



Advisory Board Presentation

AIM XLV | December 4, 2017



Agenda

Course Overview

Economic Outlook

Security Analysis

Portfolio Performance

AIM XLV Review

Concluding Remarks



Course Overview

Fundamentals

Investment Philosophy and Policies

Analyst Responsibilities



Course Overview: Fundamentals

Course Objectives

- Blends traditional academic objectives with the practical experience of hands-on investment management
- Provide students with a thorough grounding in the portfolio management process
- Enhance each student's ability to effectively communicate their approach and analyses leading to their investment recommendations

Analyst Selection

- Undergraduates submit a resume, transcript, and essay detailing their desires and qualifications to participate in the course
- Analysts are selected based on academic performance, professional experience, and other relevant criteria

Methodology

- The new AIM class inherits the approximately \$13mm portfolio handed over by the previous class
- Each analyst conducts and presents investment analyses for an existing portfolio stock
- Analysts then cover a 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 recommendation



Course Overview: Investment Philosophy and Policies

Individual Philosophy

- Outperform the S&P 500 over the long-term
 - Other benchmarks include the Russell 2000 & the HBI Index (65% S&P 500, 35% Russell 2000)
- Bottom-up approach, accompanied by top-down consideration
- Make well-researched trade decisions that contribute to the growth of the portfolio's value for the use of future classes

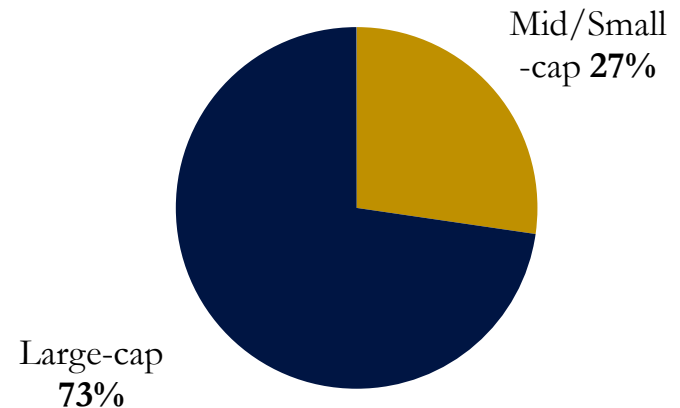
Investment Guidelines

- Only common equities traded on major U.S. exchanges
- Avoid companies whose ethics are not consistent with those of the University (i.e. abortifacients, birth control, tobacco, etc.)
- Target allocation: 35% Small & Mid-Cap, 65% Large Cap (with a $\pm 10\%$ boundary)
- One stock should not exceed over 10% of the portfolio

Investment Constraints

- Liquidity: Investments limited to common equities
- Time Horizon: 3-5 year outlook
- Laws & Regulation: "Prudent Person Rule"
- Tax Considerations: Not a constraint for the fund given its tax-exempt status

AIM XLV Portfolio Composition





Course Overview: Analyst Responsibilities

Individual Responsibilities

- In-depth research and coverage of two stocks
- Effective communication of findings to peers
- Completion of various analyst reports and group projects
- Staying up to date on the market and all stocks in the portfolio
- Each class, a student is assigned as “CIO”; responsibilities include a market update and organization of the class period

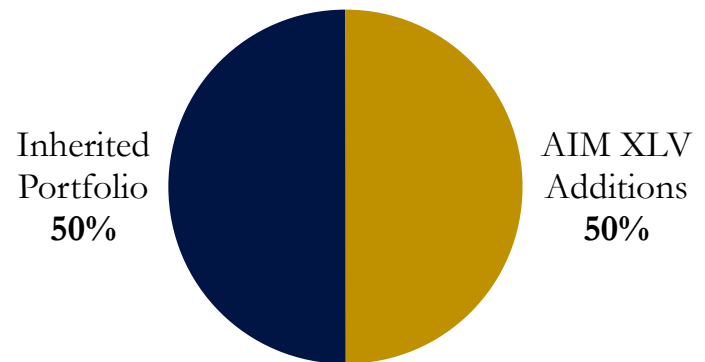
Group Projects

- Industry / Sector Analysis
- Economic Analysis
- Portfolio Performance
- Newsletter & Webpage

Analyst Reports

- Company Background
- Fundamental Analysis
- Earnings Forecast
- Beta Forecast
- Technical Analysis
- Intrinsic Valuation

Portfolio Management





Economic Outlook

Equity Market Bull Run

Rising Rates

Soft Wage Growth

Slow Labor Supply Driving Low Unemployment

Record Consumer Confidence

Rising Personal Consumption

Growing Credit, Low Savings

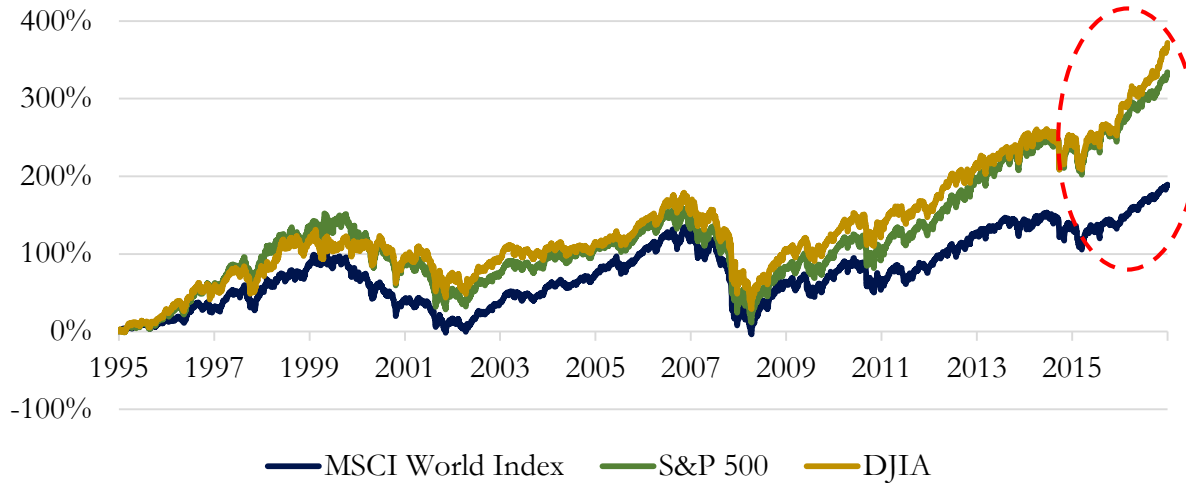
Commodities

Summary



Economic Outlook: Equity Market Bull Run

Global Equity Indices



What is Happening

- Investors searching for higher yields in global low rate environment
 - Newly wealthy in emerging markets looking for places to put money
- Recent bull run

Daily Forward P/E for S&P 500



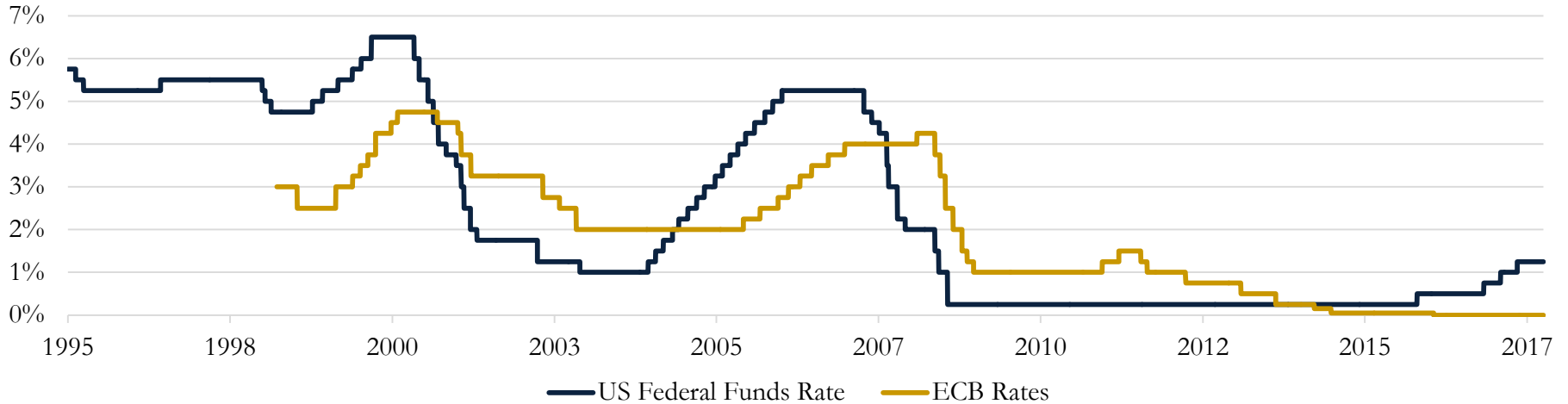
Implications

- High correlations – everything up and to the right
 - Difficult to generate abnormal returns
- Heightened importance of focusing on fundamentals

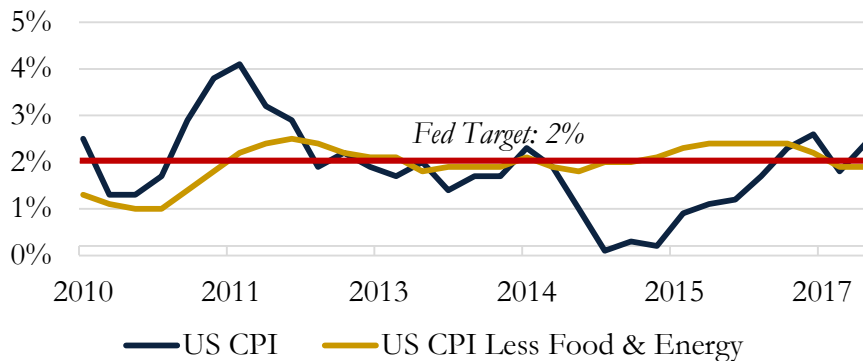


Economic Outlook: Rising Rates

US and ECB Rates Over Time



US Inflation



Current Events

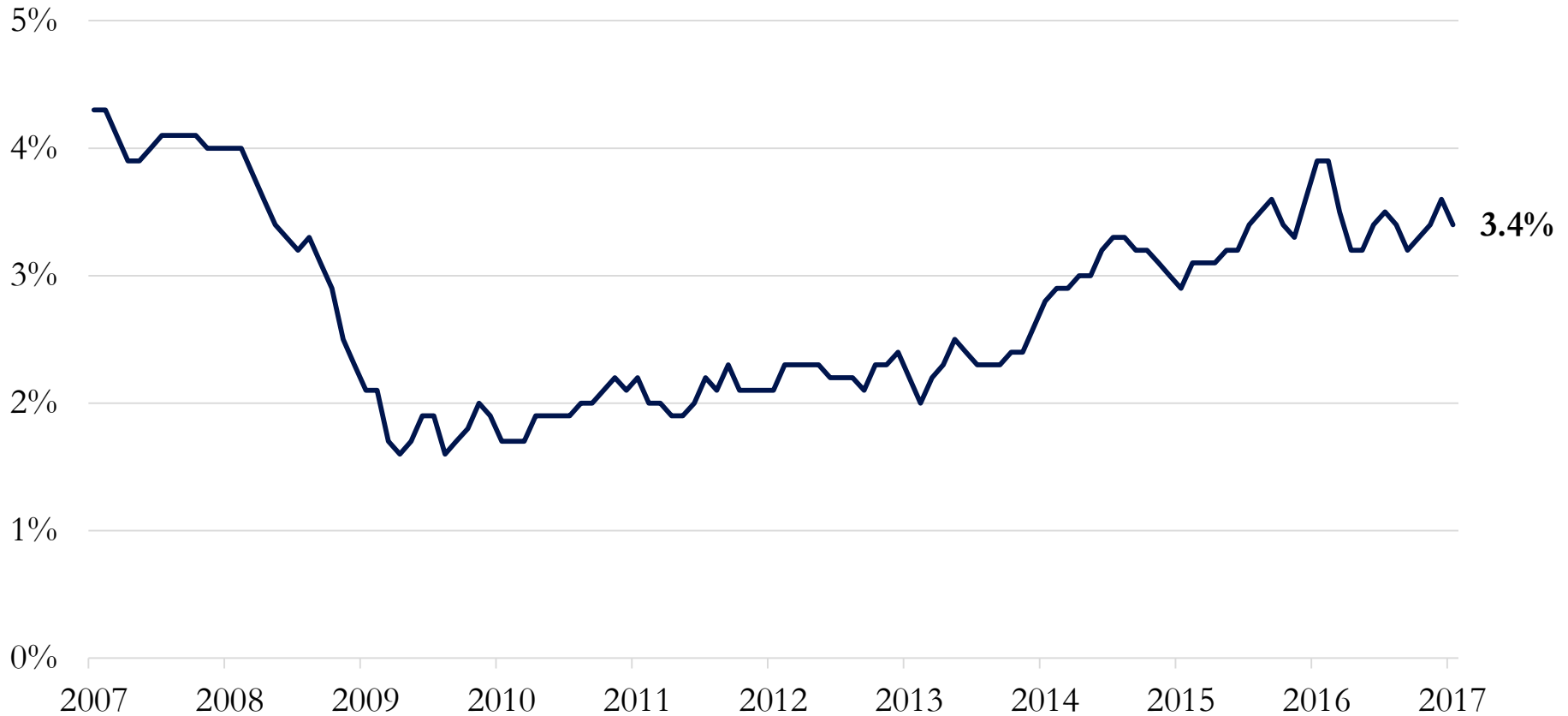
- President Trump announces nomination of Jerome Powell to Federal Reserve Chair
- Gradual rate hikes and balance sheet reduction expected
- Tax changes remain in state of uncertainty

While rates have been at historical lows since the recession due to low inflation and wage growth, improvements in these areas along with fiscal policy likely to create rate increases in the near future.



Economic Outlook: Soft Wage Growth

Wage Growth (Nominal)

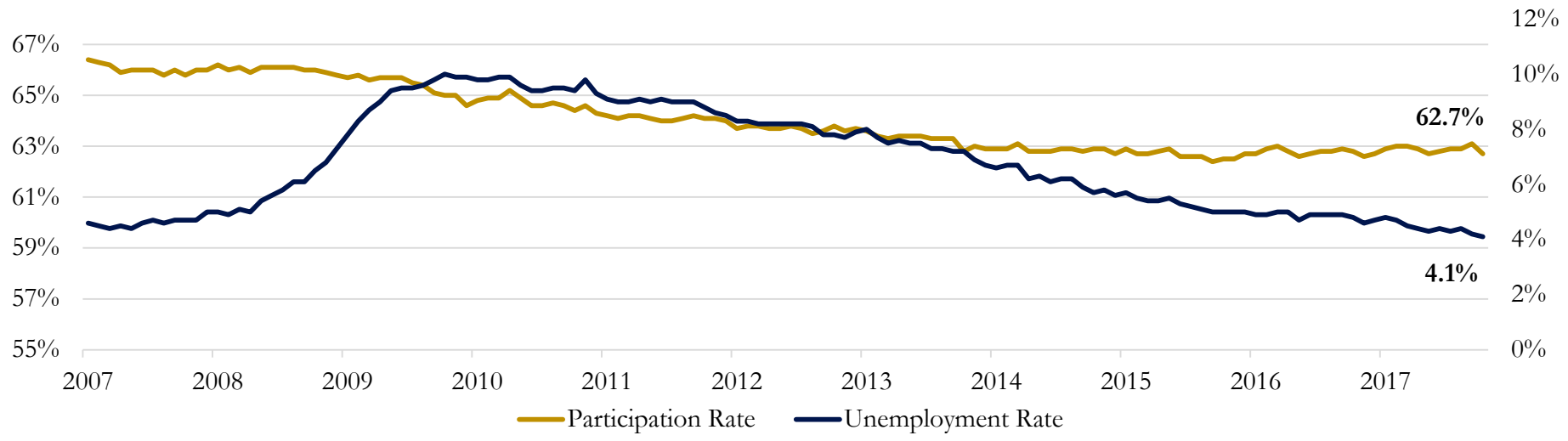


Wages have continued to grow, but they have not reached pre-recession growth levels.

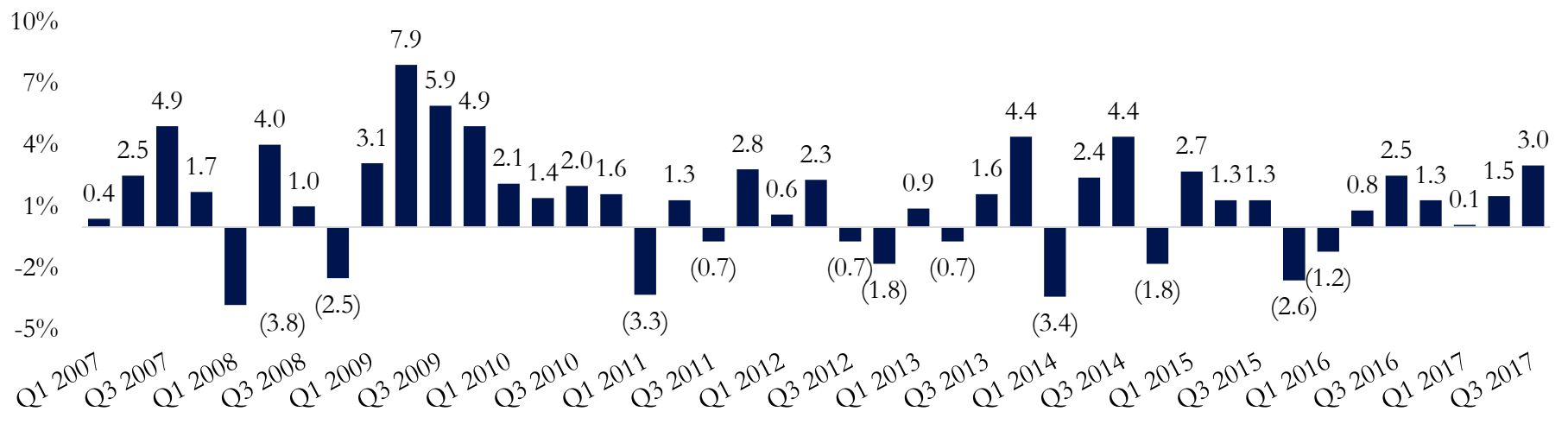


Economic Outlook: Short Labor Supply Driving Low Unemployment

Unemployment Rate



Productivity

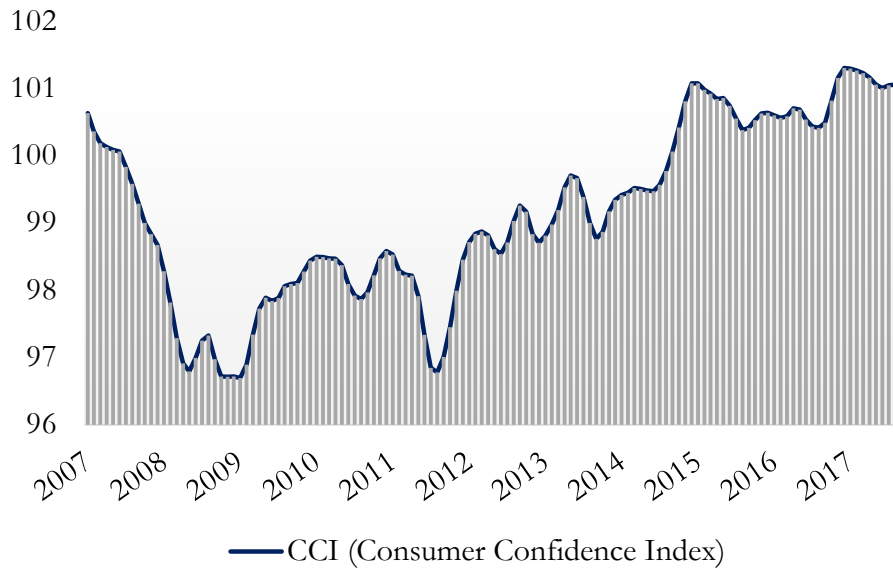


Source: Bureau of Labor

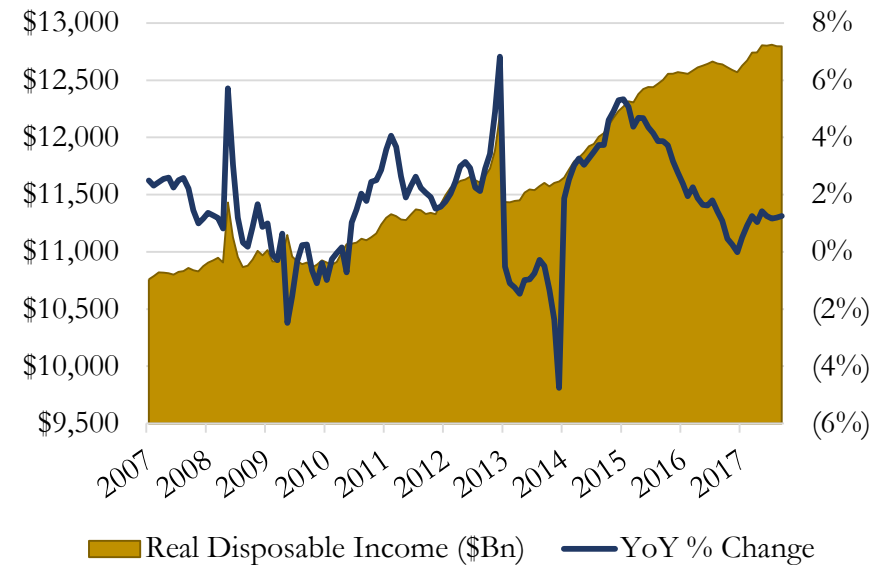


Economic Outlook: Record Consumer Confidence

Consumer Confidence Index⁽¹⁾



Real Disposable Personal Income⁽²⁾



Key Trends

- Consumer Confidence at highest levels since 2000, driven in part by low unemployment
- On a percentile basis, the latest CCI reading is at the 91st percentile of all the monthly data points since June 1977
- Real disposable personal income has grown 6.5% over the last five years and is at decade-high (but experiencing slow growth)

¹ Monthly, not seasonally-adjusted (1966: Q1 = 100)

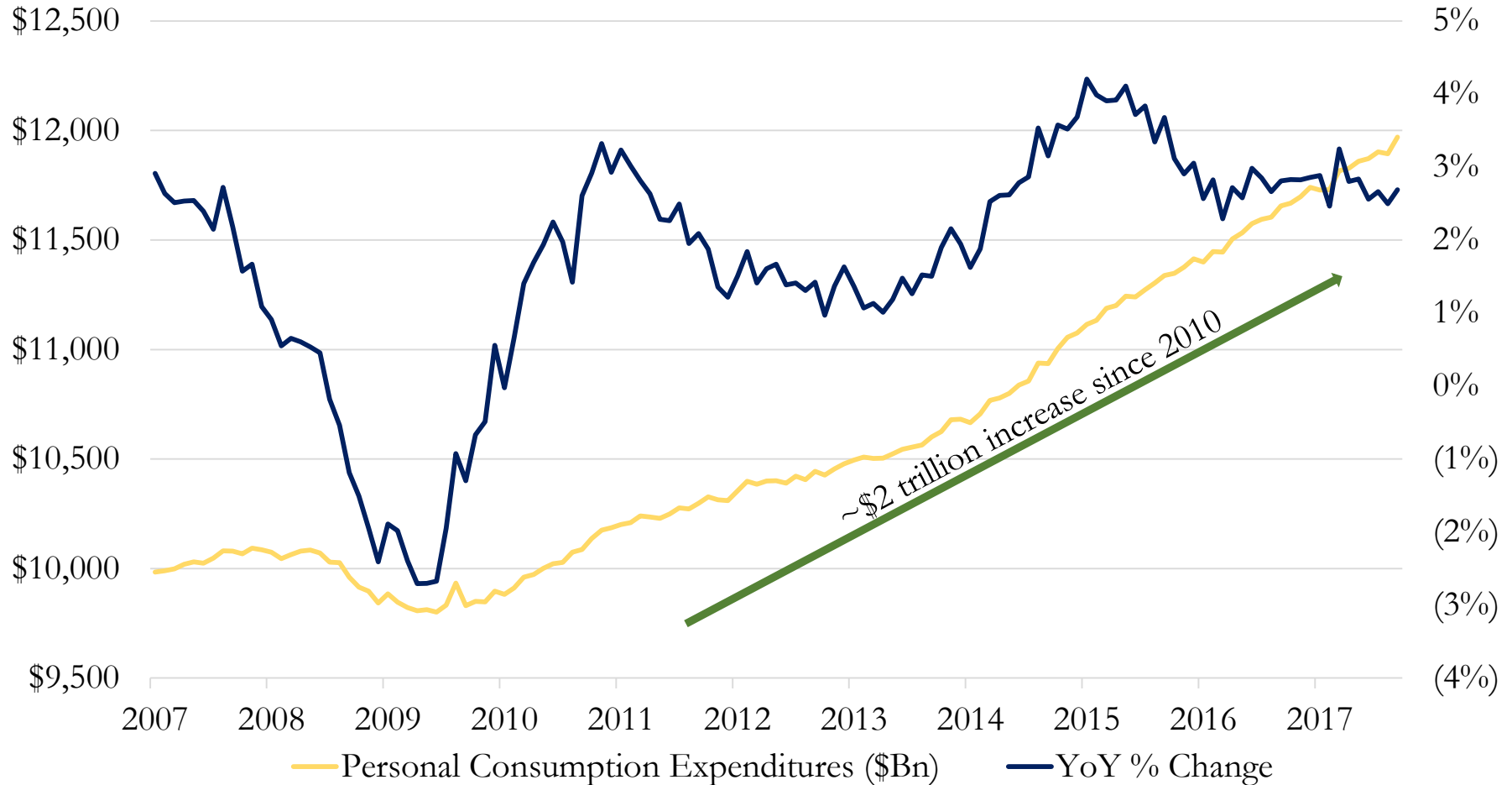
² Monthly real disposable personal income per capita, chained 2009 dollars, seasonally adjusted rate

Sources: Federal Reserve, Bloomberg, CreditCards.com



Economic Outlook: Rising Personal Consumption

Real Personal Income Expenditure (Monthly)⁽¹⁾



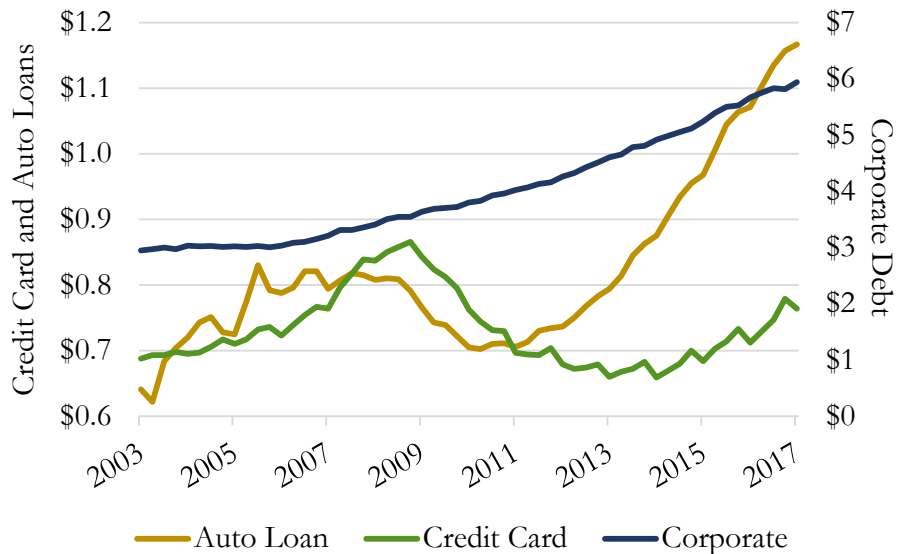
The rise in consumer confidence and personal income has driven expenditure increases.

¹ Excluding food and energy consumption, seasonally adjusted rate
Source: Federal Reserve, Bloomberg



Economic Outlook: Growing Credit, Low Savings

American Debt (\$ in trillions)



Debt Service Payments as % of Income⁽¹⁾



Personal Savings Rate



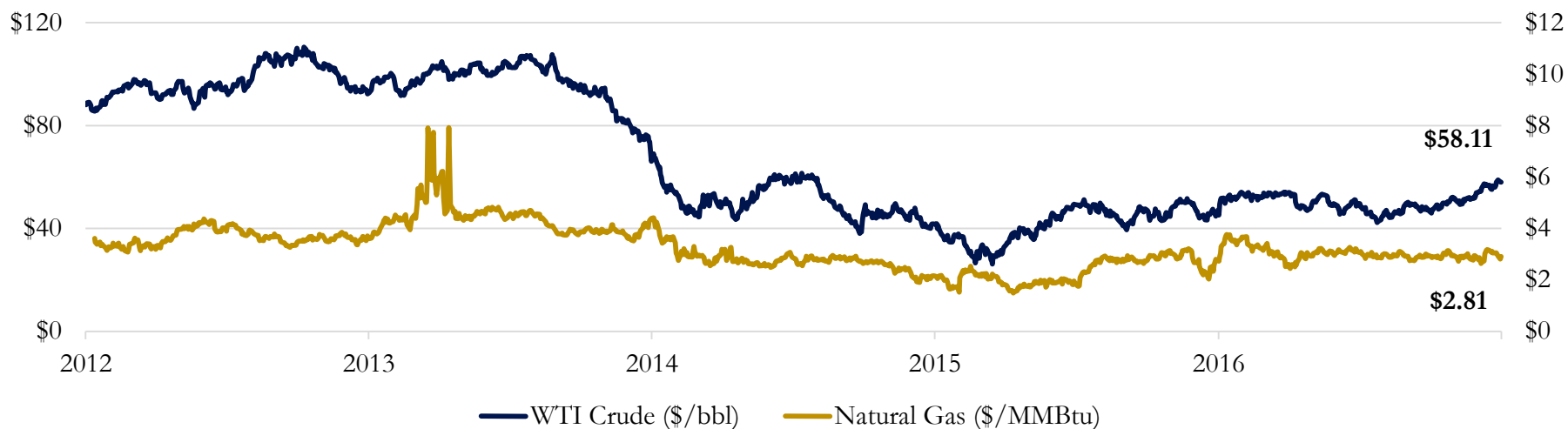
¹ Real disposable personal income per capital, chained 2009 dollars, monthly, seasonally adjusted rate

Sources: Bloomberg, Federal Reserve

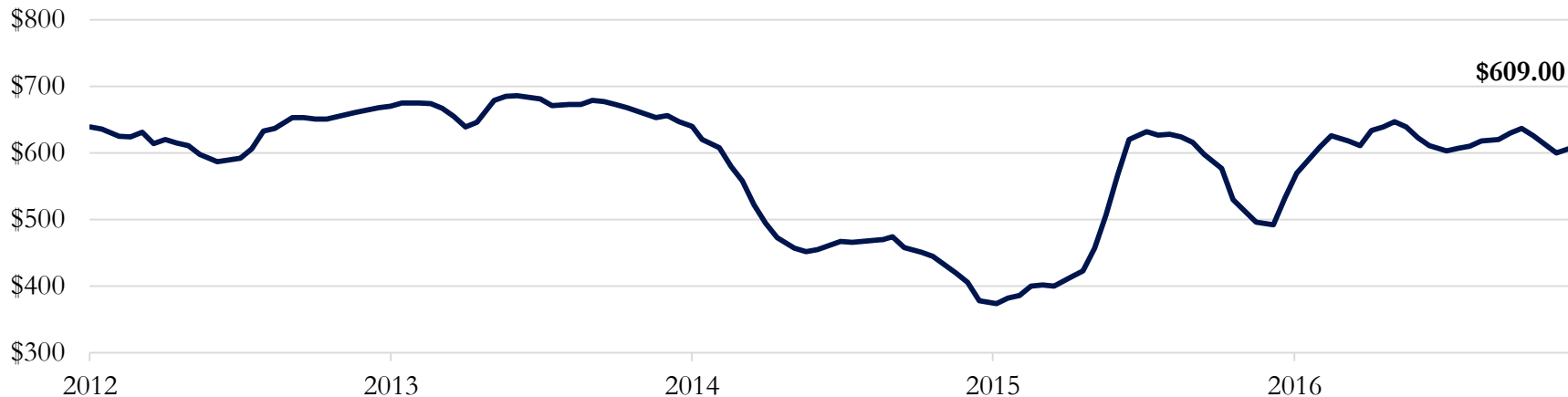


Economic Outlook: Commodities

Oil and Natural Gas



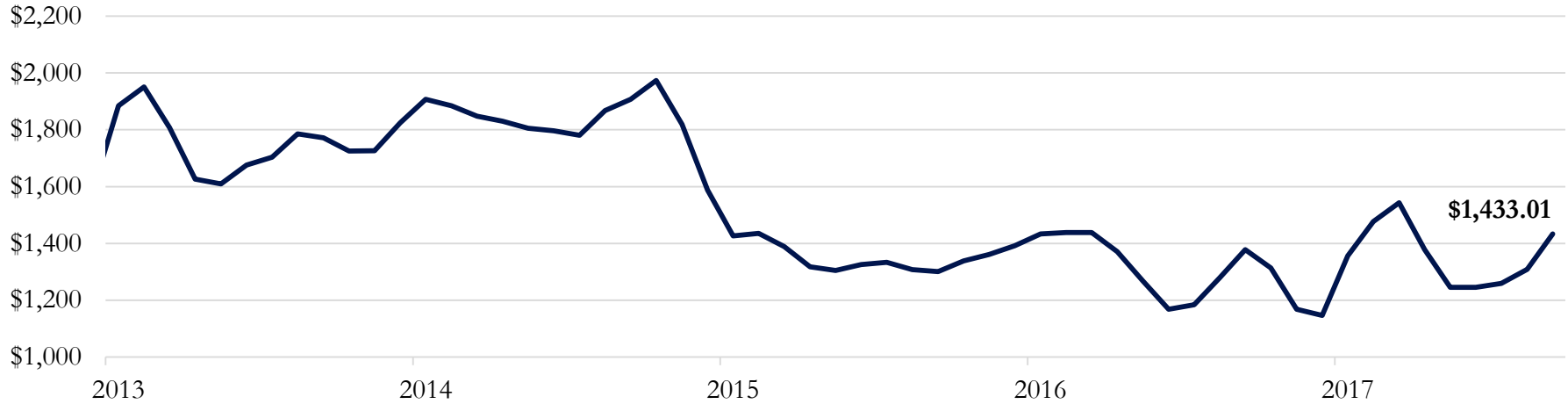
Steel (\$/ST)





Economic Outlook: Commodities

Resin: Polypropylene (\$/tonne)



Coal: Premium Hard Coking Coal (\$/tonne)





Economic Outlook: Summary

AIM Portfolio Consideration

Interest Rates

Gradual rate hikes may stem large consumer purchases and business investments for highly levered companies

Unemployment / Wages

Low unemployment driving consumer spending despite soft wage growth

Consumer Confidence

Record confidence has led to spending that has benefitted **consumer discretionary**, especially in e-Commerce

Credit

Growing consumer credit and low savings could have a future impact on companies that offer consumer **financing**

Commodities

Important to consider for portfolio companies in **industrials** and **fuel-reliant businesses**

AIM XLV



Security Analysis



Security Analysis: Equities and Focus of Analysis



Fundamental Analysis



Primary Discovery



Macroeconomic Analysis



Industry Analysis



Fundamental Analysis



Industry Analysis



Primary Discovery



Industry Analysis



Relative Valuation



Primary Discovery



Fundamental Analysis



Competitive Advantages



Industry Analysis



Fundamental Analysis



Primary Discovery



NAV Valuation



Dividend Discount Model



Macroeconomic Analysis



Fundamental Analysis



Industry Analysis



Company Overview

- RCL is the 2nd largest leisure cruise business in the world and operates via two banners
 - Global Brands**—Core Business
 - Royal Caribbean International: 25 ships, 78k berths
 - Celebrity: 12 ships, 23k berths
 - Azamara: 2 ships, 1.4k berths
 - Partner Brands**—Joint Ventures
 - 10 ships, 20.3k berths
- RCL currently has 49 ships with a total capacity of ~122,000 berths, and will see those numbers rise to 58 and 160,000 by 2021

Key Metrics

Price (As of November 28, 2017):	\$125.80
TTM Price-to-Earnings:	17.2x
Market Capitalization:	\$26.80 bn
Dividend Yield:	1.91%
TTM Adjusted Earnings per Share:	\$7.44

One-Year Price Chart

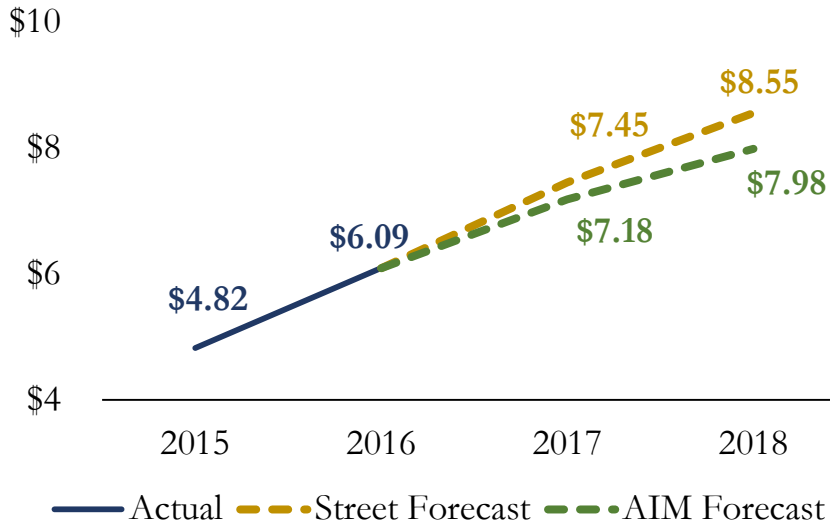




Fundamental Analysis



EPS Forecasts: AIM vs. Wall Street



Asymmetric Return Distribution

Downturn	RCL	CCL	S&P 500
Tech Bubble			
Peak	55.7	51.3	1528.0
Trough	17.3	18.3	965.8
% Change	-69%	-64%	-37%
Great Recession			
Peak	45.8	51.3	1504.7
Trough	5.9	14.9	683.4
% Change	-87%	-71%	-55%

Potential for a Capacity Glut

Ship	Expected Entry	Projected Berths
<i>Royal Caribbean International</i>		
Oasis-class:		
Symphony of the Seas	Q1 2018	5,450
Unnamed	Q2 2021	5,450
Quantum-class:		
Unnamed	Q2 2019	4,150
Unnamed	Q4 2020	4,150
Project Icon:		
Unnamed	Q4 2022	5,650
Unnamed	Q2 2024	5,650
<i>Celebrity Cruises</i>		
Edge Class		
Celebrity Edge	Q4 2018	2,900
Celebrity Beyond	Q2 2020	2,900
Unnamed	Q4 2021	2,900
Unnamed	Q4 2022	2,900
<i>TUI Cruises (50% joint venture)</i>		
Unnamed	Q2 2018	2,850
Unnamed	Q1 2019	2,850
Berths to be Added		47,800
Current # of Berths		123,700

Sources: Company Filings, Bloomberg

AIM XLV



Valuation Summary



Recommendation: Sell

Portfolio Decision: Sell

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	85%	\$102.38	\$87.02
Comparable Company Analysis (P/E)	5%	\$104.10	\$5.21
Comparable Company Analysis (EV/EBITDA)	5%	\$87.43	\$4.37
Comparable Company Analysis (EV/Revenue)	5%	\$88.59	\$4.43
Intrinsic Value			\$101.03
Price (As of November 20, 2017)			\$123.95
Estimated Downside			(18.5%)

- Though RCL is a strong performer in the leisure cruising industry, the entire space is poised to suffer from near-term overcapacity
- RCL has a high degree of embedded operating leverage and performs poorly through downturns
- The firm has struggled with Chinese expansion and does not have a compelling vision coming off of its 2017 Double-Double program



The Walt Disney Company (NYSE: DIS)



Company Overview

- Diversified Media and Entertainment Conglomerate
- Based in Burbank, CA
- Four Segments: Media Networks, Parks and Resorts, Studio Entertainment, and Consumer Products & Interactive Media
- Strategic Acquisitions: Pixar (2006), Marvel (2009), Lucasfilm (2012)

Key Metrics

Price (As of November 28, 2017):	\$103.41
TTM Price-to-Earnings:	17.7x
Market Capitalization:	\$159.55 bn
Dividend Yield:	1.5%
TTM Adjusted Earnings per Share:	\$5.70

One-Year Price Chart

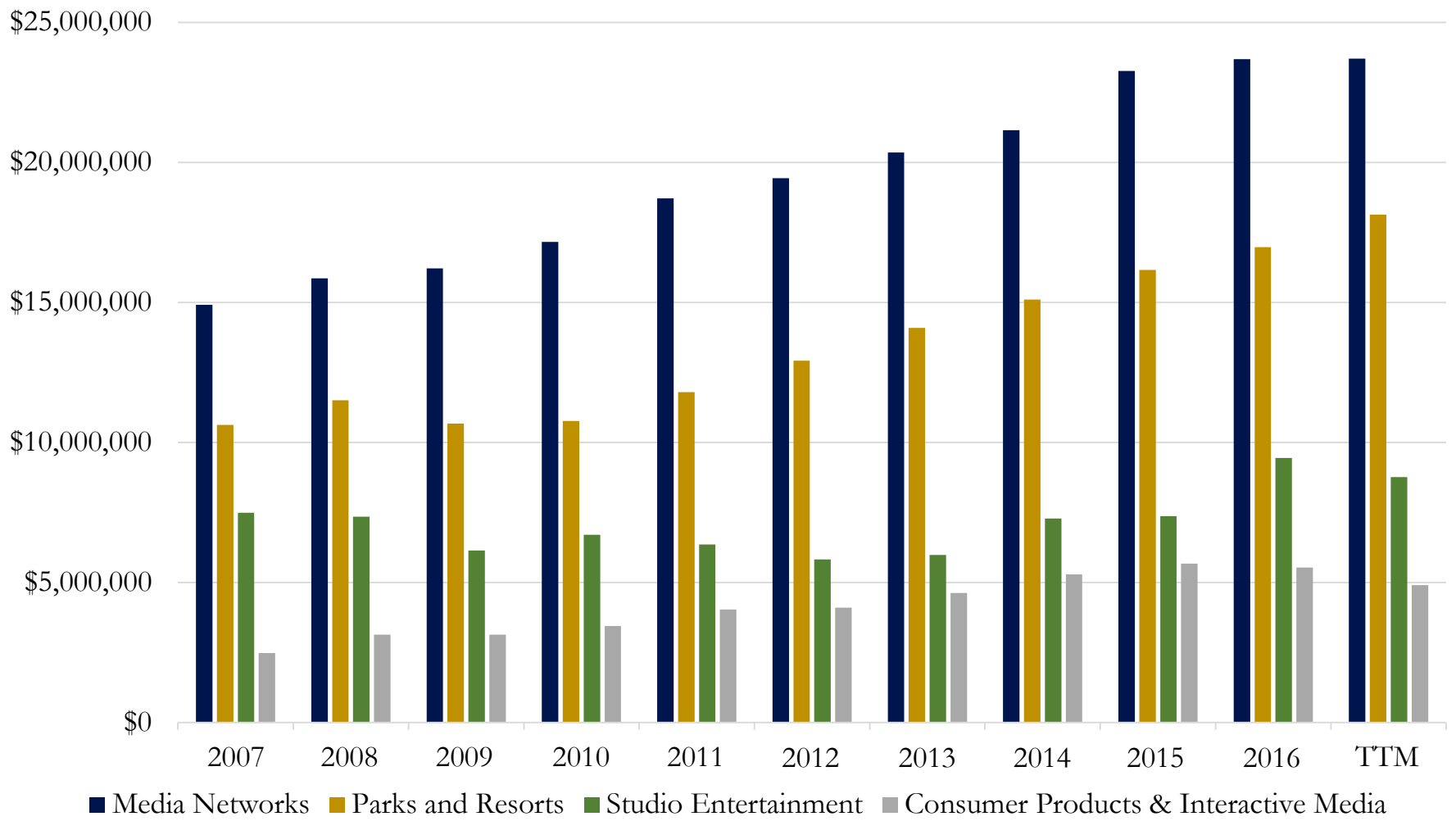




Fundamental Analysis



Total Revenue by Segment (\$ in thousands)



CAGR:

5.3%

9.3%

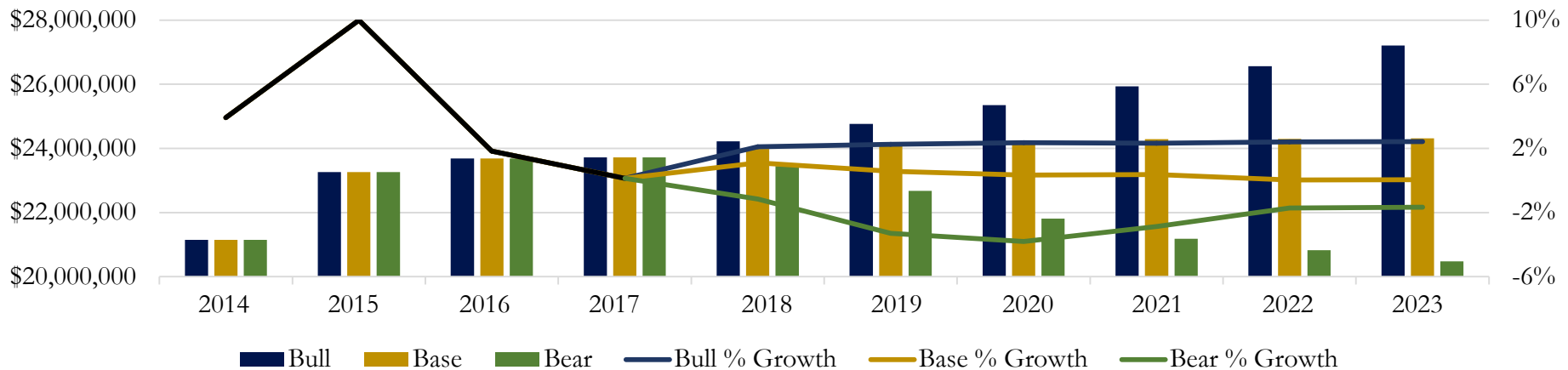
5.3%

2.6%

Source: Company Filings



Media Networks – Total Revenue (\$ in thousands)



Streaming: ESPN and Disney

- ESPN platform called ESPN+
 - Stream channels on authenticated basis
 - Subscribe to ESPN+ for additional sports, 10,000 live sporting events
 - Does not include NFL or NBA
- Disney App
 - 4-5 exclusive movies per year, 4-5 TV Originals
 - Latter half 2019 – Netflix Contract expires
 - Price substantially below where Netflix is
 - Reflective of the fact there will be less volume

Media Networks and Original Content





Valuation Summary



Recommendation: Pass

Portfolio Decision: Pass

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	85%	\$107.27	\$91.18
Comparable Company Analysis (P/E)	5%	\$102.72	\$5.14
Comparable Company Analysis (EV/EBITDA)	5%	\$101.46	\$5.07
Comparable Company Analysis (EV/Revenue)	5%	\$102.28	\$5.11
Intrinsic Value			\$106.50
Price (As of November 20, 2017)			\$102.75
Estimated Upside			3.6%

- Strong growth in Studio Entertainment and Parks and Resorts driven by industry leading IP
- Uncertainty surrounding Disney's ability to leverage its IP in the streaming space
- Can Disney slow cord cutting with ESPN?



Company Overview

- Established in 1967 by Herb Kelleher
- Serves the US and nine near-international countries
- Differentiated business model creates qualitative and quantitative advantages
- Vision to become the World's Most Loved, Most Flown, and Most Profitable Airline

Key Metrics

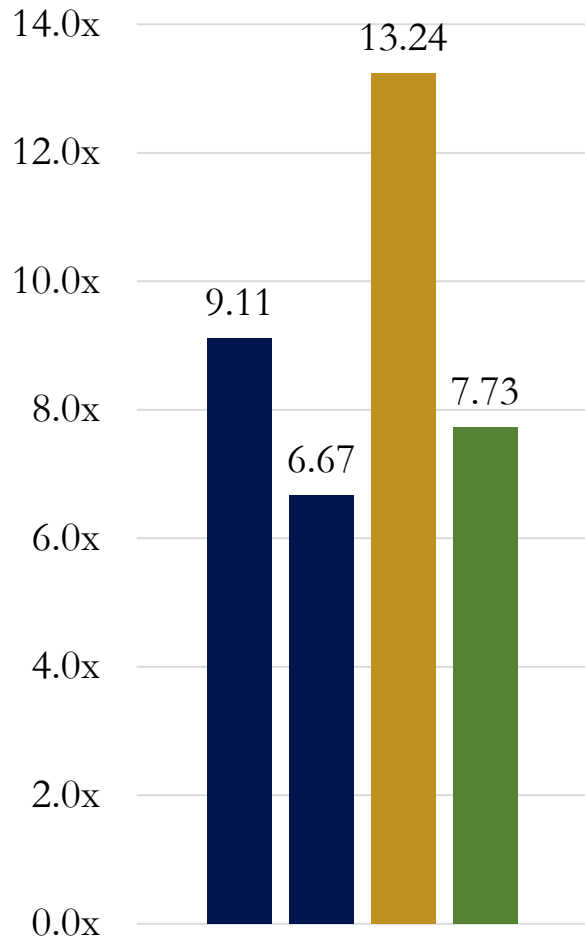
Price (As of November 28, 2017):	\$56.17
TTM Price-to-Earnings:	16.7x
Market Capitalization:	\$35.12 bn
Dividend Yield:	0.77%
TTM Adjusted Earnings per Share:	\$3.26

One-Year Price Chart

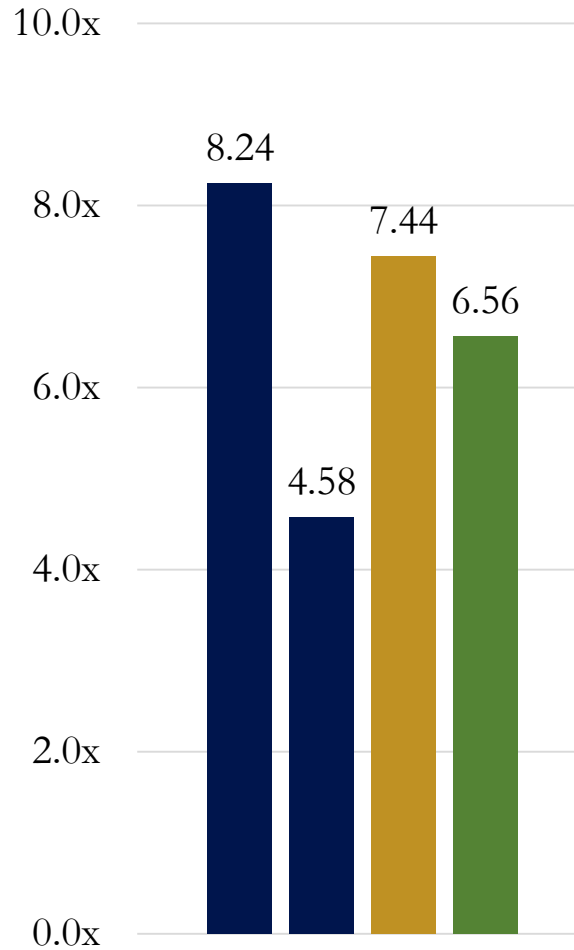




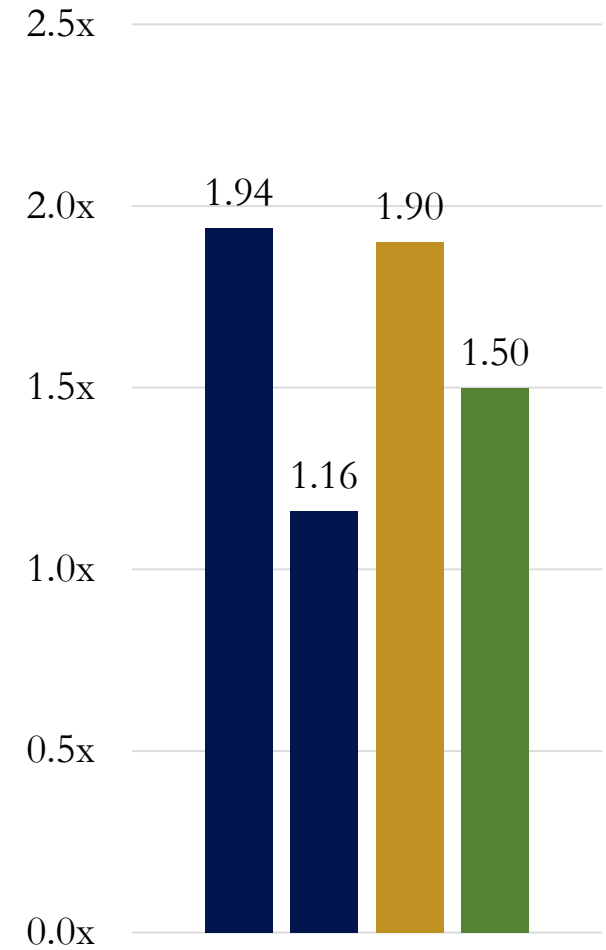
P/E



EV/EBITDA



EV/Sales



■ Industry High/Low ■ LUV ■ Implied Multiple



Valuation Summary



Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	90%	\$58.48	\$52.63
Comparable Company Analysis (P/E)	0%	\$27.33	-
Comparable Company Analysis (EV/EBITDA)	10%	\$54.77	\$5.48
Comparable Company Analysis (EV/Revenue)	0%	\$53.16	-
Intrinsic Value			\$58.11
Price (As of November 20, 2017)			\$54.65
Estimated Upside			6.3%

- Superior efficiency has made Southwest America's best airline
- Opportunities for strategic capacity expansion underappreciated by the market
- Continued outperformance of the industry will catalyze true value



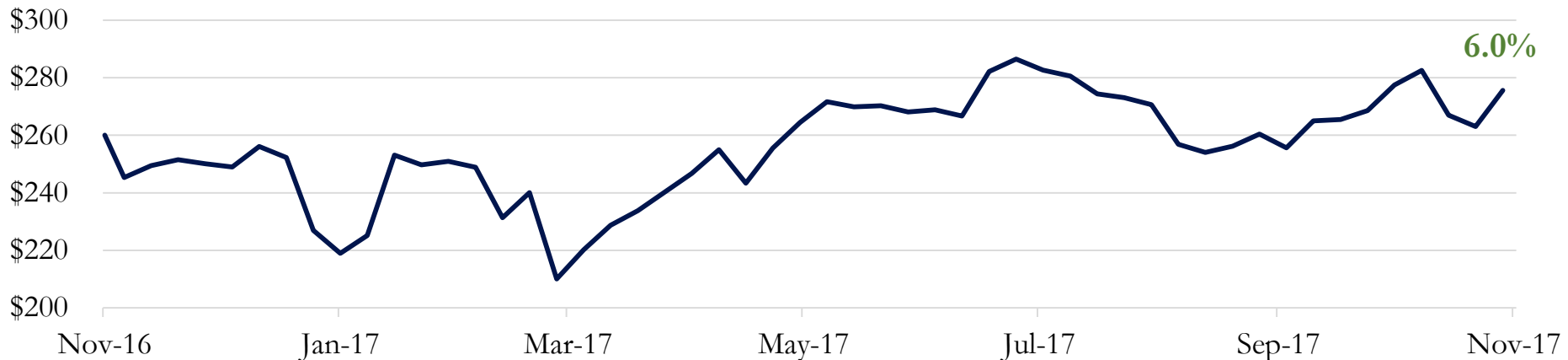
Company Overview

- Supplier of commercial and military aircraft components (OEM and aftermarket)
- ~90% of FY2016 sales generated from proprietary products
- Founded by W. Nicholas Howley (current Chairman & CEO) in 1992, under private equity ownership until 2006

Key Metrics

Price (As of November 28, 2017):	\$277.06
TTM Price-to-Earnings:	32.5x
Market Capitalization:	\$14.37 bn
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$12.38

One-Year Price Chart

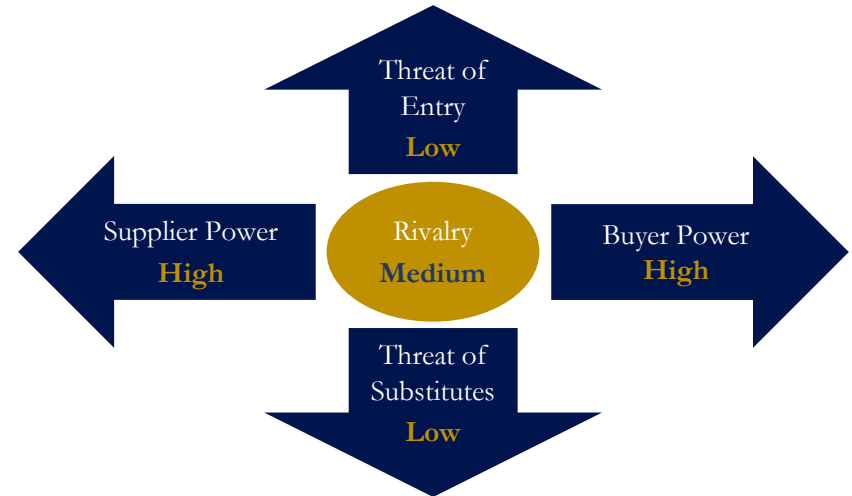




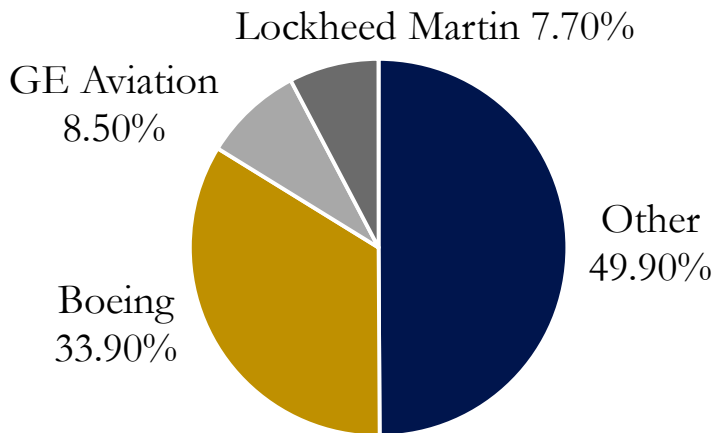
Key Themes

- **Commercial Growth Drivers**– RPMs, associated OEM production
- **Defense Growth Drivers**– government spending and extent of global conflicts
- **Competitively fragmented landscape**– niche markets present roll-up opportunities
- **Stringent regulatory and performance standards** create barriers to entry

Porter’s Five Forces Analysis



Global Market Share – Low Concentration



Key Players – Overlap Between Markets





Valuation Summary

Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	90%	\$302.36	\$272.12
Comparable Company Analysis (P/E)	0%	\$322.25	\$0.00
Comparable Company Analysis (EV/EBITDA)	5%	\$269.59	\$13.48
Comparable Company Analysis (EV/EBIT)	5%	\$311.47	\$15.57
Intrinsic Value			\$301.17
Price (As of November 20, 2017)			\$266.64
Estimated Upside			13.0%

- Competes in an “uncrowded space” – pricing power, longevity of relationships
- Diversified revenue base supported by proprietary product dev. and IP
- Emphasis on value creation through 3-part operating strategy



Company Overview

- Kinder Morgan is one of the largest energy infrastructure companies in North America
 - Over 84,000 miles of pipelines and 155 terminals
- Headquartered in Houston, TX with over 11,000 employees
- Provides fee-based transportation of energy products

Key Metrics

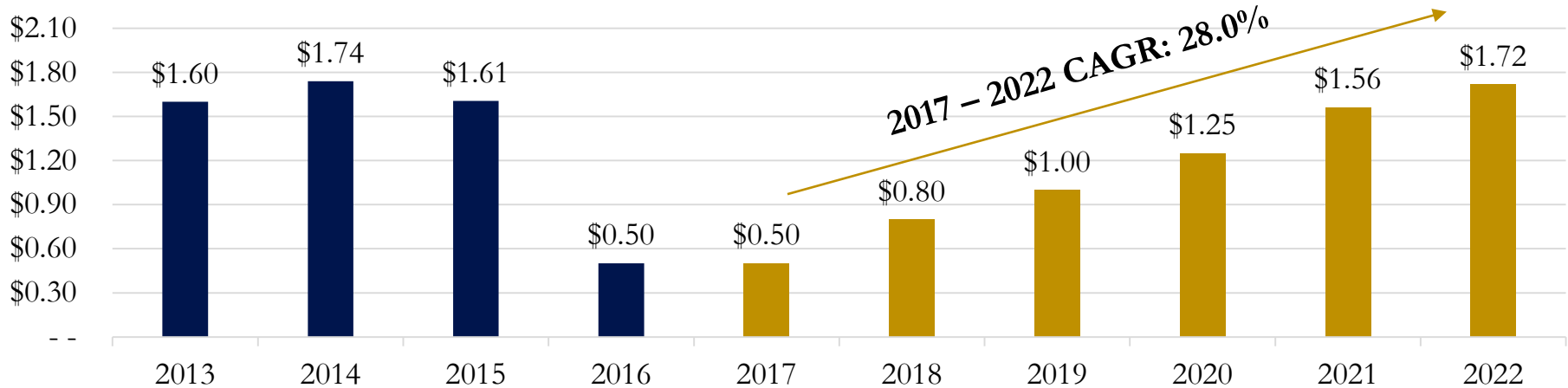
Price (As of November 28, 2017):	\$17.03
TTM Price-to-Earnings:	30.6x
Market Capitalization:	\$37.34 bn
Dividend Yield:	2.9%
TTM Adjusted Earnings per Share:	\$0.55

One-Year Price Chart

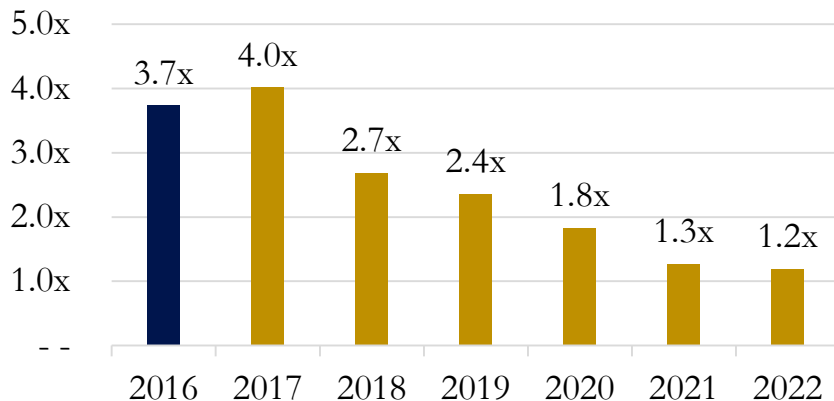




Historical & Future Dividends



Distributable Cash Flow/Dividends Paid



Sensitivity Analysis

Cost of Equity	Long-Term Dividend Growth Rate				
	0.0%	0.5%	1.0%	1.5%	2.0%
6.8%	\$23.27	\$24.78	\$26.56	\$28.67	\$31.21
7.8%	\$20.09	\$21.19	\$22.45	\$23.91	\$25.62
8.8%	\$17.64	\$18.46	\$19.39	\$20.45	\$21.67
9.8%	\$15.69	\$16.33	\$17.04	\$17.83	\$18.73
10.8%	\$14.11	\$14.61	\$15.17	\$15.78	\$16.47

Indicates upside at decision date



Valuation Summary



Recommendation: Hold

Portfolio Decision: Hold

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	80%	\$18.20	\$14.56
Comparable Company Analysis (P/E)	0%	\$15.08	-
Comparable Company Analysis (EV/EBITDA)	5%	\$23.39	\$1.17
Comparable Company Analysis (P/DCF)	5%	\$20.64	\$1.03
Dividend Discount Model	10%	\$19.39	\$1.94
Intrinsic Value			\$18.70
Price (As of November 20, 2017)			\$17.06
Estimated Upside			9.6%

- Poised for industry-leading dividend growth
- \$12.1 billion of shovel-ready infrastructure projects
- Strong and diversified revenue streams



Company Overview

- Lockheed Martin Corporation is a global security and aerospace company engaged in research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services
- Primary source of revenue is through aerospace and defense contracts from United States government (71%)

Key Metrics

Price (As of November 28, 2017):	\$319.01
TTM Price-to-Earnings:	25.7x
Market Capitalization:	\$93.31 bn
Dividend Yield:	2.28%
TTM Adjusted Earnings per Share:	\$12.47

One-Year Price Chart





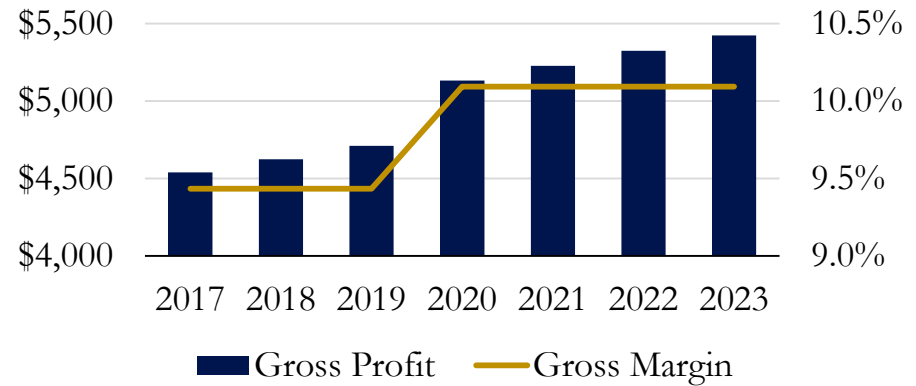
Primary Discovery



Discovery

- Former Assistant Secretary of the Air Force
- President and CEO of one of the top 10 aerospace and defense companies
- Industry knowledge and relationships with many of the key players in the industry

Estimated Gross Profit (\$ in millions)



Key Takeaways



Marillyn Hewson -
Chairman, President
and CEO

- Strong relationship with US government
- Long term goal is to increase margins
- 63 years old



- *Military use:* helicopters are a key source of transportation and operations in the Middle East
- *Commercial use:* helicopters are the main mode of transportation to move oil rig workers from land to the rigs



Defense Spending

- The U.S. Congress passed a \$700 billion defense policy bill, backing Donald Trump's call for a more expansive military



Valuation Summary



Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	80%	\$359.80	\$287.84
Comparable Company Analysis (P/E)	8%	\$388.44	\$31.08
Comparable Company Analysis (EV/EBITDA)	8%	\$345.65	\$27.65
Comparable Company Analysis (EV/Revenue)	4%	\$357.18	\$14.29
Intrinsic Value			\$360.86
Price (As of November 20, 2017)			\$314.65
Estimated Upside			14.7%

- Strong leadership and relationship with the United States government
- Poised to capture increased government defense spending
- The Sikorsky acquisition expands Lockheed Martin's helicopter sector and is undervalued in the market



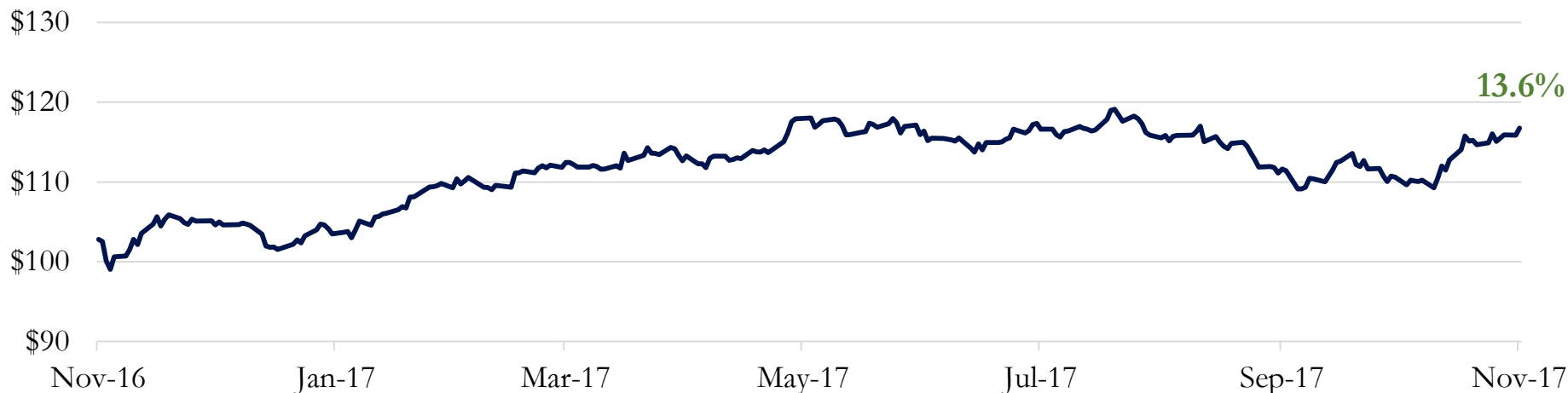
Company Overview

- Makes, markets and distributes variety of snacks and beverages through portfolio of globally recognized brands
- Operates in the Packaged Food & Beverage sector
- Strategic positioning within changing industry due to shift in consumer trends provides a competitive advantage

Key Metrics

Price (As of November 28, 2017):	\$116.77
TTM Price-to-Earnings:	28.2x
Market Capitalization:	\$166.32 bn
Dividend Yield:	2.8%
TTM Adjusted Earnings per Share:	\$4.84

One-Year Price Chart



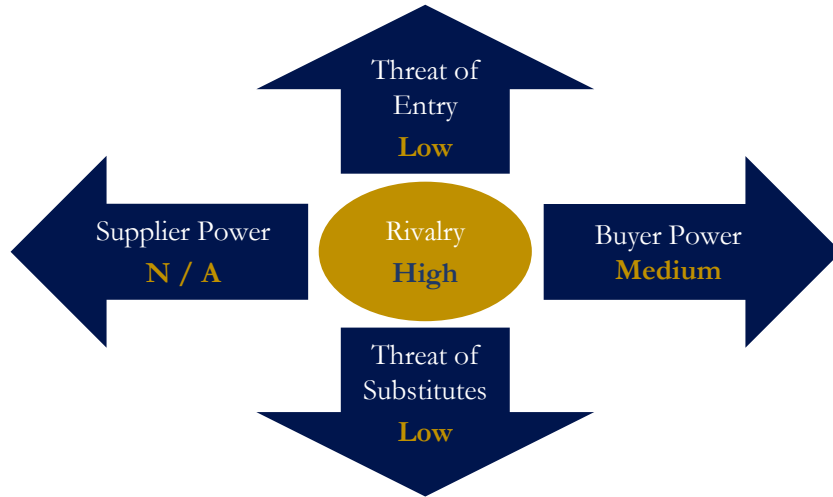
Source: Company Filings, S&P Capital IQ.



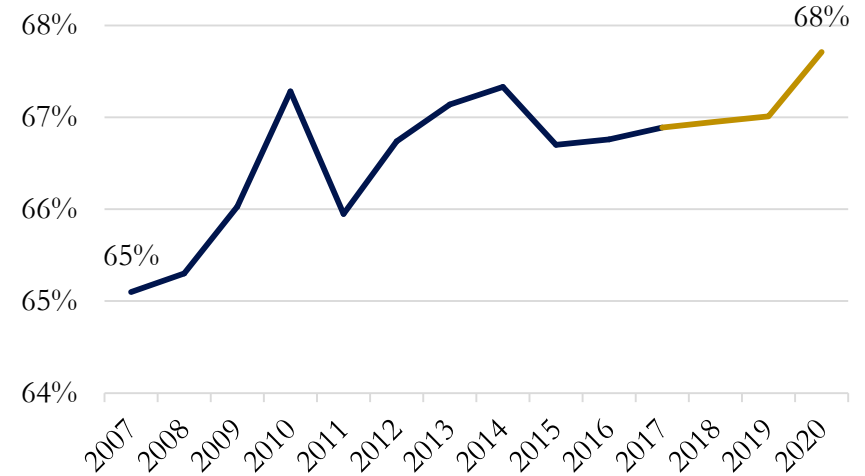
Industry Analysis



Porter's Five Forces



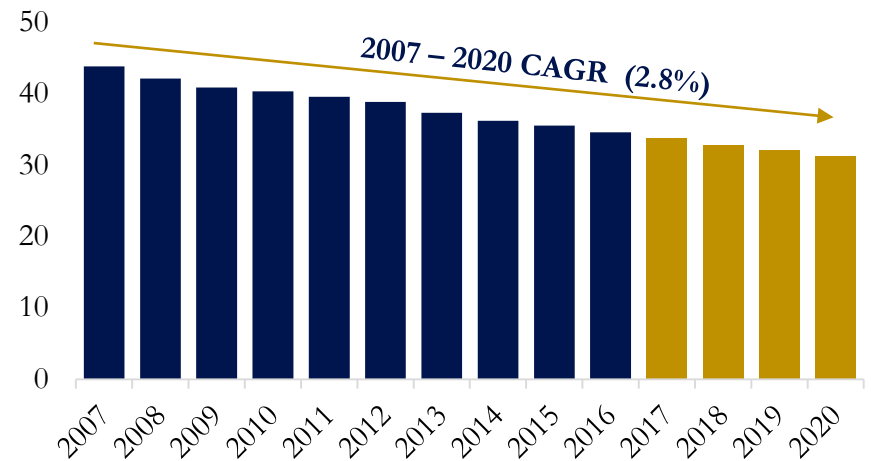
US FDA Healthy Eating Index



Outlook

- Material shift occurring, will disrupt the industry as a whole
- Dominated by large players, but room for niche companies emerging
- Scale and branding are necessary for long-term success

Annual Soft Drinks Consumption per Capita (gallons)





Valuation Summary



Recommendation: Buy

Portfolio Decision: Pass

Valuation Method	Valuation	Weight	Contribution
Discounted Free Cash Flow	\$118.94	92.5%	\$110.02
Comparable Company Analysis (P/E)	\$105.96	2.5%	\$2.65
Comparable Company Analysis (EV/EBITDA)	\$142.64	2.5%	\$3.57
Comparable Company Analysis (EV/Revenue)	\$214.85	2.5%	\$5.37
Intrinsic Value			\$121.61
Price (As of November 20, 2017)			\$114.91
Estimated Upside			5.8%

- Innovative forethought and strategic positioning enable PEP to exploit shifting trends
- Short-term inelasticity of core products provide moat for newer products to scale
- Fundamentals remain sound, though recent price appreciation make timing unfavorable



Union Pacific Corporation (NYSE: UNP)

Company Overview

Union Pacific Railroad Company links 23 states in the western two-thirds of the country by rail, providing a critical link in the global supply chain

- Approximately 43,000 employees, 84% of whom are represented by major rail unions
- Founded in 1862, incorporated in 1969 and grown through a number of acquisitions over the Company's life

Key Metrics

Price (As of November 22, 2017):	\$118.80
TTM Price-to-Earnings:	20.93x
Market Capitalization:	\$92.22 bn
Dividend Yield:	2.05%
TTM Adjusted Earnings per Share:	\$5.65

One-Year Price Chart





Primary Discovery



Terry Heidkamp
VP, Government & Industry Affairs

Key Takeaway: view the rail industry as a collection of markets

Valuation Effect: modeled out commodity groups individually



Paul Titterton
Chief Commercial Officer

Key Takeaway: pay attention to sub-industries, such as fracking

Valuation Effect: UNP's position in the West allows for significant industrial product growth



LT Griffin
Director of Transportation Services

Key Takeaway: UNP is being innovative even in a stable industry (example: frozen intermodal)

Valuation Effect: expanded intermodal growth even after slow history; reduced labor costs





Valuation Summary

Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow (Base)	80.0%	\$125.47	\$100.38
Discounted Free Cash Flow (Bull)	2.5%	\$177.63	\$4.44
Discounted Free Cash Flow (Bear)	2.5%	\$97.04	\$2.43
Comparable Company Analysis (P/E)	5.0%	\$116.94	\$5.85
Comparable Company Analysis (EV/EBITDA)	5.0%	\$127.50	\$6.37
Comparable Company Analysis (EV/Revenue)	5.0%	\$120.18	\$6.01
Intrinsic Value			\$125.47
Price (As of November 20, 2017)			\$116.01
Estimated Upside			8.2%

- Most profitable and efficient player in the railroad industry
- Positioned to capture growth in both industrial products and intermodal segments
- Reliable and stable performance through economic cycles



Chipotle Mexican Grill (NYSE: CMG)

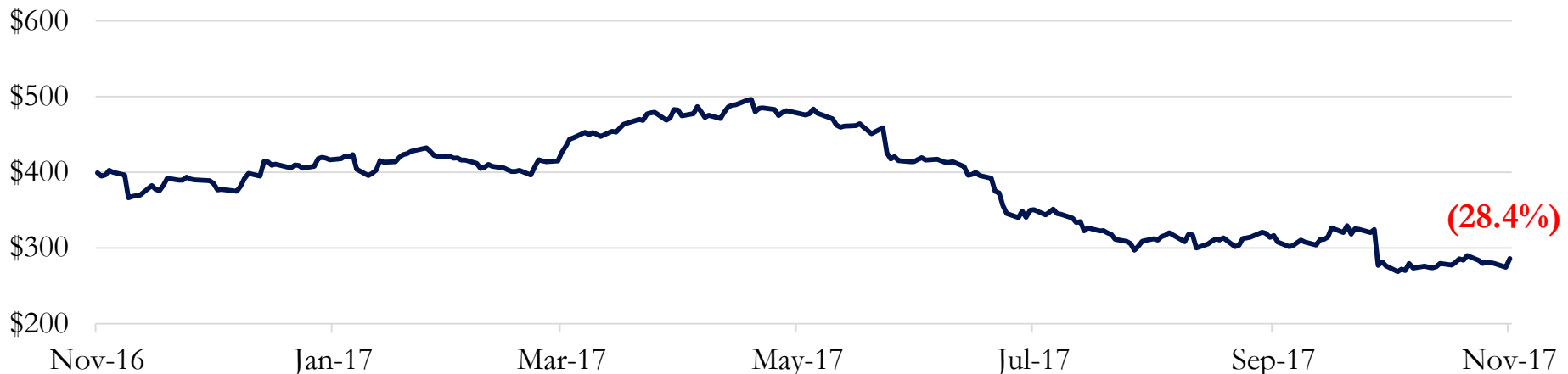
Company Overview

- Chipotle is the worlds largest fast-casual restaurant chain, currently operating 2,374 restaurants
- Concentrates on providing fresh, locally sourced food
- Range of recent food-borne illness incidents have led to steep drop in operating performance and share price

Key Metrics

Price (As of November 28, 2017):	\$285.86
TTM Price-to-Earnings:	51.5x
Market Capitalization:	\$8.29 bn
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$5.34

One-Year Price Chart



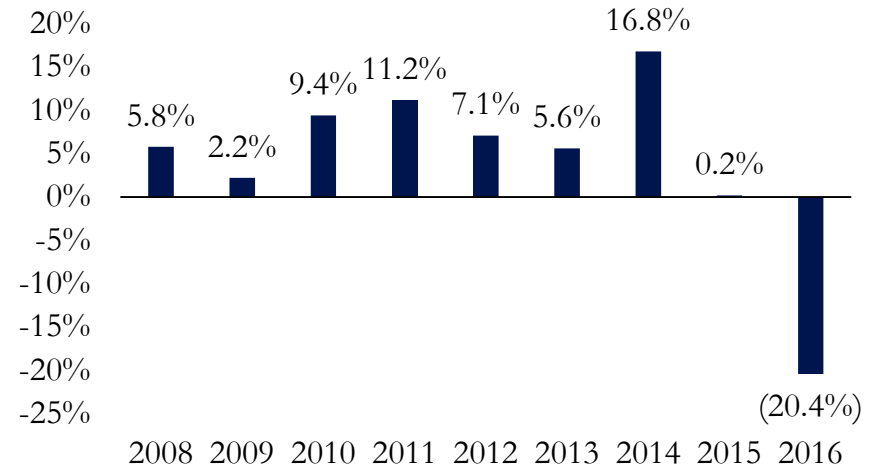


Fundamental Analysis

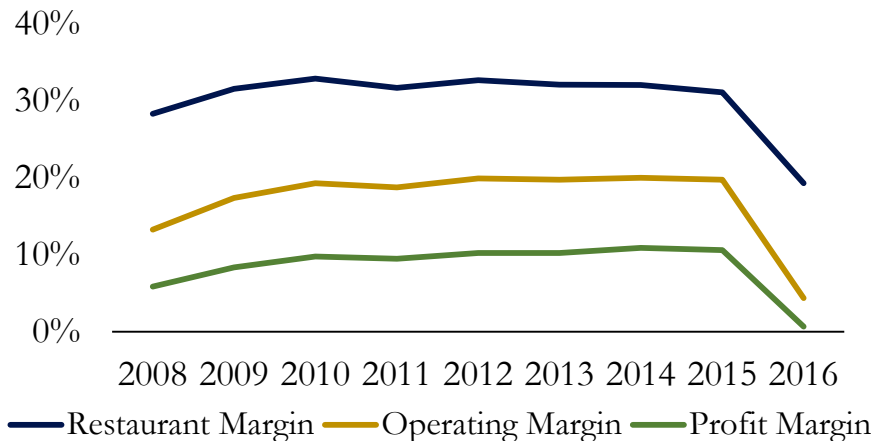
Key Commentary

- Chipotle's high operating leverage business makes comparable store sales the key driver of valuation
- Little room exists for costs cuts, so same-store sales growth only way to return to previous profitability
- Driving same-store sales growth will require a rebranding of the business

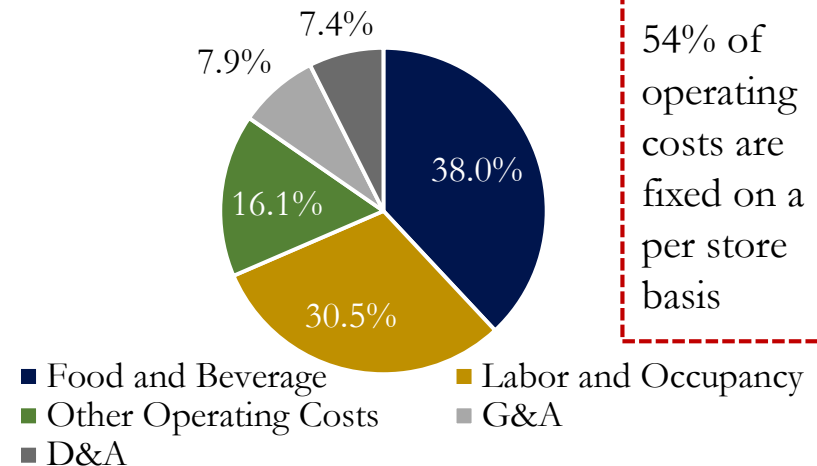
Comparable Store Sales (% YoY Growth)



Historical Margins



Operating Cost Breakdown





Valuation Summary



Recommendation: Pass

Portfolio Decision: Pass

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	85%	\$257.75	\$219.09
Comparable Company Analysis (P/E)	5%	\$323.12	\$16.16
Comparable Company Analysis (EV/EBITDA)	5%	\$294.86	\$14.74
Comparable Company Analysis (EV/Revenue)	5%	\$264.32	\$13.22
Intrinsic Value			\$263.20
Price (As of November 20, 2017)			\$283.25
Estimated Downside			(7.1%)

- Management has failed to provide a clear plan for rebranding the business
- Competition within the fast-casual space continues to increase rapidly
- Supply chain remains fragile, making more food-borne incidents a downside risks



Company Overview

- Manufactures plastic consumer packaging, hygiene, and engineered materials
 - Resin → extrusion / injection molding
- Sales by divisions
 - Engineered Materials (36%)
 - Health, Hygiene, & Specialties (32%)
 - Consumer Packaging (32%)
- Founded in 1967 & publicly listed in 2012
- Organic + Inorganic growth strategies
 - 6 acquisitions following IPO

Key Metrics

Price (As of November 28, 2017):	\$59.44
TTM Price-to-Earnings:	25.2x
Market Capitalization:	\$7.78 bn
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$2.56

One-Year Price Chart





Macro Level Indicators

Plastic is increasingly substituted for materials such as wood, paper, metals, and glass

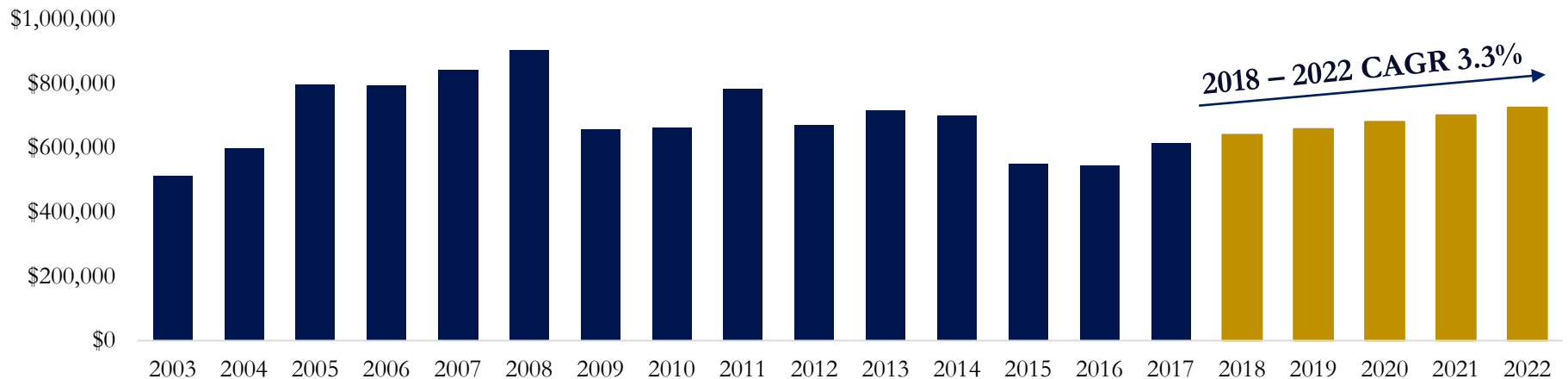
FDA Regulation/
Environmental sustainability trends

Population Growth & Growth in Disc. Inc. and Consumer Spending

Resin Price Fluctuation

Demand from stable / customer oriented / inelastic downstream markets (F&B, HC, Retail)

Global Plastic Manufacturing Industry Sales (\$ in millions)



Source: Wall Street Research



Valuation Summary



Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	85%	\$62.91	\$53.47
Comparable Company Analysis (P/E)	5%	\$53.76	\$2.69
Comparable Company Analysis (EV/EBITDA)	5%	\$71.14	\$3.56
Comparable Company Analysis (EV/Revenue)	5%	\$53.60	\$2.68
Intrinsic Value			\$62.40
Price (As of November 20, 2017)			\$59.45
Estimated Upside			5.0%

- Well positioned on the macro, industry, and company-specific level to capitalize on growth opportunities in both domestic and international markets



Company Overview

- **Largest provider of private label credit cards in the U.S.** based on purchase volumes and receivables
- **Long-standing retail partnerships** with blue-chip industry players
 - Guitar Center, Lowe's, WalMart, Gap, JCPenney, Sam's Club, Amazon
- \$14.8 billion in interest income and \$2.3 billion in net earnings during FY 2016

Key Metrics

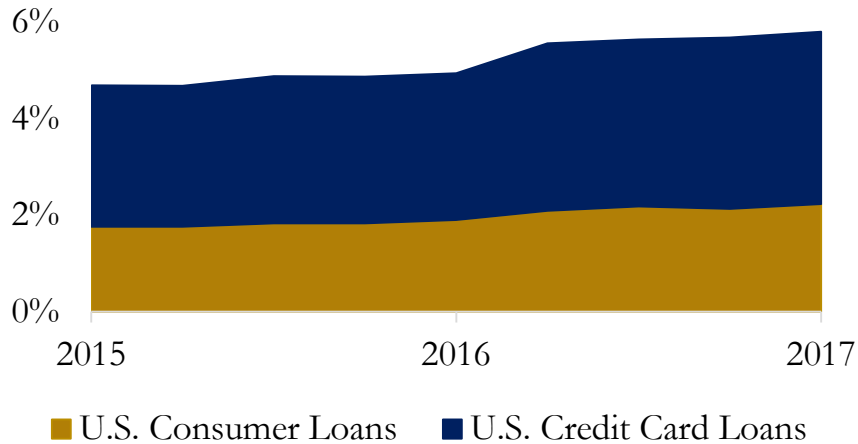
Price (As of November 28, 2017):	\$34.49
TTM Price-to-Earnings:	12.2x
Market Capitalization:	\$27.36 bn
Dividend Yield:	1.81%
TTM Adjusted Earnings per Share:	\$2.63

One-Year Price Chart

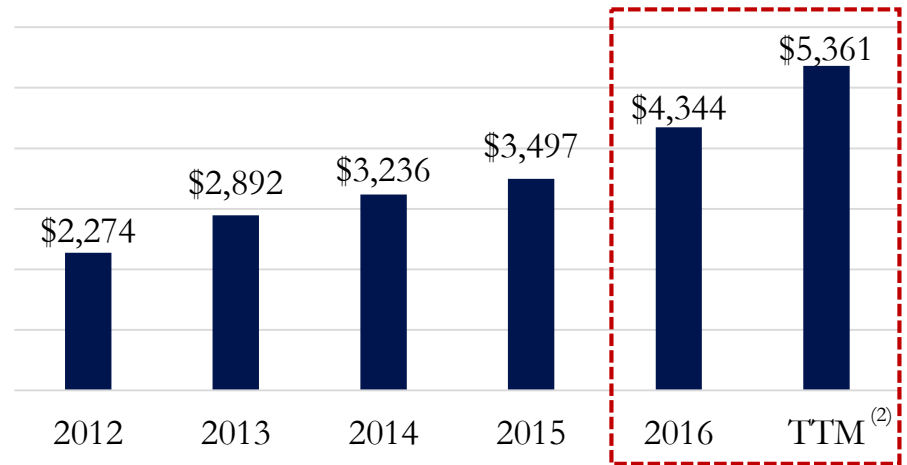




Consumer Credit Trends: Charge-Offs⁽¹⁾



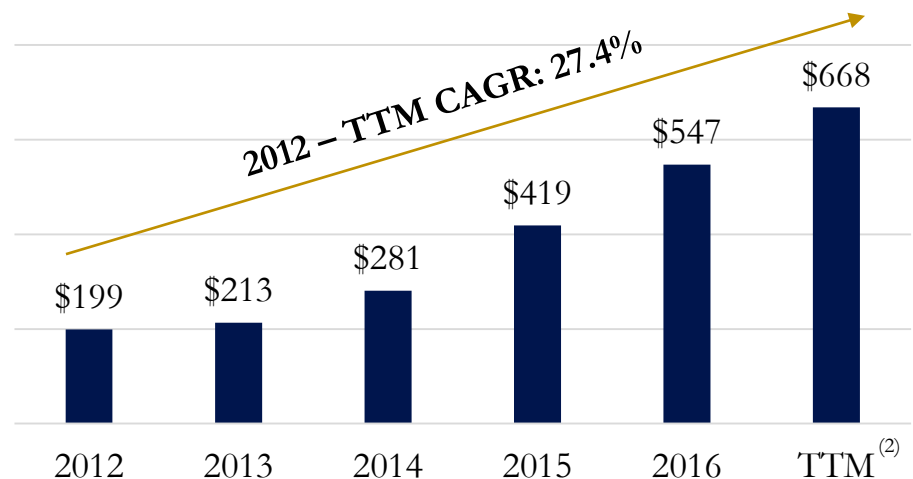
Allowance for Doubtful Accounts (\$ in millions)



Retail Industry Disruption

- **“The Amazon Effect”** and the growth of e-commerce
- **Brick and mortar sales deterioration** indicates future issues regarding loyalty programs that utilize SYF credit products
 - Stagnated growth / customer erosion
- Interest income from **private label credit cards form roughly 75% of total revenue**

Loyalty Program Costs (\$ in millions)



Sources: Bloomberg, Company Filings, The Federal Reserve

1. Data represent percentages of total loans outstanding; Seasonally adjusted data from all U.S. commercial banks.

2. TTM data as of latest quarter end (October 27, 2017).



Valuation Summary

Recommendation: Hold

Portfolio Decision: Sell

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow to Equity (FCFE)	90.0%	\$33.03	\$29.73
Comparable Company Analysis (P/E and P/B)	7.5%	\$32.29	\$2.42
Dividend Discount Model (DDM)	2.5%	\$25.08	\$0.63
Intrinsic Value			\$32.78
Price (As of November 20, 2017)			\$33.86
Estimated Downside			(3.3%)

- Deteriorating consumer credit quality and significant exposure to the struggling retail sector raise concerns for Synchrony moving forward despite strong fundamentals



Under Armour (NYSE: UAA)



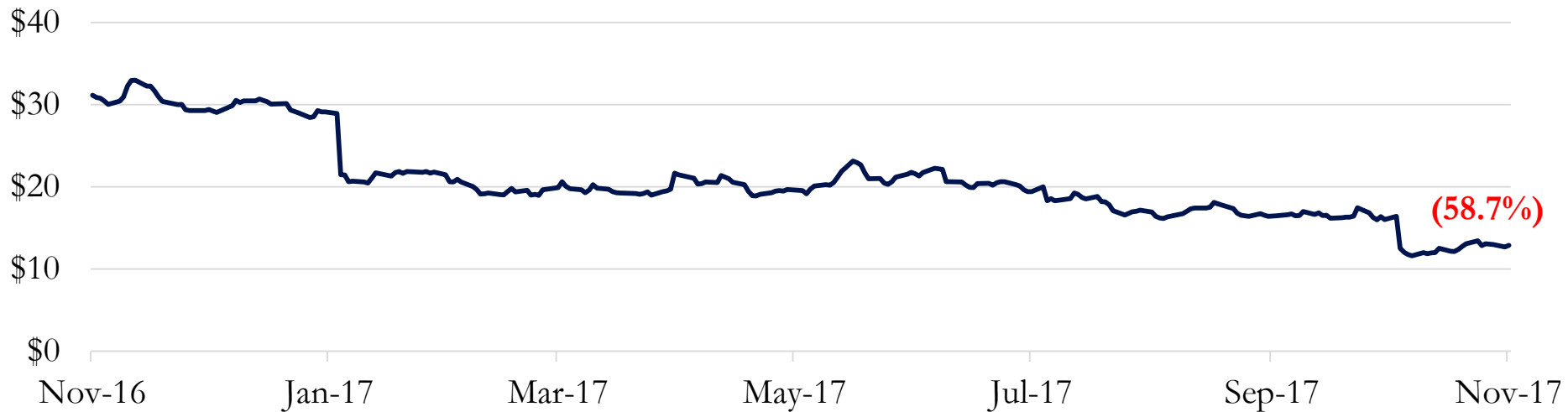
Company Overview

- Under Armour develops, markets and distributes performance apparel, footwear and accessories to customers around the globe
- 83% of sales are located in North America
- 1.6% share in the global sportswear industry
 - Nike and Adidas with 17.2% and 10.5% respectively
- Products have generally been priced higher than peers

Key Metrics

Price (As of November 28, 2017):	\$12.88
TTM Price-to-Earnings:	30.0x
Market Capitalization:	\$5.62 bn
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$0.42

One-Year Price Chart





Interview Themes

Poor Aesthetics

- Terrible color schemes
- Shoes are clunky and awkward

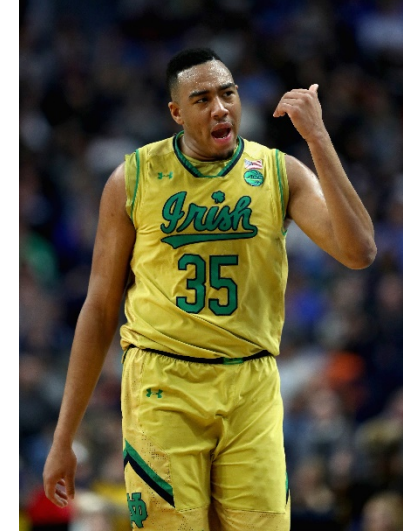
Quality Issues

- Some shoes fell apart within days
- Basketball socks rip at the heel

Low Loyalty

- ND grads in NBA prefer Nike
- Players use Nike/Adidas on their own

Notre Dame Basketball



Key Takeaways

Projected growth from footwear sales unlikely to materialize

Under Armour lost quality control in its transition to mass production

Basketball sneakers are unlikely to sell as well as Nike/Adidas at the \$160 price point

Under Armour may need to reconsider its large investment in basketball



Valuation Summary



Recommendation: Hold

Portfolio Decision: Hold

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow (Base)	50%	\$12.68	\$6.34
Discounted Free Cash Flow (Bull)	15%	\$20.47	\$3.07
Discounted Free Cash Flow (Bear)	15%	\$8.52	\$1.28
Comparable Company Analysis (EV/EBITDA)	20%	\$12.62	\$2.52
Intrinsic Value			\$13.21
Price (As of November 20, 2017)			\$13.44
Estimated Downside			(1.7%)

- The Under Armour brand remains strong with access to key licensing deals
- Key endorsements will provide room for growth internationally
- Under Armour is exiting poor investments and will be more focused moving forward



Total System Services (NYSE: TSS)



Company Overview

- Global payment solutions company that provides payment processing, merchant, and related services to financial and non-financial institutions
- Operates in the credit card processing industry which is a \$75bn per year space
- Largest third party payment processor and largest prepaid credit card manager
- The company is headquartered in Columbus, Georgia, and has 11,500 employees

Key Metrics

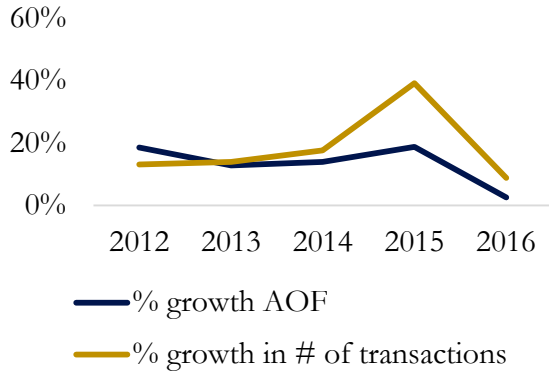
Price (As of November 28, 2017):	\$74.16
TTM Price-to-Earnings:	31.0x
Market Capitalization:	\$13.36 bn
Dividend Yield:	0.70%
TTM Adjusted Earnings per Share:	\$2.27

One-Year Price Chart

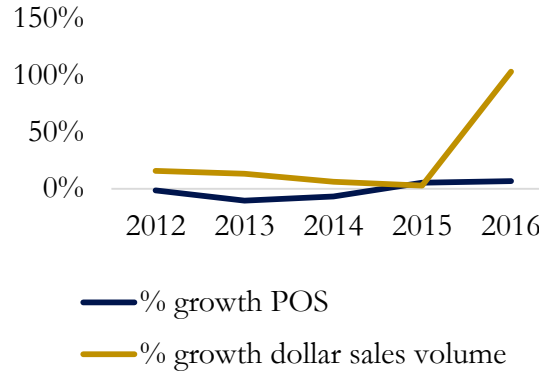




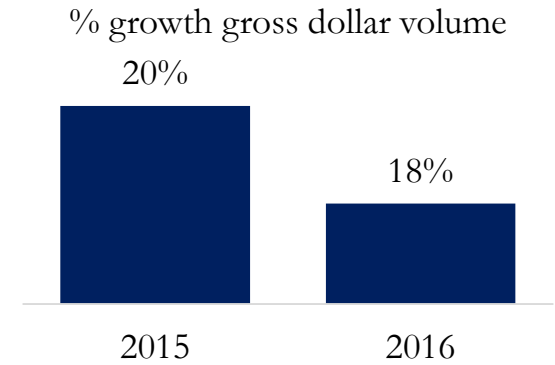
Issuing Segment Drivers



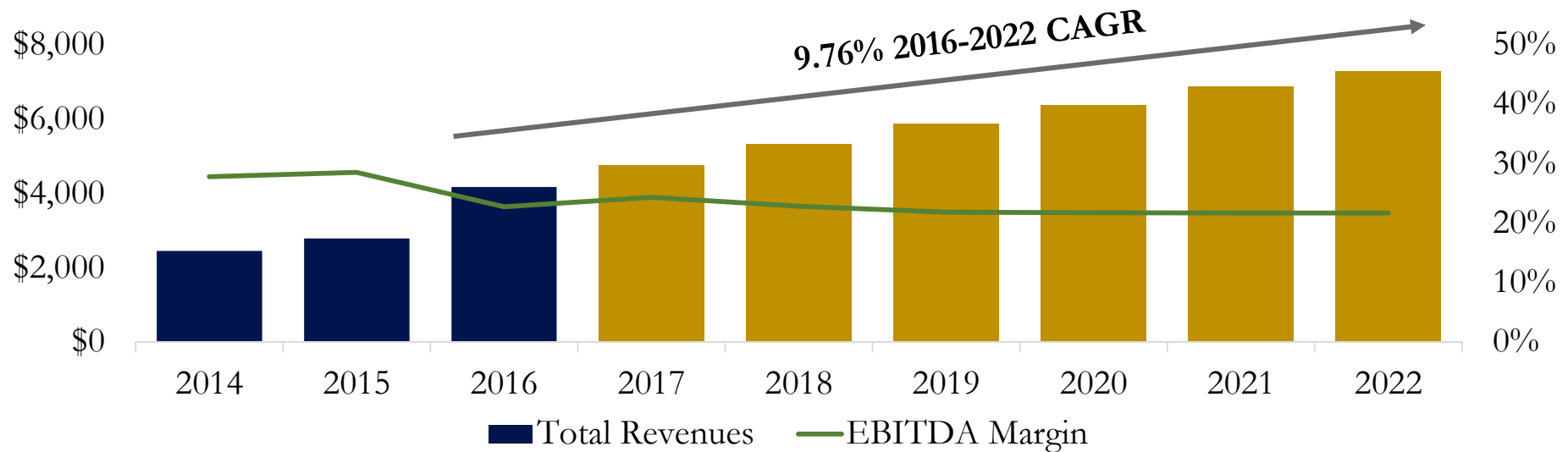
Merchant Services Drivers



NetSpend Drivers



Forecasted Revenue and EBITDA Margin (\$ in millions)





Valuation Summary



Recommendation: Hold

Portfolio Decision: Hold

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	80.0%	\$79.52	\$63.62
Comparable Company Analysis (P/E)	5.0%	\$65.50	\$3.28
Comparable Company Analysis (EV/EBITDA)	10.0%	\$75.09	\$7.51
Free Cash Flow to Equity Valuation	5.0%	\$64.26	\$3.21
Intrinsic Value			\$77.62
Price (As of November 20, 2017)			\$73.38
Estimated Upside			5.8%

- Industry leader in the high growth payment processing space
- Has strong relationships with a few major customers
- Has future expansion strategies that mitigate industry headwinds



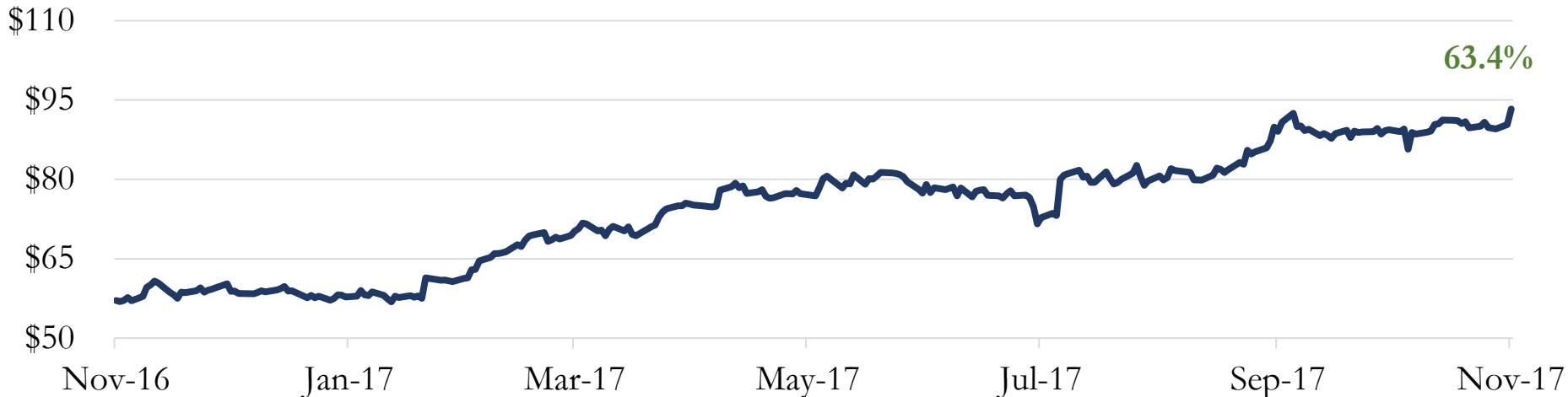
Company Overview

- Grand Canyon Education is a regionally accredited, for-profit educational institution headquartered in Phoenix, AZ
- Started in 1949 as a traditional, private, non-profit college
- GCU offers 220 graduate and undergraduate degrees across nine different colleges
- Average graduate salary of \$49,200 compared to national median of \$34,100

Key Metrics

Price (As of November 28, 2017):	\$93.30
TTM Price-to-Earnings:	25.8x
Market Capitalization:	\$4.60 bn
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$3.62

One-Year Price Chart





Primary Discovery

GCU Ground Campus

- 260-acre ground campus in Phoenix
- 7,500-seat basketball and entertainment center, 300-seat theatre
- 2016: Completed three residence halls and a 170,000 square foot classroom building
- 2019: Adding two more apartment-style residence halls, a major classroom facility, a club sports facility, and a parking garage



Advantages of a Strong Ground Campus

21
Division I
Sports
Teams

Higher
Revenues

Compete
Against
Arizona
State





Key Grand Canyon Contacts



Dr. Kimberly
LaPrade, Dean

Dan Bachus, CFO

Dan Bachus's Background

- Dan has been CFO since 2008, when he came in as part of a new management team that would help the company go public
- He and CEO Brian Mueller are the most senior members of the executive team, having both come on in 2008
- Formerly the Chief Accounting Officer and Controller of Apollo Group, Inc.
- Received his MBA from the University of Phoenix

Key Takeaways from the CFO

Ground campus
growing, but has
capacity

Competitive
advantages in
tough online space

Advertising has
focused on brand
growth rather than
clicks

Possibility of
splitting off the
university as a non-
profit



Valuation Summary

Recommendation: Pass

Portfolio Decision: Pass

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	90%	\$83.52	\$75.17
Comparable Company Analysis (P/E)	5%	\$80.30	\$4.02
Comparable Company Analysis (EV/EBITDA)	5%	\$65.41	\$3.27
Comparable Company Analysis (EV/Revenue)	0%	\$37.91	-
Intrinsic Value			\$82.46
Price (As of November 20, 2017)			\$90.06
Estimated Downside			(8.43%)

- Low tuition, diverse program offerings, and a large ground campus differentiate Grand Canyon from other for-profit education peers
- The stock has increased nearly 100% since the election and appears overbought
- Considerable unknown risks involving a transition to non-profit status



Company Overview

- Biotechnology company focused on researching, developing, and commercializing innovative treatments
- 23 FDA approved drugs; 22 in pipeline
- Current leader in HCV treatment space
- Growing HIV portfolio
- Recent acquisition of Kite Pharma to move into CAR-T therapy space (oncology)
- Over \$40B in cash and long-term investments

Key Metrics

Price (As of November 28, 2017):	\$71.70
TTM Price-to-Earnings:	7.9x
Market Capitalization:	\$96.38 bn
Dividend Yield:	2.90%
TTM Adjusted Earnings per Share:	\$9.21

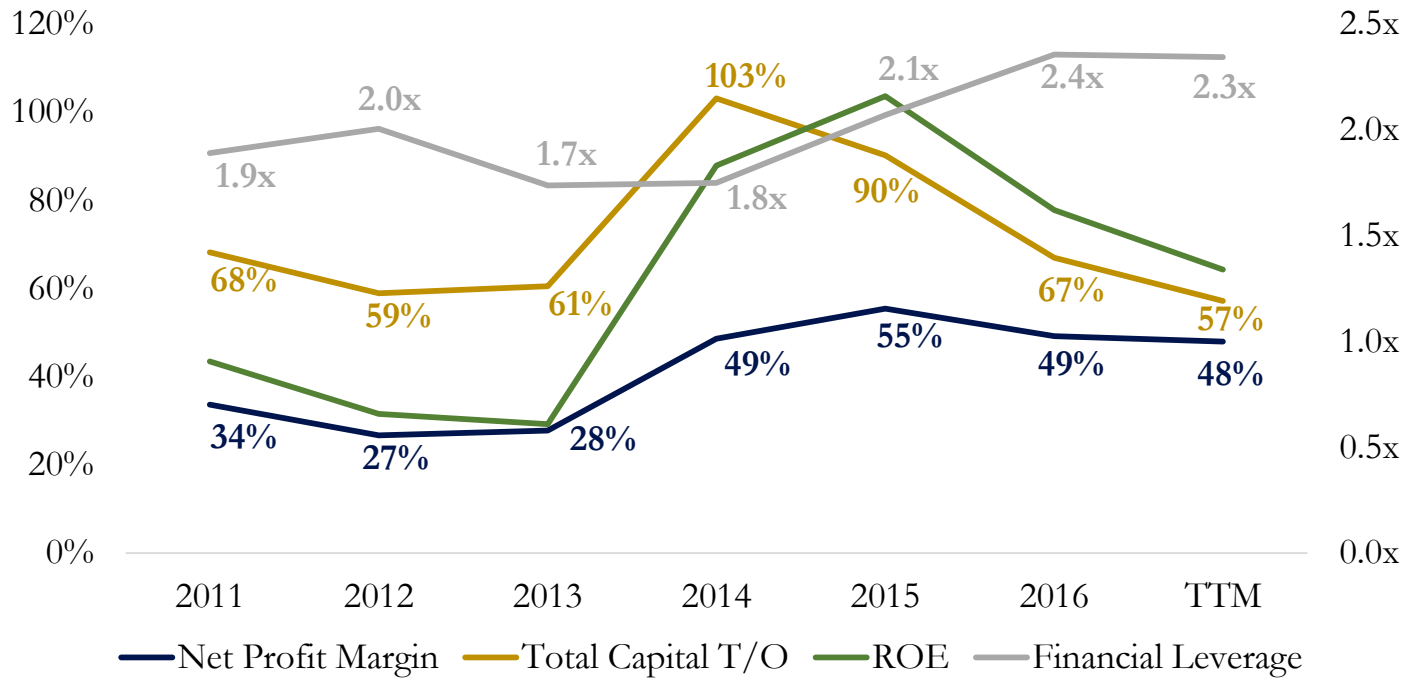
One-Year Price Chart





DuPont Analysis – Return on Equity

Comments



- Greatest return on equity compared to competitors
- Driven by strong revenues from HCV drugs – peaked at \$32B in 2015
- Share buybacks and debt offerings have increased leverage
- Increasing net profit margin with decreasing SG&A expenses

Return on Equity	2011	2012	2013	2014	2015	2016
Gilead	43%	32%	29%	88%	104%	78%
Celgene	21%	30%	30%	36%	29%	51%
Amgen	17%	23%	25%	22%	26%	27%
Biogen	21%	21%	24%	30%	36%	34%



Valuation Summary



Recommendation: Hold

Portfolio Decision: Hold

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	90%	\$88.34	\$79.51
Comparable Company Analysis (P/E)	0%	n.m.	-
Comparable Company Analysis (EV/EBITDA)	0%	n.m.	-
Comparable Company Analysis (EV/Revenue)	10%	\$91.20	\$9.12
Intrinsic Value			\$88.63
Price (As of November 20, 2017)			\$72.13
Estimated Upside			22.9%

- Position in the HIV market to be strongest player and drive revenue growth
- Large cash balance to fund acquisitions and target profitable projects
- Recent movement into CAR-T therapy space to drive growth through new segments



Company Overview

- Stryker is a medical technology and devices company that designs and sells products for applications in orthopedics, medical & surgical, and neurotechnology & spine uses
- SYK's 3 business segments are:
 - Orthopaedics (39% of 2016 revenue)
 - MedSurg (43% of 2016 revenue)
 - Neurotechnology & Spine (18% of 2016 revenue)

Key Metrics

Price (As of November 28, 2017):	\$155.78
TTM Price-to-Earnings:	22.9x
Market Capitalization:	\$57.70 bn
Dividend Yield:	1.10%
TTM Adjusted Earnings per Share:	\$6.81

One-Year Price Chart





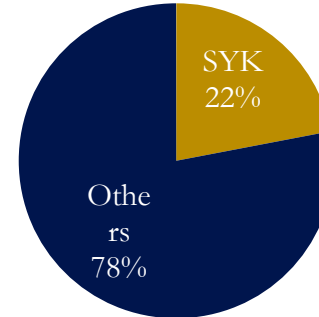
Strong Position in a Growing Industry

- Industry positioned to benefit:
 - Growing number of baby boomers in need of surgery
 - Increasing obesity rates
 - Greater number of people insured
 - Estimated that number of knee replacements will grow from 600,000 in 2016 to 1,600,000 in 2030
- Established position & customer relationships extremely important in the industry
 - Hospital consolidation increases importance of relationships & size
 - Reputation for quality and good performance & patient outcomes drives success and growth
 - Size enables acquisitions to capitalize on high-growth segments

Large Market Share Across Segments

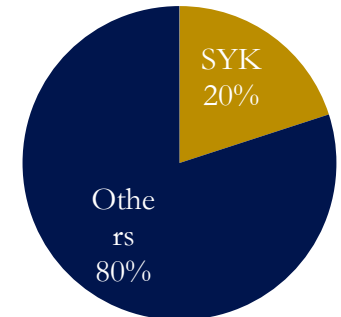
Orthopedics

Hip Replacements



Market position: #3

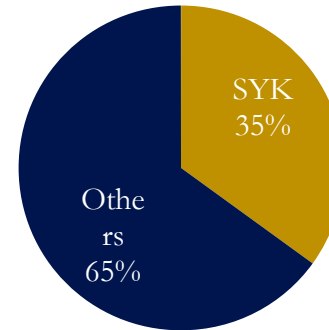
Knee Replacements



Market position: #3

MedSurg

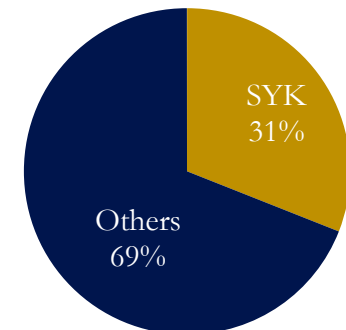
Instruments



Market position: #1

Neurotech & Spine

Neurovascular



Market position: #1



Valuation Summary



Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	85%	\$171.21	\$145.46
Comparable Company Analysis (P/E)	5%	\$134.17	\$6.71
Comparable Company Analysis (EV/EBITDA)	5%	\$160.27	\$8.01
Comparable Company Analysis (EV/Revenue)	5%	\$116.92	\$5.85
Intrinsic Value			\$166.03
Price (As of November 20, 2017)			\$154.75
Estimated Upside			7.3%

- Strong market position & customer relationships across segments
- Incumbent in industry poised to grow due to favorable demographic trends
- History of successful integration of acquisitions



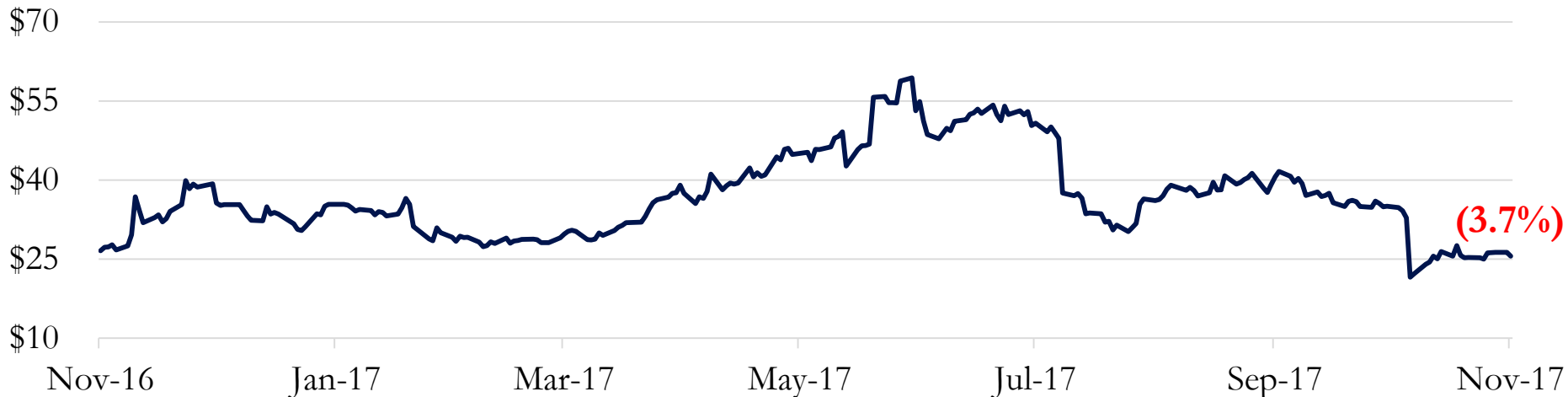
Company Overview

- Only end-to-end solution provider for an emerging RFID market with a global unit TAM in the trillions
- First to market ultra high frequency RFID tech and pioneer of industry standards
- Superior connectivity layer solutions defend already dominant market share in the endpoint layer
- 2000-2017: 225 patents, \$180 mm in R&D

Key Metrics

Price (As of November 28, 2017):	\$25.58
TTM Price-to-Earnings:	N/A
Market Capitalization:	\$516.41 mm
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	\$0.10

One-Year Price Chart



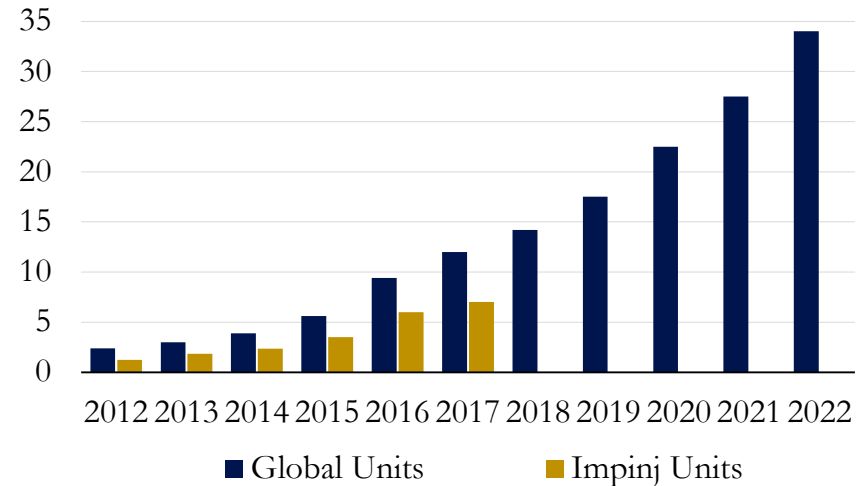
What is RFID?



Growth Drivers

- Solution to broken traditional retail
 - Ex. Macy's, Japanese convenience stores
- Enable better tracking of healthcare assets
 - Ex: UT Medical Center, Kaiser Health
- Item-level visibility for more efficient logistics
 - Ex: Delta Airlines, FedEx, UPS
- Provides real-time, item-level data for A.I.

Global RFID Sales (in billions of units)



Industry Dynamics

- End customers need to develop three levels of infrastructure for RFID to work
- Fragmented vendors and sellers but few IP holders and only 1 end-to-end solution provider
- Massive end customers would require their logistics and suppliers outfitted with RFID, too
- RAIN RFID Alliance: 155 companies to promote universal adoption of UHF RFID



Valuation Summary



Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Blended Discounted Free Cash Flow	80%	\$38.75	\$31.00
Discounted Free Cash Flow – Bull	(15%)	\$93.29	
Discounted Free Cash Flow – Base	(60%)	\$40.18	
Discounted Free Cash Flow – Bear	(25%)	\$2.95	
Comparable Company Analysis (EV/Revenue)	20%	\$42.71	\$8.54
Intrinsic Value	100%		\$39.54
Price (As of November 20, 2017)			\$25.23
Estimated Upside			56.7%

- **Revenue Growth:** Majority market share (60%+) to benefit from broad-based growth in a market with a unit TAM in the trillions
- **Margin Expansion:** Increased end-user adoption will result in opportunities for cross-selling its higher margin readers and software
- **Sustainable Earnings Power:** Sticky, recurring revenue model with high operating leverage



Trupanion (NASDAQ: TRUP)

Company Overview

- High-value provider of medical insurance for dogs and cats in the United States and Canada
- Comprehensive, lifelong coverage includes hereditary conditions with no payout limits or vet restrictions
- Aiming to transform the U.S. pet insurance industry with focus on sourcing through veterinary referrals
- Founded in 2000 by current CEO Darryl Rawlings, raised venture round in 2007, and IPO'd in 2014

Key Metrics

Price (As of November 28, 2017):	\$30.62
TTM Price-to-Earnings:	N/A
Market Capitalization:	\$899.39 mm
Dividend Yield:	N/A
TTM Adjusted Earnings per Share:	(\$0.10)

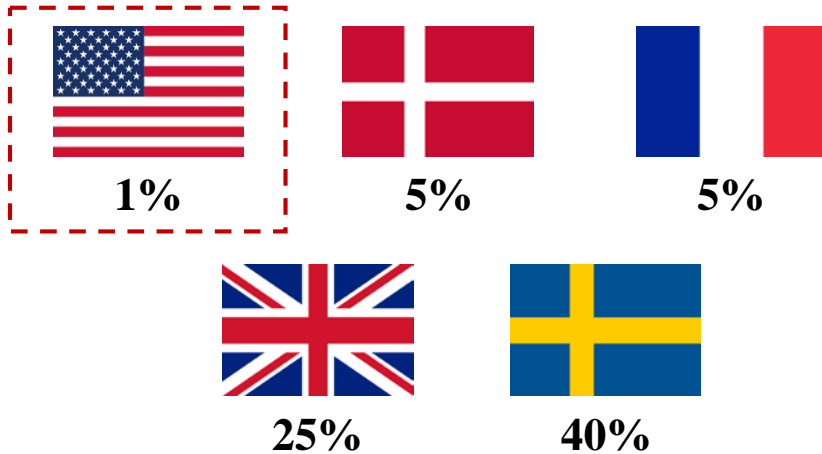
One-Year Price Chart



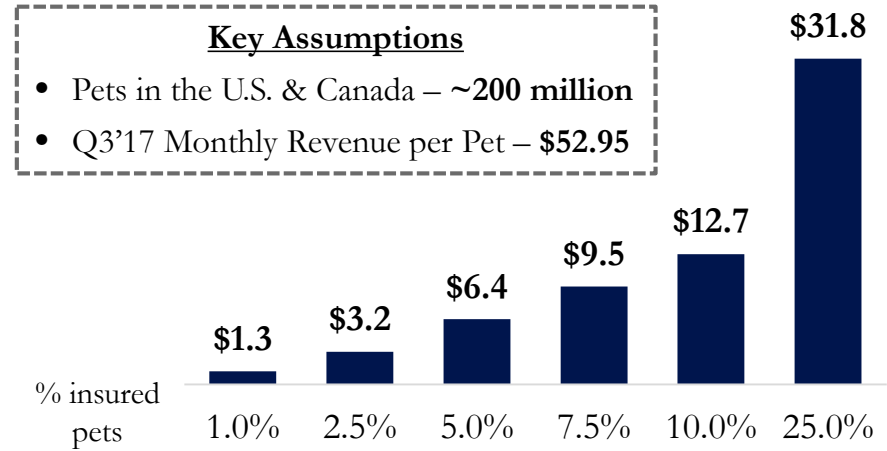


Competitive Advantages

Market Penetration Across the Globe



U.S. & Canada Market Size (\$ in billions)



Trupanion Competitive Moat

1 Customer Value Proposition

- Pays ~90% of actual vet bill, no payout limits, flexible deductible, etc.
- No fee increases due to treatment

2 Territory Partner Network

- Over 100 independent partners, each covering 250 vets on average
- ~8,100 recommending vets in 2016



Petplan[®]
the pet insurance people



EMBRACE
PET INSURANCE



3 Data Collection & Analytics

- Millions of pricing categories based on breed, age, zip code, etc.
- 17 years of data improves pricing

4 Vertically Integrated Model

- In-house underwriting, contact center, claims, and actuaries leads to cost cuts
- Trupanion Express streamlines billing



Valuation Summary

Recommendation: Buy

Portfolio Decision: Buy

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	100%	\$35.85	\$35.85
Comparable Company Analysis (P/E)	0%	\$5.92	-
Comparable Company Analysis (EV/EBITDA)	0%	\$10.69	-
Comparable Company Analysis (EV/Revenue)	0%	\$25.97	-
Intrinsic Value			\$35.85
Price (As of November 20, 2017)			\$30.10
Estimated Upside			19.1%

- Operating in a generally overlooked industry with clear long-term growth prospects
- Positioned to capture market share on the back of sustainable competitive advantages
- Experienced management team has remained disciplined in growth strategy while displaying the ability to successfully execute on long-term operating initiatives



Digital Realty Trust, Inc. (NYSE: DLR)



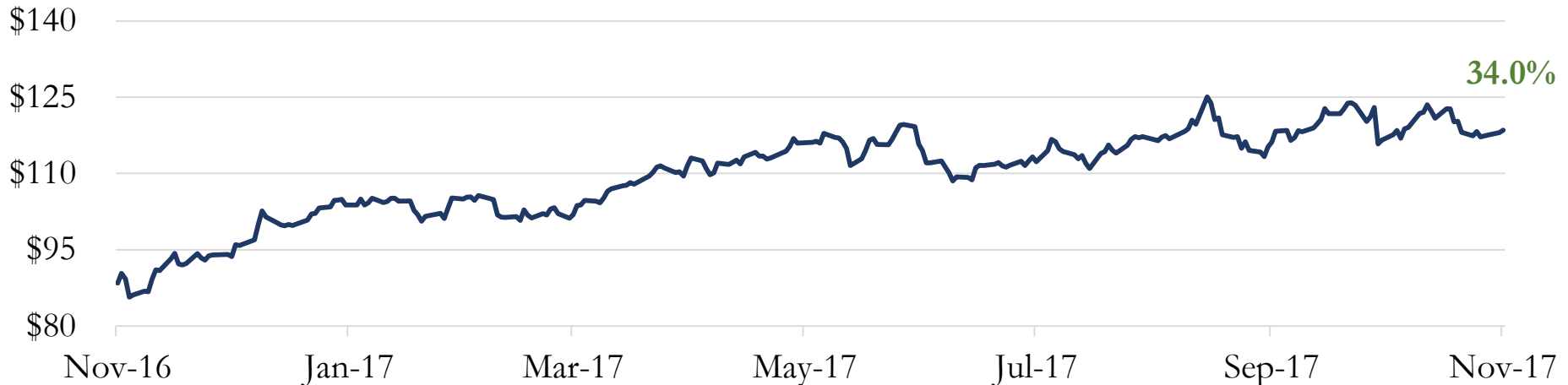
Company Overview

- A San Francisco, CA-based technology real estate investment trust specializing in data center and colocation solutions; operates in 33 metropolitan areas in 12 countries
- Founded in 2004
- Develops and markets flexible and cost-effective data center solutions, colocation and interconnection facilities, and non-technical office spaces

Key Metrics

Price (As of November 28, 2017):	\$118.53
TTM Price-to-Earnings:	97.6x
Market Capitalization:	\$25.07 bn
Dividend Yield:	3.20%
TTM Adjusted Earnings per Share:	\$1.00

One-Year Price Chart



Sources: Digital Realty Trust 10-K (FY 2016), Digital Realty Trust website, Bloomberg, S&P Capital IQ, Yahoo! Finance



NAV Valuation



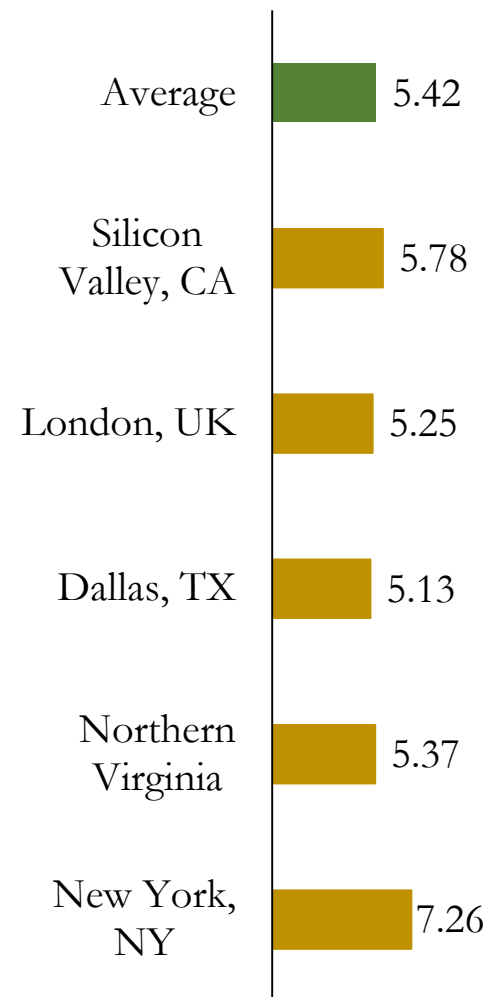
DIGITAL REALTY

Data Center Solutions

Valuation Summary (\$ in thousands)

Total gross asset value	\$32,654,753
Average capitalization rate for all properties, %	5.42
(-) 2017 Operating costs x cap rate ratio	(9,218,631)
(+) Depreciation & amortization	757,274
(+) Cash and instruments	181,062
(-) Debt	(8,548,753)
(-) Value of capitalized op. leases	(835,640)
(-) Non-controlling interests in consolidated subsidiaries	(704,144)
Net asset value	\$14,285,921
Shares outstanding (thousands)	
Implied share price	\$69.54
Share price (as of November 20, 2017)	\$117.41
Downside	(41%)

Cap Rate % by Area⁽¹⁾



1 Capitalization rate is provided for 5 major metropolitan areas as of Q3 2017. The average is an average of capitalization rates for all Digital Realty Trust properties. Sources: AIM/Vdovina 2017, Bloomberg, CBRE, Cushman & Wakefield



Valuation Summary

Recommendation: Hold

Portfolio Decision: Sell

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow (FCFE)	2.5%	\$58.75	\$1.47
Comparable Company Analysis (P/E)	7.5%	\$76.92	\$5.77
Comparable Company Analysis (P/FFO)	70.0%	\$148.29	\$103.80
Net Asset Value (NAV) Valuation	20.0%	\$69.54	\$13.91
Intrinsic Value			\$124.95
Price (As of November 20, 2017)			\$117.41
Estimated Upside			6.4%

- Strong organic growth both in core rental and more recent colocation and interconnection businesses
- Growing capitalization rates and operating costs in major metropolitan areas
- High DuPont Fabros acquisition costs and uncertainty around international operations



Activision Blizzard (NASDAQ: ATVI)



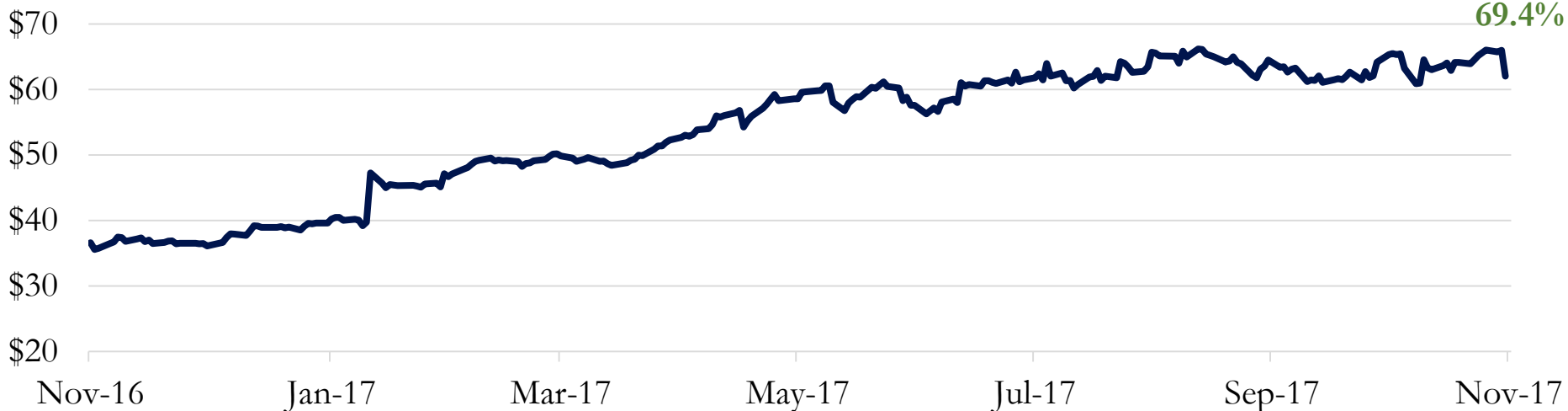
Company Overview

- Developer and publisher of interactive entertainment content and services
- Segments include Activision Publishing, Blizzard Entertainment and King Digital Entertainment
- Product offerings include full games, in-game downloadable content, micro transactions, and subscriptions

Key Metrics

Price (As of November 29, 2017):	\$62.01
TTM Price-to-Earnings:	41.7x
Market Capitalization:	\$45.35 bn
Dividend Yield:	0.49%
TTM Adjusted Earnings per Share:	\$1.48

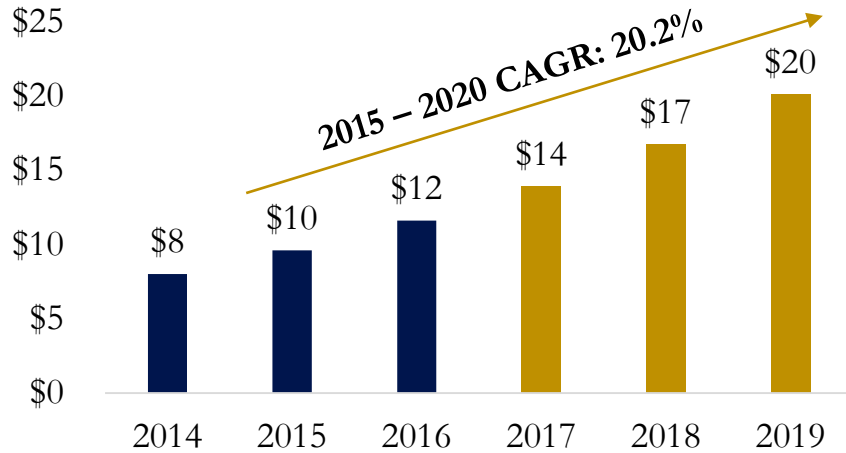
One-Year Price Chart



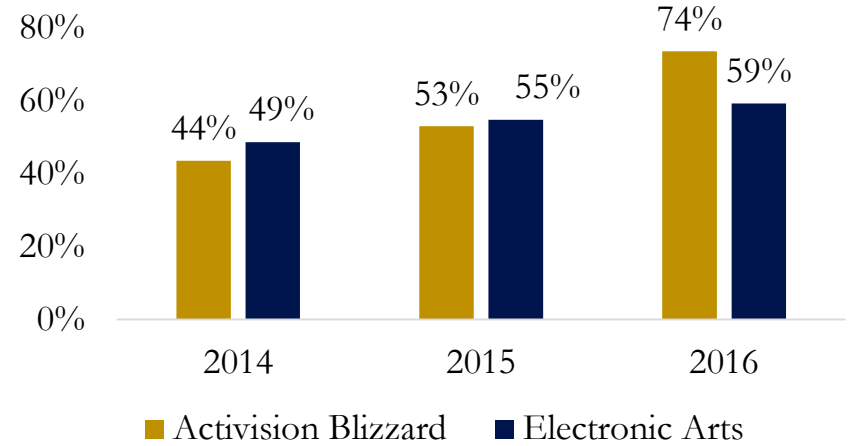
Sources: S&P Capital IQ, Yahoo! Finance, Bloomberg



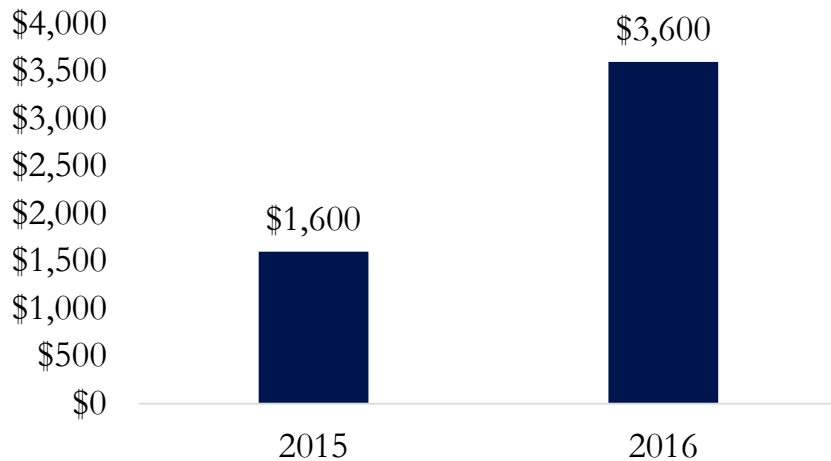
Value of Mobile Gaming (\$ in billions)



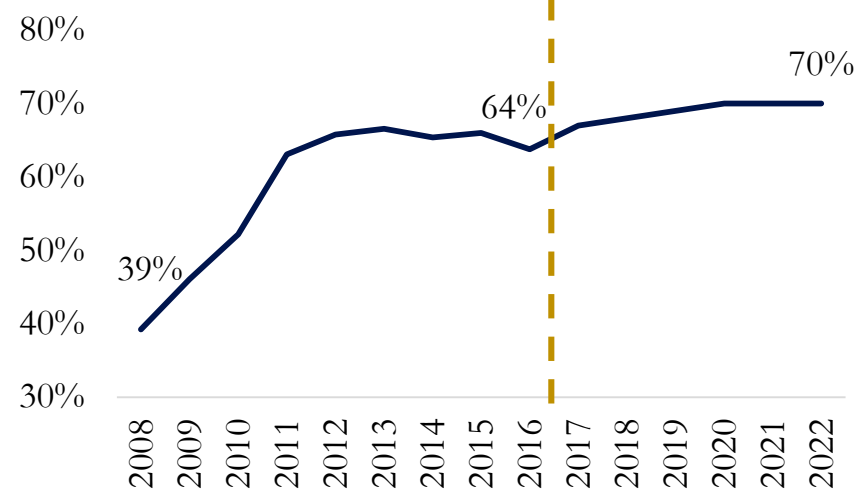
Percent of Revenue from Digital Sources



In-Game Purchases (\$ in millions)



Gross Margin Expansion





Activision Blizzard (NASDAQ: ATVI)



Recommendation: Hold

Portfolio Decision: Hold

Valuation Method	Weight	Valuation	Contribution
Discounted Free Cash Flow	80%	\$63.92	\$51.13
Comparable Company Analysis (P/E)	2.5%	\$50.23	\$1.26
Comparable Company Analysis (EV/EBITDA)	15%	\$97.25	\$14.59
Comparable Company Analysis (EV/Revenue)	2.5%	\$45.32	\$1.13
Intrinsic Value			\$68.11
Price (As of November 20, 2017)			\$63.93
Estimated Upside			6.5%

- Activision has made the necessary investments through acquisitions to benefit from growth in the e-sports and mobile spaces
- Margin expansion will continue due to growth in digital revenues
- Loyal fan base and industry leading content will drive engagement



Portfolio Performance

Historical Returns Against Benchmarks

Best and Worst Performers

Portfolio Weights

Portfolio Returns by Industry

Attribution Analysis

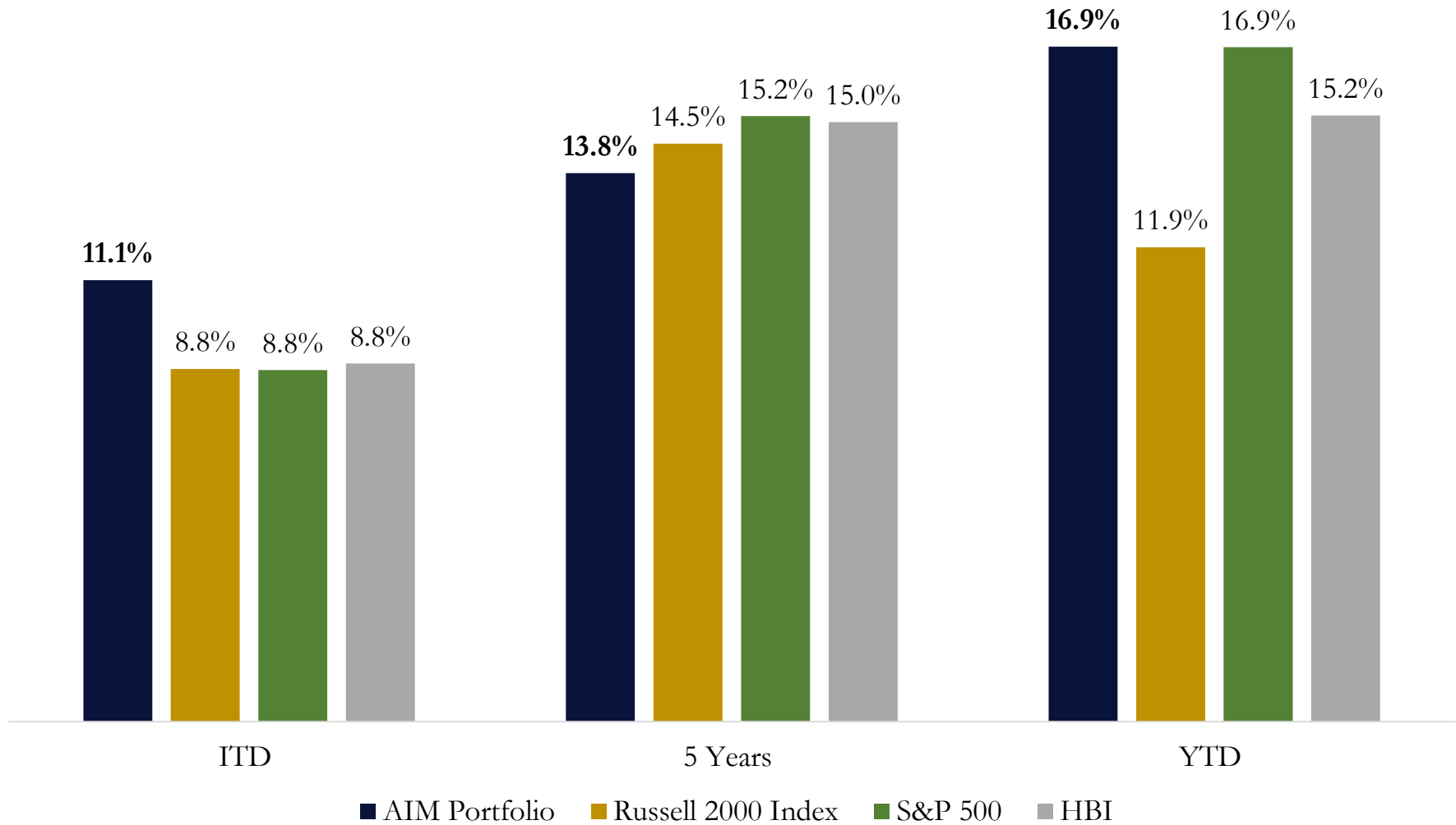
Risk-Adjusted Performance

Portfolio Additions and Deletions

Finalized Portfolio



Historical Performance Relative to Benchmarks





Portfolio Performance: Best and Worst Performers

Best Performers

Company	YTD Performance
Activision Blizzard Inc.	77%
Royal Caribbean Ltd.	54%
Facebook Inc	51%
Total System Services Inc	45%
Rockwell Collins Inc.	43%



Worst Performers

Company	YTD Performance
Under Armour Inc	-59%
Francesca's Holdings Corp	-56%
Kroger Co	-30%
Kinder Morgan Inc	-21%
CVS Health Corp	-3%



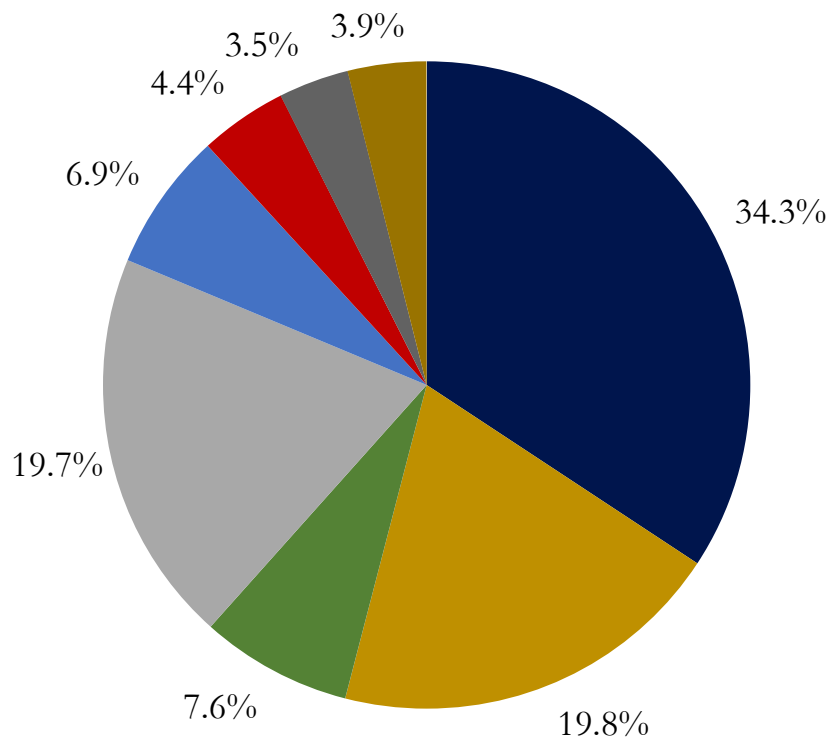
UNDER ARMOUR





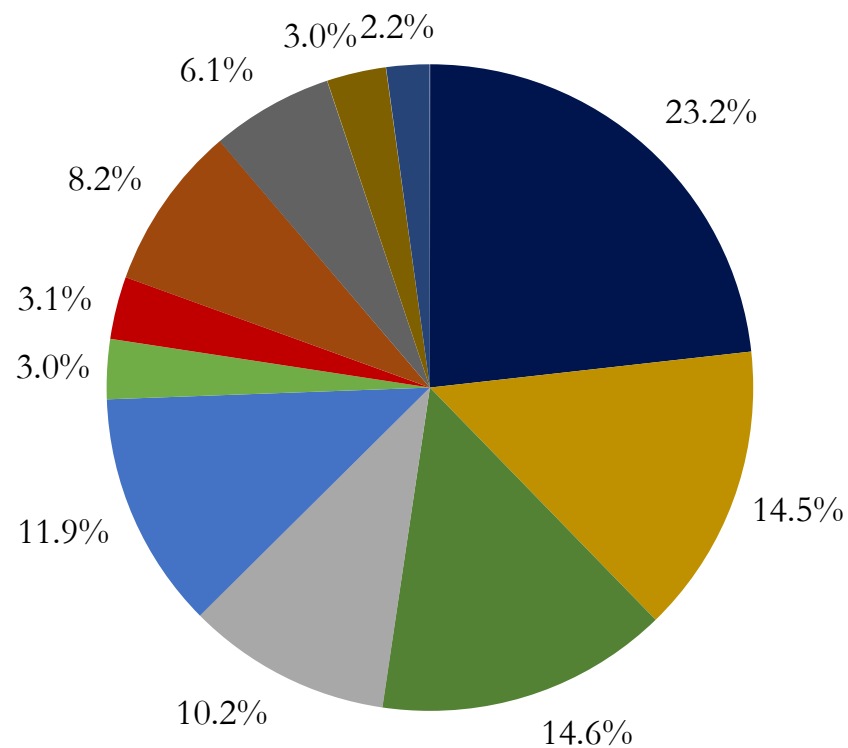
Portfolio Performance: New AIM Portfolio Weights ⁽¹⁾

New AIM Portfolio



- Information Technology
- Industrials
- Utilities
- Materials

S&P 500



- Healthcare
- Financials
- Real Estate
- Consumer Staples
- Energy
- Telecommunication Services

1. S&P 500 weights through October 31, 2017



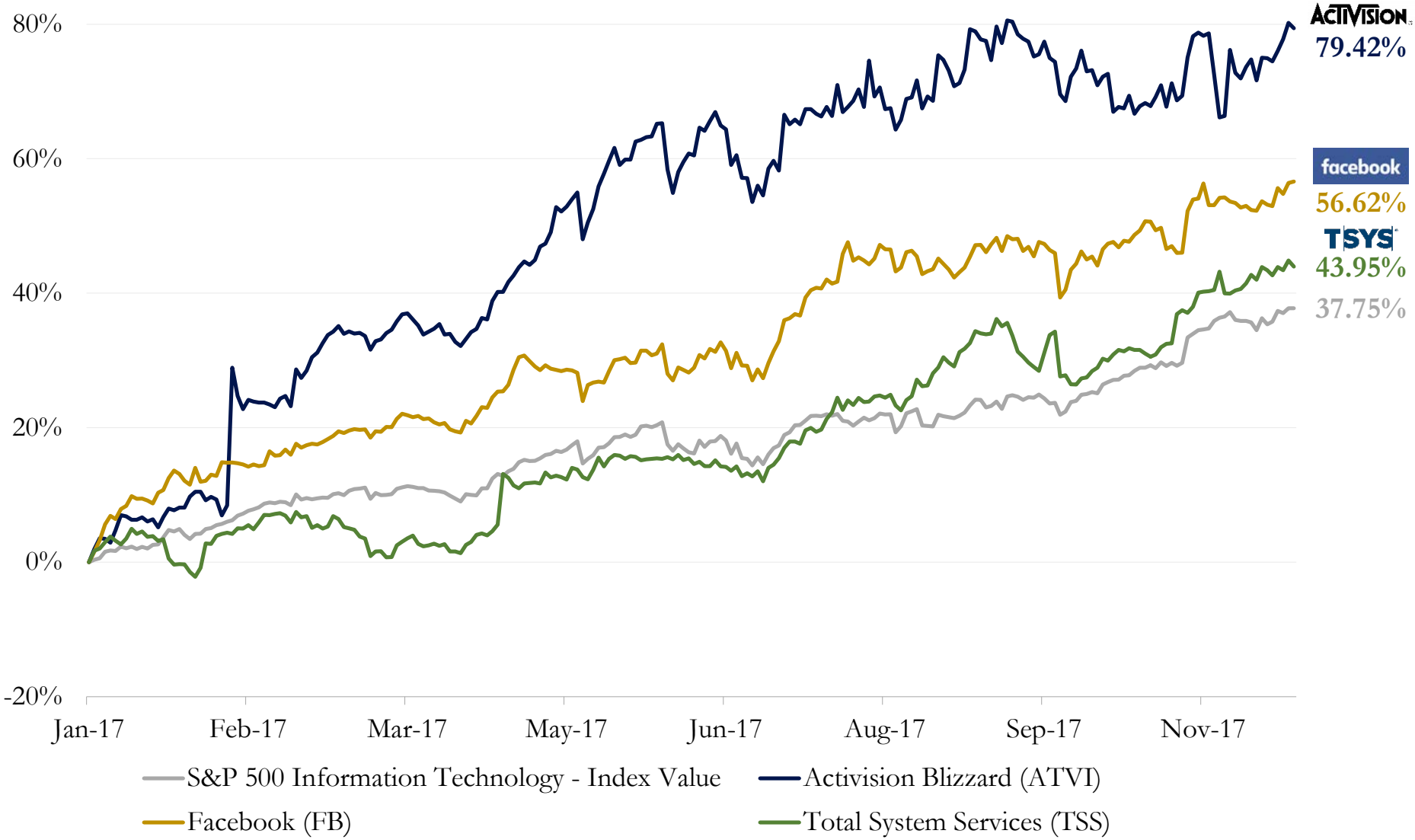
Portfolio Performance: Year to Date Portfolio Returns By Industry ⁽¹⁾



Sources: AIM XLV, Nexen
 1. Returns through October 31, 2017



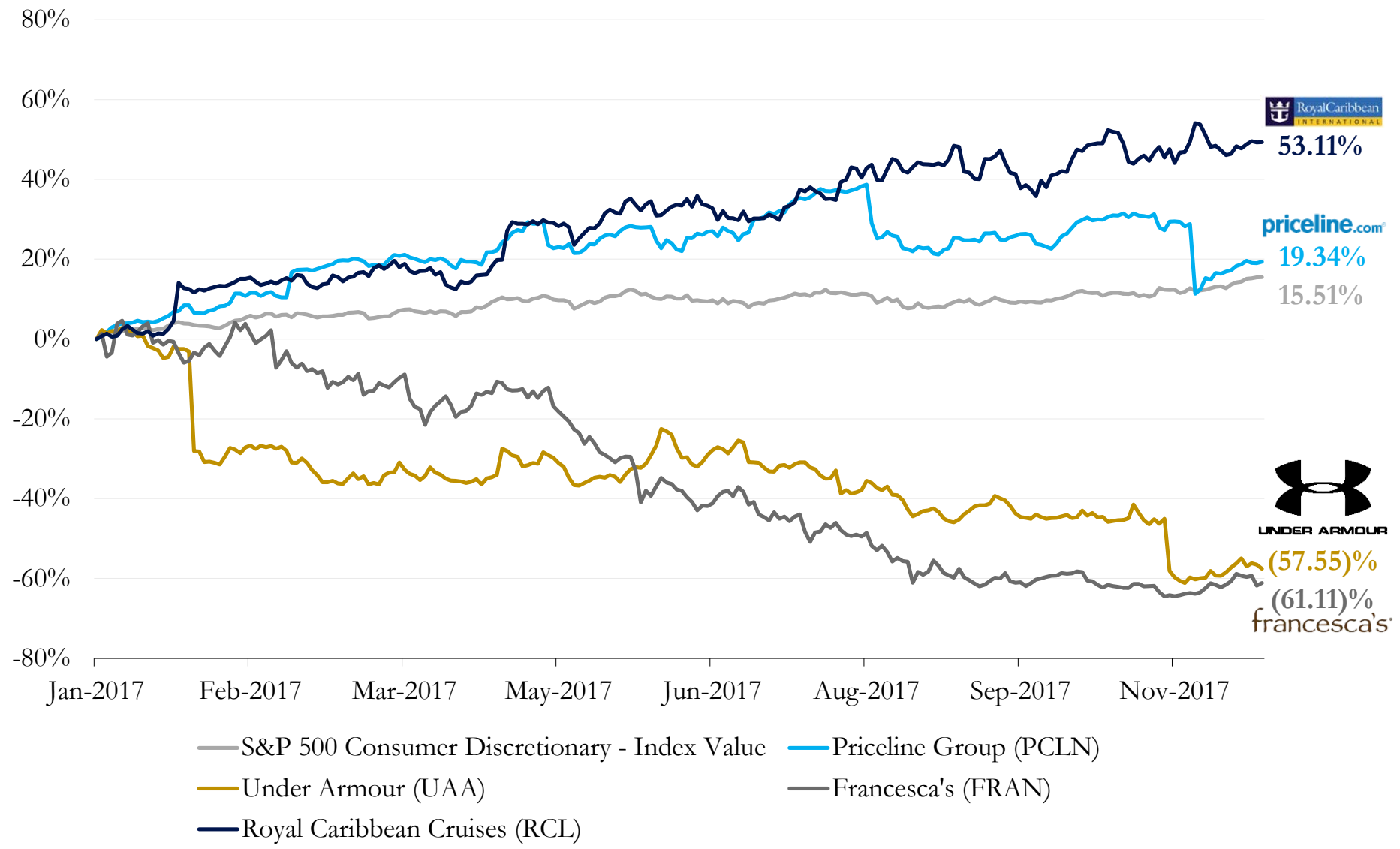
Portfolio Performance: Indexed YTD Top Tech Performers (AIM vs. S&P 500) ⁽¹⁾



Source: Capital IQ
1. Returns through November 28, 2017



Portfolio Performance: Indexed YTD Consumer Discretionary Stocks (AIM vs. S&P 500) ⁽¹⁾

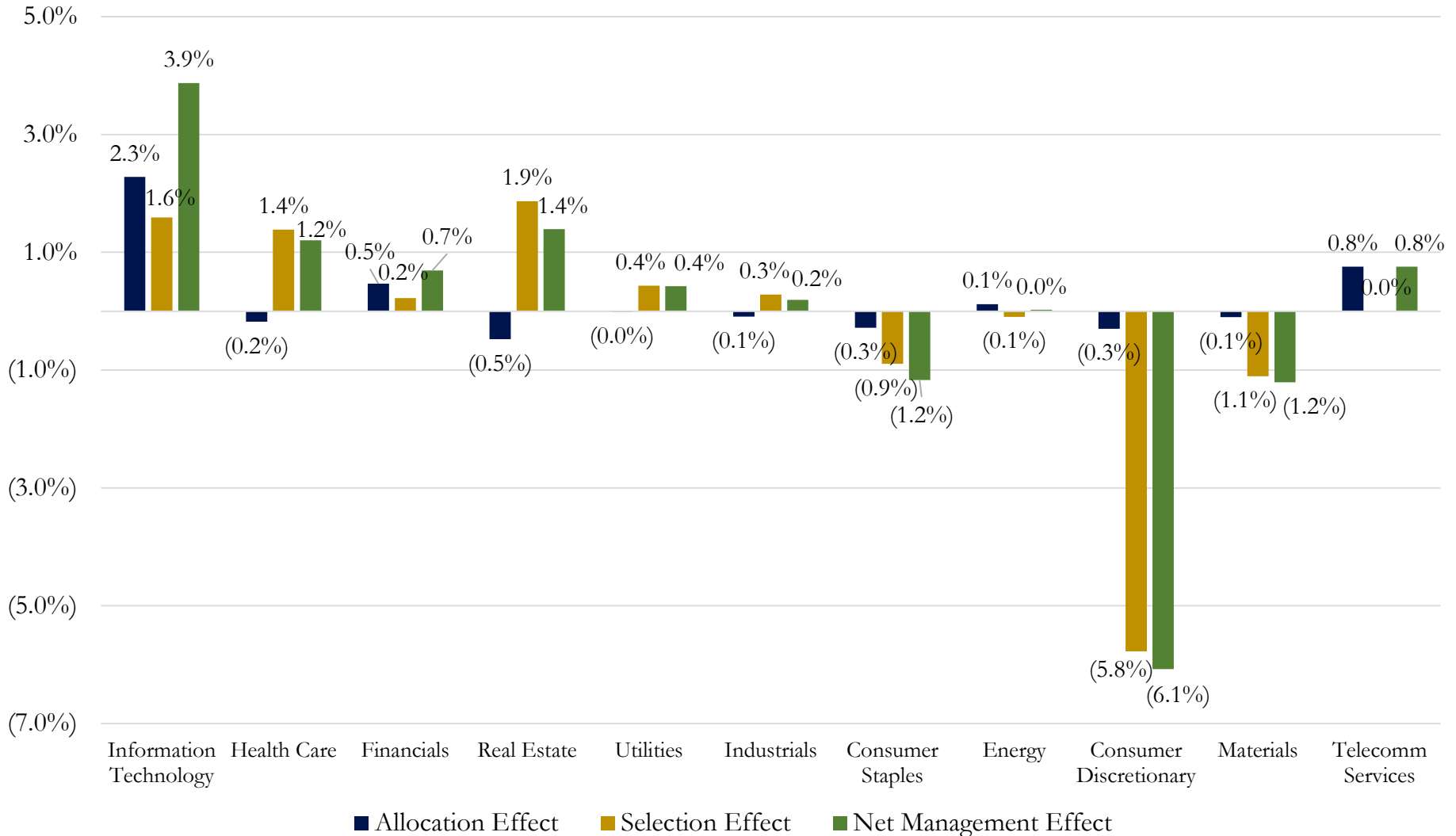


Source: Capital IQ
1. Returns through November 28, 2017



Portfolio Performance: Attribution Analysis

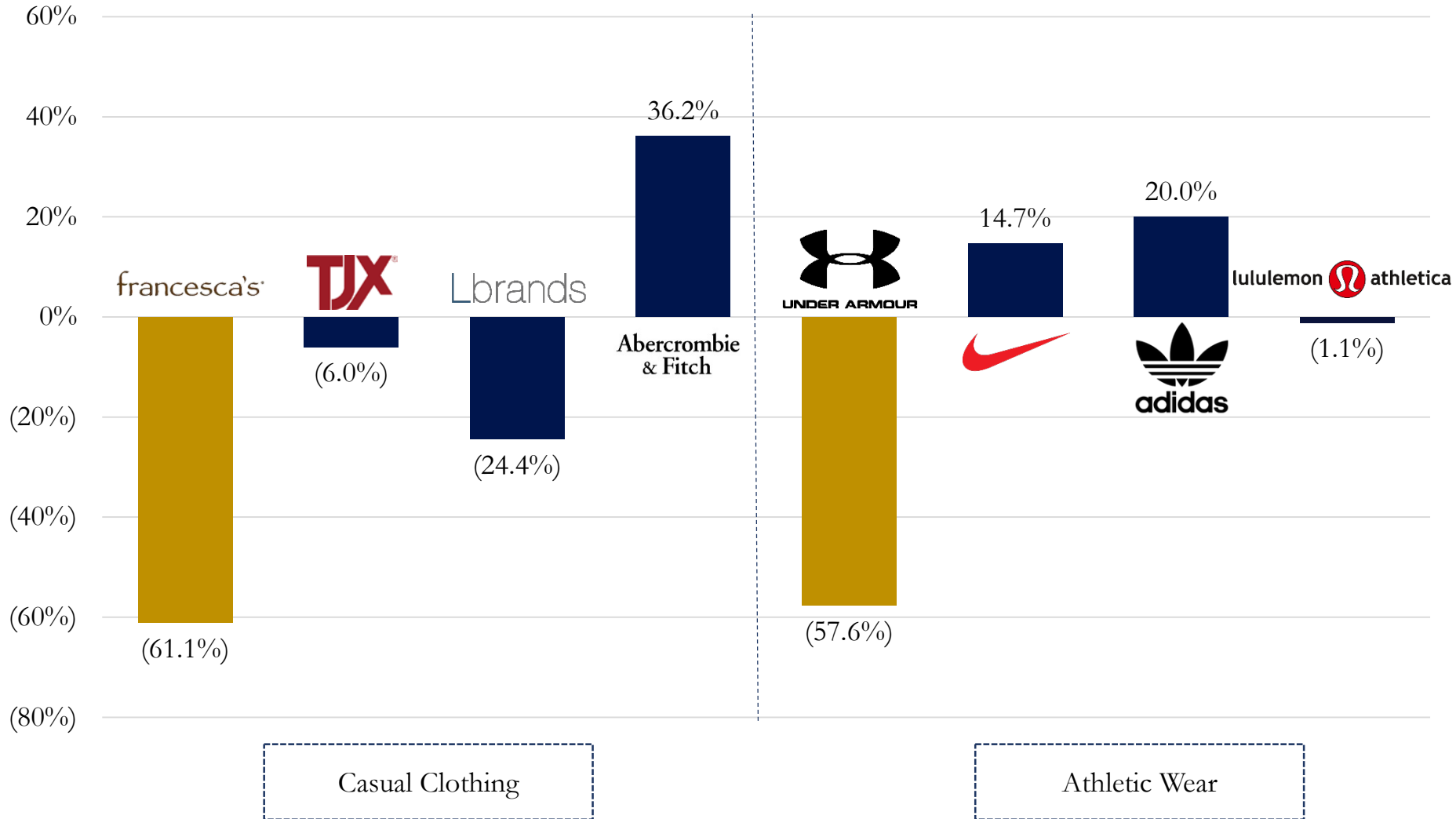
Net Management Effect by Sector (YTD as of 10/31)





Portfolio Performance: Focus on Consumer Discretionary

Sector Focus: Clothing (YTD Return⁽¹⁾)

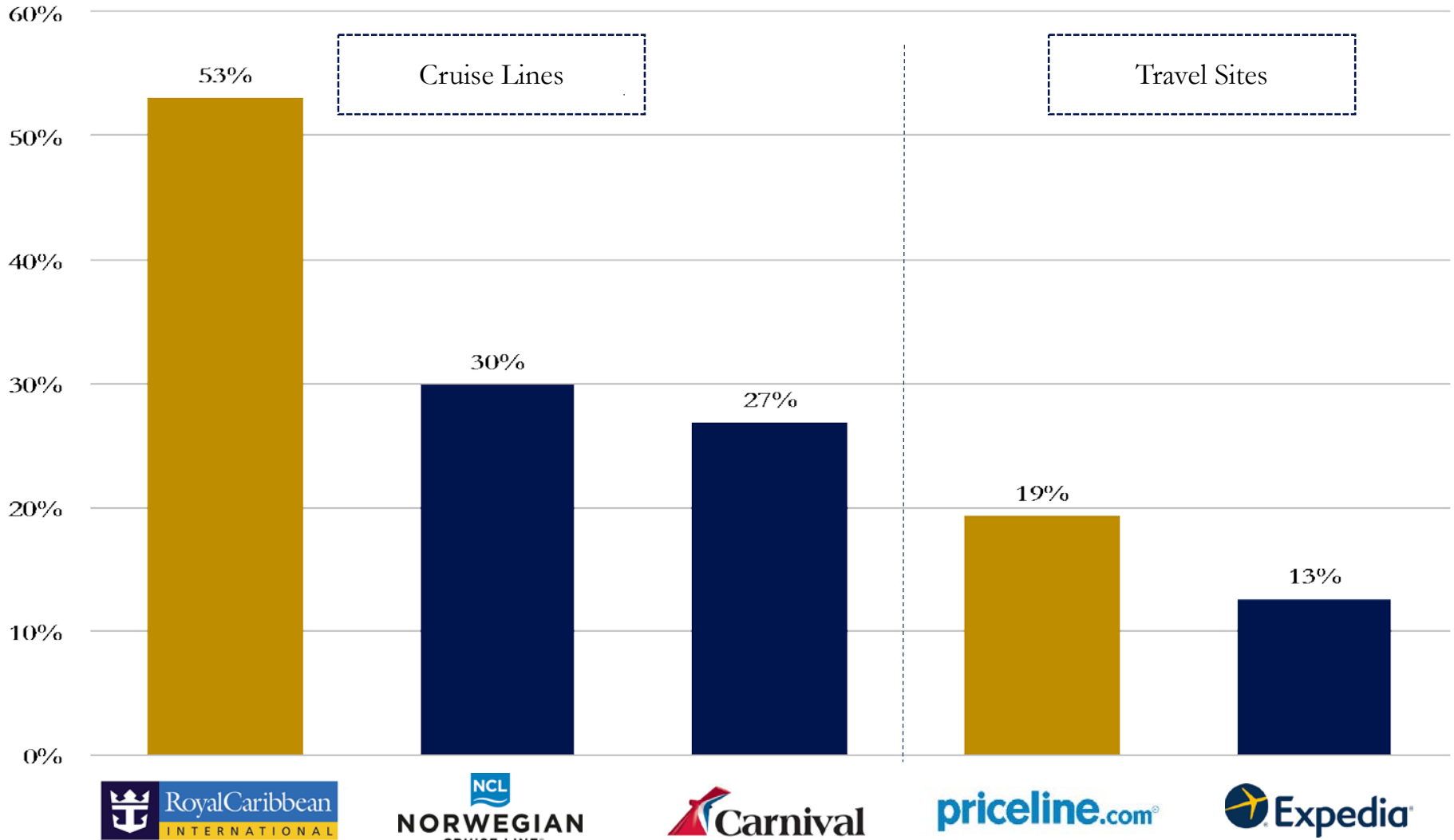


Sources: AIM XLV, Bloomberg
1. Returns through November 28, 2017



Focus on Consumer Discretionary

Sector Focus: Travel (YTD Return⁽¹⁾)

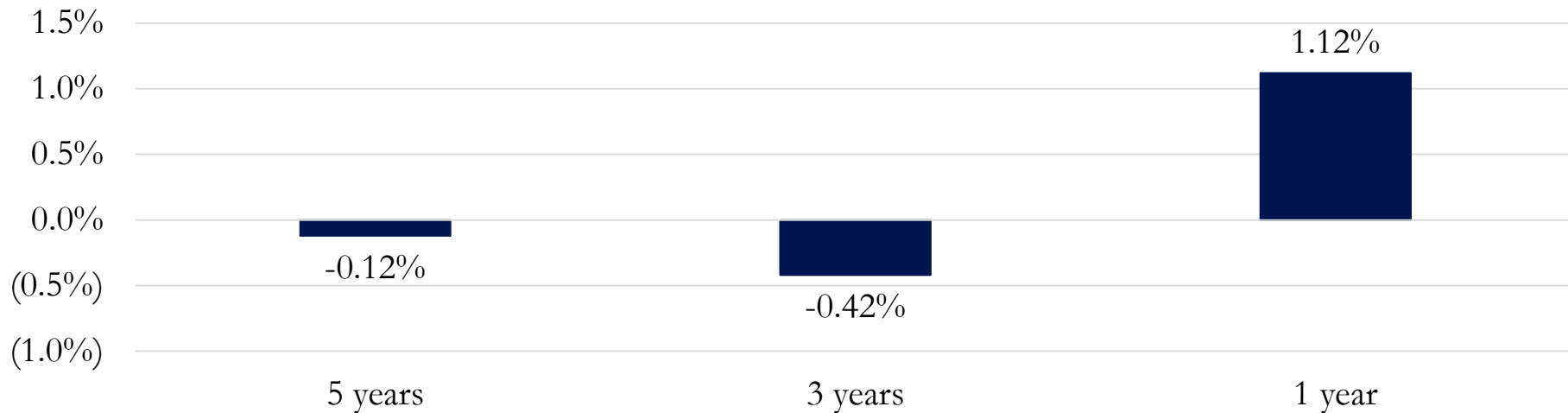


Sources: AIM XLV, Bloomberg
1. Returns through November 28, 2017

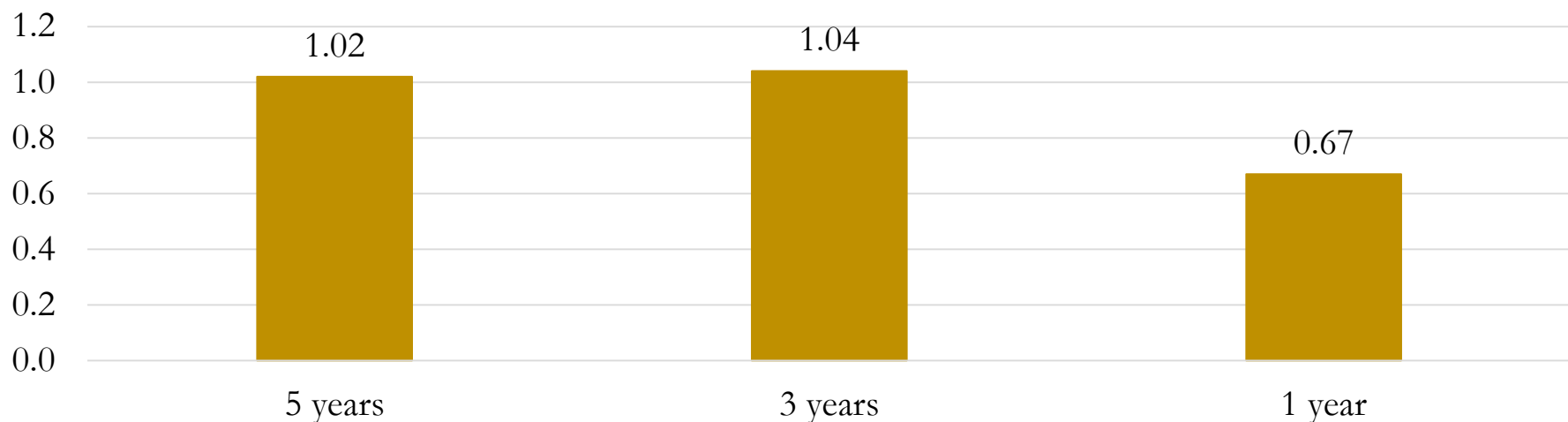


Portfolio Performance: Risk-Adjusted Performance

Alpha (as of October 31, 2017)



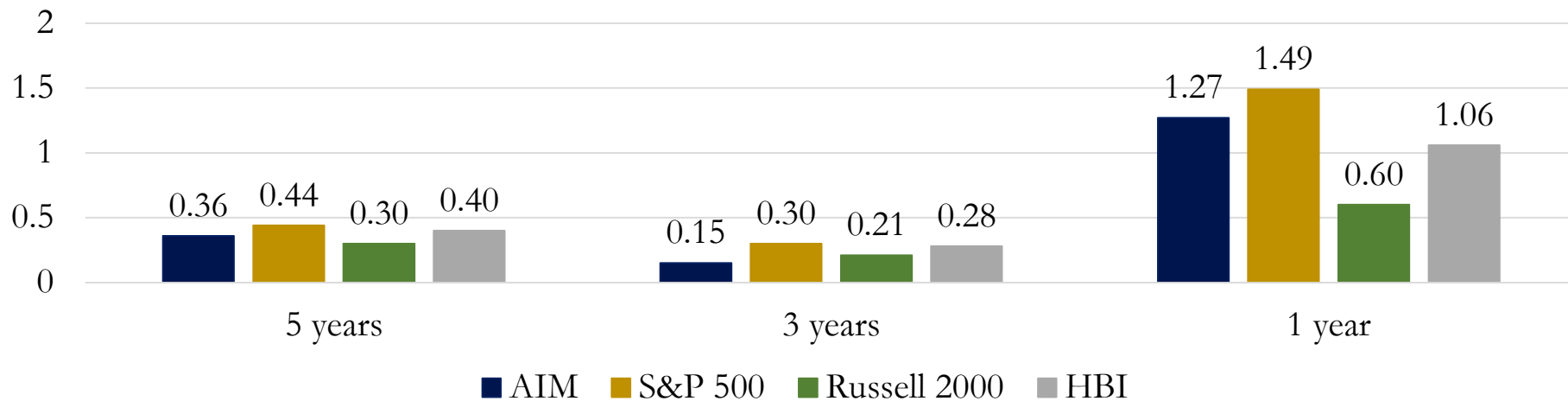
Beta (as of October 31, 2017)



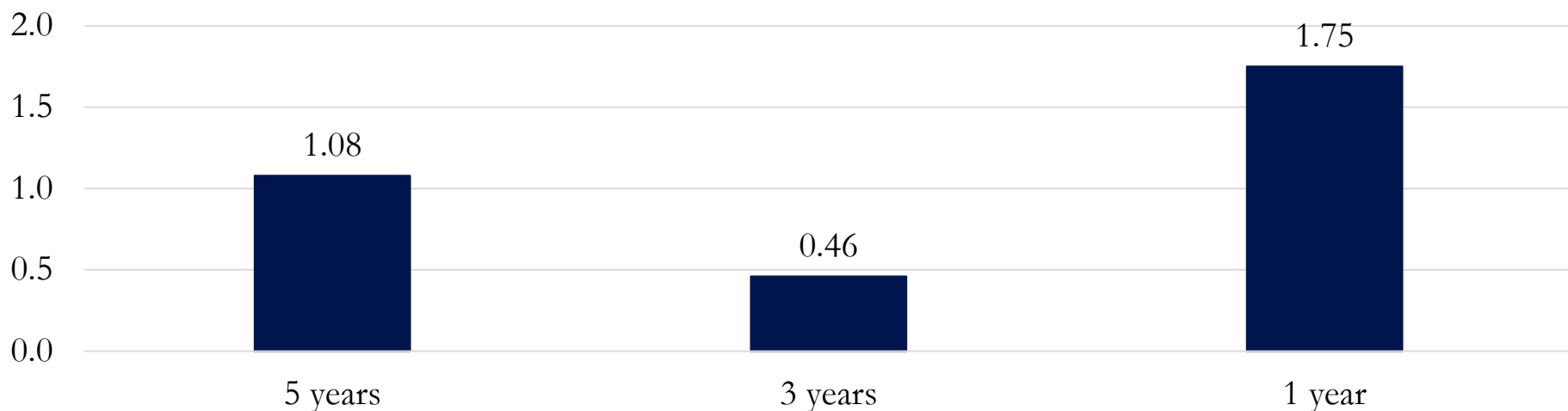


Portfolio Performance: Risk-Adjusted Performance

Sharpe Ratio (as of October 31, 2017)



Treynor Ratio (as of October 31, 2017)





Final Portfolio Decisions

AIM XLIV	
Company	YTD Performance
Royal Caribbean Cruises Ltd	54%
Calavo Growers, Inc.	35%
Francesca's Holdings Corp	-56%
CVS Health Corp	-3%
Kroger Co	-30%
Synchrony Financial	2%
Aecom	0%
Analog Devices, Inc.	17%
Rockwell Collins, Inc.	43%
Digital Realty Trust, Inc.	29%
American Tower Corp	40%
Kinder Morgan Inc	-21%
Under Armour Inc	-59%
Alphabet Inc	35%
Exelon Corporation	36%
Microsoft Corporation	26%
MarketAxess Holdings Inc.	40%
Total System Services, Inc.	14%
Activision Blizzard, Inc.	45%
Facebook Inc	77%
Priceline Group Inc	51%
Thermo Fisher Scientific Inc.	15%
Palo Alto Networks Inc	40%
Intercontinental Exchange Inc	9%
Gilead Sciences, Inc.	0%

AIM XLV	
Company	YTD Performance
Stryker Corporation	38%
Berry Global Group Inc	29%
Union Pacific Corporation	18%
Southwest Airlines Co	18%
Ritchie Bros. Auctioneers Inc	-30%
Lockheed Martin Corporation	20%
TransDigm Group Incorporated	7%
UnitedHealth Group Inc	42%
Trupanion Inc	82%
Paypal Holdings Inc	95%
IMPINJ Inc	-4%
Kinder Morgan Inc	-21%
Under Armour Inc	-59%
Alphabet Inc	35%
Exelon Corporation	36%
Microsoft Corporation	26%
MarketAxess Holdings Inc.	40%
Total System Services, Inc.	14%
Activision Blizzard, Inc.	45%
Facebook Inc	77%
Priceline Group Inc	51%
Thermo Fisher Scientific Inc.	15%
Palo Alto Networks Inc	40%
Intercontinental Exchange Inc	9%
Gilead Sciences, Inc.	0%



AIM XLV Review

Guest Speakers

New York Trip

Website & Newsletter

Concluding Remarks



AIM XLV Review: Guest Speakers

- **John Mirshekari** – Portfolio Manager, Fidelity Investments
- **Kristen Collett-Schmitt** – Professor, Finance, University of Notre Dame
- **Tom Digenan** – Managing Director, UBS Global Asset Management
- **Ben Stein** – Co-Founder and Managing Partner, Spruce House Capital
- **Zach Sternberg** – Co-Founder and Managing Partner, Spruce House Capital
- **Scott Malpass** – AIM Faculty and CIO, University of Notre Dame



AIM XLV Review: New York Trip

Roberto Mignone
Managing Partner



Bridger Capital

Ben Levin
Partner



Level Equity

Tripp Smith
Sr. Managing Director; Co-Founder



GSO Capital



AIM XLV Review: New York Trip

Boykin Curry IV
Partner

Doug Pardon
Partner



Eagle Capital

Brigade Capital



AIM XLV Review: Website and Newsletter

AIM Website: aim.nd.edu

- AIM course description and history
- Current portfolio
- Current analysts and coverage
- Recruiting and networking tools
- Advisory board presentations
- Alumni newsletters



Newsletter

- State of the economy
- Portfolio composition
- Portfolio performance
- Alumni articles
- Company updates
- AIM analyst profiles
- AIM alumni update
- Sector updates





AIM XLV Review: Acknowledgements

Thank you for all of your guidance and support

AIM Advisory Board

Frank Reilly

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Marlene Wasikowski

Shane Corwin

Howard Lanser

Kristen Collett-Schmitt

