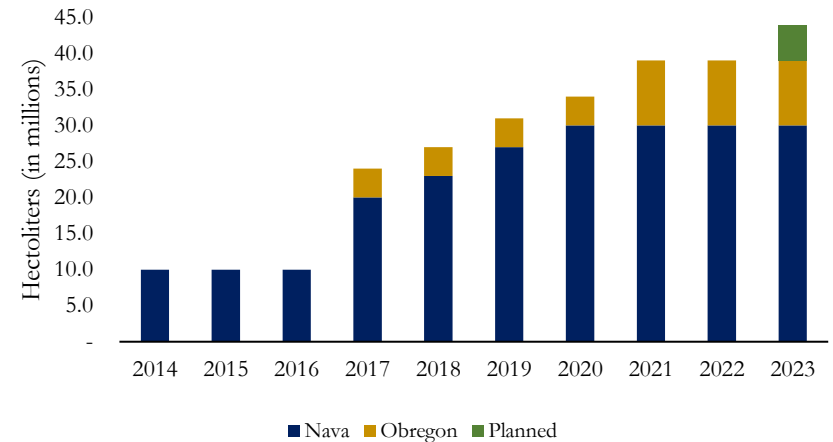
Investment Thesis: **BUY** | AIM Decision: **SELL**

1. Strong fundamentals and a competitive portfolio standing to benefit from demographic tailwinds, premiumization, and product innovation
2. Well positioned to capture market share in the growing imported beer industry due to production capacity expansion
3. History of successful completion of growth initiatives and product line extensions in Power Brands
4. Canopy Growth investment provides a risk given uncertainty in development of the cannabis industry
5. Ability to focus on improving Wine & Spirits segment margins while repositioning the portfolio post-divestiture

Shift in Portfolio Mix



Investment Projects Aligned with Management Initiatives



Takeaways from Primary Discovery

- ✓ Beer segment growing faster and has more competitive margins than Wine & Spirits
- ✓ STZ is ultimately a portfolio company that will acquire if assets are at a good price
- ✓ Company takes 1-2% pricing growth with a “spendback” mentality to reinvest in core brands
- ✓ Focus on national advertising campaigns for Power Brands in Wine & Spirits

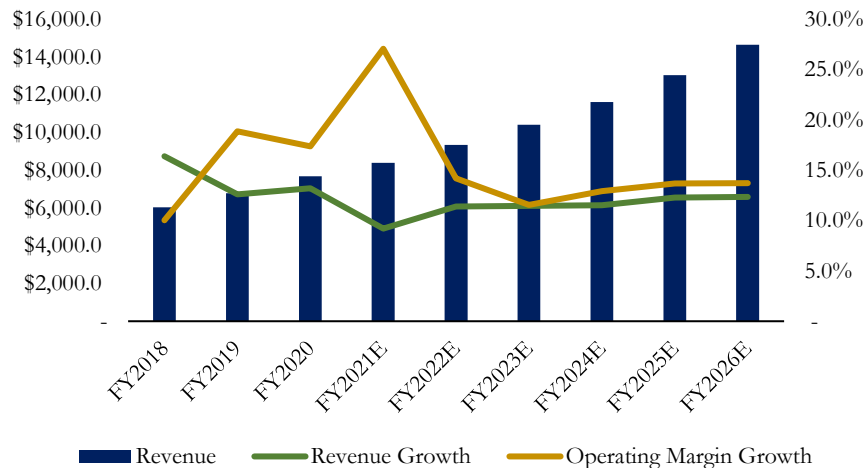


Investment Thesis: **BUY** | AIM Decision: **BUY**

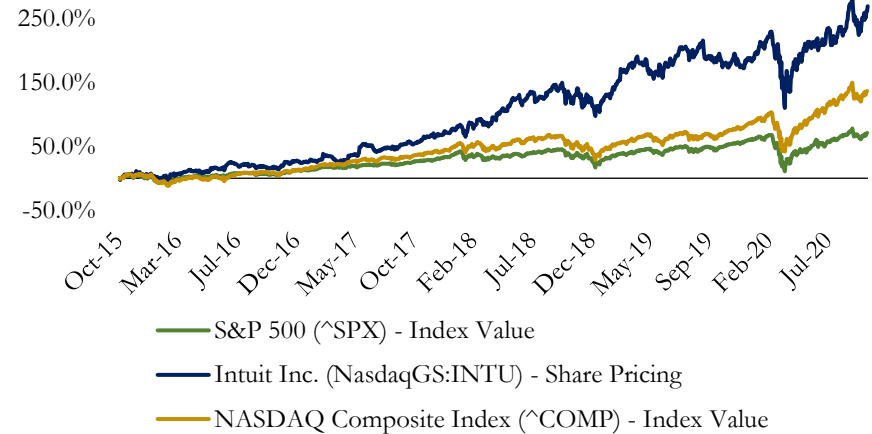
Intuit is a provider of financial management and compliance products and services for consumers, small businesses, self-employed, and accounting professionals

1. Self-disruptive business model allows adaptation to industry changes
2. Interconnected products with high switching costs creates sticky customer base and a “one stop shop” for financial health
3. Leveraging platform investments drives margin expansion, improving ARPC, and efficiency of customer success
4. Strong step into personal finance with Credit Karma acquisition
5. High competition in a fragmented industry with low barriers to entry

Strong Revenue Growth and Operational Performance



Outperformance due to Self-Disruptive Business Model



Ability to Execute 5 “Big Bets”

| | |
|---|---|
| Revolutionize Speed to Benefit | +50% AI models in production |
| Connect People to Experts | Virtual expert platform through QBO and TurboTax Live |
| Unlock Smart Money Decisions | 2x monthly active users for Turbo YoY |
| Be the Center of Small Business Growth | QBO Advanced, Online, Commerce, and Cash |
| Disrupt the Small Business Mid-Market | +100% YoY customers in QBO Advanced |

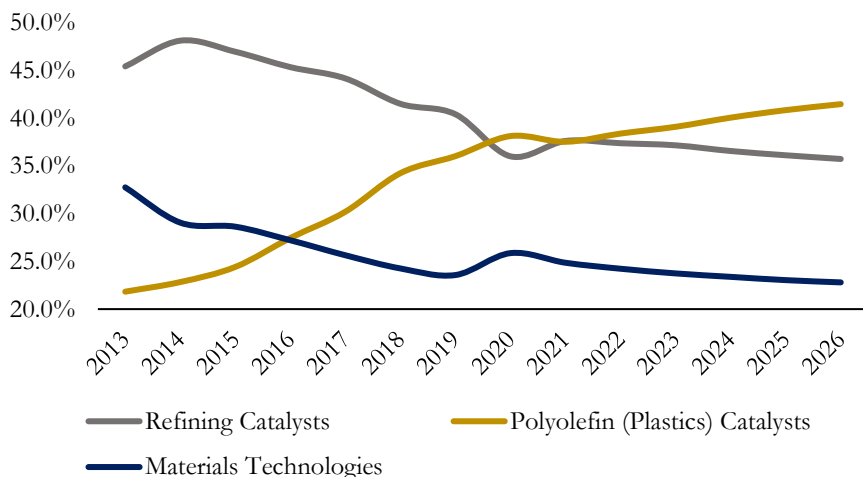


Investment Thesis: **SELL** | AIM Decision: **SELL**

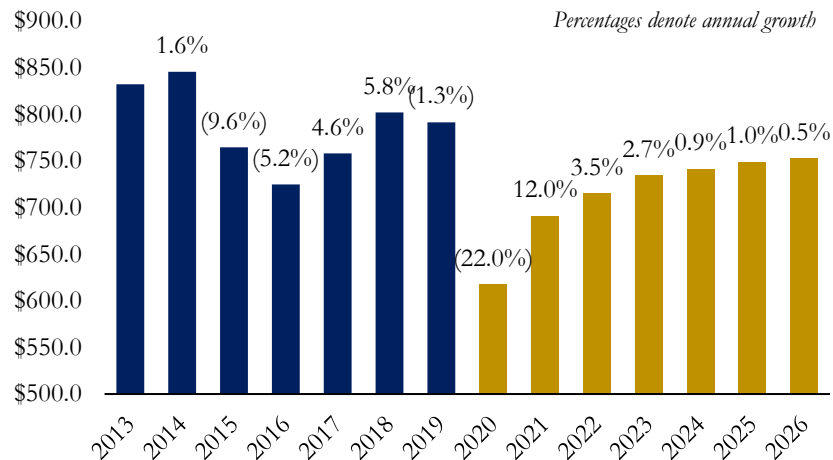
W.R. Grace produces chemicals and materials worldwide; they specialize in catalysts to refine transportation fuels and catalysts to upgrade plastics

1. Grace has a significant reliance on unpredictable economic factors, chiefly **fuel demand and prices**, which are on the decline amidst a global slump
2. The Company's **considerable debt burden and inability to manage the bottom-line** will continue to deflate earnings and trouble investors
3. Catalysts are a small TAM with **minimal innovation and growth prospects**, primarily relying on plants to operate at full capacity

Segment Sales Shift Towards Plastics Catalysts



Refining Sales Hit by Lack of Travel (\$mm)



Primary Discovery Confirmed Bearish Thesis

My thorough conversation with one of Grace's three C-Suite executives who departed a few years ago confirmed several hunches:

- ✓ Legacy liabilities are a worry for investors, and hedge fund managers have been persistently “frustrated” with the firm for not spinning off segments
- ✓ Refiners need to be operating at full capacity to get maximum revenue from refining (~\$800mm – see 2018)
- ✓ Stock has been continually punished for two primary reasons: energy reliance and untested CEO entering a year ago

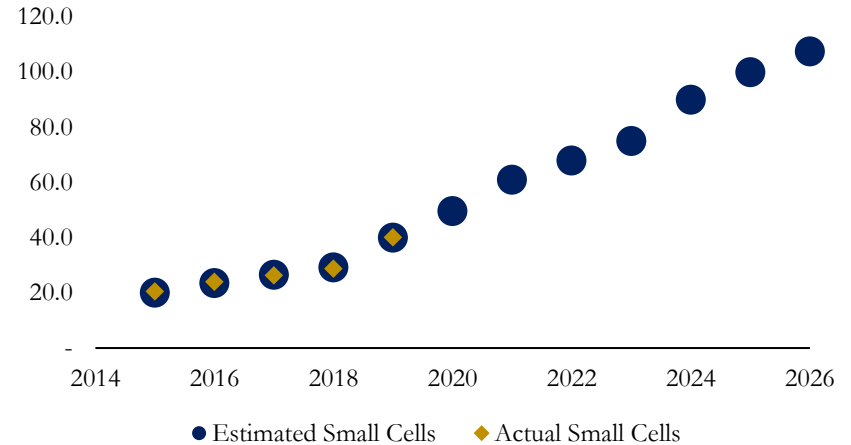


Investment Thesis: **BUY** | AIM Decision: **BUY**

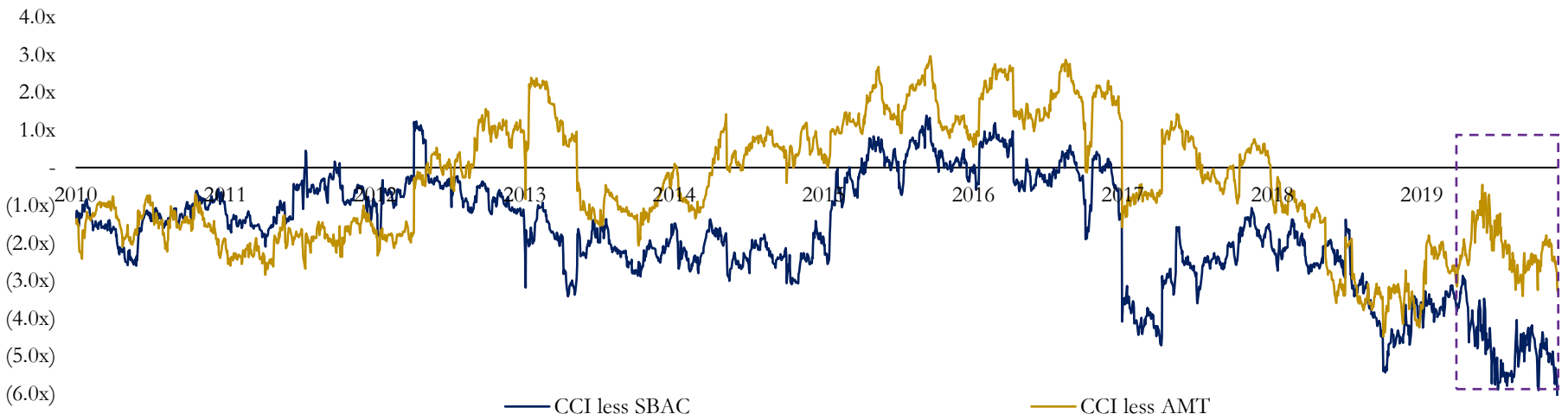
Crown Castle is a REIT that operates and leases wireless infrastructure throughout the US through cell towers and fiber supporting small cells

1. Cell towers own an **attractive business model**, sporting great unit economics through infrastructure sharing and charging annual price escalators
2. Stable leases to blue-chip wireless carriers, oligopolistic market, and REIT structure makes creates **low-risk play** with tech tailwinds
3. Despite some issues surrounding the nascent small cell business, they provide a unique opportunity in the **5G rollout** which holds home run potential

Projected Small Cell Ramp (000s)



Multiple Divergence Creates Attractive Entry Point





The Trade Desk (TTD)

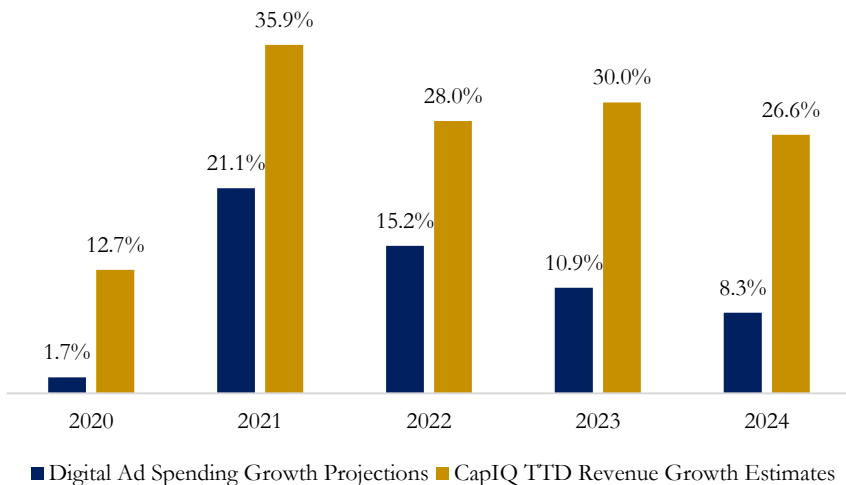


Investment Thesis: **SELL** | AIM Decision: **SELL**

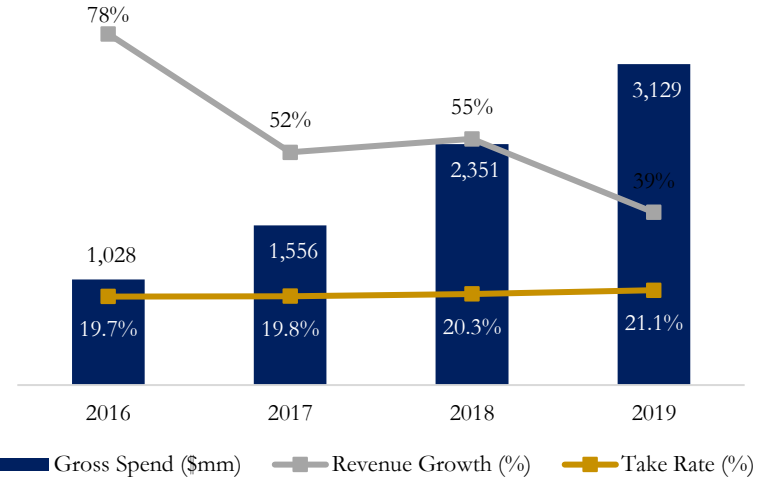
TTD is the largest independent self-service demand-side advertising platform. They work with advertisers to manage digital advertising campaigns.

1. Current market price based on unrealistic expectations of growth
2. Has shown little to no success in attempts to generate growth internationally
3. Growth will eventually plateau as they directly compete against larger tech companies

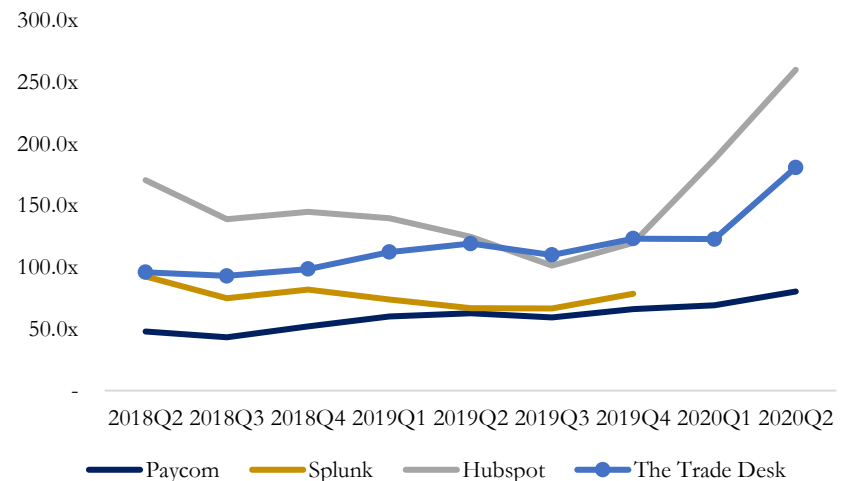
Aggressive Growth Expectations from Street



May Face Take Rate Pressure



P/E Ratio on High End of Peer Set

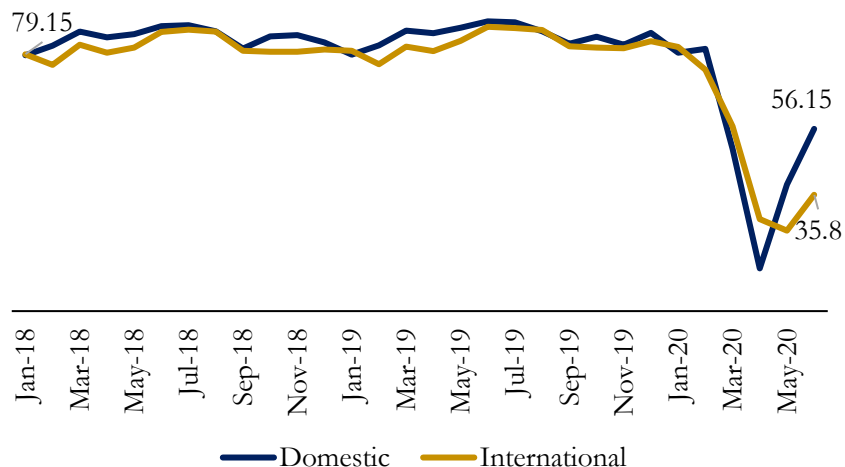




Investment Thesis: **SELL** | AIM Decision: **SELL**

1. Delta relies on business travel for a large portion of its revenue. This key customer base will likely never return to pre-pandemic levels
2. Revenue has rebounded slower than expected, pushing off Delta's ability to become cash-flow neutral
3. Delta will be a smaller airline than it was in perpetuity, and there is no clear path to return to even a new normal
4. Recent loss of CFO could hamper efforts to reduce leverage

Effect of COVID-19 on Load Factor



Primary Discovery Insights

- Out of professionals surveyed, approximately two-thirds expected that their travel would be dramatically reduced, even post-pandemic
- Delta does not intend to pivot away from their focus on business travelers—recovery will be slower than leisure-focused airlines
- Marketing spend has been slashed in last six months
- Future reliance on leased planes will elevate leverage ratio going forward

Future of Business Travel

- “Even as travel slowly comes back, business travel looks like it’ll be the last to recover.” – Executive Director of the Global Business Travel Association
- “I think business travel will never go back to what it was before.” – Managing Partner at DigiTravel
- “Use of video calls does allow for me to do a lot of my work. There will still be some circumstances to travel.” – Litigation Partner at King & Spalding
- “Cautious assessment could indicate a potential average decline in international business trips of up to 40%” – The Climate Group



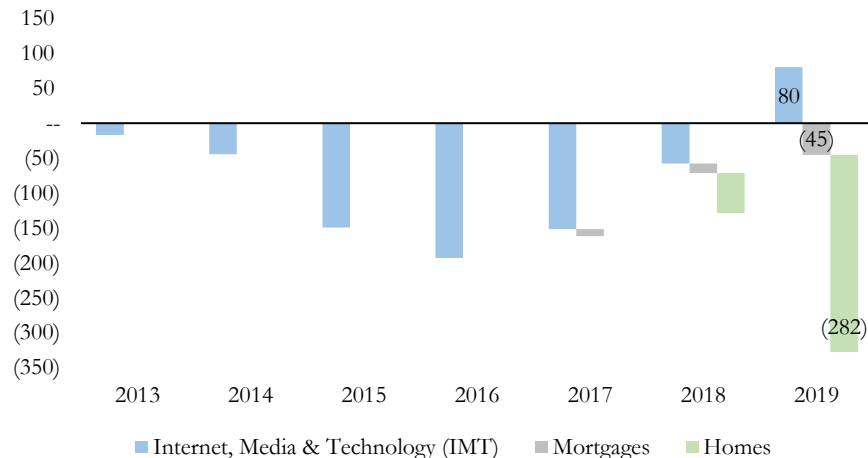
Investment Thesis: **SELL** | AIM Decision: **BUY**

1. Zillow's strategy shift in 2018 has allowed it to increase its TAM to >\$1 Trillion
2. iBuying has disruptive potential in a real estate market seeing significant tail winds
3. The Company's high-growth, negative EBITDA Homes faces significant competition from well-run startups with ZG having little competitive advantage
4. The path to profitability in the Homes segment is unproven and requires operational excellence in purchasing the correct homes to avoid significant losses

Stock Chart & Fair Value



EBIT Segmentation



iBuying Overview

- iBuying refers to algorithm dependent buying of homes, offering sellers near instant cash offers
- Labor is still involved to inspect the house and verify the offer, which usually lies ~15% below the normal market value of the homes
- After a purchase of the home, the iBuyer looks to flip the home within 90 days after small repairs are made
- Zillow has looked to make additional profit from ancillary services and cross selling to other segments



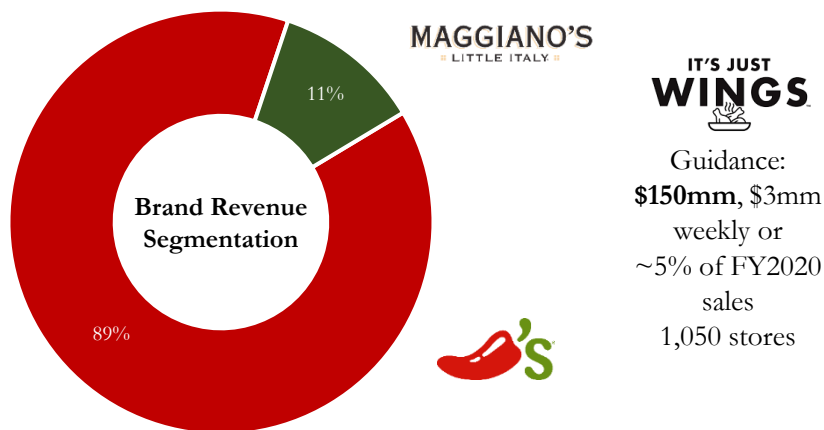
Brinker International (EAT)



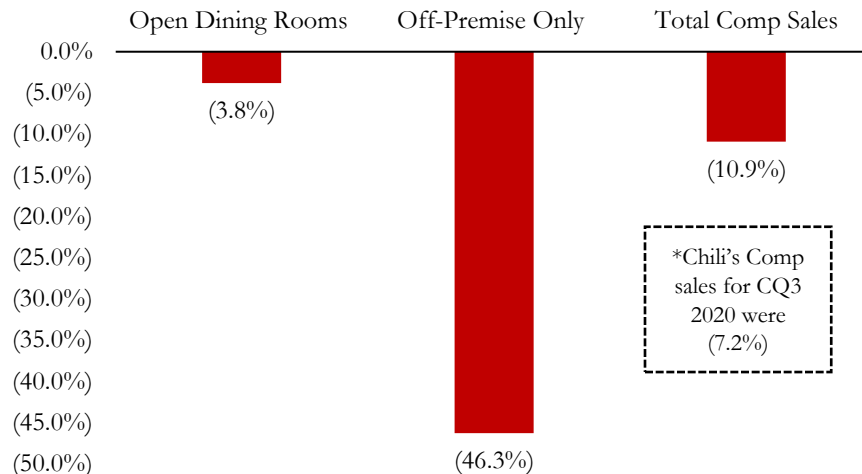
Investment Thesis: **BUY** | AIM Decision: **SELL**

1. Increase in off-premise sales through Chili's To-Go and Doordash along with recovery of in person dining from pandemic
2. Implementation of virtual brands to increase utilization
3. Rebound of in-person dining with less out-of-home entertainment options
4. History of returning value to shareholders, despite recent reversal
5. Long-term industry headwinds with rise of fast-casual accelerated due to COVID

Brand Segmentation



July Sales Update



Virtual Brand Insight

- At the end of June, Brinker launched a pre-pandemic planned virtual brand called It's Just Wings
- Through this brand, Brinker stores sell wings made in existing kitchens under a different brand exclusively on Doordash
- Management is testing other concepts to add to its brand portfolio in the near-medium term
- It's Just Wings is on track for \$150mm of sales in the first year
- Due to brand differentiation, operators view these sales as highly incremental
- The implementation of the brand needed almost no capital investment

- 
- I. SEMESTER OVERVIEW
 - II. PORTFOLIO PERFORMANCE
 - III. ECONOMIC ANALYSIS
 - IV. AIM LI DECISIONS
 - V. INDIVIDUAL STOCK ANALYSIS
 - VI. CONCLUDING REMARKS AND Q&A