



ADVISORY BOARD PRESENTATION DISCUSSION MATERIALS

AIM XLVIII | April 29th, 2019



Analyst Introductions

Lorenzo Beer

Target, InterDigital

Chris Boyd

Compass Minerals, Dollar General

Sam Chen

Booking Holdings, EchoStar

Ellie Daum

Palo Alto Networks, Abiomed

Sean Dedrick

Boyd Gaming, Constellation Brands

Elena DeVoe

Stryker, Activision Blizzard

Andy Engvall

Crown Holdings, Catepillar

Louie Filipiak

A. O. Smith, HCA Healthcare

Brett Hartig

Kinder Morgan, Diamondback Energy

James Hughes

InterContinental Exchange, Restaurant Brands Int.

Donald Lee

Darling Ingredients, Cooper-Standard Holdings

Erin Martinez

Total System Services, The Blackstone Group

Ryan Payne

Facebook, Intuitive Surgical

Wyatt Perry

Lockheed Martin, Exxon Mobil

Josh Scoresby

Micron Technology, Acushnet Holdings

Yi Sun

Comerica, East West Bancorp

Augustin Taussig

Alphabet, NextEra Energy

Jacobo Tefel

Microsoft, Proto Labs

Jimmy Timko

Waste Management, CVS Health

Shannon Walsh

XPO Logistics, Trupanion



I. COURSE OVERVIEW
II. ECONOMIC OUTLOOK
III. SECURITY ANALYSIS
IV. PORTFOLIO PERFORMANCE
V. AIM XLVIII REVIEW
VI. CONCLUDING REMARKS

- A. Course Fundamentals
- B. Investment Philosophy & Policies
- C. Analyst Responsibilities



Course Fundamentals

Course Objectives

- Provide students with a thorough understanding of the portfolio management process
- Emphasize the linkage between theoretical and practical aspects of the money management process
- Hands-on investment management experience through a broad asset allocation decision process performed through individual stock evaluations and peer discussions

Traditional Academic Topics

- Fundamental Analysis
- Economic Analysis
- EPS Forecasting
- Market Anomalies
- Portfolio Performance Evaluation
- Technical Analysis

Methodology

- Analysts are selected from a pool of candidates based on academic record and diverse backgrounds
- The new AIM class inherits the portfolio handed over from the previous class
- First round, each analyst covers an existing portfolio stock
- Second round, analysts will pitch a new stock of their choice to be considered for addition to the portfolio or cover an existing stock
- Finally, the class votes on the composition of the new portfolio based on each analyst's final recommendation on the ~25 stocks



Investment Philosophy and Policies

Investment Objectives

- We are looking for good businesses with strong fundamentals that can be purchased below their intrinsic value
- Bottom-up approach, accompanied by top-down consideration
- Outperform the S&P 500 over the long-term
- Make well-researched trade decisions that contribute to the growth of the portfolio's value for the use of future classes

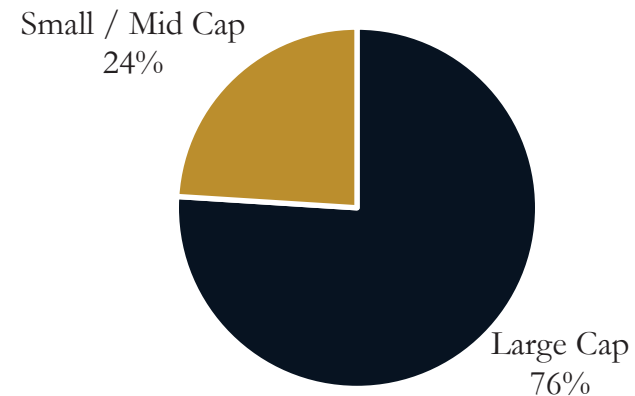
Investment Policies & Guidelines

- Only common equities traded on major U.S. exchange
- Avoid companies whose ethics are not in line with those of the University (i.e. abortifacients, birth control, tobacco, etc.)
- Portfolio Target Allocation: 35% in small & mid-cap stock, 65% in large-cap stocks, + /- 10% boundary
- No Stock > 10% of the portfolio
- Portfolio Sector \cong S&P 500 weight
- Long-term target for cash holdings is 0%

Investment Constraints

- Time Horizon: 3 – 5 year outlook
- Laws & Regulation: “Prudent Person Rule”

AIM XLVIII Portfolio Composition





Analyst Responsibilities

Individual Responsibilities

- In-depth research and coverage of two stocks and effective communication of findings to peers
- Completion of pre-course assignments, class and trip participation, group presentations, and individual reports and presentations
- Staying informed on markets and AIM stocks
- A student is assigned as “CIO” for each class to moderate class and give a market and portfolio update

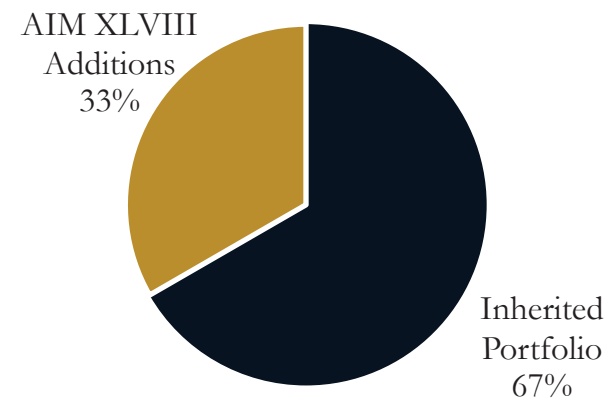
Group Projects

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

Analyst Reports

- Company Background & Strategic Position
- Fundamental Analysis
- Earnings Forecast
- Cost of Capital
- Valuation
- Technical Analysis

AIM XLVIII Updated Portfolio Composition





- I. COURSE OVERVIEW
- II. ECONOMIC OUTLOOK
- III. SECURITY ANALYSIS
- IV. PORTFOLIO PERFORMANCE
- V. AIM XLVIII REVIEW
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- A. GDP Breakdown
- B. FX Overview
- C. Interest Rates, Inflation, & Employment
- D. Global Considerations
- E. Summary



GDP Analysis

GDP Contributions

Major Category	2018 Composition	Q4 2018	Q3 2018	Q2 2018
GDP Growth		2.17%	3.35%	4.15%
Consumption	70.0%	+1.66%	+2.37%	+2.57%
Investment	18.0%	+0.66%	+2.53%	(0.07%)
Government Spending	17.0%	(0.07%)	+0.44%	+0.43%
Net Exports	(5.0%)	(0.08%)	(1.99%)	+1.22%

GDP Breakdown Drivers

Consumption	Investment	Gov. Spending	Net Exports
<ul style="list-style-type: none"> Both goods and services consumption increased Goods: Motor vehicles and prescription drugs drove increase Services: Increase in healthcare spending was leading contributor to services growth 	<ul style="list-style-type: none"> Business investment increased, while housing investment fell Business: Increase in intellectual property products, equipment Residential: Four quarters of decline in housing investment 	<ul style="list-style-type: none"> Fall driven by federal nondefense and local Federal: Defense exhibited strong growth but gov. shutdown negatively impacted nondefense spending State/Local: State construction spending and employment fell 	<ul style="list-style-type: none"> Trade war continues to drag on net export balance Exports: U.S. exports of both goods and services grew in Q4 2018 Imports: Imports increased, although at a decelerated rate than in previous quarter

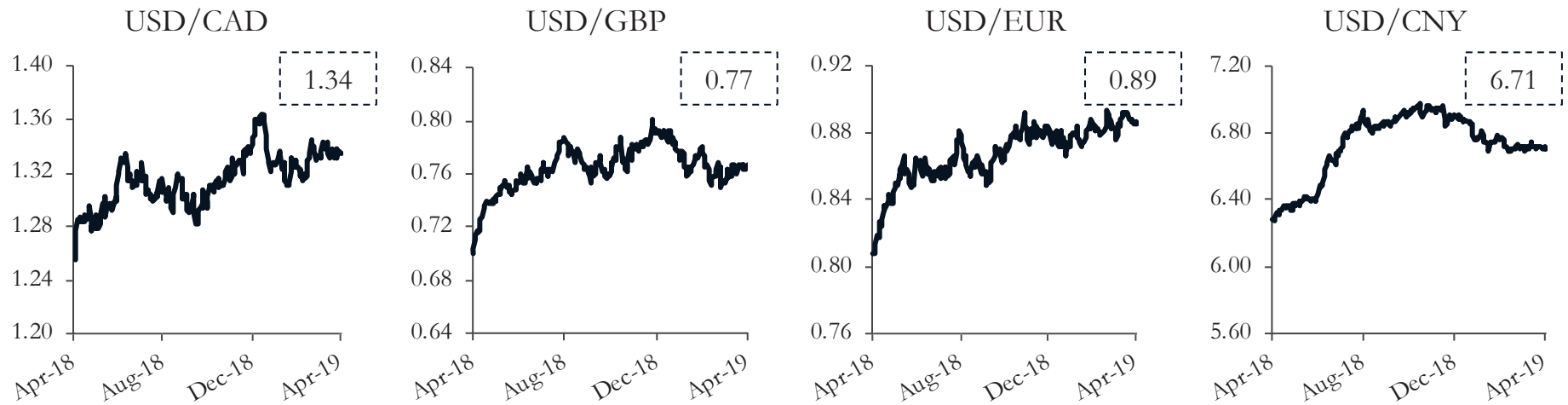
Source: AIM/Timko 2019, U.S. Bureau of Economic Analysis.

Note: GDP growth statistics reflect real change from preceding quarter



FX Overview

Strength of US Dollar Against Other Currencies



Summary and Implications

- Strong dollar means imports will be cheaper, which benefits companies that import raw materials from abroad
- Portfolio companies with foreign competitors or outsized exporting activities may be negatively impacted by strong USD rates
- Appreciated dollar helps the U.S. consumers buy cheaper goods, which leads to higher levels of disposable income
- Falling levels of FDI are concerning, but the strengthening dollar reflects positive US growth prospects relative to other markets, which will be reflected in FDI moving forward

US Foreign Direct Investment (*USD millions*)

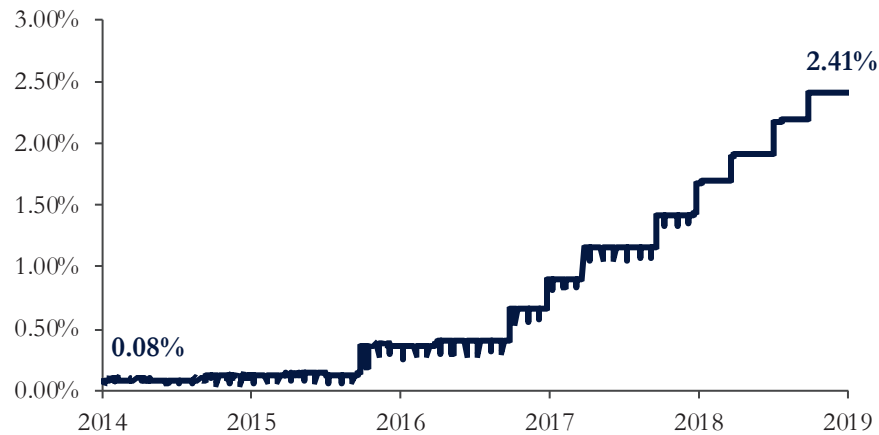


Source: AIM/Timko 2019, Bloomberg.



Interest Rate Overview

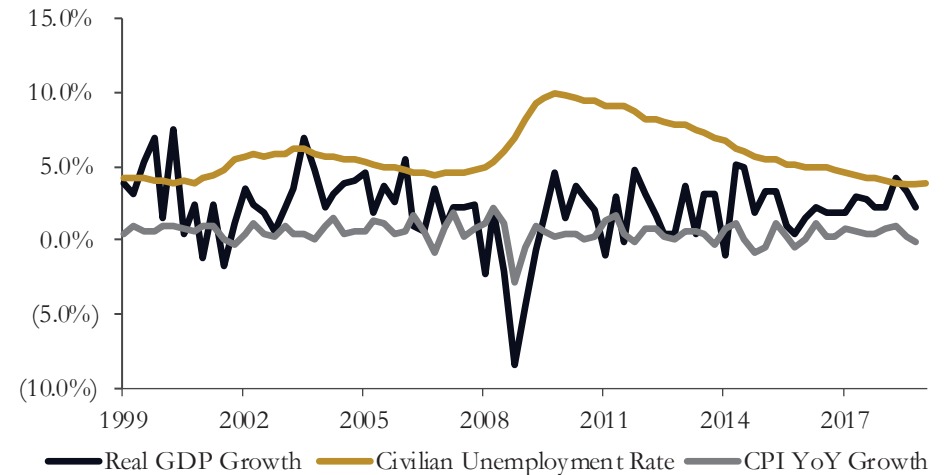
Federal Funds Rate Evolution



Rate Hike Summary

Date	Increase (bp)	Level (%)
Mar. 2017	25	0.75-1.00
Jun. 2017	25	1.00-1.25
Dec. 2017	25	1.25-1.50
Mar. 2018	25	1.50-1.75
Jun 2018	25	1.75-2.00
Sept. 2018	25	2.00-2.25
Dec. 2018	25	2.25-2.50

The Three Pillars of the Economy



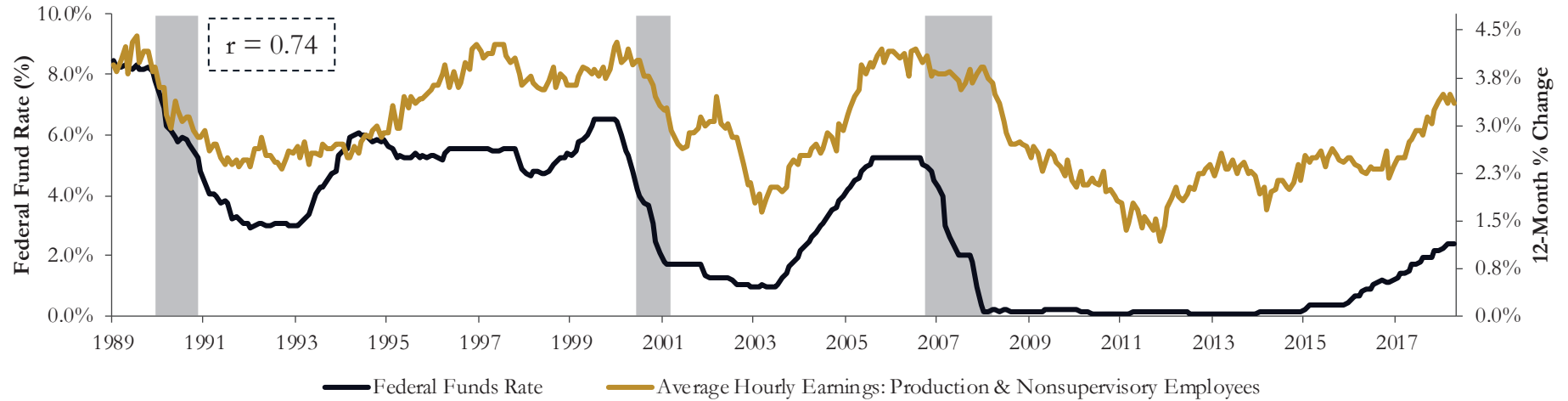
Recent/Upcoming FOMC Meetings

- March 20, 2019 – No change (2.25-2.50%)
 - Fed indicated that no more rate hikes would be coming this year
 - Fed reduced expectations in GDP growth and inflation and a bump higher in the unemployment rate outlook
 - Fed officials now see economic gains of just 2.1% this year, down from the 2.3% estimate in December & inflation reaching 1.8%, a 0.1% point reduction
- Next FOMC Decision: April 30, 2019

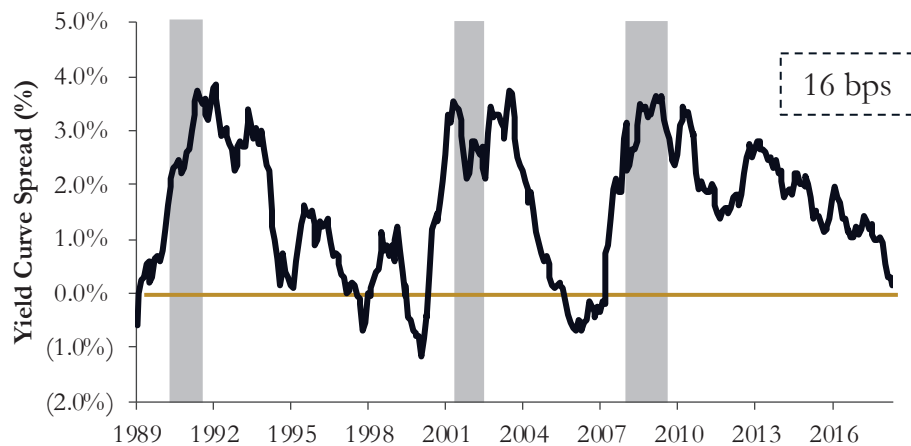


FX Overview

Fed Policy and Wage Growth Rate: Inflation Pressure Picking Up



Yield Curve Approaching Inversion



Strengthening Dollar Since 2015



Source: AIM/Lee 2019, FRED St. Louis, Bloomberg.

Note: Yield curve spread indicates difference between 10-year Treasury minus Fed Funds Rate



Global Considerations

AIM International Impact



33% of revenue from China (Water Treatment & Air Purification Equipment)



37% of revenue from Europe (Logistics & Transportation)



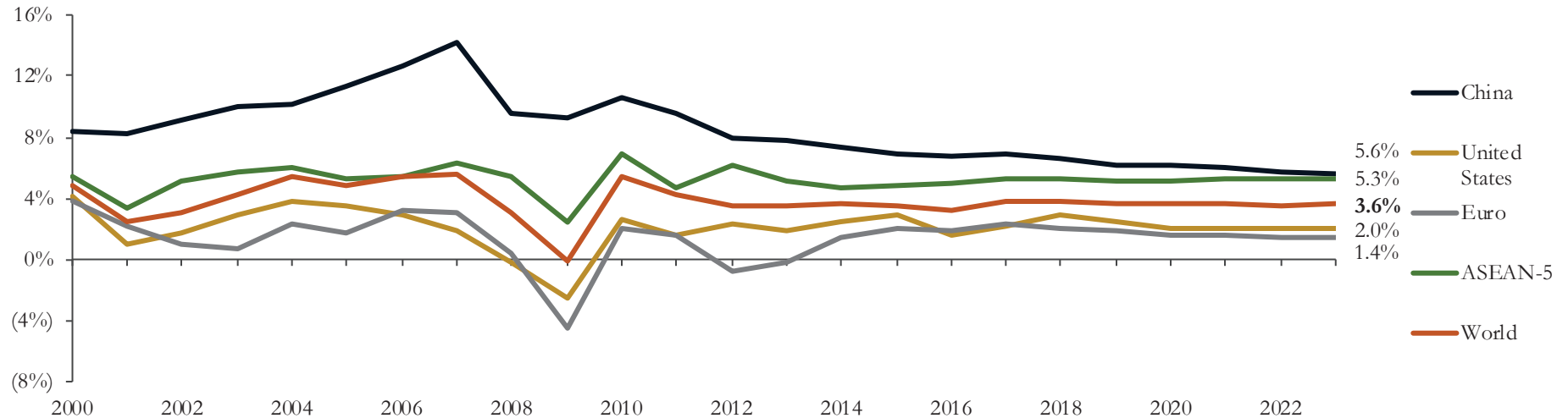
53% of revenue from Asia, EMEA, & LatAm (Heavy Machinery Manufacturing)



Europe

- ECB monetary policy will remain dovish for the foreseeable future, driving downward pressure on euro
- Political risks remain in countries with higher unemployment rates and Brexit can lead to market volatility depending on the outcome
- Inability for the southern nations to devalue their currency and regain competitiveness, while facing pressure to engage in austerity programs
- Europe will likely remain the weak link for the global economic growth

Synchronized Global Growth (%)



Source: AIM/Taussig 2019, IMF, Bloomberg data as of 4/17/2019.

Note: ASEAN-5: Indonesia, Malaysia, Philippines, Thailand, Vietnam

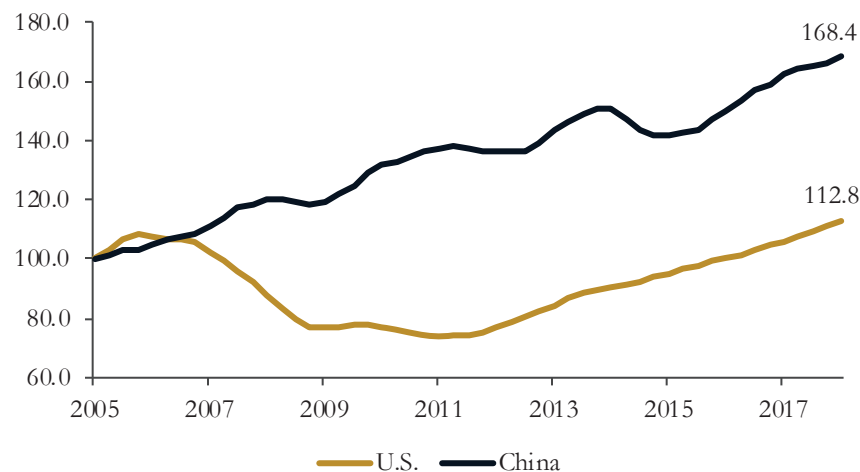


Global Considerations

Trade Deal

- Important issues remain unresolved:
 - Which tariffs will be removed on each side
 - US trade deficit with China; China to buy more American farm and energy products
 - China subsidies to state-owned enterprises (EV and robotics)
 - Forced Technology Transfer (Chinese policy to enforce foreign companies to share know-how and data in return for access to China's market)

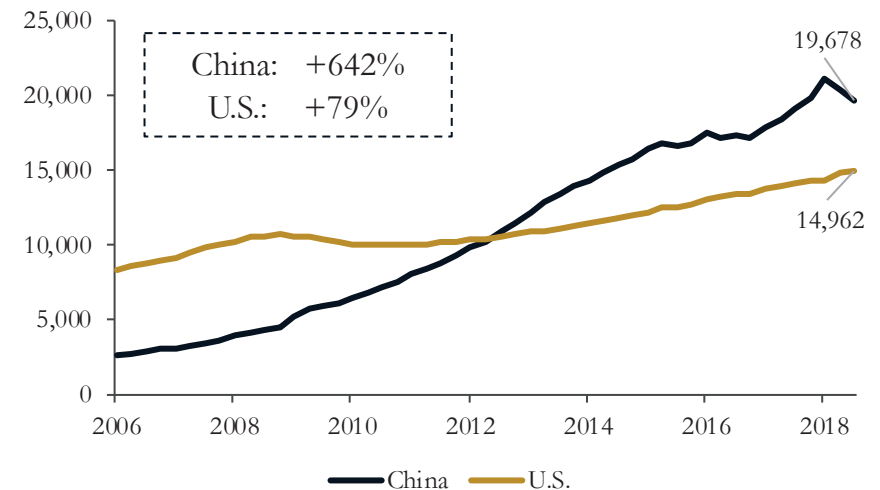
Residential Property Index (2005 = 100)



China Q1 GDP Highlights

- Overall Growth: +6.4% (vs 6.3% Expected)
 - Tax cut, fiscal stimulus by local governments for infrastructure, increased monetary base
- Industrial Production: +8.5% (vs 5.9% Expected)
- Retail Sales: +8.7% (vs 8.4% Expected)
- Property Investment: +11.8%

Non-Financial Corporate Debt





Summary Outlook

Key Economic Themes

- ✓ Given benign inflation environment and slightly softening outlook, it is unlikely the Fed will raise interest rates in the near future
- ✓ Trade tensions between the United States and China will ease and concerns over the trade war appear to be overblown
- ? Strengthening of USD against foreign currencies will decrease cost of production but may reduce international demand for goods produced by portfolio companies
- ? Chinese manufacturing output and consumer demand continues to outperform expectations, but increasing leverage may threaten this performance moving forward
- ✗ United States GDP growth decelerated in Q4 2018 and lower international growth rates are expected to continue in 2019
- ✗ European nations will continue to be the weak link in the international economy

An aerial photograph of the University of Notre Dame campus at dusk. The main dome of the Basilica of the Sacred Heart is illuminated, and the surrounding buildings and trees are silhouetted against the dark sky. The text of the course outline is overlaid on the left side of the image.

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- A. Company Overviews
- B. Selected Analyst Insights
- C. Final Valuations & Recommendations



Selected Equities & Analyst Insights



Primary Discovery



Discounted Cash Flow



Relative Valuation



Scenario Analysis



Primary Discovery



Constellation
Brands

Industry Analysis

ACUSHNET
HOLDINGS
CORP.

Industry Analysis



Primary Discovery



Dividend Discount Model

INTUITIVE

Primary Discovery

Blackstone

Sum of the Parts



Industry Analysis



Diamondback Energy, Inc. (FANG)



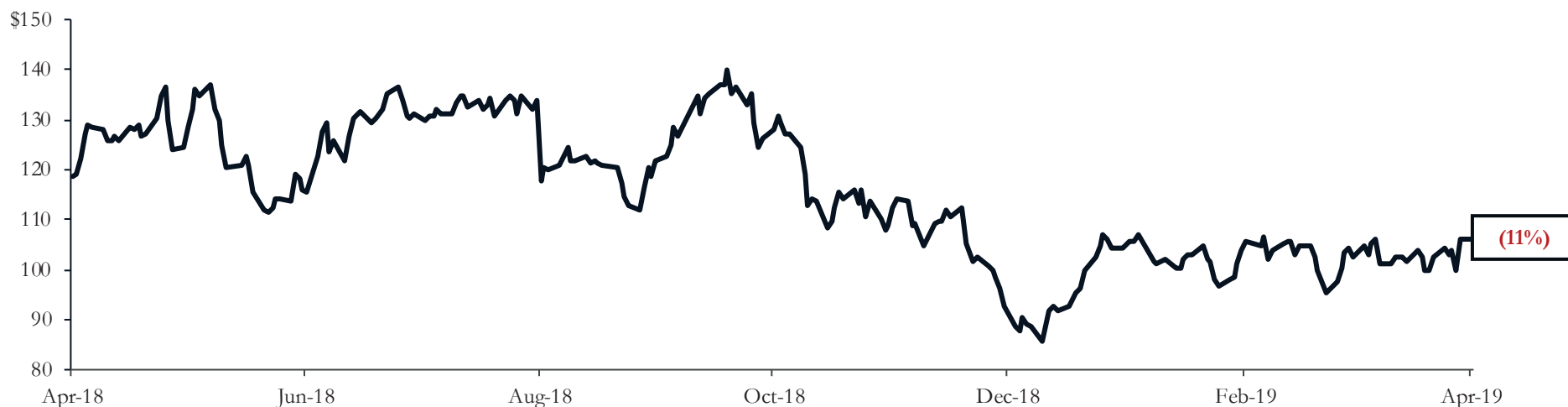
Company Overview

- Founded in 2009 and IPO'd in 2012
 - Founded with 4,000 acres / Today 340,000 net acres
 - Located in Midland & Delaware Basin
 - Management reports owning over 7,600 locations to drill, targeting at least a 10% IRR
- Strong EPS rebound from E&P sector downturn
 - 2016: (\$2.20) /share
 - 2017: \$4.95 /share
 - 2018: \$8.09 /share

Selected Financial Data

Share Price (as of April 15, 2019)	\$105.96
Equity/Enterprise Value	\$17.4/\$22.1 bn
LTM EPS	\$8.09
2019E P/E	9.6x
2019E EV/EBITDA	9.7x
Dividend Yield	0.5%

One-Year Share Price Performance

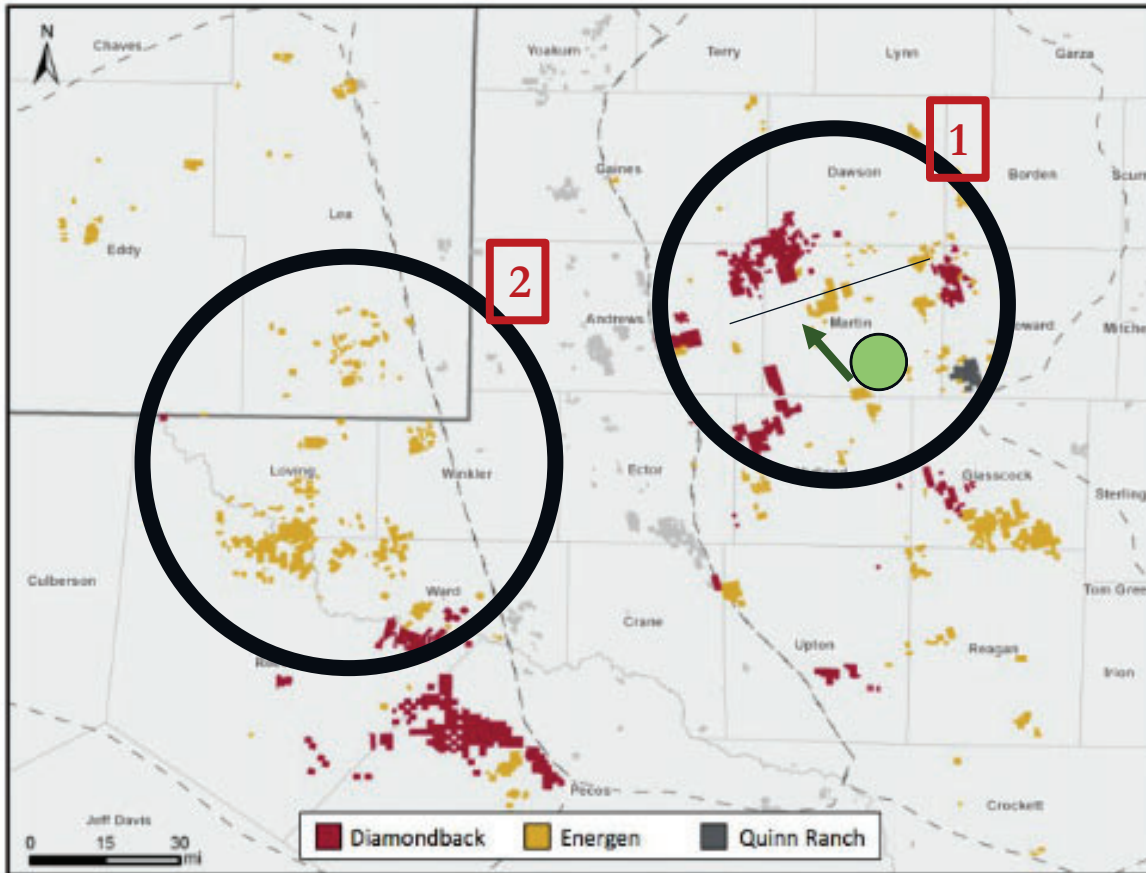


Source: AIM/Hartig 2019, Company filings, Yahoo Finance and S&P Capital IQ.



Primary Discovery

2018 M&A: Diamondback buys 3 deals, >\$10 Bn in aggregate



1 Deal 1/2: 28k ac of 4 target formations at \$30k/ac (not including PDP)

3rd Parties: 2 deals at ~\$60k/ac each

2 Deal 2: NE Reeves and southern Lee is top tier acreage

Additionally, fundamental analysis estimates the market values FANG acreage at roughly \$45k/ac in aggregate

Takeaway: Delineation is proving that Martin Co. acreage acquired by FANG is very similar to recent, prior transacted acreage. If this continues, company will prove to be undervalued. Stronger well results in Delaware may also push FANG's stock price farther north.



Final Valuation & Recommendation



Recommendation: Buy		Portfolio Decision: Buy		
Valuation Method	Weight	Implied Price	Contribution	
Discounted Cash Flow	85.0%	\$129.78	\$110.31	
Implied Acreage Value	15.0%	133.72	20.06	
Comparable Companies (EV/EBITDA)	--	42.93	--	
Comparable Companies (P/E)	--	95.38	--	
Intrinsic Value per Share			\$130.38	
Current Price (as of April 15, 2019)			105.96	
<i>Upside/(Downside) to Current</i>			<i>22.7%</i>	

- ✓ Top tier acreage + newly acquired, likely undervalued acreage
- ✓ Good financial condition coming out of E&P market depression
- ? When does the market see stronger well results? Geologic surprises – there are NO guarantees
- ? Commodity price market? Continuing transportation constraint relief?
- ✗ DUC well issue pushing down on future WTI / Current and future West Texas natural gas price market



EchoStar Corporation (SATS)



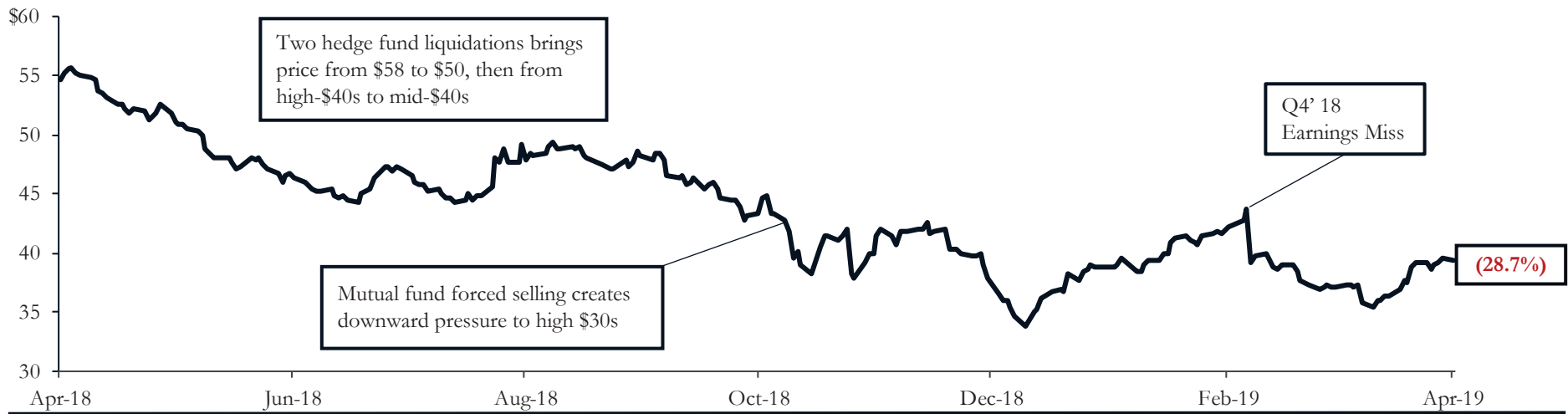
Company Overview

- EchoStar was originally spun off from Dish Network Corporation in 2008
- After spinning-off the low margin EchoStar Technologies business in 2017, EchoStar operates in two segments:
 - **Hughes:** provider of broadband internet services to homes, SMEs, and enterprises
 - **EchoStar Satellite Services:** fixed satellite services arm that leases satellite capacity to large enterprises
- Core strategy is focusing on rural households unserved and underserved by cable and fiber

Selected Financial Data

Share Price (as of April 15, 2019)	\$39.31
Equity/Enterprise Value	\$3.7/\$4.1 bn
LTM EPS	\$0.39
2019E EV/EBITDA	4.9x
2019E P/E	43.5x
Dividend Yield	N/A

One-Year Share Price Performance



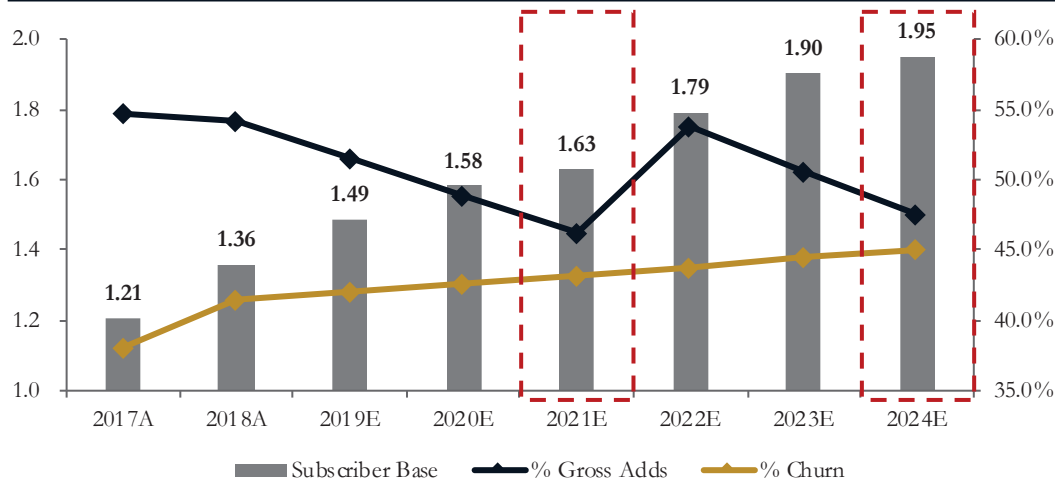
Source: AIM/Chen 2019, Company filings and S&P Capital IQ.



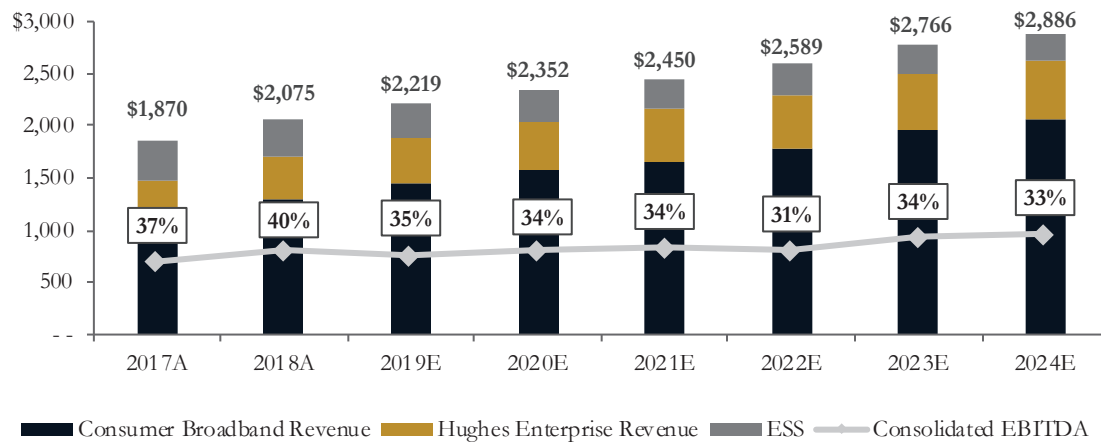
Discounted Cash Flow Analysis



Subscriber Base Projections (mm)



Pro Forma Operating Statistics (\$mm)



Selected Commentary

- **Anticipated Jupiter launches in 2021 and 2024**
 - Jupiter Satellites are EchoStar’s crown jewels that support the growth of Hughes
 - Greater capacity to support broadband needs of steadily growing subscriber base
- **What do you need to believe?**
 - 23.4 mm rural Americans do not have access to broadband internet, while management estimates the U.S. TAM to be 18 million households⁽¹⁾
 - Total subscriber base can achieve ~11% of the total U.S. TAM by 2024
 - Hughes currently captures 7.5%
- **EchoStar Satellite Services**
 - Declining segment of the business that is heavily reliant on DISH
 - Steady cash flows to fund growth in the Hughes business as leases roll off

Source: AIM/Chen 2019, Company filings and FCC.

(1) South American TAM estimated to be 5 – 10 million households



Final Valuation & Recommendation



Recommendation: Buy		Portfolio Decision: Buy		
Valuation Method	Weight	Implied Price	Contribution	
Discounted Cash Flow	95.0%	\$48.23	\$43.41	
Sum of the Parts Analysis	5.0%	63.71	6.37	
Comparable Companies (EV/EBITDA)	--	78.07	--	
Comparable Companies (P/E)	--	53.49	--	
Intrinsic Value per Share			\$49.79	
Current Price (as of April 15, 2019)			39.31	
<i>Upside/(Downside) to Current</i>			<i>11.4%</i>	

- ✓ Strong cash flow generation from the Hughes consumer broadband business
- ✓ Defensible moat as one of two providers of satellite consumer broadband
- ✓ Combination of institutional sell-offs and general misunderstanding of the business by the market create buying opportunity
- ⊕ Significant upside potential from EchoStar Mobile Limited in Europe (mobile satellite services segment), yet to be monetized
- ✗ Competitive advantage would be significantly eroded if traditional broadband infrastructure becomes more cost-effective

Source: AIM/Chen 2019, Company filings and S&P Capital IQ.



Restaurant Brands International (QSR)



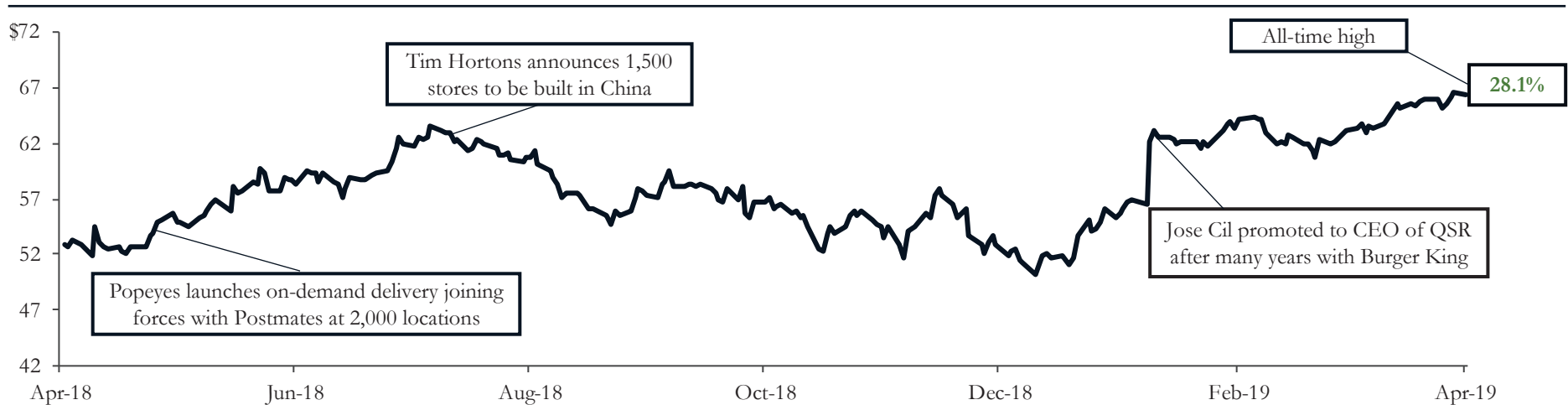
Company Overview

- QSR formed as a merger between Tim Hortons and Burger King in 2014 and acquired Popeyes in 2017
 - 25,000 Quick-Service Restaurants around the world
 - \$30 bn store revenue in 2018
- Over 99% of stores operate under franchise model
 - QSR earns franchise fees and earns royalties on rent and in-store sales
- Aggressively pursuing international expansion for each of its three restaurants over next ten years (China, Brazil, UK)

Selected Financial Data

Share Price (as of April 15, 2019)	\$66.72
Equity/Enterprise Value	\$16.7/\$30.0 bn
LTM EPS	\$2.68
2019E P/E	25.9x
2019E EV/EBITDA	13.5x
Dividend Yield	2.7%

One-Year Share Price Performance



Source: AIM/Hughes 2019, Company filings and S&P Capital IQ.



Relative Valuation



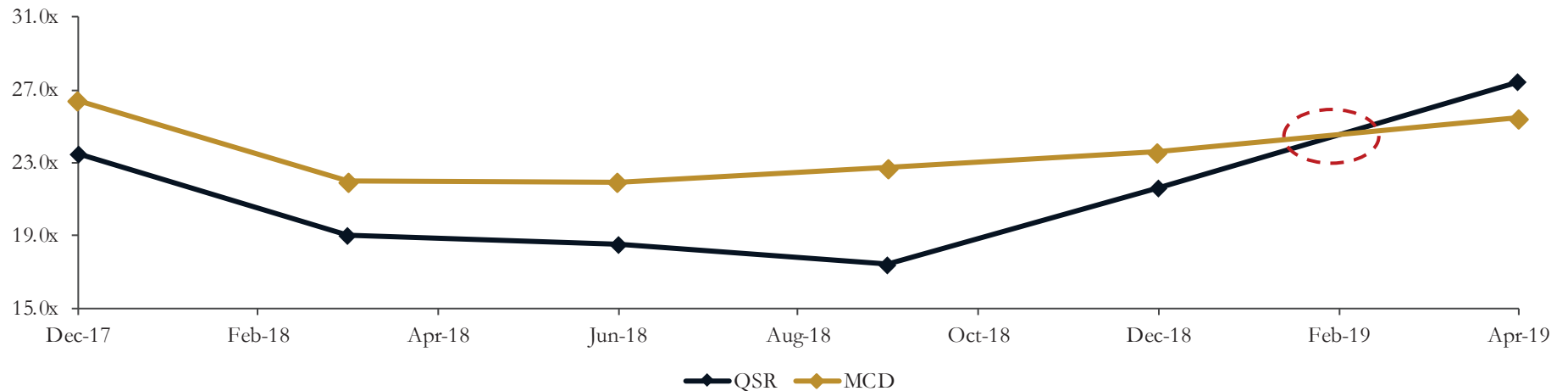
Metrics Used

- EV/EBITDA versus peers shows QSR is overvalued
- P/E multiple suggests QSR should be valued higher, however, QSR currently has higher multiple than McDonald's and Yum! Brands
- EV/Revenue multiple higher than median of peers

Selected Comparable Companies⁽¹⁾

Company	P/E	EV / REV	EV / EBITDA
McDonald's Corporation	24.2x	8.1x	16.7x
YUM! Brands	21.1x	7.0x	21.1x
Dunkin' Brands Group	26.4x	6.4x	18.4x
Wendy's	8.9x	4.9x	15.9x
Chipotle	101.8x	3.5x	30.6x
QSR	25.9x	5.4x	13.5x
Median	24.2x	3.7x	16.7x
Implied Share Price	\$69.17	\$55.13	\$37.21

P/E Multiple QSR vs McDonald's



Source: AIM/Hughes 2019, Company Filings and S&P Capital IQ.

(1) Darden, Domino's, Texas Roadhouse, Dine Brands Global and Starbucks included with comparables



Final Valuation & Recommendation



Recommendation: Sell

Portfolio Decision: Sell

Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	85.0%	\$63.68	\$54.13
Comparable Companies (EV/EBITDA)	5.0%	37.21	1.86
Comparable Companies (P/E)	5.0%	69.17	3.46
Comparable Companies (EV/Revenue)	5.0%	55.13	2.76
Intrinsic Value per Share			\$62.20
Current Price (as of April 15, 2019)			66.72
<i>Upside/(Downside) to Current</i>			<i>(6.77%)</i>

- ✓ Franchise model generates strong rental income and is not impacted by commodity prices or rising labor cost
- ? Its restaurants are mostly second tier compared to their direct competitors
- ✗ No material impact from new on-demand food delivery services (Uber Eats, Door Dash)
- ✗ Overly aggressive international expansion plans



Proto Labs, Inc. (PRLB)



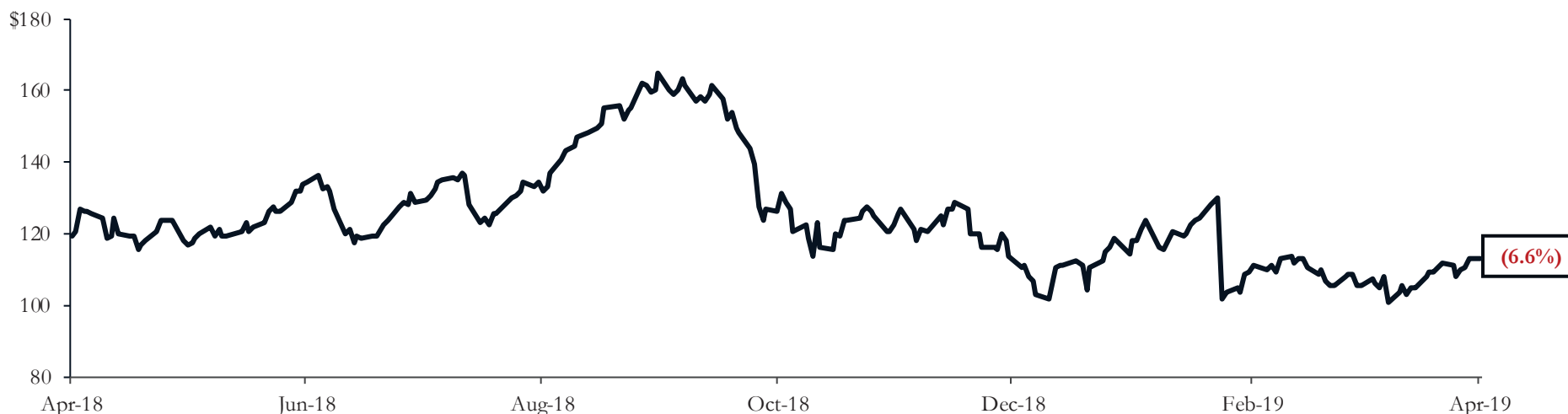
Company Overview

- Digital Manufacturing Company
 - On-demand manufacturing of prototypes and low volume production
- Uses four different manufacturing processes
 - Injection Molding
 - CNC Machining
 - 3D Printing
 - Sheet Metal Manufacturing
- 2018 Revenue: \$446 million

Selected Financial Data

Share Price (as of April 15, 2019)	\$113.01
Equity/Enterprise Value	\$3.0/\$2.9 bn
LTM EPS	\$2.81
2019E P/E	30.1x
2019E EV/EBITDA	25.6x
Dividend Yield	N/A

One-Year Share Price Performance



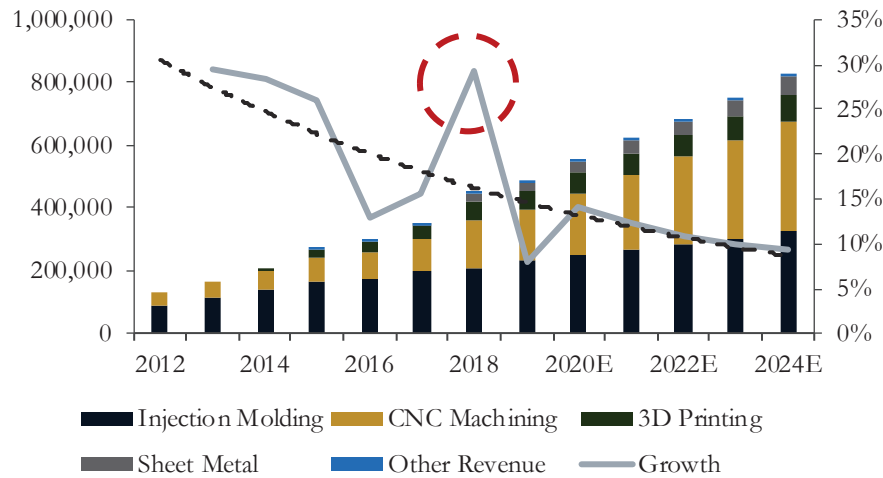
Source: AIM/Tefel 2019, Company filings, Yahoo Finance and S&P Capital IQ.



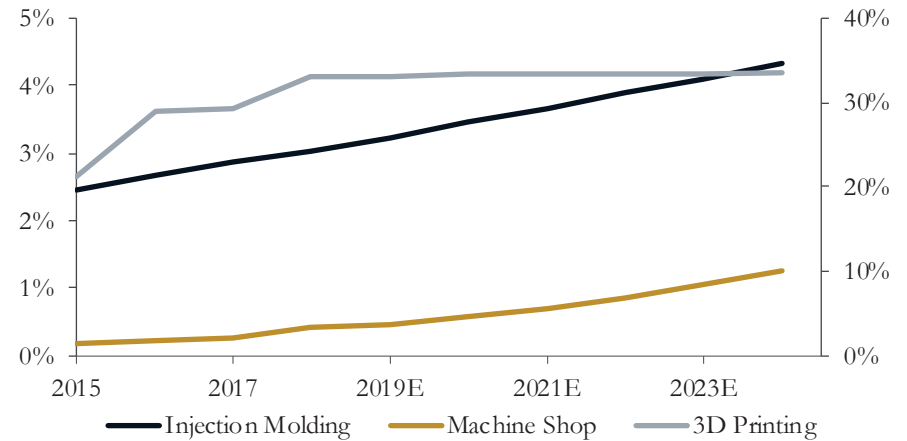
Scenario Analysis



Scenario 1: Base Case Revenue

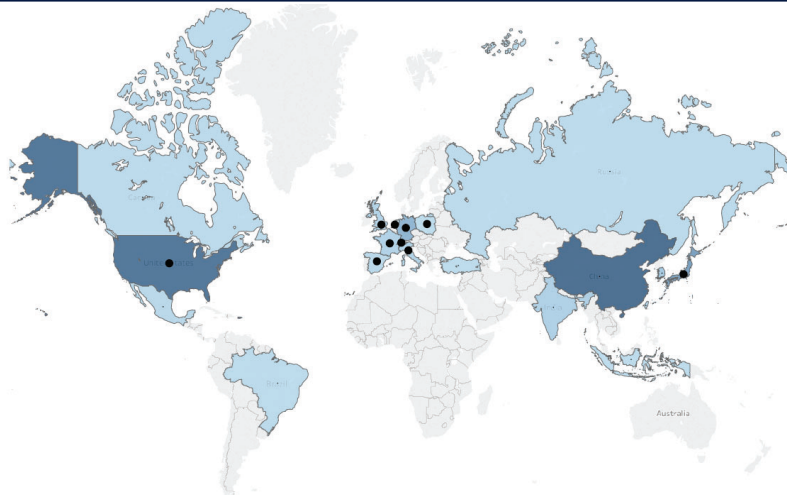


Scenario 2: Industry Consolidation



Note: 3D Printing on right axis

Scenario 3: International Expansion



Takeaways

- Organic growth rates are decreasing
 - Higher growth in 2018 fueled by acquisition of RAPID Manufacturing
- The CNC Machining and Sheet Metal product lines are growing at fastest rates
 - They could continue to take market share from small machine shops through speed and price as competitive advantages
- International expansion could be possible
- Both growth scenarios would feature reduced margins and increased CapEx, limiting the valuation

Source: AIM/Tefel 2019, Company filings, Yahoo Finance and S&P Capital IQ.



Final Valuation & Recommendation



Recommendation: Sell		Portfolio Decision: Sell	
Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	100.0%	\$65.64	\$65.64
Price/Sales	--	34.96	--
Comparable Companies (EV/EBITDA)	--	41.98	--
Comparable Companies (P/E)	--	--	--
Intrinsic Value per Share			\$65.64
Current Price (as of April 15, 2019)			113.01
<i>Upside/(Downside) to Current</i>			<i>(41.9%)</i>

- ✓ Consistently outperforms its competitors due to superior product mix and focus on low volume production
- ✓ Well positioned to take advantage of industry trends such as digitalization of product development and shorter product lifecycles
- ? Technological advancements are now reaching emerging markets. This poses an opportunity for expansion and a threat of competitors emerging with lower prices
- ✗ Market is overvaluing future growth potential
- ✗ Scenarios that could lead to market projected growth would cause decrease in margins



Dollar General Corporation (DG)



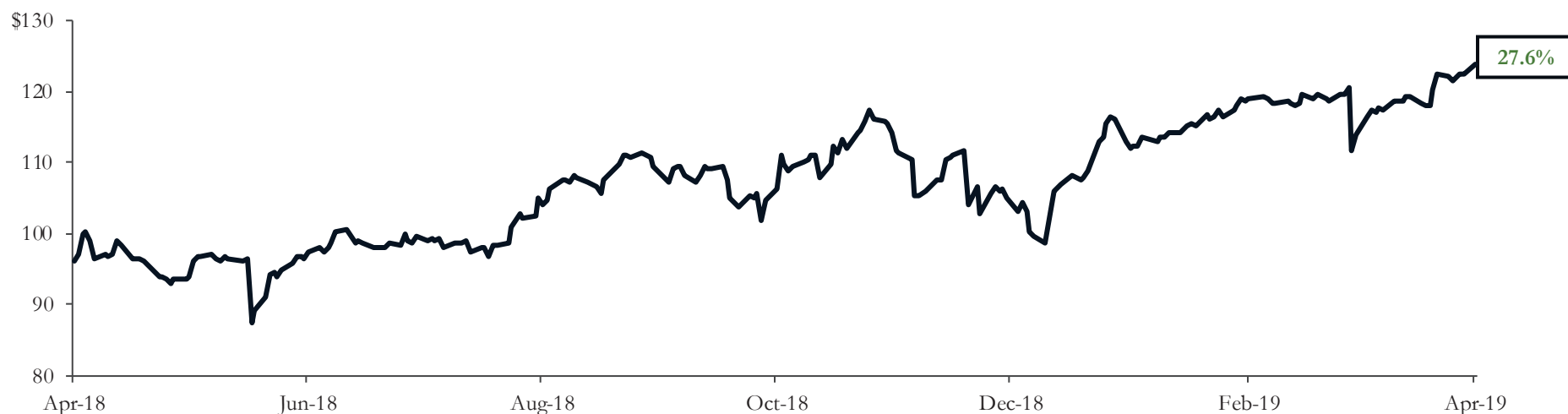
Company Overview

- Dollar General is a discount variety retailer offering four broad categories of merchandise:
 - **Consumables** (~77% of FY 2018 Revenue)
 - **Seasonal Items** (~12% of FY 2018 Revenue)
 - **Home Products** (~6% of FY 2018 Revenue)
 - **Apparel** (~5% of FY 2018 Revenue)
- As of February 1, 2019, the Company operated 15,370 stores and 16 distribution centers in 44 states.
- In 2018, the Company opened 900 new stores, remodeled 1,050 stores and relocated 115 stores.

Selected Financial Data

Share Price (as of April 15, 2019)	\$123.85
Equity/Enterprise Value	\$32.1/\$34.3 bn
LTM EPS	\$5.97
2019E P/E	19.3x
2019E EV/EBITDA	12.0x
Dividend Yield	1.0%

One-Year Share Price Performance



Source: AIM/Boyd 2019, Company filings and S&P Capital IQ.



Primary Discovery

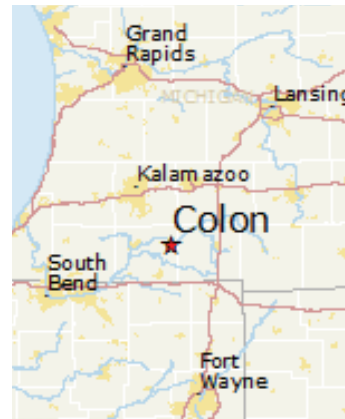


Westwind Construction Overview

- Headquarters: Grand Haven, MI
- DG Construction in MI, IN, OH, IL, WI, MN
- 16-year history with Dollar General
- Pete Oleszczuk, VP Construction
- Jared DeVoursney, Lead DG PM



New Site Construction – Colon, MI



Key Takeaways

Rural Demographics

- 75% of stores in towns with pop. < 20,000
- Key consideration to proximity to big box retail – often 10+ miles

Standalone Structures

- Easy-access on high-traffic roadways
- Eliminate reliance on foot traffic from shopping centers

Favorable Economics on New Builds

- 120-day lead time from groundbreaking to ribbon cutting
- Payback period < 12 months

No Sign of Saturation

- Ample runway for new store growth in Midwest, Southwest, and Northeast regions



Final Valuation & Recommendation



Recommendation: Buy		Portfolio Decision: Buy		
Valuation Method	Weight	Implied Price	Contribution	
Discounted Cash Flow	80.0%	\$143.95	\$115.16	
Comparable Companies (LTM P/E)	5.0%	140.15	7.01	
Comparable Companies (Forward P/E)	5.0%	130.88	6.54	
Comparable Companies (EV/EBITDA)	5.0%	111.32	5.57	
Precedent Transactions (EV/EBITDA)	5.0%	131.72	6.59	
Intrinsic Value per Share			\$140.87	
Current Price (as of April 15, 2019)			123.85	
<i>Upside/(Downside) to Current</i>			<i>13.7%</i>	

- ✓ Low item price points and focus on rural demographics provides insulation against the “Amazon Effect” and big box grocers
- ✓ Undervalued due to market’s dismal view of brick & mortar retail; shining star in attractive subsector within unattractive industry
- ✓ Ample runway for continued store count growth with specific focus on westward expansion
- ⊕ Introduction of fresh produce with DG Fresh campaign may raise average total spend per customer visit and net sales/sq. ft.
- ✗ Gross margins trail competitors slightly; DG has been expanding private label product offerings to combat this issue

Source: AIM/Boyd 2019, Company filings and S&P Capital IQ.



Constellation Brands (STZ)



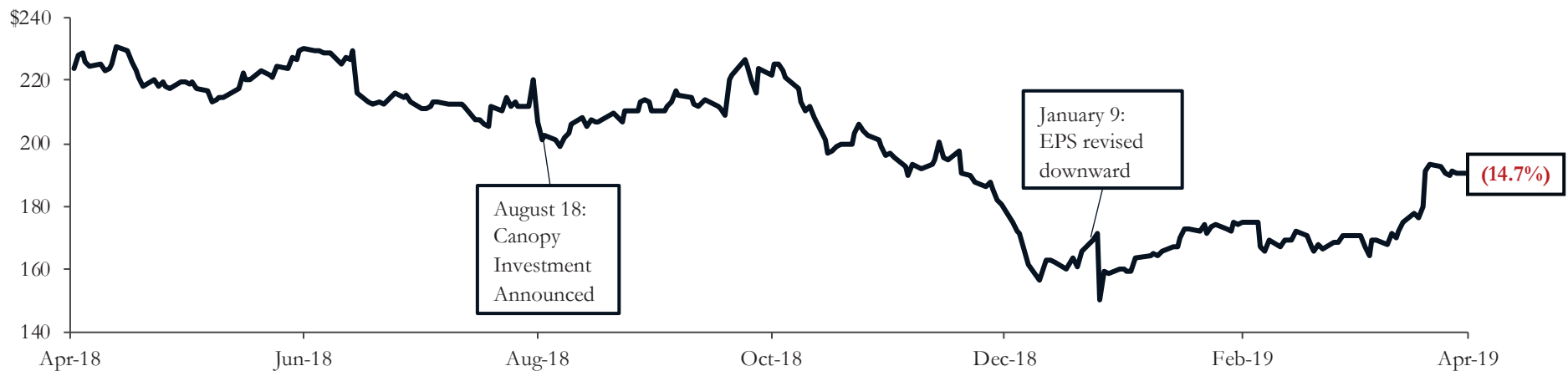
Company Overview

- Largest multi-category (beer, wine, and spirits) alcohol producer in the United States
- Currently own 37% of the world's largest cannabis company – Canopy Growth Corporation
- More than 100 Brands
 - **Beer:** Corona, Modelo, Pacifico
 - **Wine:** Robert Mondavi, Clos du Bois, Meiomi
 - **Spirits:** SVEDKA, Casa Noble

Selected Financial Data

Share Price (as of April 15, 2019)	\$190.92
Equity/ Enterprise Value	\$36.2/\$50.1 bn
LTM EPS	\$17.57
2019E P/E	21.9x
2019E EV/EBITDA	17.0x
Dividend Yield	1.4%

One-Year Share Price Performance



Source: AIM/Dedrick 2019, Company filings and S&P Capital IQ.



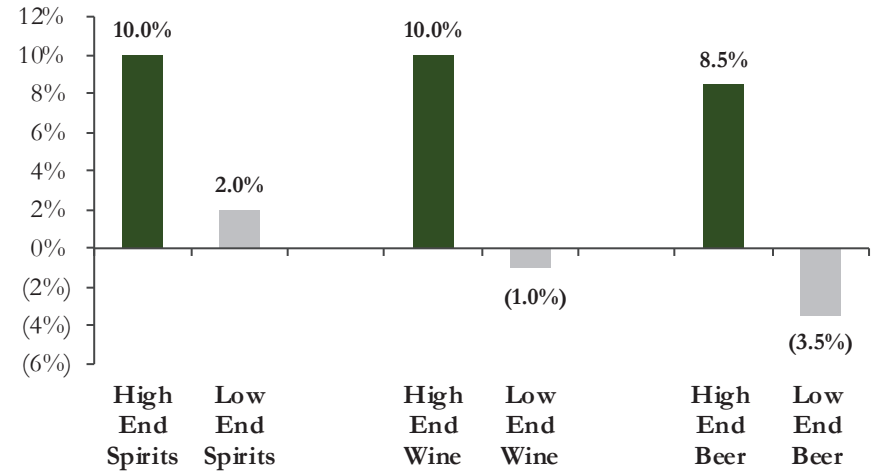
Industry Analysis/Relative Valuation



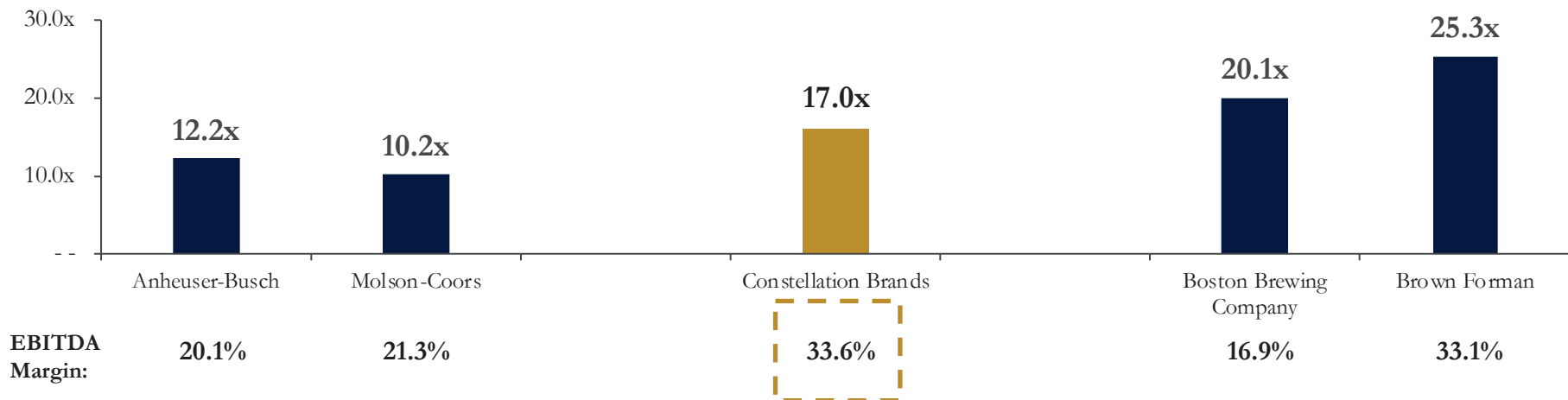
Key Themes

- **Demographic Tailwind:** Expanding Hispanic-American population increasingly prefers imported beers
- **Craft/Import Beer Growth:** Increased consumer preference for craft and imported beers
- **Underperformance** of the mega-beer players highlights premiumization trend
 - Two year stock performance
 - BUD: (22%)
 - COORS: (39%)

Premiumization of Alcohol Industry – 5 Yr. Growth Rate



EV/ EBITDA Benchmarking



Source: AIM/Dedrick 2019, Company filings and S&P Capital IQ.



Final Valuation & Recommendation



Constellation
Brands

Recommendation: Buy		Portfolio Decision: Buy		
Valuation Method	Weight	Implied Price	Contribution	
Discounted Cash Flow – Base Case	80.0%	\$247.19	\$197.76	
Discounted Cash Flow – Bull Case	7.75%	309.06	\$22.41	
Discounted Cash Flow – Bear Case	2.25%	219.58	\$4.94	
EV / EBITDA	10.0%	191.33	\$19.31	
Intrinsic Value per Share			\$244.24	
Current Price (as of April 15, 2019)			\$190.92	
<i>Upside/(Downside) to Current</i>			<i>27.9%</i>	

- ✓ Market overreaction to high price paid for Canopy Growth Company
- ✓ Best in class beer portfolio – well positioned to take advantage of growth in imported and craft beer
- ✓ Well positioned to take advantage of quickly growing cannabis industry
- ✓ Strong management team – regularly forecasts trends in consumer behavior
- ✓ Cheap relative to peers based on EV/EBITDA and P/E despite better operating metrics
- ✗ Anticipated margin compression due to increased SG&A (particularly transportation) costs

Source: AIM/Dedrick 2019, Company filings and S&P Capital IQ.



Acushnet Holdings Corp. (GOLF)

ACUSHNET
HOLDINGS
CORP.

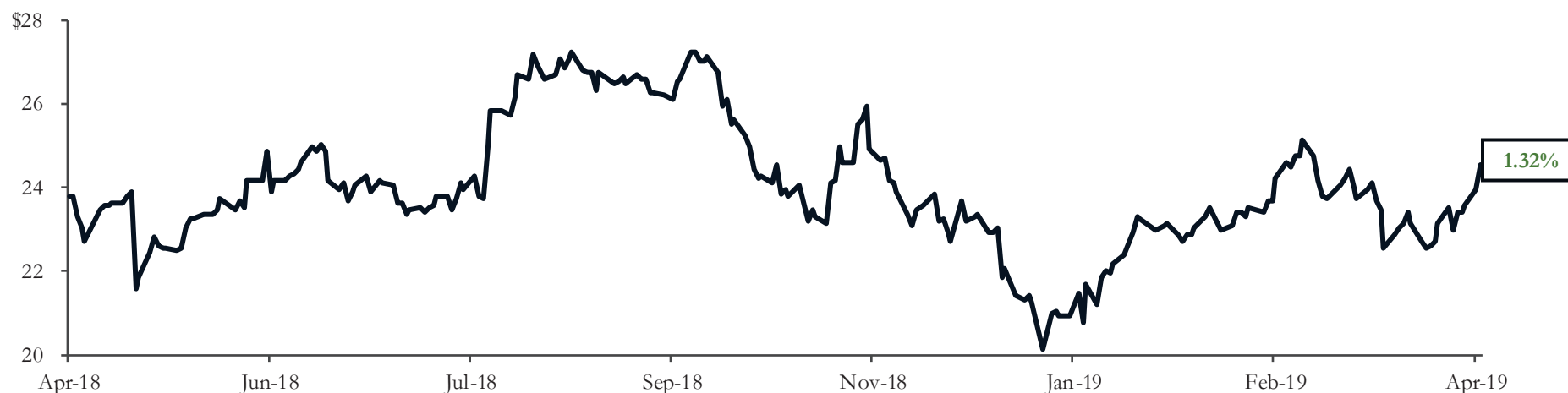
Company Overview

- Acushnet Holdings Corp. was founded in 1910
 - **Headquarters:** New Bedford, MA
 - **CEO:** David Maher (1 year)
- Best-in-class golf equipment manufacturer
 - **4 Primary Operating Segments:** Titleist golf balls, Titleist golf clubs, Titleist golf gear, FootJoy golf wear
- Main competitors: Core Four
 - **Titleist**, Callaway, TaylorMade, PING
- Portfolio Brands
 - Titleist, FootJoy, Pinnacle, Vokey Design Wedges and Scotty Cameron

Selected Financial Data

Share Price (as of April 15, 2019)	\$23.14
Equity/Enterprise Value	\$1.8/\$2.2 bn
LTM EPS	\$1.32
2019E P/E	14.9x
2019E EV/EBITDA	10.7x
Dividend Yield	2.2%

One-Year Share Price Performance



Source: AIM/Scoresby 2019, Acushnet Investor Relations and S&P Capital IQ.



Industry Analysis

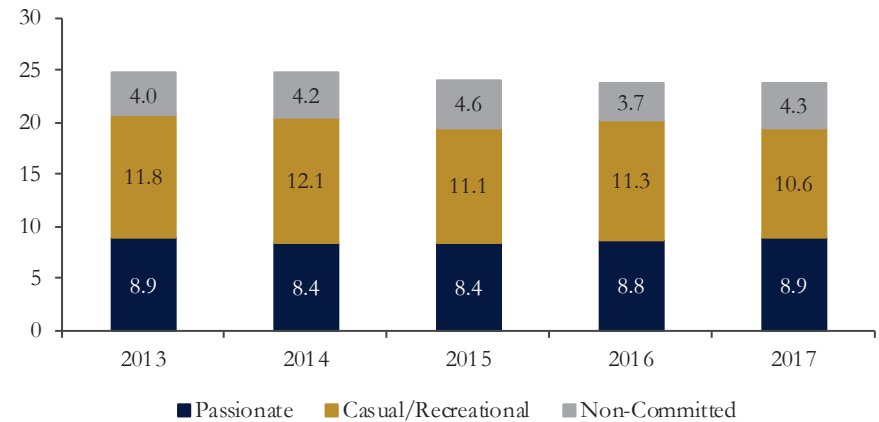
Key Industry Themes

- Total number of U.S. golfers has remained relatively stable over the past 5 years
- Off-course concepts such as Top Golf are driving newcomers to the game
 - Callaway owns 14% of Top Golf
- International expansion initiatives from top competitors to grow abroad, especially in Asia

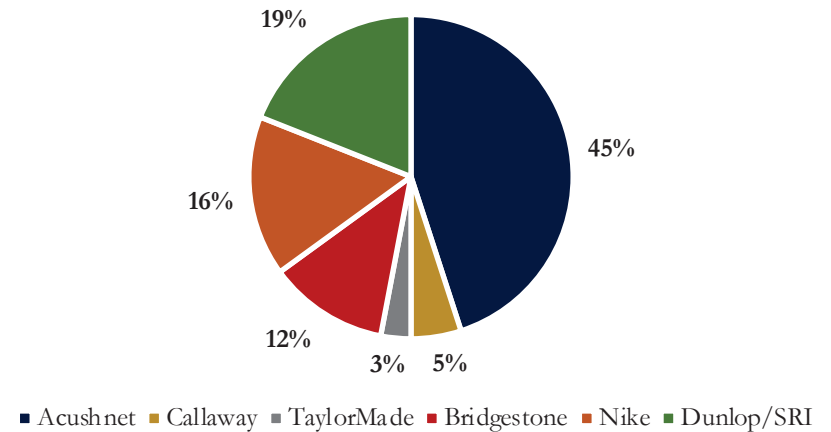
Key Company Facts

- Titleist #1 ball in golf for 70 years
 - 73% of all tour players worldwide chose Pro V1 or Pro V1x as their golf equipment
- FootJoy #1 shoe on PGA Tour for 60 years
- FootJoy gloves voted #1 in golf
- Scotty Cameron Putters and Vokey Wedges are most played on PGA Tour

Traditional U.S. Golf Participation (mm)



Patents – Golf Balls (971 Patents)





Final Valuation & Recommendation

ACUSHNET
HOLDINGS
CORP.

Recommendation: Sell		Portfolio Decision: Sell	
Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	100.0%	\$20.77	\$20.77
Comparable Companies (EV/EBIT)	--	30.11	--
Comparable Companies (EV/EBITDA)	--	30.19	--
Comparable Companies (P/E)	--	24.99	--
Intrinsic Value per Share			\$20.77
Current Price (as of April 15, 2019)			23.14
<i>Upside/(Downside) to Current</i>			<i>(10.2%)</i>

- ✓ Company controls top brands in market: Titleist (balls and equipment) and FootJoy (apparel and footwear)
- ✓ Leader in innovation: own 45% of outstanding golf ball patents and 14% of outstanding golf club patents
- ? International expansion plan unclear
- ✗ Continued retailer disruption, including retail bankruptcies and competitor exits support overall demand weakness
- ✗ Acushnet's biggest sales component, golf balls, faces significant headwinds from up-and-coming startups aiming to take market share



Abiomed, Inc. (ABMD)



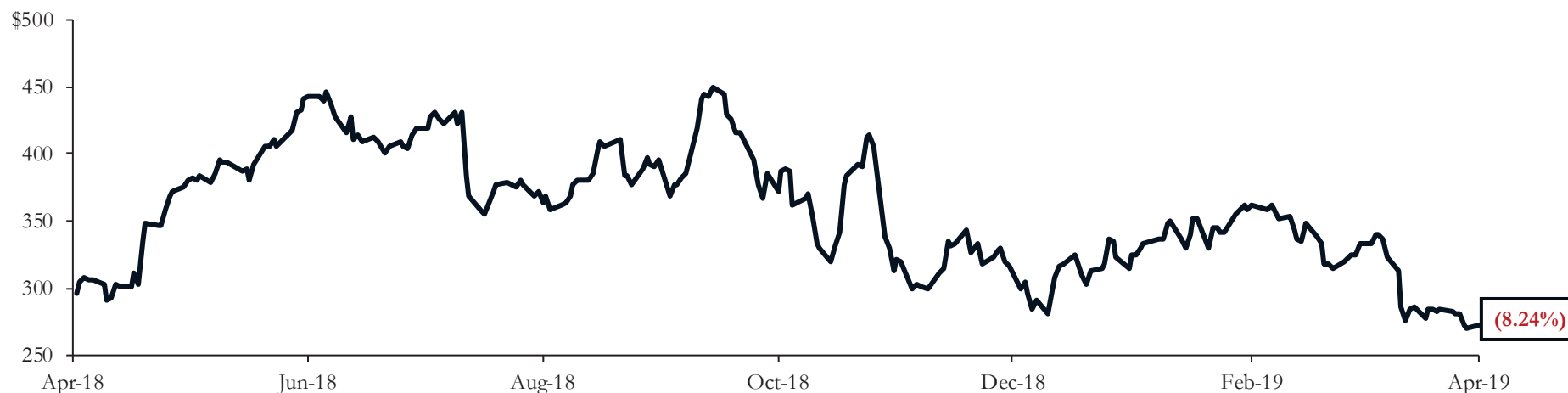
Company Overview

- **Manufacturer of niche medical devices** known as Impella heart pumps
 - 5 devices currently on the market; 3 pipeline products
 - Operates in the United States, Germany, and Japan
- Founded in 1981; Key Impella acquisition in 2005; Company shifting FDA approval in 2015
 - **Headquarters:** Danvers, Massachusetts
 - **CEO:** Michael R. Minogue

Selected Financial Data

Share Price (as of April 15, 2019)	\$272.30
Equity/ Enterprise Value	\$12.3/\$11.7 bn
LTM EPS	\$4.81
2019E P/E	55.1x
2019E EV/EBITDA	43.0x
Dividend Yield	N/A

One-Year Share Price Performance



Source: AIM/Daum 2019, Company filings and S&P Capital IQ.



Primary Discovery



Jeffery Gibbs Background

- Senior New Product Introduction Engineer at ABMD
- Long career in medical device technology
 - Previous job at Integer Holdings Corporation
- Specializes in FDA regulatory process



Interview Goals

- To confirm my understanding of the Impella product line and the different uses in cardiac operations
- To learn about the marketing and sales of the Impella devices; including the process of educating doctors and expansion into Japan
- To understand the company’s relationship with the FDA and how regulations impact current products and approvals needed for future pipeline devices

Key Takeaways

Strong FDA Relationship

- Maintain a positive relationship with the FDA moving in about 90 day step cycles

Growth propelled by innovation

- 3 major products in the public pipeline
- Engineers innovate rapidly and freely

“Patients First”

- Company culture focuses on helping patients and alleviate ongoing cardiac disease problem

Education is key

- Working to expand the company by reaching and educating more doctors



Final Valuation & Recommendation



Recommendation: Buy		Portfolio Decision: Buy	
Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	100.0%	\$329.48	\$329.48
Comparable Companies (EV/Total Revenue)	--	32.34	--
Comparable Companies (EV/EBITDA)	--	42.17	--
Comparable Companies (P/E)	--	100.78	--
Intrinsic Value per Share			\$329.48
Current Price (as of April 15, 2019)			272.30
<i>Upside/(Downside) to Current</i>			<i>20.1%</i>

- ✓ Abiomed's Impella is a **unique medical device** with no direct competition and is intellectually patent protected
- ✓ Promising rollout in **Japan** and **continued market penetration in the United States**
- ✓ **Consistent and growing need** for the Impella device as **cardiac disease remains the top cause of death** globally
- ? **Changes in FDA regulations** hurting current or pipeline products
- ? **Unforeseen legal lawsuits** regarding patents and products
- ✗ **Narrow product line** with all devices stemming from one major medical line

Source: AIM/Daum 2019, Company filings and S&P Capital IQ.



Caterpillar Inc. (CAT)



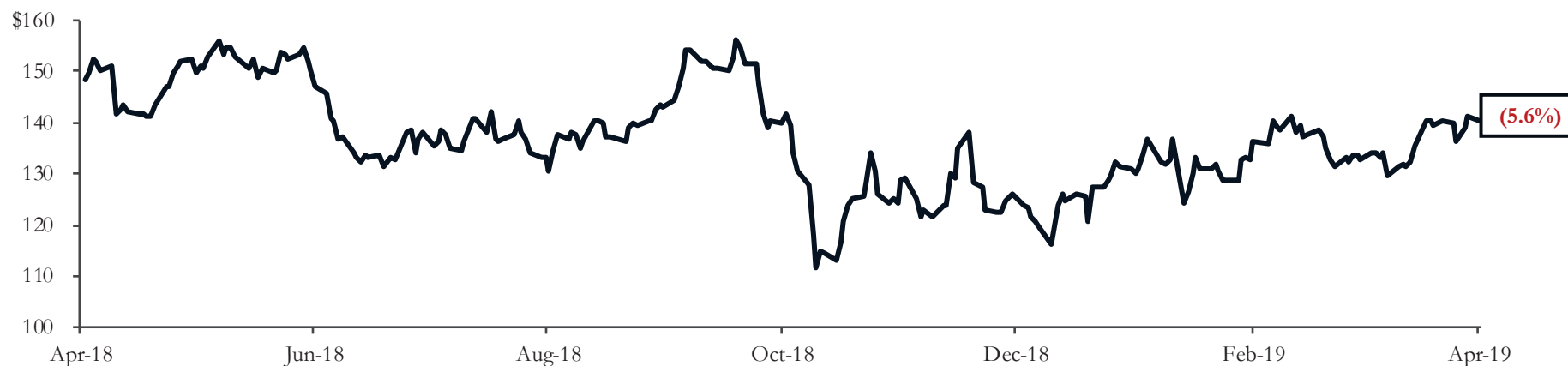
Company Overview

- Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives
- Four operating segments: Construction Industries, Resource Industries, Energy & Transportation, and Financial Products
 - More than 50% of the company's 100,000 employees are international
 - 53% of revenue is international
- CAT products are primarily sold through a global network of independent dealers

Selected Financial Data

Share Price (as of April 15, 2019)	\$140.25
Equity/Enterprise Value	\$80.6/\$110.9 bn
LTM EPS	\$11.22
2019E P/E	10.7x
2019E EV/EBITDA	10.0x
Dividend Yield	2.6%

One-Year Share Price Performance



Source: AIM/Engvall 2019, Company filings and S&P Capital IQ.



Gordon Growth (Dividend Discount) Model



Model Results

Dividend Growth Rate	9.3%	7.3%
Cost of Equity	9.9%	9.9%
Implied Share Price	\$653.59	\$138.23
Current Share Price	\$140.25	\$140.25
Upside / (Downside)	370.0%	(1.0%)

Cost of Equity	9.9%
Risk Free Rate	2.5%
Beta	1.49
Market Risk Premium	5.0%

Selected Commentary

- Caterpillar has paid rising dividends for 25+ years and recently merited inclusion in dividend aristocracy based on the following criteria:
 - Component of S&P 500
 - Market Cap of \$3 bn+
 - 25 consecutive annual dividend boosts
- Dividends have been growing at a CAGR of 9.3% for the past 12 years
- Current dividend yield of 2.6%
- Concerns with methodology
 - High sensitivity to growth assumptions
 - Inability to continue growing dividends at such a high rate in perpetuity



Final Valuation & Recommendation



Recommendation: Buy		Portfolio Decision: Buy	
Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	100.0%	\$169.69	\$169.69
Dividend Discount Model	--	653.59	--
Comparable Companies (EV/EBITDA)	--	98.54	--
Comparable Companies (P/E)	--	131.63	--
Intrinsic Value per Share			\$169.69
Current Price (as of April 15, 2019)			140.25
<i>Upside/(Downside) to Current</i>			<i>21.0%</i>

- ✔ Resource and Energy businesses are still in recovery mode and provide significant upside potential for CAT earnings
- ✔ Incessant focus on cost control has led to a \$1.5B reduction in operating costs since 2015
- ? Mixed reports on U.S. construction so far in 2019 (residential and non-residential) and a potential national infrastructure plan
- ? As a highly cyclical industrial stock, CAT could be negatively impacted by lower revisions to global growth forecasts
- ✘ Slowing growth in Chinese market could be exacerbated by the trade-war
- ✘ Concerns that led to decline in stock price are still prevalent (i.e., rising costs driven by metal tariffs and increased shipping expenses)

Source: AIM/Engvall 2019, Company filings and S&P Capital IQ.



Intuitive Surgical (ISRG)

INTUITIVE

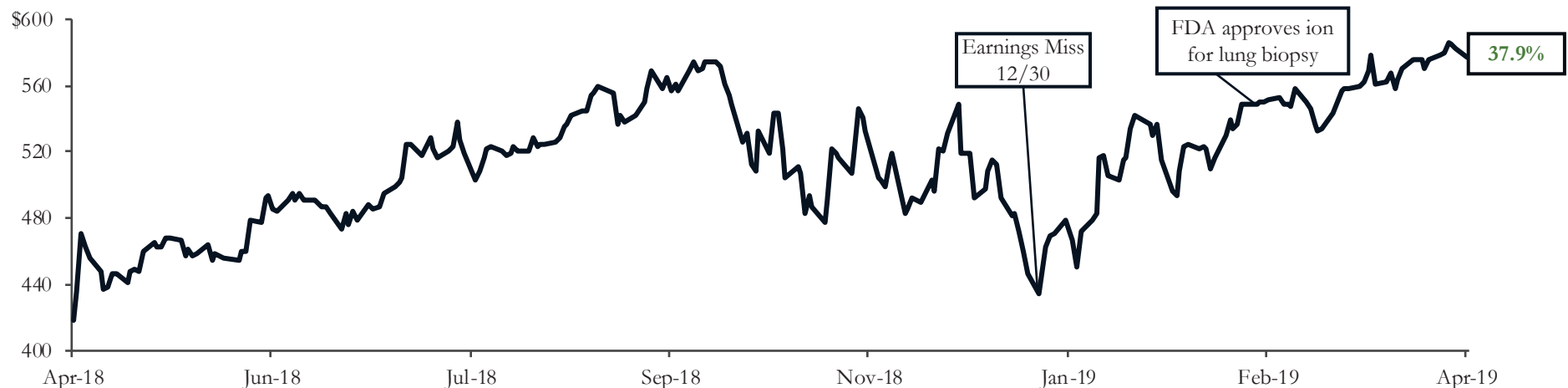
Company Overview

- **Intuitive Surgical, Inc.** designs, manufactures, and markets da Vinci robotic surgical systems, and related instruments and accessories; based in Sunnyvale CA and founded in 1995
- The da Vinci Surgical System transforms the surgeon’s natural hand movements outside the body into corresponding micro-movements inside the patient’s body
 - ~5,000 da Vinci systems have been placed and six million procedures have been completed
 - The da Vinci has been cited in ~16,000 clinical peer reviewed articles

Selected Financial Data

Share Price (4/15/19)	\$576.81
Equity/ Enterprise Value	\$66.5/\$62.4 bn
LTM EPS	\$9.49
2019E P/E	47.2x
2019E EV/EBITDA	35.7x
Dividend Yield	N/A

One-Year Share Price Performance



Source: AIM/ Payne 2019, Company filings and S&P Capital IQ.



Beacon Health System



Greg Piper

- Executive Director, Retail and Supply Chain Services
- With Beacon since 2007
- Involved in the purchase of six da Vinci systems
- Two operational at MHSB and one at Elkhart General
- Present for the first Xi procedure at MHSB

Key Findings

- Intuitive dominates the hysterectomy and prostatectomy market where there are no competitors
- Surgeons are still somewhat unconvinced that the systems actually provide lower blood loss and shorter length of stay
- Hospitals want to maximize investment on these systems due to high purchase prices
- In regards to J&J and Medtronic **“If new systems could be used beyond hysterectomy and prostatectomy and could be utilized for neuro, spine, and orthopedics, we would consider switching”**



Final Valuation & Recommendation

INTUITIVE

Recommendation: Sell		Portfolio Decision: Sell	
Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	100.0%	\$459.45	\$459.45
Price/Book Value	--	341.19	--
Comparable Companies (EV/EBITDA)	--	282.69	--
Comparable Companies (P/E)	--	266.20	--
Intrinsic Value per Share			\$459.45
Current Price			\$576.81
<i>Upside/(Downside) to Current</i>			<i>(20.3%)</i>

- ✓ Intuitive has first mover status in the growing robotic surgery market
- ✓ The company benefits from the aging baby boomer generation
- ✓ Intuitive exhibits industry leading net profit margins (~20%)
- ✗ Maturation of key procedures (hysterectomy and prostatectomy) pose a threat to continued growth
- ✗ Concerns over FDA findings (related to women's cancer) and whether robotic surgery provides better outcomes
- ✗ Increased competition and pricing pressure with the entrance of Medtronic and J&J

Source: AIM/Payne 2019, Company filings and S&P Capital IQ.



The Blackstone Group L.P. (BX)

Blackstone

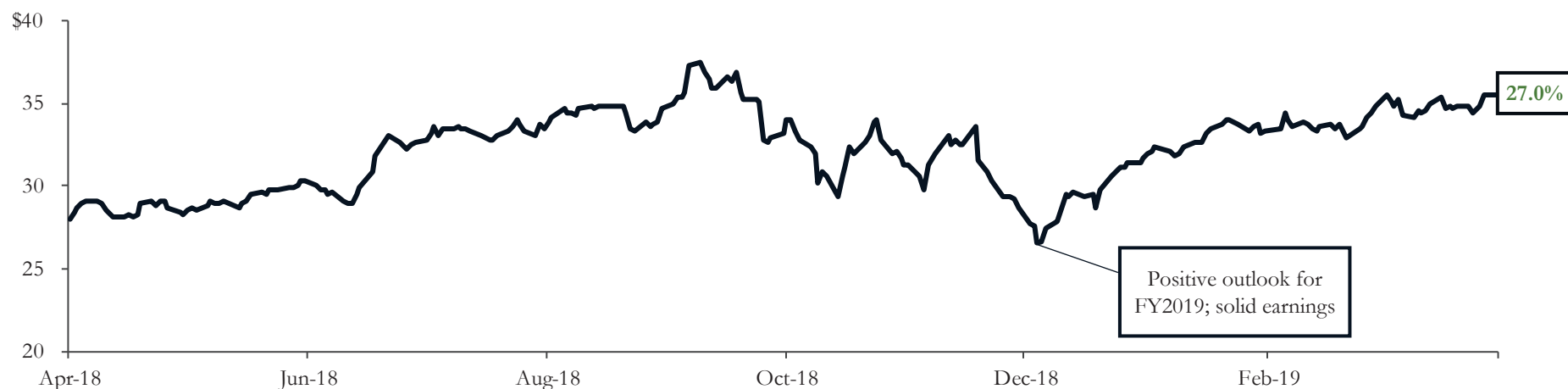
Company Overview

- The Blackstone Group (NYSE:BX) was founded in 1985
 - **Headquarters:** New York, NY
 - **CEO/Chairman:** Stephen A. Schwarzman
- BX is the leading alternative asset manager globally
 - **\$476 billion in AUM** across 4 main segments:
 - Private Equity: \$130.7 billion
 - Credit (GSO): \$127.5 billion
 - Real Estate: \$136.2 billion
 - Hedge Fund Solutions (BAAM): \$77.8 billion

Selected Financial Data

Share Price (as of April 15, 2019)	\$35.54
Equity/Enterprise Value	\$40.8/\$51.9 bn
LTM EPS	\$2.26
2019E EV/EBITDA	12.2x
2019E P/E	13.4x
Dividend Yield	6.7%

One-Year Share Price Performance



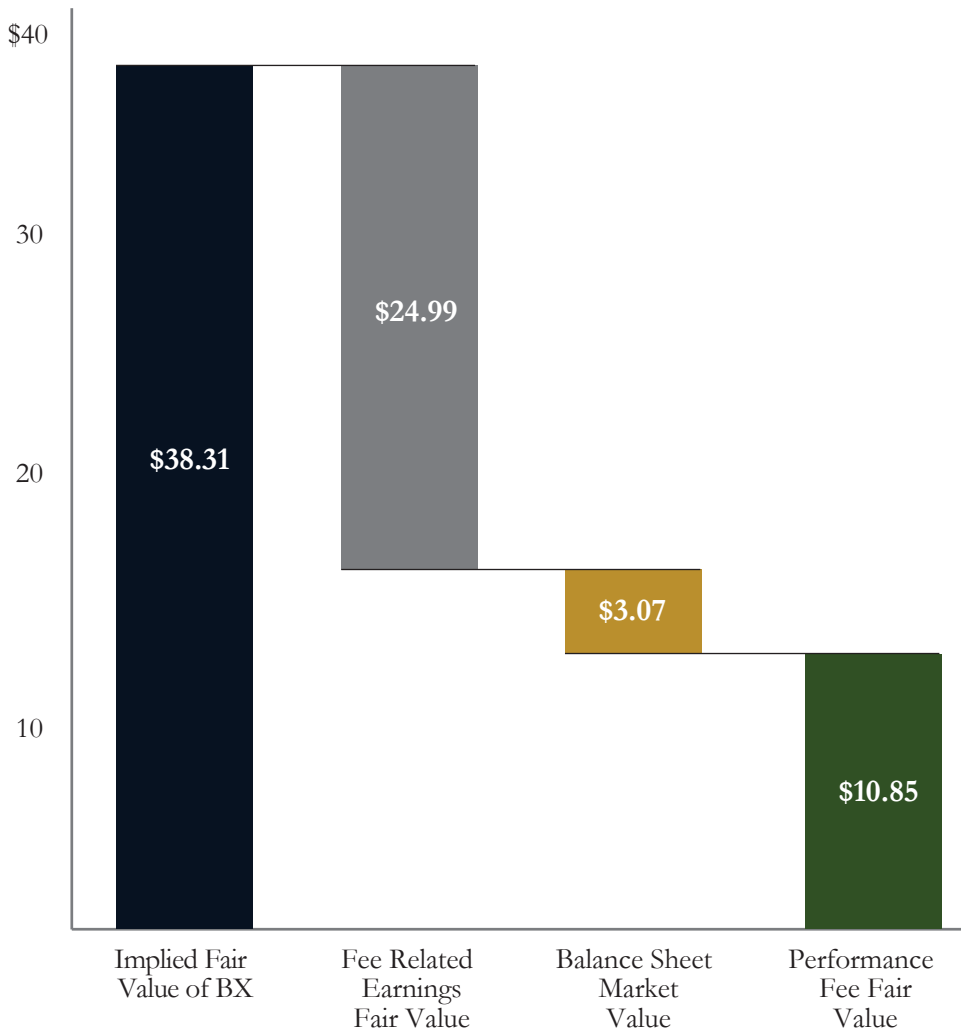
Source: AIM/Martinez 2019, company filings and S&P Capital IQ.

Note: Data as of Market Close on 4/15/19



Sum of the Parts Analysis

Sum of the Parts Analysis



Selected Commentary

- **Fee Related Earnings Fair Value:**
 - FRE valued at a conservative target price-to-earnings multiple (16.0x)
 - FRE is a predictable and growing earnings stream for BX
- **Balance Sheet Value:**
 - Value of net cash, debt, and investments on a per share basis at par
- **Performance Fee Receivable Value:**
 - Projections assume a discount to historical investment performance, although BX’s performance has been consistent over 30 years and through cycles

Recent C-Corp Conversion – April 18, 2019:

- Conversion to a C-Corp not accounted for in valuation based on prior management guidance
- Effective July 1, 2019
- Removes ownership restrictions; expands global investor universe
- Higher effective tax rate

Source: AIM/Martinez 2019, company filings and S&P Capital IQ.

Note: Valuation and financial metrics reflect BASE case scenario; BULL case scenario resulted in an implied fair value of \$52.36



Final Valuation & Recommendation

Blackstone

Recommendation: Buy		Portfolio Decision: Buy		
Valuation Method	Weight	Implied Price	Contribution	
Discounted Cash Flow	95.0%	\$43.15	\$40.99	
Sum of the Parts Analysis	5.0%	38.31	1.92	
Comparable Companies (EV/EBITDA)	--	17.41	--	
Comparable Companies (EV/Distributable Earnings)	--	21.61	--	
Comparable Companies (P/E)	--	30.23	--	
Intrinsic Value per Share			\$42.91	
Current Price (as of April 15, 2019)			35.54	
<i>Upside/(Downside) to Current</i>			<i>20.7%</i>	
<ul style="list-style-type: none"> ✓ BX is the market leader in the alternatives market, with scale as a significant competitive advantage ✓ Allocations to alternatives are growing and will continue to increase as an aging population demands high investment returns ✓ Top tier historical returns & growing AUM via “building and buying” results in long-term performance revenue momentum ✓ Strong growth opportunities regarding perpetual capital vehicles and introduction of growth equity fund ⊕ Management will continue to have to find other compelling verticals with attractive risk/return profiles to invest in to grow AUM ✗ Lack of shareholder rights; primary fiduciary duty of BX is to their LPs and not their unit holders 				

Source: AIM/Martinez 2019, Company filings and S&P Capital IQ.

Note: Current Price as of 4/15/19 at market close



Exxon Mobil (XOM)



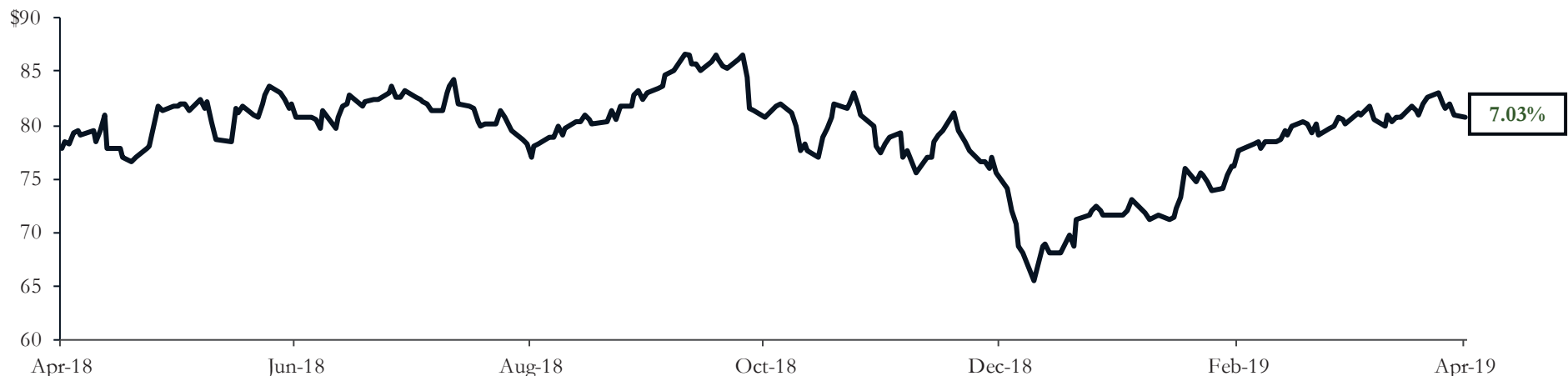
Company Overview

- Exxon Mobil is the largest non state-owned oil and gas company.
- XOM's business operations span the value chain for both natural gas and crude oil; with upstream, chemical and downstream business segments.
- Divisions 2018 Performance:
 - Upstream: \$64m revenue & \$14m profit
 - Downstream: \$273m revenue & \$6m profit
 - Chemical Ops: \$14m revenue & \$3m profit

Selected Financial Data

Share Price (as of April 15, 2019)	\$80.98
Equity/Enterprise Value	\$343.7/\$383.0 bn
LTM EPS	\$4.88
2019E P/E	16.6x
2019E EV/EBITDA	8.2x
Dividend Yield	4.05%

One-Year Share Price Performance



Source: AIM/Perry 2019, company filings and S&P Capital IQ.



Discovery Sources



Financing Advantage

Two trends within the oil and gas industry are improving the competitive advantage for companies with large balance sheets and low default risk

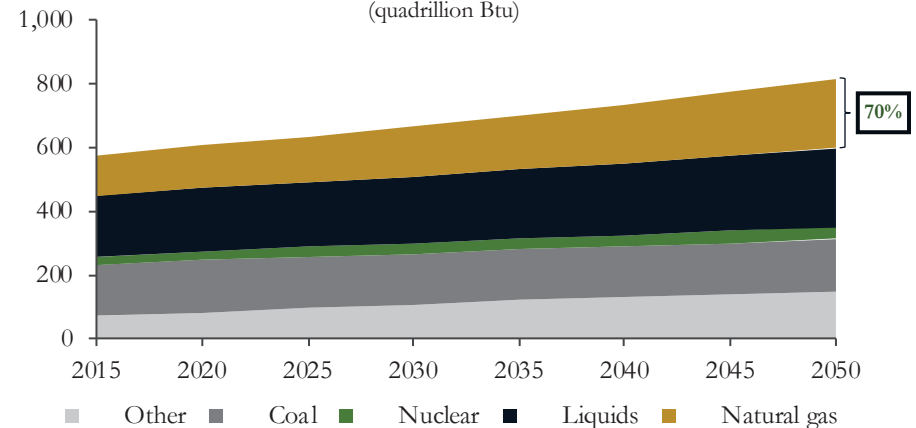
- After the collapse of energy prices in 2014 many financial firms are still hesitant to lend to large scale projects related to oil and gas
- LNG contract lengths have decreased over the last ten years which is forcing firms to reduce the maturity of the debt used for financing

Changing Market Energy Demand

Natural gas consumption is expected to experience the greatest demand growth over the next 40 years

- XOM is the largest natural gas company. Producing 50% more than its closest competitor
- Additionally XOM is investing heavily into natural gas and looks to grow its portfolio in this market
- This highlights XOM's ability to adapt and thrive with changing energy demands

World Energy Consumption by Source
(quadrillion Btu)





Final Valuation & Recommendation



Recommendation: Buy

Portfolio Decision: Sell

Valuation Method	Weight	Implied Price	Contribution
Discounted Cash Flow	95.0%	\$86.13	\$81.83
Comparable Companies (EV/2P)	5.00%	89.43	4.47
Comparable Companies (EV/EBITDA)	--	52.63	--
Comparable Companies (P/E)	--	69.82	--
Intrinsic Value per Share			\$86.30
Current Price (as of April 15, 2019)			80.98
<i>Upside/(Downside) to Current</i>			<i>6.57%</i>

- ✓ In the current energy environment “Oil Majors” like XOM have a unique ability to unlock value to the size and quality of their balance sheets
- ✓ Upside potential for XOM’s stock significantly outweighs downside risk
- ⊕ Unlike other “Oil Majors” XOM is not repurchasing shares but focusing on “dividends and growth projects”
- ⊕ Forecasted upside is only 6.57% which is lower than the other energy companies considered for the AIM portfolio
- ✗ XOM operates in an industry that faces significant regulatory uncertainty, which could have devastating impacts on future cash flows

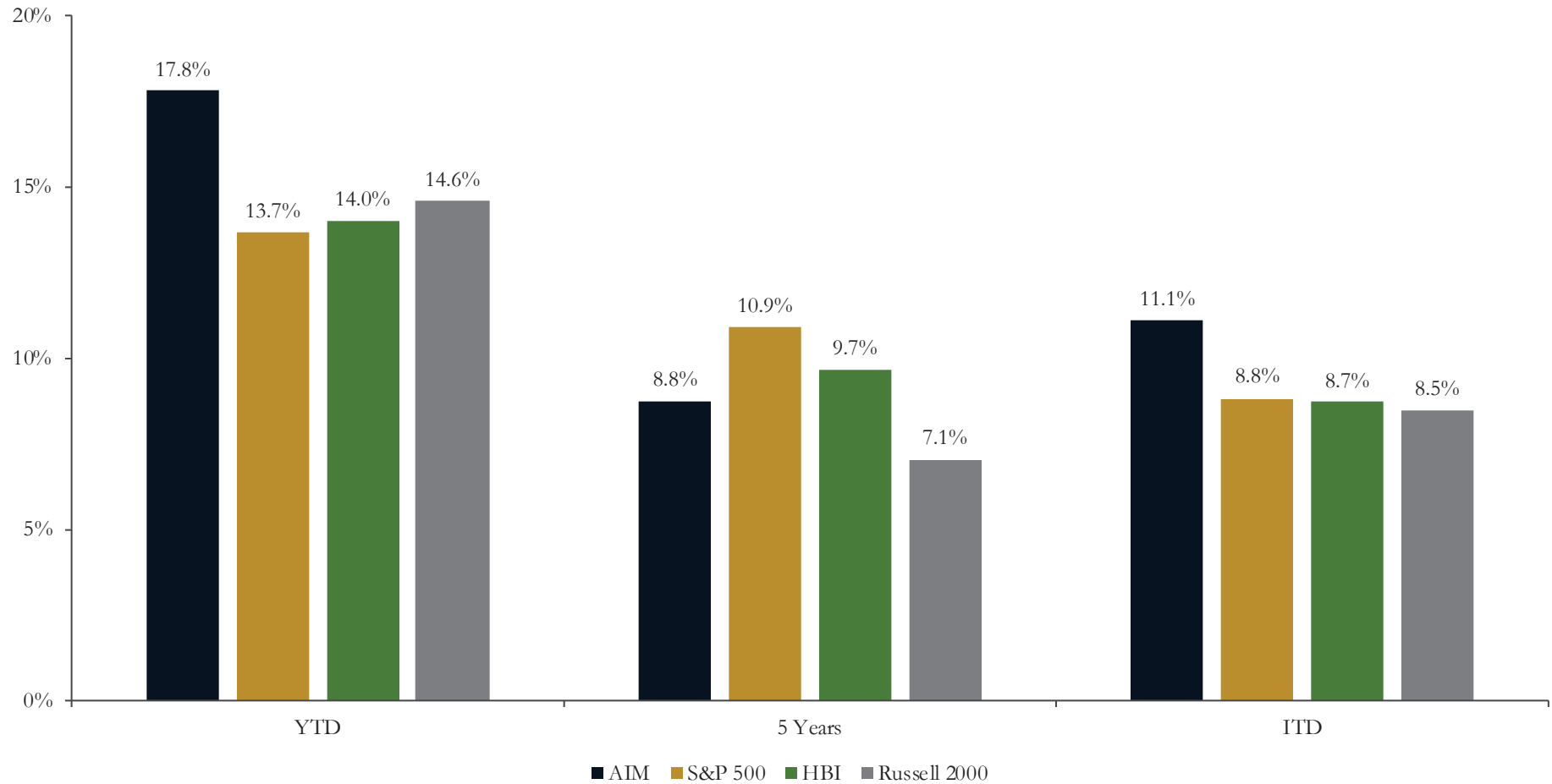


I. COURSE OVERVIEW
II. ECONOMIC OUTLOOK
III. SECURITY ANALYSIS
IV. PORTFOLIO PERFORMANCE
V. AIM XLVIII REVIEW
VI. CONCLUDING REMARKS

- A. Historical Returns vs. Benchmarks
- B. Winners & Losers
- C. Portfolio Returns by Industry
- D. Attribution Analysis
- E. Portfolio Risk & Return
- F. Cash Policy
- G. Market Capture Ratios
- H. Portfolio Additions & Deletions
- I. Finalized Portfolio



Historical Performance Relative to Benchmarks



Portfolio Market Value: **\$14.935 M¹**











Source: BNY Mellon.

Note: Returns through 3/31/2019; Inception date of January 1, 1996; (1) Portfolio Value as of April 15th, 2019, excluding cash



Top Winners & Losers

Strong performance in selected materials investments strongly contributed to portfolio returns. However, trailing consumer discretionary holdings have pulled returns down to only slightly outperform the benchmark.

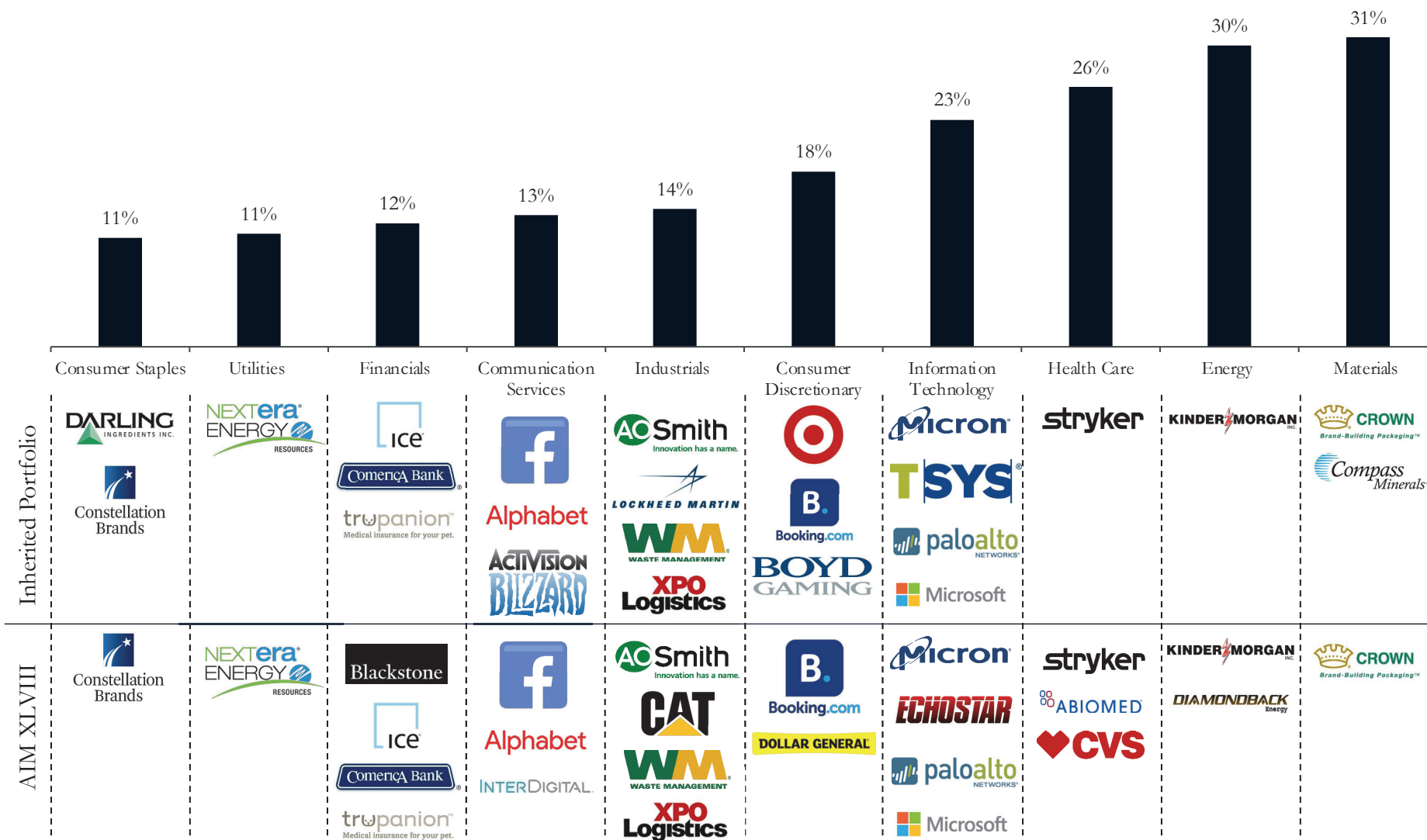
	Portfolio Company	Industry Classification	YTD Performance
WINNERS	 Boyd Gaming (NYSE: BYD)	Consumer Discretionary	39.0%
	 Trupanion (NASDAQ: TRUP) <small>Medical insurance for the life of your pet.</small>	Financials	39.0%
	 Compass Minerals (NYSE: CMP)	Materials	38.8%
	 Crown Holdings (NYSE: CCK) <small>Brand-Building Packaging™</small>	Materials	37.6%
	 Palo Alto Networks (NYSE: PANW)	Technology	35.5%
LOSERS	 Activision Blizzard (NASDAQ: ATVI)	Communication Services	(2.7%)
	 Intercontinental Exchange (NYSE: ICE)	Financials	4.4%
	 Booking Holdings (NASDAQ: BKNG)	Consumer Discretionary	7.2%
	 XPO Logistics (NYSE: XPO)	Industrials	9.4%
	 NextEra Energy (NYSE: NEE)	Utilities	12.6%

Source: Bloomberg.

Note: Data as of April 15th, 2019



YTD Returns by Industry



Source: AIM/Beer 2019 and BNY Mellon.

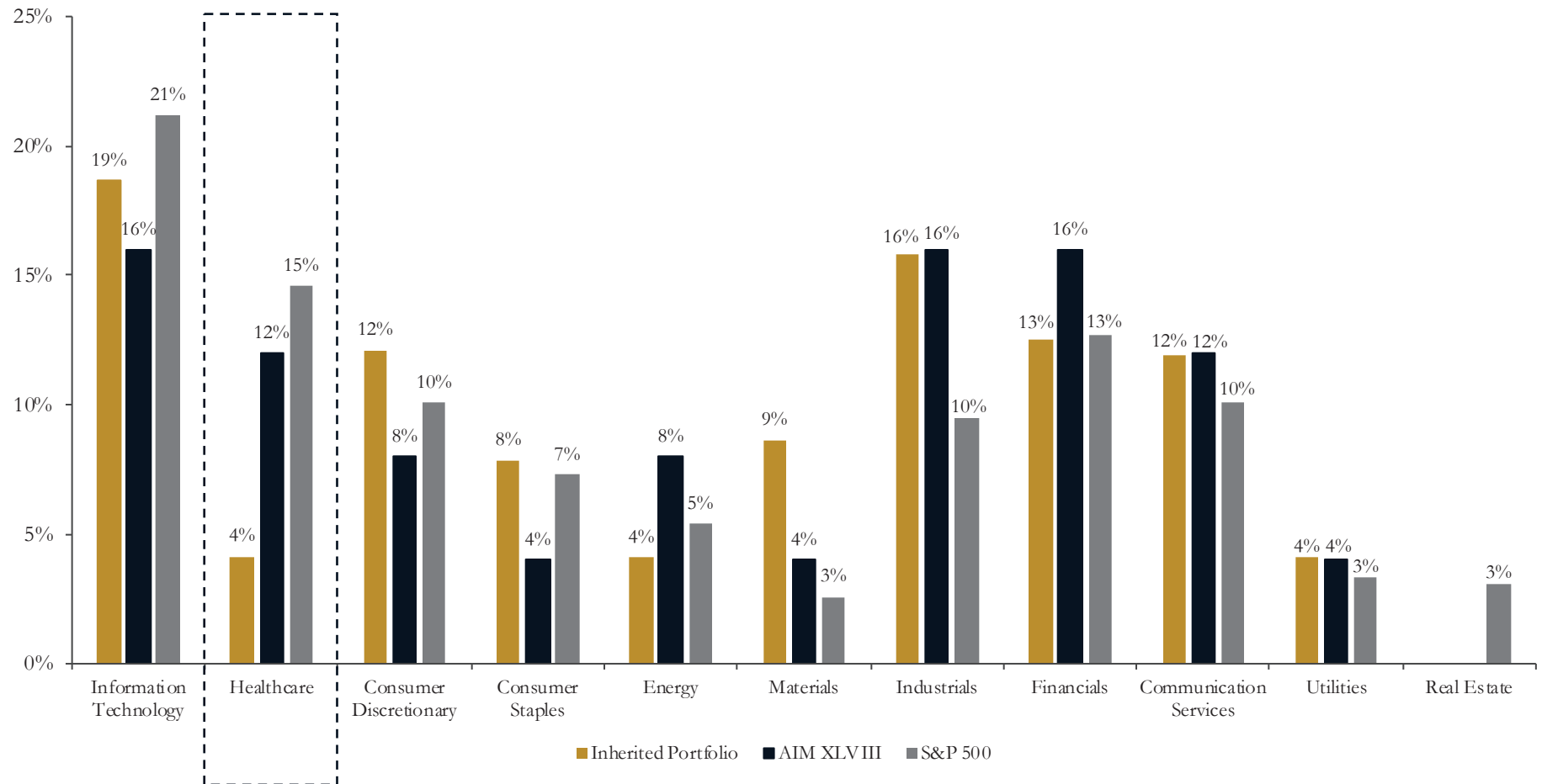
Note: Includes AIM XLVII holding returns for positions maintained in Spring 2019 in addition to Fall 2018 positions; Data as of March 31st, 2019



Industry Allocation

Overweight in industrials and financials sector is attributable to attractive equity investments available within these industries. However, alternative classifications of Trupanion would lower financial sector weighting discrepancy.

AIM XLVIII Sector Allocations vs. S&P 500



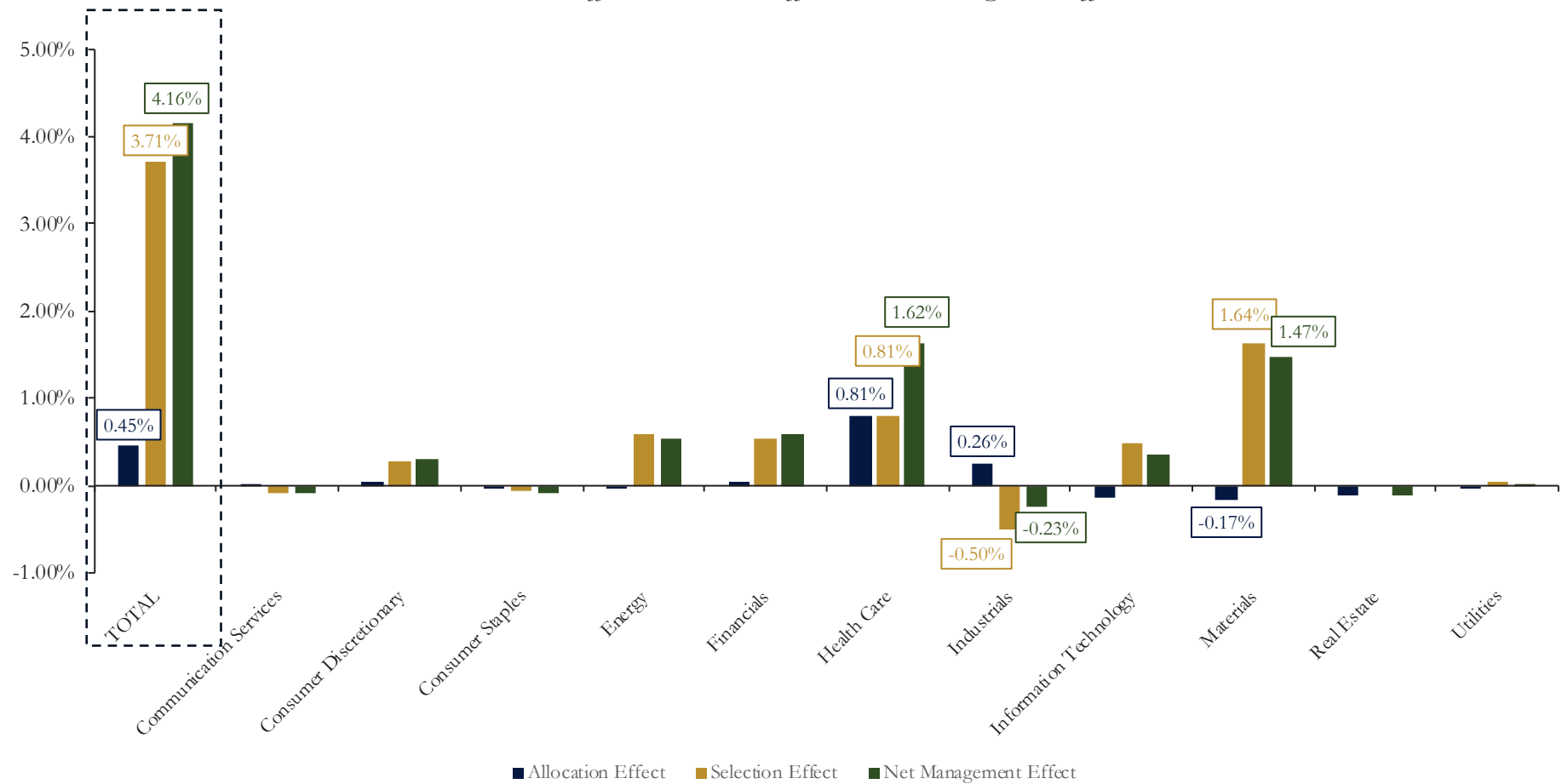
Source: BNY Mellon, S&P Capital.
 Note: Data as of April 15th, 2019



Attribution Analysis: YTD

Positive YTD management effects have been driven by selection effects, with Health Care and Materials leading performance. Industrials and Real Estate have lagged.

$$\text{Allocation Effect} + \text{Selection Effect} = \text{Net Management Effect}$$



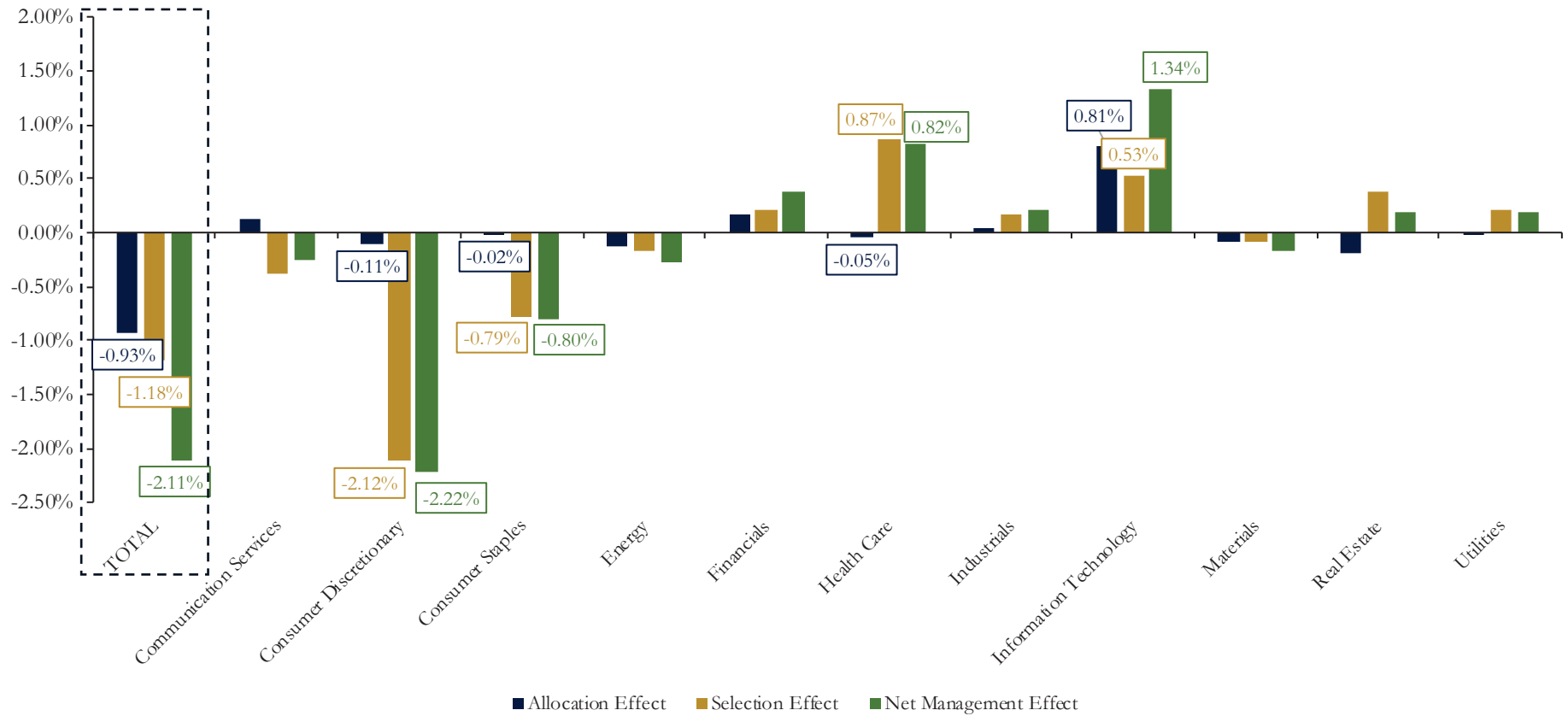
Source: AIM / DeVoe 2019 and BNY Mellon.
 Note: Data as of March 31st, 2019



Attribution Analysis: Five-Year

The prior five-year net management effect has been negative particularly due to selection effects within the Consumer Discretionary and Staples sectors. Information Technology has seen positive net management effects and Healthcare has benefitted from positive selection effects.

$$\text{Allocation Effect} + \text{Selection Effect} = \text{Net Management Effect}$$

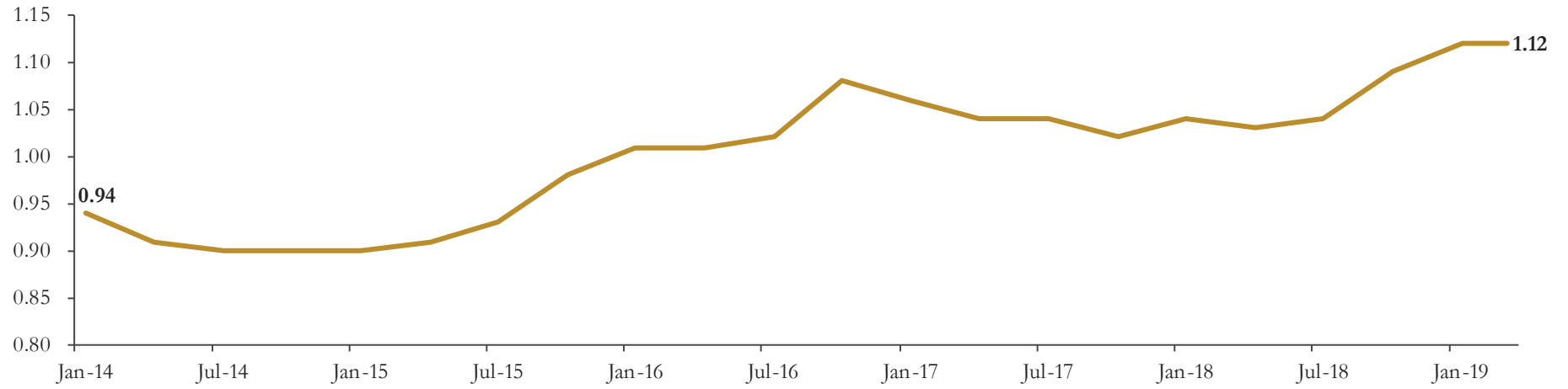


Source: AIM / DeVoe 2019 and BNY Mellon.
 Note: Data as of March 31st, 2019

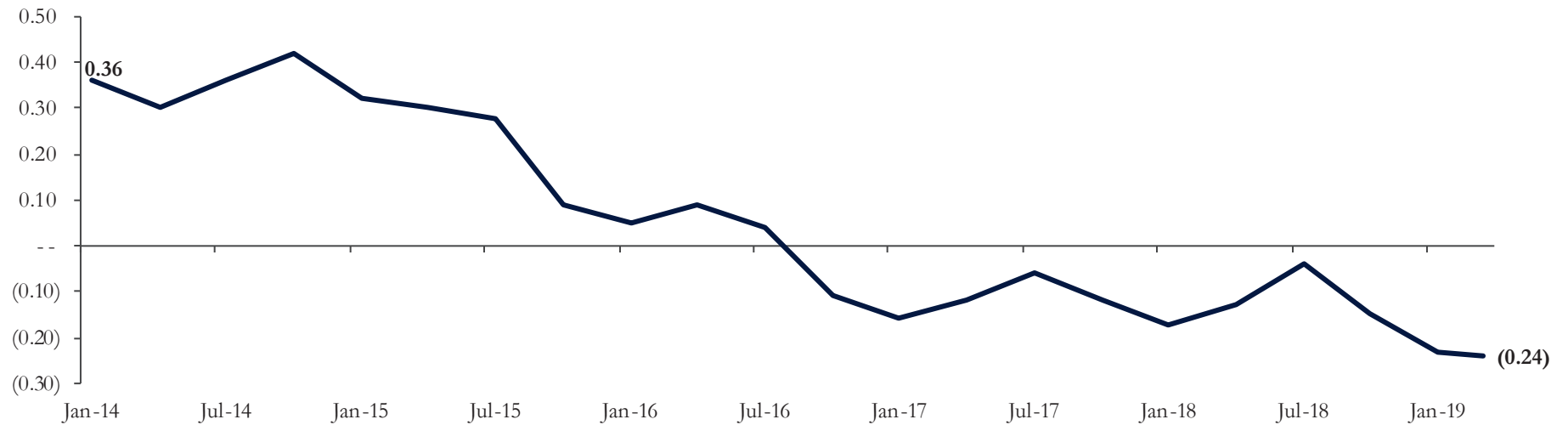


Portfolio Risk & Return

Beta



Alpha

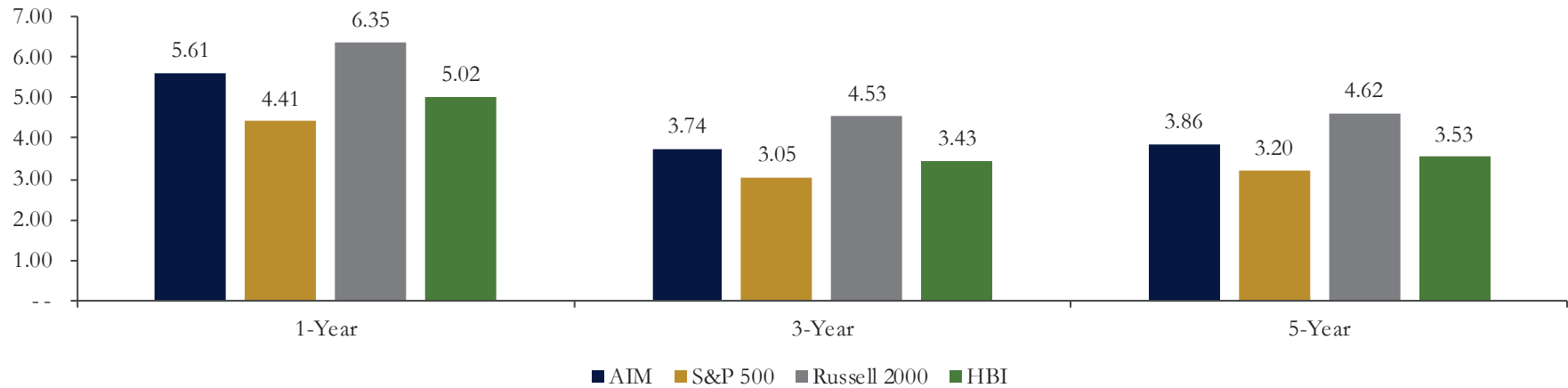


Source: BNY Mellon as of 3/31/19, Using S&P500 as benchmark.

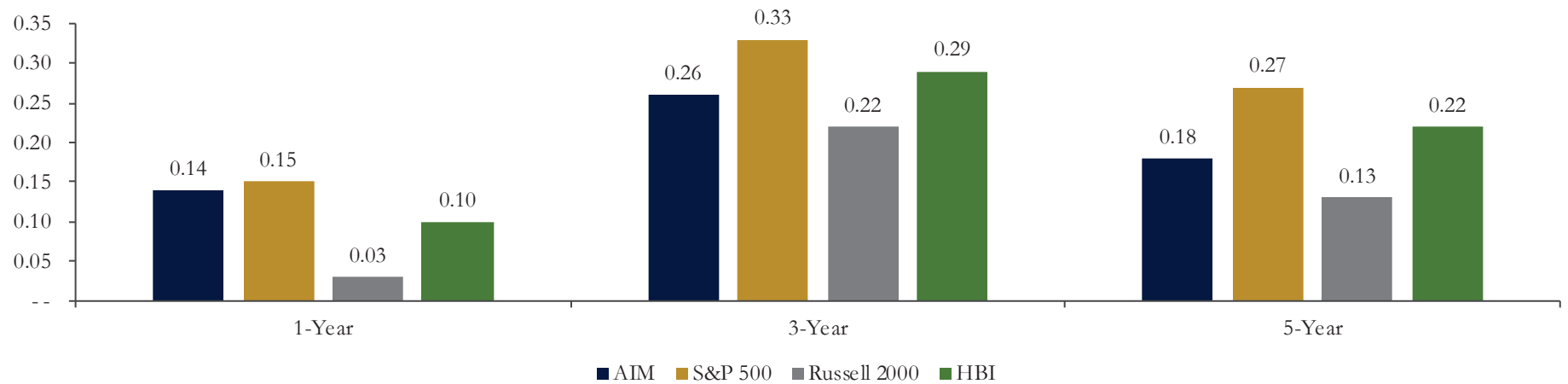


Portfolio Risk & Return (cont'd)

Standard Deviation



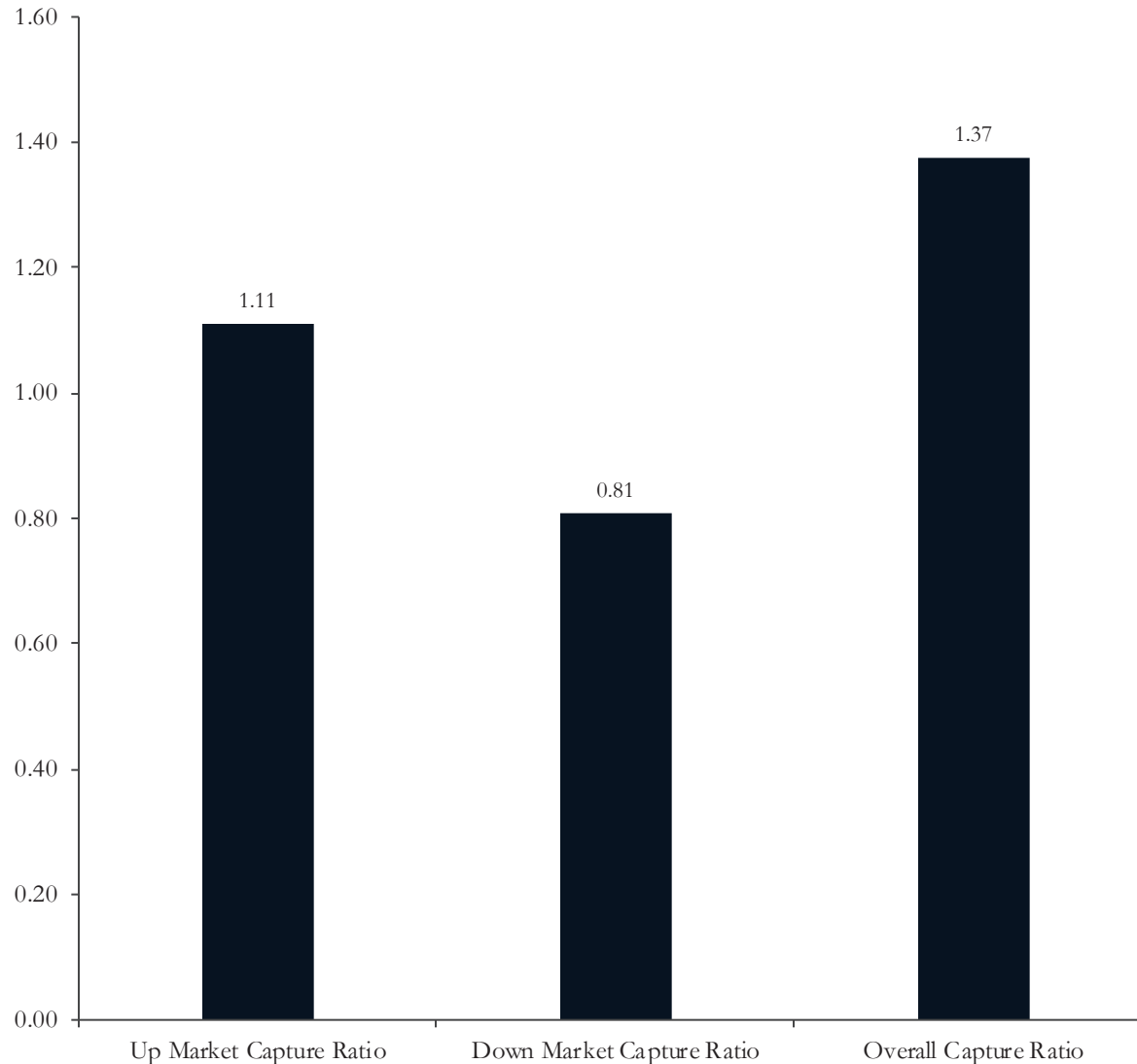
Sharpe Ratio



Source: BNY Mellon as of 3/31/19, Using S&P500 as benchmark.



Market Capture Ratios



Market Capture Ratios

- The ratio of an active managers gain (loss) over market gain (loss)
$$= \frac{\text{Manager's Returns}}{\text{Index Returns}} \times 100$$
- Used to evaluate money managers and their ability to outperform in up or down markets
- AIM market capture ratios imply that the AIM portfolio gains 11% more than the S&P 500 during up markets and only falls 81% as much as the S&P 500 during down markets

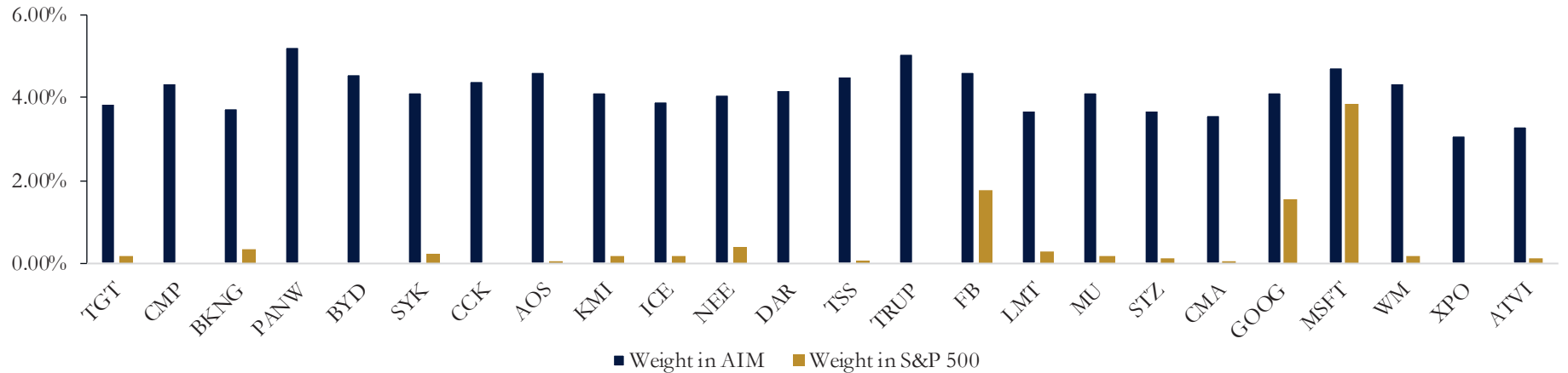
Source: AIM/Beer 2019, BNY Mellon.

Note: Calculated as average ratio using monthly returns since January, 1996

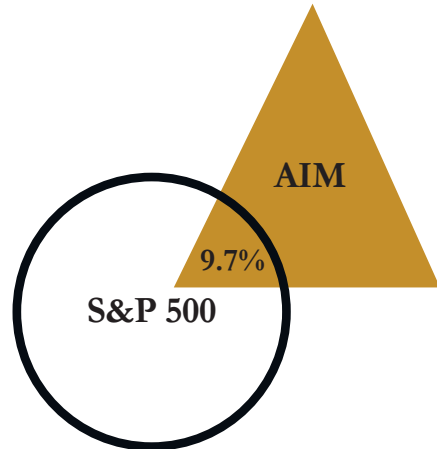


Active Share

AIM Deviation from Benchmark Weights



Active Share: AIM vs. S&P 500



Active Share: 90.28%

High active share represents little overlap with portfolio benchmark

Expected for active managers, as compensation should be earned through differentiated positions from the market

Active Share Data

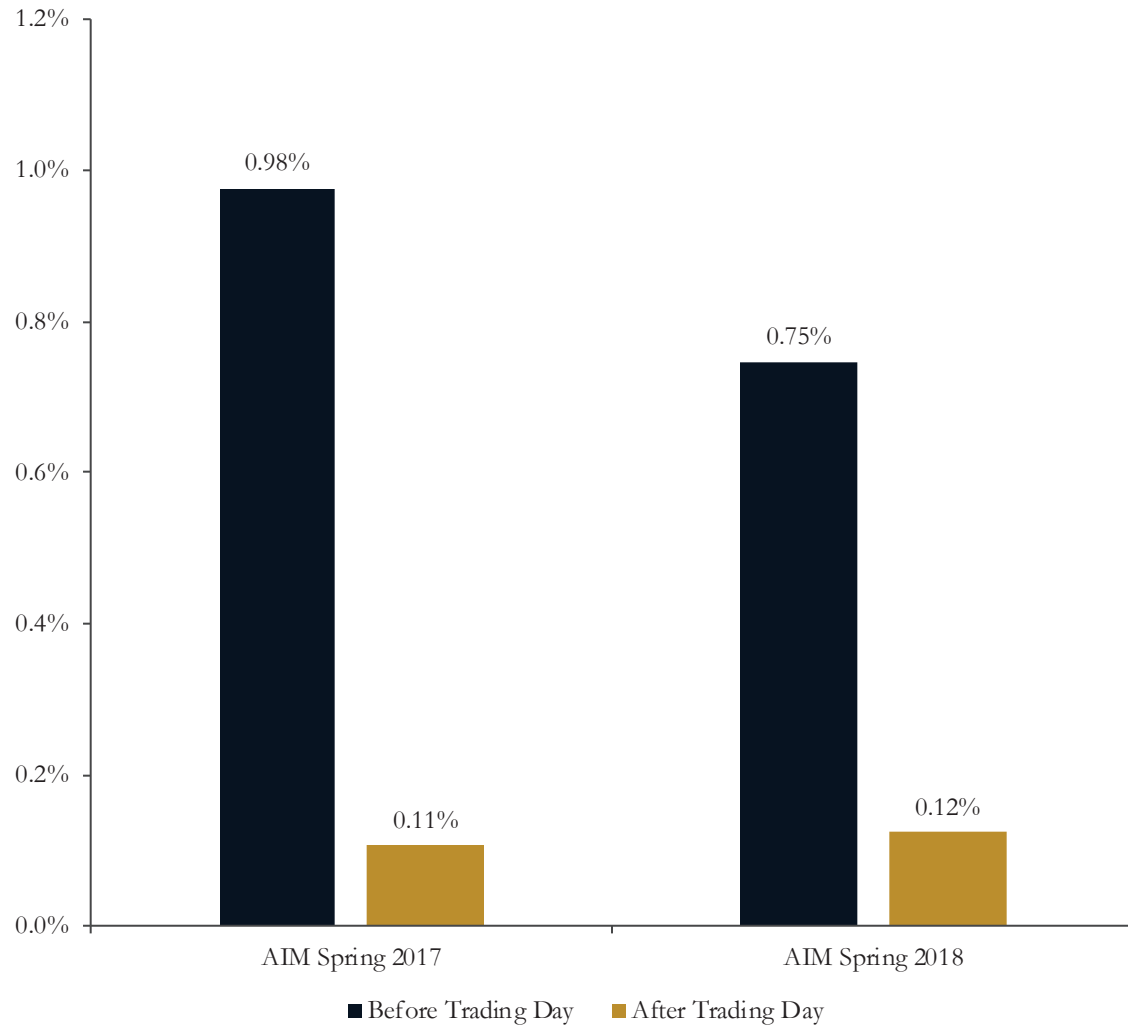
- Total Overlap of AIM portfolio and S&P 500: 9.7%
- Shares with most overlap to benchmark weighting AIM vs. S&P 500
 - Facebook (4.6% vs 1.8%)
 - Google (4.2% vs 1.5%)
 - Microsoft (4.8% vs 3.8%)

Source: BNY Mellon as of 3/31/19; S&P 500 and Russell as of 4/12/19.



Cash Balance & Policy

Percentage of Cash in AIM Portfolio



Evaluation of Cash Policy

- Investments in high dividend yield stocks has caused higher levels of cash to accumulated between AIM classes.
- Proposal: Designate a day at the beginning of each semester where AIM class determines whether to reinvest all cash on hand based on short-term economic outlook.
 - Cash would be invested in S&P ETF or a similar general market security



Final Portfolio Decisions

Inherited Portfolio		AIM XLVIII Selected Stocks			
Company	YTD Performance	Company	YTD Performance		
17 Inherited Stocks Kept in Portfolio	A. O. Smith Corporation	27.88%	Abiomed Inc.	(12.15%)	8 AIM LXVIII Selected Stock Added to Portfolio
	Alphabet Inc.	16.76%	Blackstone Group LP	18.19%	
	Booking Holdings Inc.	7.23%	Caterpillar Inc.	10.97%	
	Crown Holdings Inc.	37.59%	CVS Health Corp.	(17.32%)	
	Comerica Inc.	13.21%	Dollar General Corp.	14.98%	
	Facebook Inc.	32.41%	Diamondback Energy Inc.	11.28%	
	Intercontinental Exchange Inc.	4.39%	EchoStar Corp.	6.53%	
	Kinder Morgan Inc.	25.25%	InterDigital Wireless Inc.	2.77%	
	Microsoft Corp.	19.71%	Cooper-Standard Holdings Inc.	(13.18%)	8 Other Stocks Evaluated by AIM LXVIII
	Micron Technology Inc.	27.69%	East West Bancorp Inc.	14.99%	
	Nextera Energy Inc.	12.56%	Acushnet Holdings Corp.	10.97%	
	Palo Alto Networks Inc.	35.48%	HCA Healthcare Inc.	4.38%	
	Constellation Brands Inc.	16.39%	Intuitive Surgical Inc.	23.77%	
	Stryker Corp.	25.19%	Proto Labs Inc.	1.27%	
	Trupanion Inc.	39.01%	Restaurant Brands International Inc.	29.23%	
	Waste Management Inc.	17.52%	Exxon Mobil Corp.	15.73%	
	XPO Logistics Inc.	9.40%			
7 Stocks Sold from Inherited Portfolio	Activision Blizzard Inc.	(2.72%)			
	Boyd Gaming Corp.	39.02%			
	Compass Minerals International Inc.	38.75%			
	Darling Ingredients Inc.	15.30%			
	Lockheed Martin Corp.	16.61%			
Target Corp.	23.39%				
Total System Services Inc.	23.32%				

Source: AIM/Beer 2019

Note: Data as of April 15th, 2019

An aerial photograph of the University of Notre Dame campus at dusk. The main dome of the Basilica of the Sacred Heart is illuminated, and the surrounding buildings and trees are silhouetted against the dark sky. The text of the table of contents is overlaid on the left side of the image.

- I. COURSE OVERVIEW
- II. ECONOMIC OUTLOOK
- III. SECURITY ANALYSIS
- IV. PORTFOLIO PERFORMANCE
- V. AIM XLVIII REVIEW
- VI. CONCLUDING REMARKS

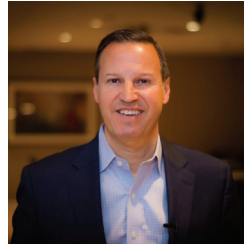
- A. Chicago Trip
- B. Networking
- C. Acknowledgements



Chicago Trip

Magnetar Capital

- Jeff Hojnacki
- Multi-Strategy Hedge Fund
 - Systematic Investing
 - Energy and Infrastructure
 - Alternative Credit and Fixed Income



Harris Associates

- Alex Fitch
- Long-only Equity Fund



Gate City Capital

- Mike Melby
- Long-only Micro-Cap Equity Fund
 - Pico Holdings



CFI Partners

- Brad Couri
- Credit Investors – Leveraged Loans and Senior Secured Bonds (CLOs)





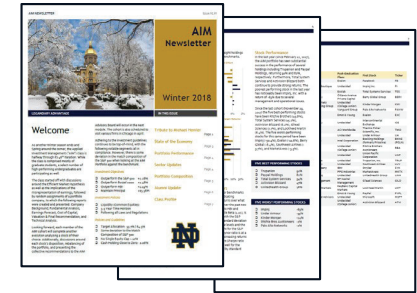
Networking

Speakers

- **Scott Malpass** – Vice President & CIO
- **Tom Digenan** – UBS Asset Management
- **Kristen Collett-Schmitt** – Economics Professor

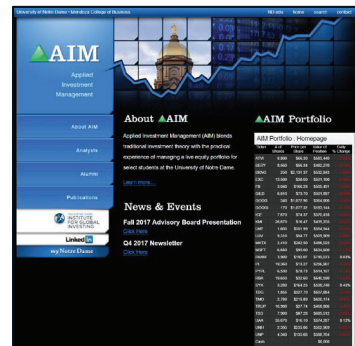
Newsletter

- Course Description and History
- Current Portfolio
- Current Analysts & Coverage
- Board Presentations
- Alumni Newsletters



AIM Website

- Economic Report
- Portfolio Performance
- Portfolio Composition
- Analyst Profiles
- Alumni Updates



AIM Alumni LinkedIn

- Network with over 650 AIM alumni
- Link to join is on the AIM website: aim.nd.edu





Acknowledgements

Thank you for all of your guidance and support

AIM Advisory Board

Bill McDonald

Scott Malpass

Jon Carr

Notre Dame Investment Office

Shane Corwin

Kristen Collett-Schmitt

James Quinn

Shelley Huff

Marlene Wasikowski

Frank Reilly

Joseph Schuppig

