



AIM Quarterly

AIM XXVIII

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WELCOME TO AIM XXVIII

AIM XVIII began this semester with coverage of 28 stocks, after taking over the existing 26 stocks plus two new potential stocks, Southwest and Norfolk Southern. We have just gone through our first round of stocks, presenting our valuations and technical analysis to the portfolio managers and Professors Langley, McDonald and Reilly. We are now preparing for our second round of stock valuations hoping to find some sound fundamentals in this challenging recessionary environment. We've got plenty more on tap for the remainder of the semester including a trip to Chicago and the Advisory Board presentation.

PROFILE OF AIM XXVIII

Analyst	Hometown	E-Mail	Company	Ticker
Abbott, Christopher	Honolulu, HI	cabbott@nd.edu	United Health	UNH
Adair, Justin	Seattle, WA	jadair@nd.edu	Dentsply Intl.	XRAY
Amstutz, Pete	Geneva, Switzerland	pamstutz@nd.edu	Norfolk Southern	NSC
Andersen, Michael	Northville, MI	mander20@nd.edu	Southwest	LUV
Barker, Brad	Romeo, MI	bbarker2@nd.edu	Progress Energy	PGN
Bligh, Carrick	Albany, NY	cbligh@nd.edu	Ormat Tech.	ORA
Breitfelder, Corey	Dubuque, IA	cbreitfe@nd.edu	Apple	AAPL
Cannon, Doug	Tracy, CA	dcannon1@nd.edu	AT&T	T
Cantwell, Matthew	Philadelphia, PA	mcantwel@nd.edu	Barrick Gold	ABX
Doi, Takashi	Kobe, Japan	tdoi1@nd.edu	Goldman Sachs	GS
Filipov, Ilija	Štip, Macedonia	ifilipov@nd.edu	Exxon Mobil	XOM
Fusco, Joseph	Livingston, NJ	jfusco@nd.edu	Yum! Brands	YUM

Gori, Nathaniel	Boxford, MA	ngori@nd.edu	Tupperware	TUP
Hill, Andrew	Philadelphia, PA	ahill8@nd.edu	Graco	GGG
Lazzeri, Ryan	Ardmore, PA	rlazzeri@nd.edu	McGraw Hill	MHP
Liao, William	Taipei, Taiwan	pliao@nd.edu	Walgreen	WAG
Lunt, Michael	Salt Lake City, UT	mlunt@nd.edu	EMC Corp.	EMC
Nelson, Kyle	Atlanta, GA	knelson4@nd.edu	Republic Services	RSG
Recendez, Joe	Chicago, IL	jrecend1@nd.edu	Cabelas	CAB
Rodgers, Jeffrey	Phoenix, MD	jrodger2@nd.edu	Caterpillar	CAT
Smitham, Geoff	Tempe, AZ	gsmitha1@nd.edu	Bflo. Wild Wings	BWLD
Snover, Marc	Edina, MN	msnover@nd.edu	BJ Services	BJS
Srinivasan, Steve	Chennai, India	ssriniva@nd.edu	Zimmer Hldgs	ZMH
Tracey, Ryan	Cumberland, RI	rtracey@nd.edu	EcoLab	ECL
Travnicek, Peter	Columbus, OH	ptravnic@nd.edu	Zhongpin	HOGS
Yergensen, Drew	Salt Lake City, UT	dyergens@nd.edu	Pharm. Product Dev	PPDI
Ziener, Christopher	Chevy Chase, MD	dziener@nd.edu	Coca-Cola	KO

ALUMNI UPDATES

Hunter Johnson (AIM XXVI): Hunter Johnson joined AT&T last summer as a Lead Financial Analyst in the Financial Leadership Program at AT&T. Hunter works in AT&T's San Antonio office in Capital Management doing business case analysis. His team analyses all of the new capital spending proposed by the various business units and evaluates the projects by their return on investment. This includes new product development, network expansion, custom development for managed services, and systems retooling. Recently, he updated and retooled the financial model used across AT&T on which all project analysis is based.

Chad Mikolajcik (AIM X) In the time since graduation, Chad has worked as an analyst for a multi-billion-dollar hedge fund and designed and launched a web-application. He's very thankful for his AIM experience, the doors it's opened for him, and the stories he can tell because of what it's helped him achieve. Chad currently lives in Chicago where he designs, tests, and implements high-frequency trading strategies for fixed income derivatives.

John Fishburne (AIM XI) After graduating in 2001, John was commissioned as an Ensign in the U.S. Navy. He served as a Surface Warfare Officer on the USS Benfold, stationed in San Diego, and participated in a deployment to the Persian Gulf in the summer of 2001. Upon discharge from the Navy in 2003, he moved

to Chicago and began trading fixed income and energy futures for Marquette Partners, LP. In 2006, John moved to the firm's Automated Trading Group where he now develops and manages a portfolio of trading strategies. He is currently working towards his MBA in analytic finance and statistics and econometrics in the Evening Program the University of Chicago Booth School of Business. He married Kate Cunniff (ND Class of 2001) in 2003 and the couple is expecting their first child in March of 2009.

UPCOMING CHICAGO TRIP



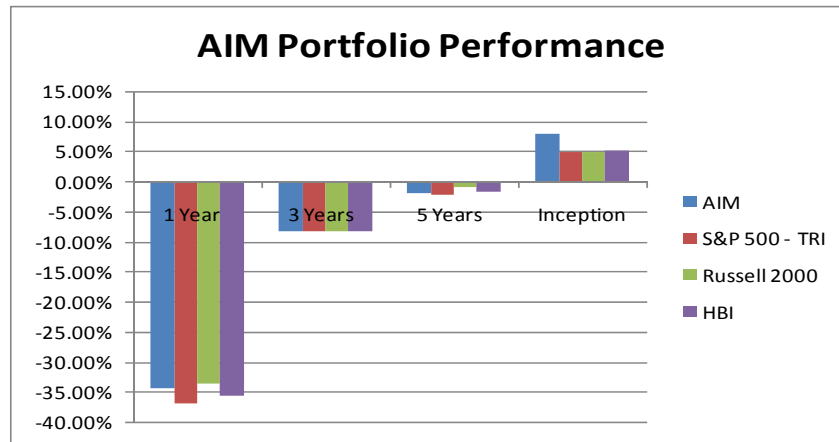
On April 16th and 17th AIM XXVIII will be in Chicago to meet with various alumni and other financial professionals at a variety of firms. We are currently scheduled to spend the morning of the 17th meeting with Joe Elegante of Alliance Capital and then Jerry Castellini of Castleark. We will then have lunch with Matt Hooker of Citadel. The day will be capped off with a real estate presentation by Transwestern. We are all looking forward to gaining some unique insights into not only the different parts of the industry but also into the current state of the economy. If you are in Chicago, AIM XXVIII is looking forward to meeting and networking with you on Thursday night at Maggiano's.

PRESENTATIONS & VISITS

AIM XXVIII had the pleasure of hosting Scott Adams (AIM XXVI) of UBS on January 16, 2009. Scott works in Fixed Income High Yield Sales at UBS and spent the past year as a desk research analyst in the airline sector. Scott recounted his experiences as an analyst and shared insights he gained from the AIM class. In addition, he shared his current opinions, insights, and views on the market conditions. We thank Scott for his insights in the field of research and his market observations from his unique perspective on Wall Street.

AIM Portfolio Performance (as of 12/31/2008)

The AIM portfolio has performed relatively in line with benchmark indices over a 1, 3, & 5 year timeframe. In 2008, the portfolio returned (34.40)%, a modest outperformance over the HBI (Hank Blended Index) return of (35.81)%. On a more positive note, the portfolio performance since inception (January, 1996) of 7.86% has outperformed the S&P 500, Russell 2000, and HBI which returned 4.78%, 4.94%, and 5.03% respectively.



Top 5 & Bottom 5 Individual Performers – twelve months ended 1/31/09

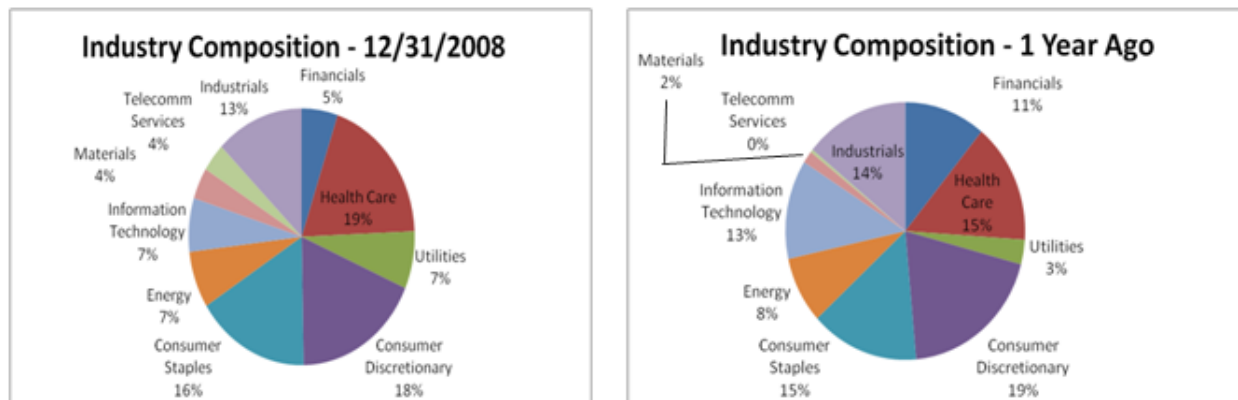
Top Five Individual Performers	
Stock	12 month return/ HPR
Thoratec Corp.	15.88%
Yum! Brands, Inc.	6.94%
Apple, Inc.	3.85%
Ormat Technologies, Inc.	2.96%
Graco, Inc.	0.00%

Bottom Five Individual Performers	
Stock	12 month return/ HPR
Cabelas, Inc.	-57.92%
Zimmer Holdings, Inc.	-51.84%
The McGraw-Hill Companies, Inc.	-43.95%
Pharmaceutical Product Devel., Inc.	-41.93%
United Health Group, Inc.	-39.77%

Market Value & Industry Composition

As of January 31, 2009, the market capitalization of the AIM portfolio sat at \$3,248,303 with cash on hand of \$13,015. Of this amount, 27% was invested in small-cap equities (less than \$1B), 11% in mid-cap equities (\$1-5B), and 62% in large-cap equities (greater than \$5B). Three months prior to this the portfolio's market capitalization breakdown was as follows: 28% small-cap, 17% mid-cap, and 55% large-cap. The change in market capitalization can be attributed to both the changes in portfolio investment as well as each respective stock's performance over the last three months.

With regards to industry composition the following charts do a good job of showing the relevant changes that have taken place over the last year:



ECONOMIC OUTLOOK

Since the 4th quarter of 2008, we have seen the rapid decrease in the inflation rate worldwide due to falling oil and commodities prices and aggregate demand worldwide. In some economies, such as the United States, we have even seen the increased risk of deflation. The US inflation rate fell to 0.2 % in January, 2009, and in the euro area, inflation rates have dropped to their lowest points since 1999. In China, inflation decreased sharply from 8.6 percent in April to just 1.0 percent in January, 2009.

In the U.S., the Fed has lowered the short-term lending rate to effectively zero, and to further address the yield curve, has hinted at its intent to purchase select long-term securities to maintain low rates. This has partially offset the credit crunch, still very much in effect with AAA spreads to 30-year Treasuries of 230 bps and single-A spreads over 400 bps. For perspective, non-investment grade credit spreads have doubled since August of 2008.

GDP was down 4.5% YOY in 4Q08, and is projected to fall another 1.7% through 2009. Of note, durables consumption is projected down 9% and residential investment down 10% for 2009. Worldwide, Chinese real GDP growth, at 13% in 2007, fell to 9% in 2008 and is projected at just 6% in 2009; Morgan Stanley projects Indian GDP growth slowing from over 8% to just 4.3% in FY09. European GDP is projected to contract 2% in FY09. Unemployment in the U.S. is predicted to climb from 7% to over 9% in the U.S. over 2009.

The housing markets have remained bearish since last quarter. The home prices keep falling but have yet to bottom. Housing permits and starts plummeted 11.1 percent and 14.5 percent in December, respectively, having dropped 50.8 percent and 44 percent over 2008. In January 2009, permits fell to only 466,000 units, a new post-World War II low, but are still higher than most recent new-home sales. Both permits and starts are now nearing 80 percent declines from their peaks of three years ago.

For the AIM portfolio, these numbers highlight that even global diversification will not help most stocks escape the effects of a recessionary environment. Consumer discretionary stocks, and those exposed to the real estate and durable goods market are especially exposed, as are those companies with significant debt refinancing required in the near term. The portfolio outlook is mixed, as the current underweight in financials and lack of exposure to housing and auto manufacturing is offset by the overweight in consumer discretionary.

CURRENT AIM PORTFOLIO as of 1/31/09

<i><u>Company Name</u></i>	<i><u>Ticker Symbol</u></i>	<i><u># of Shares</u></i>	<i><u>Cost</u></i>	<i><u>Price</u></i>	<i><u>Market Value</u></i>	<i><u>Unrealized Gain/Loss</u></i>	<i><u>Analyst</u></i>
AT&T, Inc.	T	4,000	\$110,076	\$24.62	\$98,480	(\$11,596)	Doug Cannon
Apple, Inc.	AAPL	1,300	\$118,751	\$90.13	\$117,169	(\$1,582)	Corey Breitfelder
BJ Services Co.	BJS	11,000	\$188,955	\$11.00	\$121,000	(\$67,955)	Marc Snover
Barrick Gold Corp.	ABX	4,600	\$143,136	\$37.49	\$172,454	\$29,318	Matt Cantwell
Buffalo Wild Wings, Inc.	BWLD	5,000	\$105,448	\$22.46	\$112,300	\$6,853	Geoff Smitham
Cabelas, Inc.	CAB	17,000	\$249,716	\$5.61	\$95,370	(\$154,346)	Joe Recendez
Caterpillar, Inc.	CAT	2,500	\$113,105	\$30.85	\$77,125	(\$35,980)	Jeff Rodgers
Coca Cola Co.	KO	2,300	\$104,498	\$42.72	\$98,256	(\$6,242)	Chris Ziener
Dentsply Int'l, Inc.	XRAY	4,900	\$164,994	\$26.91	\$131,859	(\$33,135)	Justin Adair
EMC Corp.	EMC	9,000	\$140,469	\$11.04	\$99,360	(\$41,109)	Michael Lunt
Ecolab, Inc.	ECL	3,300	\$115,614	\$33.96	\$112,068	(\$3,546)	Ryan Tracey
Exxon Mobile Corp.	XOM	1,200	\$45,474	\$76.48	\$91,776	\$46,302	Ilija Filipov
Goldman Sachs Group, Inc.	GS	2,100	\$254,939	\$80.73	\$169,533	(\$85,406)	Takashi Doi
Graco, Inc.	GGG	7,000	\$143,780	\$21.27	\$148,890	\$5,110	Drew Hill
McGraw Hill Cos., Inc.	MHP	5,200	\$247,727	\$21.99	\$114,348	(\$133,379)	Ryan Lazzeri
Ormat Technologies, Inc.	ORA	3,600	\$100,624	\$30.99	\$111,564	\$10,940	Carrick Bligh
Pharmaceutical Product Development, Inc.	PPDI	4,800	\$162,247	\$23.89	\$114,672	(\$47,575)	Drew Yergensen
Progress Energy, Inc.	PGN	3,100	\$129,715	\$38.72	\$120,032	(\$9,683)	Brad Barker
Republic Services, Inc.	RSG	6,300	\$185,175	\$25.86	\$162,918	(\$22,257)	Kyle Nelson
Thoratec Corp.	THOR	4,500	\$100,310	\$28.97	\$130,365	\$30,055	
Tupperware Brands Corp.	TUP	5,300	\$108,074	\$20.56	\$108,968	\$894	Nate Gori
United Health Group, Inc.	UNH	6,000	\$199,443	\$28.33	\$169,980	(\$29,463)	Chris Abbott

Walgreen Co.	WAG	5,200	\$183,093	\$27.41	\$142,532	(\$40,561)	William Liao
Yum Brands, Inc,	YUM	4,700	\$122,950	\$28.62	\$134,514	\$11,564	Joe Fusco
Zhongpin, Inc.	HOGS	17,000	\$170,157	\$10.37	\$176,290	\$6,133	Pete Travnicek
Zimmer Holdings, Inc.	ZMH	3,200	\$161,815	\$36.40	\$116,480	(\$45,335)	Steve Srinivasan
						\$0	
Total Equity Investments			\$3,870,284		\$3,248,303	(\$621,981)	
Cash Holdings			\$13,015	\$0.00	\$13,015	\$0	
Total Investment			\$3,883,298		\$3,261,318	(\$621,981)	