



ADVISORY BOARD PRESENTATION DISCUSSION MATERIALS

AIM LII | May 10, 2021



AIM Advisory Board and Notre Dame Attendees

Scott Malpass*

Shane Corwin*

Kevin Casey

Kenneth Meyer

Thomas Schreier, Jr.

Erin Bellissimo*

Frank Reilly*

Stephen Dufour

Frank Potenziani

William Smith

Paul Buser*

Michael Carroll

Brian Hogan

Michael Purcell

Chris Zepf

Jon Carr*

Charles Cascarilla

Jenni Lanktree

John Rudolf

** Denotes Notre Dame Attendee*





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



AIM LII Analysts



Daniel Bannon
Costco, Pool Corp.



Anne Elizabeth Barr
Zillow, Ulta



Tim Bautz
Live Nation Entertainment, DraftKings



Jonathan Botek
Walmart, Westrock



Luke Brizzolara
Crown Castle, Cirrus Logic



Julia Caccavo
Match Group, Sonos



Mollie Carr
LCI Industries, Spotify



Jacqueline Fletcher
Veeva Systems, Quanta Services



Kyle Grba
AerCap Holdings, The Hershey Company



Colin Gutzmer
Intercontinental Exchange, PetIQ



Mark Haak
Oportun Financial, Lululemon



Ryan Hickey
Qualys, Alamos



Patrick Hogan
Microsoft, Take Two Interactive



Sarah Hohenberger
Alphabet, General Motors



Patrick Iannelli
Intuit, MGM



David Jarret
Installed Building Products, Boston Scientific



David Keller
WW International, ZIM



Patrick Lanser
Enterprise Products Partners, FuelCell



Connor Leonard
Facebook, Planet Fitness



Matt Muliadi
Crown Holdings, Guardant Health



Paul Murphey
Union Pacific, Hamilton Lane



Conor Neal
Mastercard, Essex Property Trust



Matt Talley
The Walt Disney Company, Enbridge



Prasheel Vartak
Alteryx, XPO Logistics



Daniel Windoff
Waste Management, Roper Technologies



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Malibu Boats, Dollar Tree



The AIM Experience

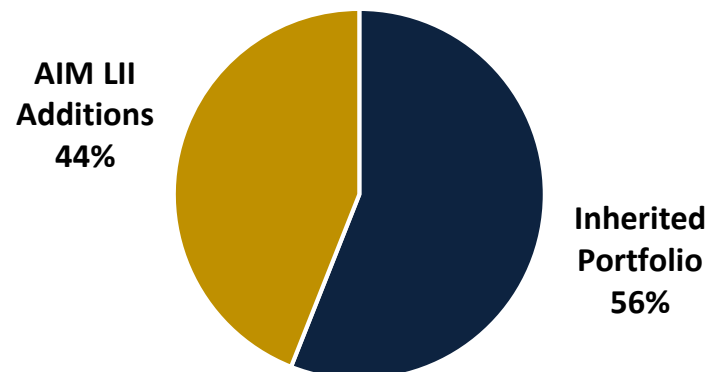
Course Objectives

- Blend traditional academic objectives with practical experience of hands-on investment management
- Emphasis on rigorous individual security evaluation and selection
- Collaborate with some of the best and brightest of Notre Dame
 - When not presenting reports, most of the class centers around class-led discussions concerning the portfolio or opportunity set

Individual Responsibilities

- In-depth research and coverage of two stocks and effective communication of findings to peers
 - Students analyze strategic/competitive positioning, conduct fundamental analysis, forecast earnings, and produce valuations
- Staying informed on the portfolio, opportunity set, and broader markets
 - Students work in groups to conduct economic research, analyze portfolio performance, source ideas, and produce a newsletter

AIM LII Portfolio Composition



A Deeper Dive

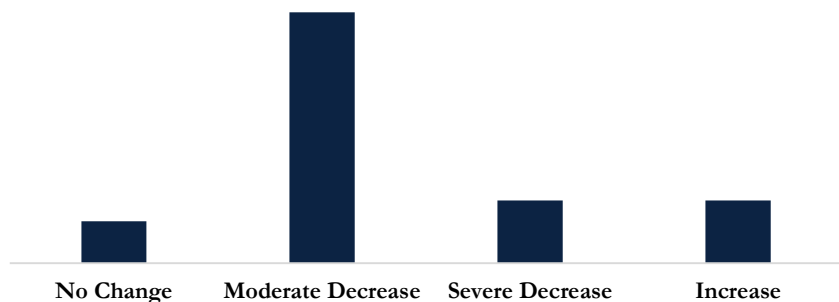
- Along with the rest of the world, the AIM class was impacted by COVID
 - New York class trip was canceled, and the Business Information Center remained shut down throughout the semester
- Our class conquered many challenges throughout the semester, and we looked “behind the scenes” to provide a clearer picture of our day-to-day



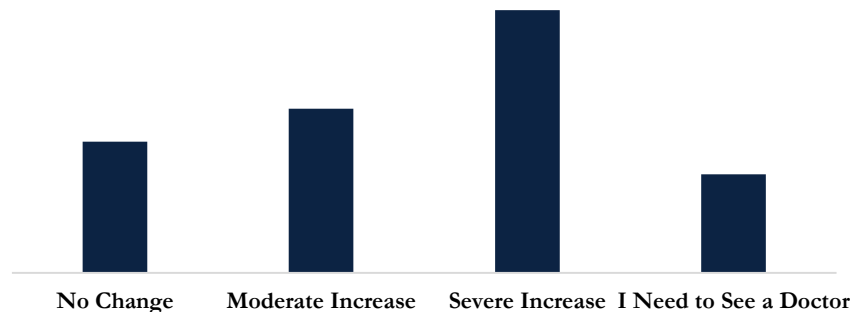
A Day in the Life of an AIM Analyst

Analysts Had Fewer Friends and More Coffee...

How Did Your Social Interactions Compare to Pre-AIM?



How Did Your Caffeinated Beverage Intake Compare to Pre-AIM?



Students Burned the Midnight Oil...



33 Hours

Average Hours Worked
In Week Leading Up to
Report



25 Hours

Average Hours Worked
In a Normal Week In
AIM



A Day in the Life of an AIM Analyst



**Most Likely to be the
CIO Who Cuts
Someone Off**

Matt Talley



**Most Likely to be Cut
Off by the CIO**

David Keller



**Class
Comedian**

Dan Bannon



**Most Confusing
Companies Covered**

Ryan Hickey



**Most Likely to Be
Found in L014**

Jackie Fletcher



A Few of Our Memories...

The camaraderie and friendship formed between classmates.

Discussing whether the term "pent-up" demand was or wasn't applicable for a stock's investment thesis.

Certainly, the relationships I've been able to build. Specific examples would be getting dinner with Dan Windoff and getting parental and marriage advice.

Listening to amazing guest speakers.

I really enjoyed the out of class and in-class discussions and deliberations about the companies with peers.

When my balance sheet was off by a billion dollars, and it took me hours to figure out why.

When David Jarret explained how he got Boston Scientific's CEO on the phone through a friend of a friend's girlfriend and sheer persistence.

When the class discussed the ethical considerations of Take Two and the entertainment opportunity set for an hour.

Talking with other analysts when doing work late and learning more about them/their companies and building friendships.

Late-night or early morning Starbucks runs with fellow analysts!

Listening to Mr. Malpass speak about his experiences in the Notre Dame Investment Office.

Conducting primary research.

Someone saying that GTA in Take Two was significantly improved by everything that makes the game ethically questionable.

Late nights in L014 working on the reports with other people- thank God for that room as a quasi-BIC this semester!

When the final decision days got spicy.

The debate over Costco.

Chick-Fil-A

Drinks at O'Rourke's



Featured Speakers and Takeaways

Elizabeth R. Barney

***Founder and Portfolio Manager
ERB Value Partners***

Elizabeth founded ERB Value Partners in 2019 following a successful career at Berkshire Hathaway, Eagle Capital & JPMorgan

- Truly immerse yourself in the industry of your investment “as if your own family were going into the business”
- Allow both success and failure to shape your investment philosophy
- Every analysis is valuable—even the equities you don’t buy

Chad Cascarilla

***Co-Founder and Chief Executive Officer
Paxos***

After a successful career on Wall Street, Chad founded digital asset firm Paxos with a mission to create a global, frictionless economy

- Take advantage of every opportunity and your network; you never know when those skills will manifest down the road
- Understanding a business as an operator—and from other lenses—will make you a better investor
- Be bold and stay intellectually curious

Scott Malpass

***Former Chief Investment Officer
University of Notre Dame***

Serving as the incredible steward of the University’s endowment for 32 years, Scott grew the fund from \$425mm in 1989 to \$12.5bn in 2019. He was one of America’s 12 leading endowment CIO’s

- Utilize the strong Notre Dame network
- Invest with a purpose
- Assemble and develop a strong team around you
- Read deeply and widely, and always be ready to learn

Michael Melby

***Founder and Portfolio Manager
Gate City Capital***

Michael manages a concentrated portfolio of deep-value U.S. microcap companies with a 12–24-month time horizon

- Develop strong working relationships and regularly interact with management teams, if possible
- Identifying and capping any downside risk is critical
- Be able to effectively explain and communicate your thesis
- Find a niche or edge in investing and focus your efforts there

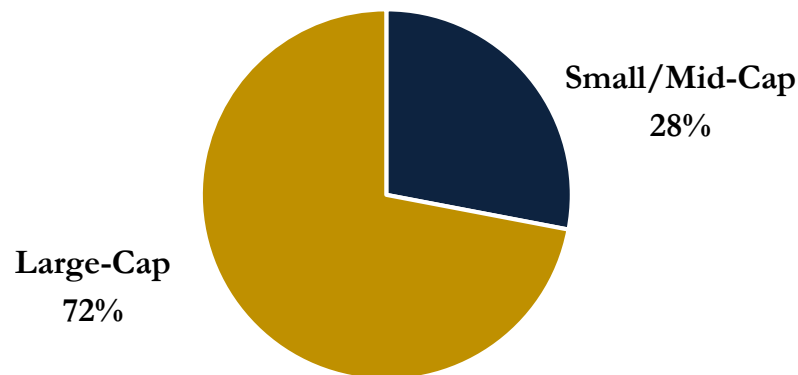


Investment Philosophy and Policies

Investment Philosophy and Goals

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

AIM LII Portfolio Composition



Investment Guidelines and Constraints

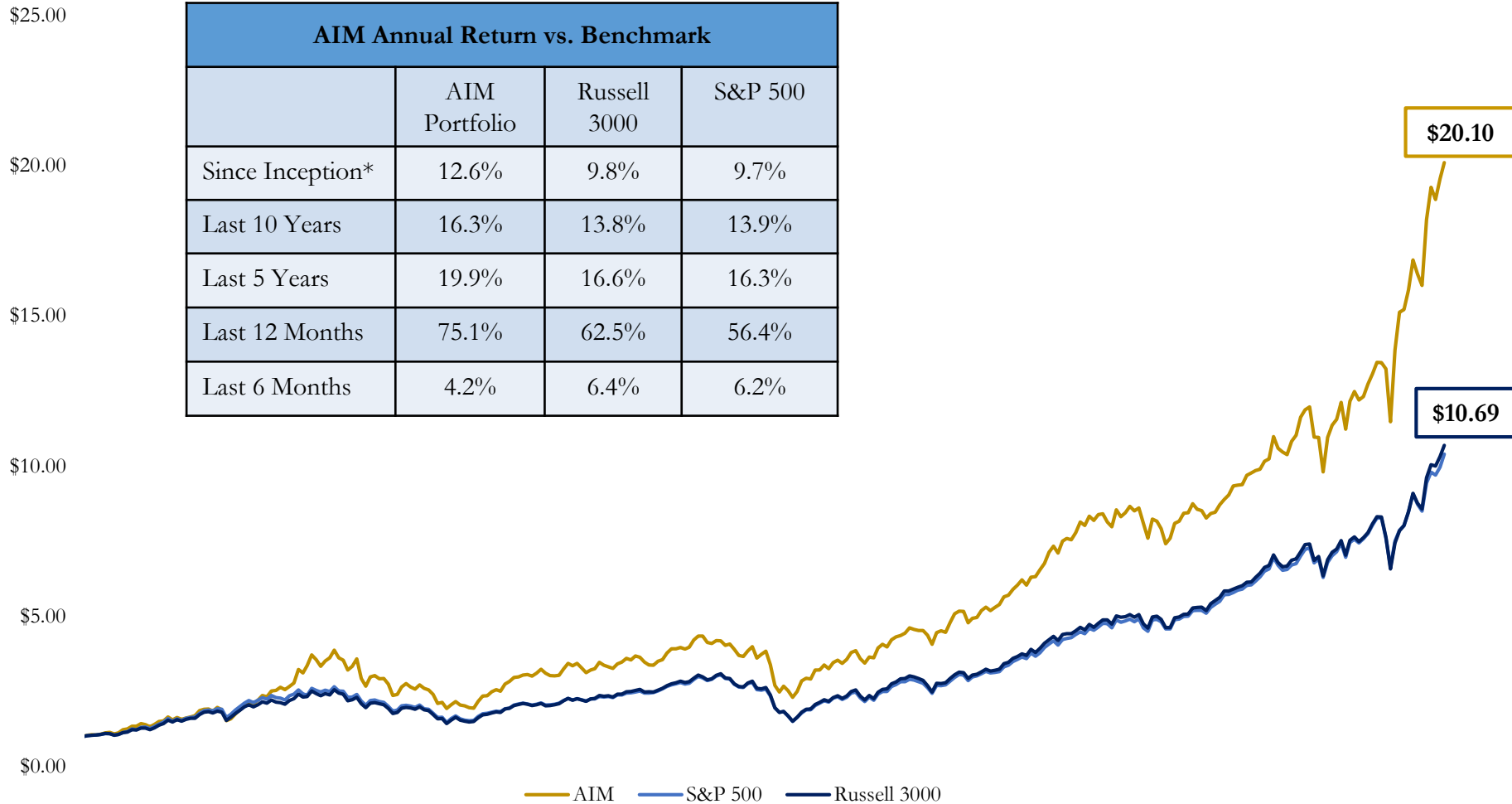
- Only common equities traded on major U.S. exchanges
- Target allocation: 35% Small & Mid-Cap, 65% Large-Cap – With a $\pm 10\%$ limit
- Industry composition should roughly match that of the Russell 3000
- One stock should not exceed over 10% of the portfolio
- Avoid companies whose ethics are not in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



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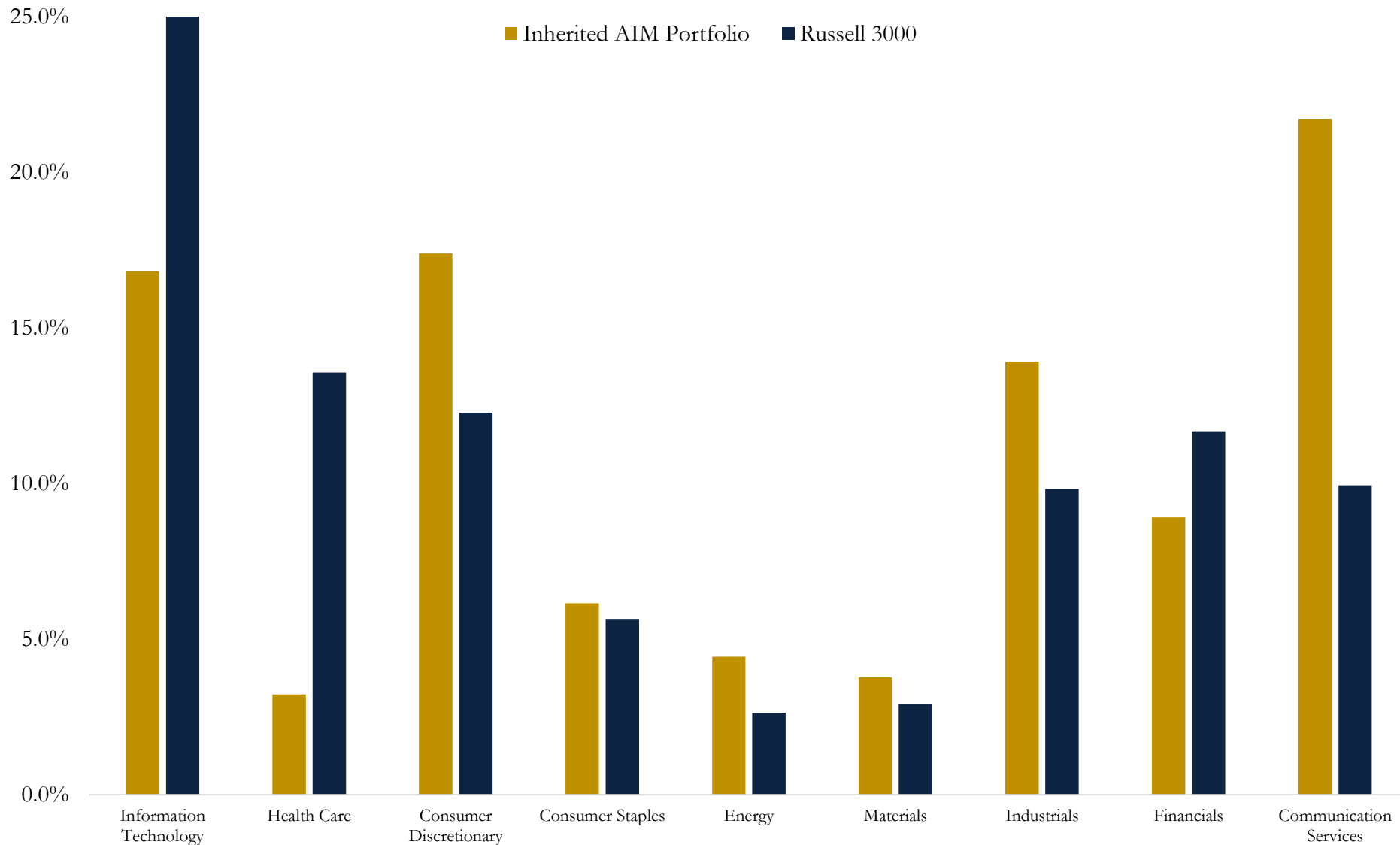


Growth of \$1.00 Since Inception (as of 3/31/2021)





Inherited Sector Weight versus Benchmark





Three Month Return (as of 03/31/2021)

Top 5 Performers

Aercap Holdings
AER
Return: 30.7%



Malibu Boats
MBUU
Return: 26.9%



WW International
WW
Return: 26.7%

Alphabet, Inc.
GOOG
Return: 17.3%



Enterprise Products
EPD
Return: 16.7%

Bottom 5 Performers

Alteryx
AYX
Return: (34.7%)



Qualys
QLYS
Return: (14.8%)

Match Group
MTCH
Return: (13.0%)

Veeva Systems
VEEV
Return: (8.4%)

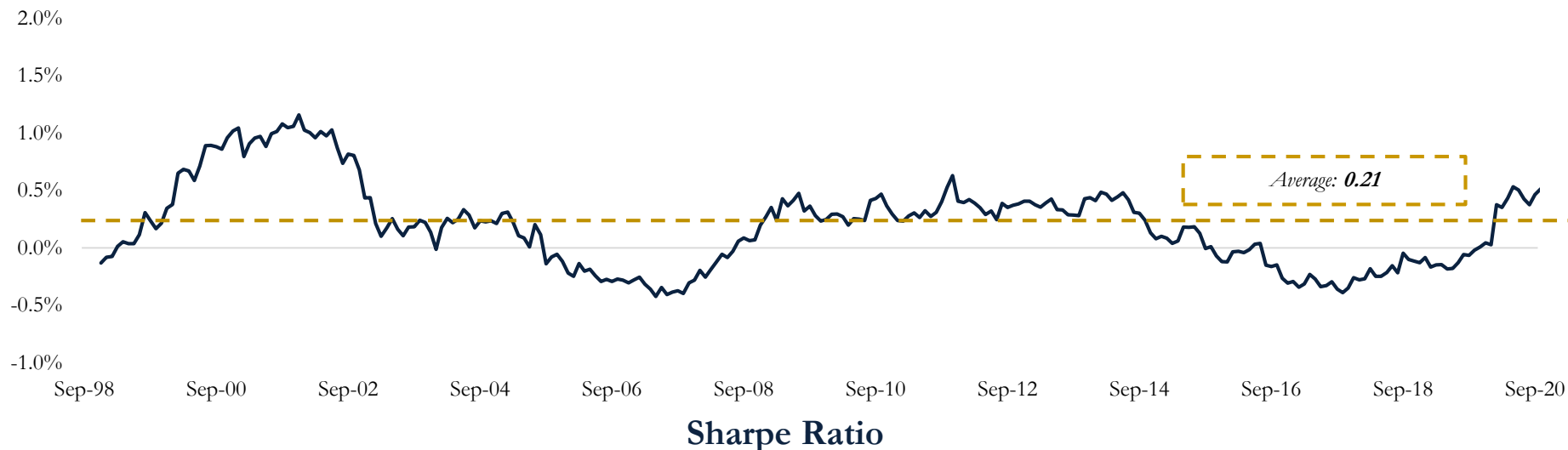


Costco Wholesale
COST
Return: (7.0%)

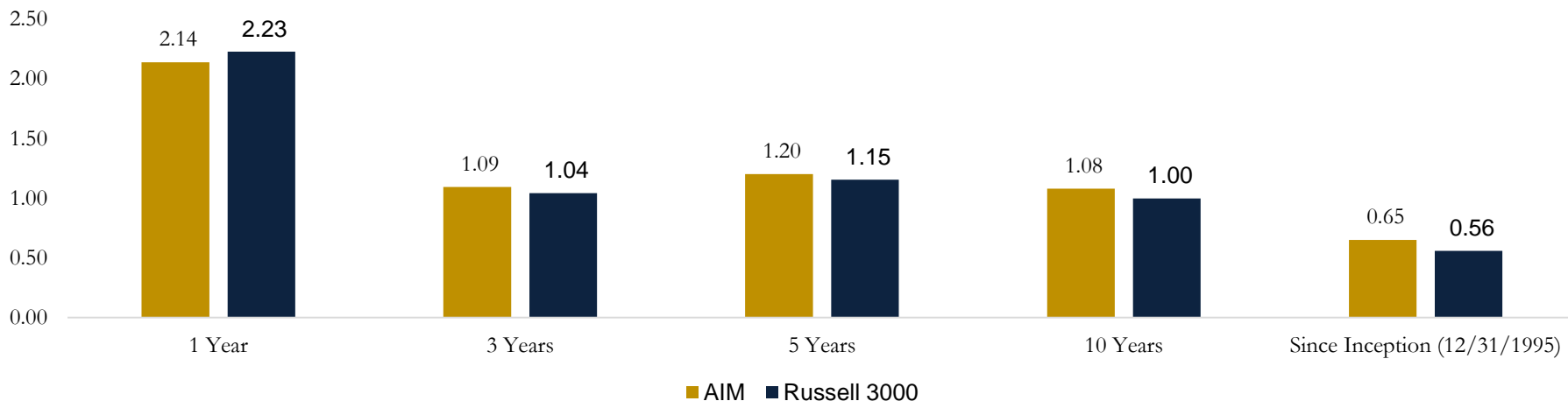


Alpha and Sharpe (as of 03/31/2021)

Rolling 1-Year Average Monthly Alpha



Sharpe Ratio





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Economic Indicators

COVID Outlook

- 147.5 million people have received one dose while 105.5 have received both doses
- The pause of the J&J vaccine has significantly impacted vaccination rates—1st doses are down over 40% and falling

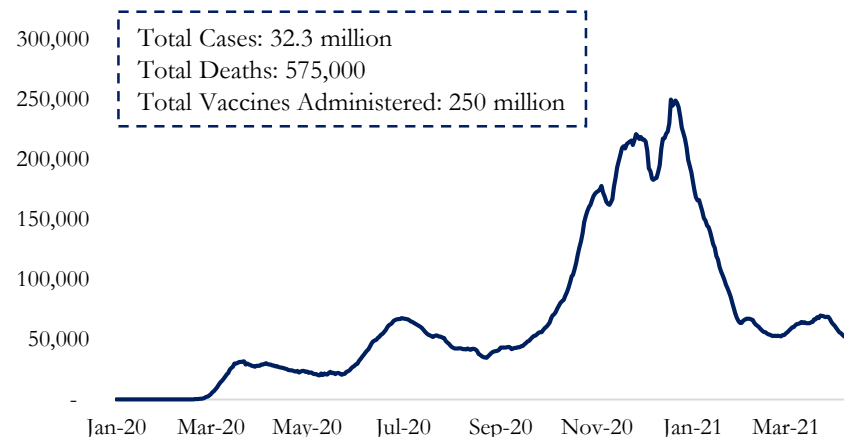
Commentary from Jerome Powell:

“The path of the economy continues to depend significantly on the course of the virus and the measures undertaken to control its spread.”

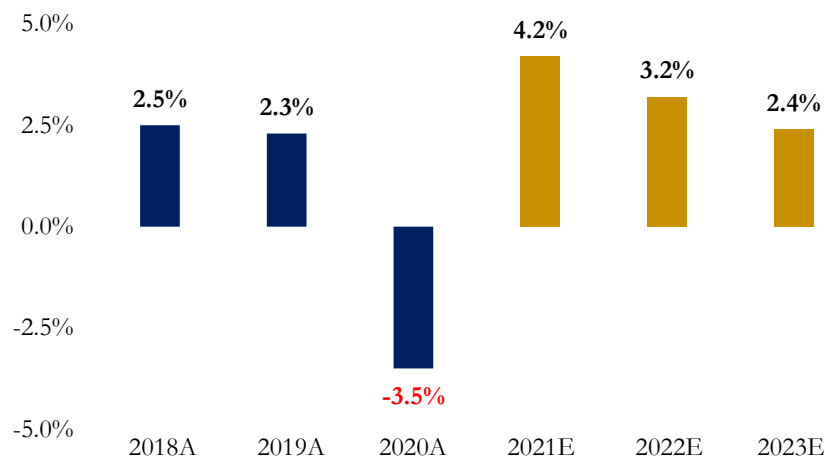
Unemployment Rate



US Daily New Cases



FED GDP Growth Projections



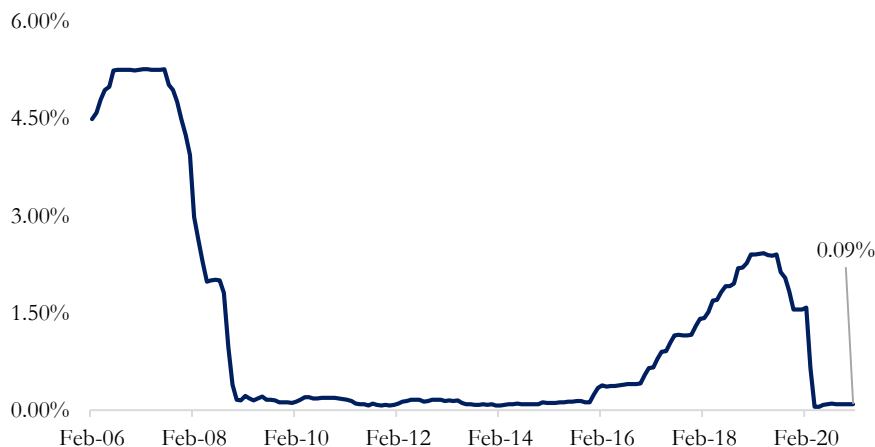


Economic Indicators

New Proposed Tax Plan

- Increase top income tax rate from 37% to 39.6%
- Increase capital gains tax from 20% to 39.6% for top bracket
- Proposed corporate tax rate increase from 21% to 28%
- Discussions of global minimum corporate tax rate

Federal Funds Rate



Housing Market Supply Restrictions



Impact on Portfolio Decisions

ESSEX
PROPERTY TRUST, INC.

IBP
INSTALLED BUILDING PRODUCTS



matchgroup



Veeva Walmart Zillow



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Final Portfolio Decisions

14 Stocks
Kept in
the
Inherited
AIM LII
Portfolio

11 Stocks
Sold
from the
Inherited
AIM LII
Portfolio

Inherited Portfolio	
Company	YTD Performance
AerCap Holdings	34.4%
Crown Holdings	14.4%
Walt Disney	3.7%
Enterprise Products	25.1%
Facebook	18.4%
Alphabet Inc.	36.2%
Installed Build. Prod.	36.1%
Intuit	7.3%
Mastercard	7.2%
Malibu Boats	38.2%
Microsoft	14.1%
Match Group	(7.3%)
Oportun Financial Group	5.3%
Veeva Systems	(3.6%)
Alteryx	(31.3%)
Crown Castle Int.	19.7%
Costco Wholesale	(0.9%)
Intercontinental Ex.	1.4%
LCI Industries	17.6%
Qualys	(18.0%)
Union Pacific	11.7%
Waste Management	23.3%
Walmart	(3.6%)
WW International	12.8%
Zillow Group	(9.3%)

AIM LII Evaluated Stocks	
Company	YTD Performance
Boston Scientific	22.9%
Cirrus Logic	(10.7%)
Essex Property Trust	25.2%
MGM	36.4%
PetIQ	15.7%
Pool Corporation	21.0%
Quanta Services	43.2%
Spotify	(22.8%)
Westrock	36.9%
XPO Logistics	21.5%
Zim	244.9%
Alamos Gold	62.5%
Dollar Tree	7.4%
Draft Kings	25.1%
Enbridge	19.6%
FuelCell	(18.5%)
General Motors	36.6%
Guardant Health	16.6%
Hamilton Lane	16.9%
Hershey	11.2%
Live Nation	12.2%
Lululemon	(8.8%)
Planet Fitness	10.4%
Roper Technologies	7.2%
Sonos	69.1%
Take-Two Interactive	(17.0%)
Ulta	13.6%

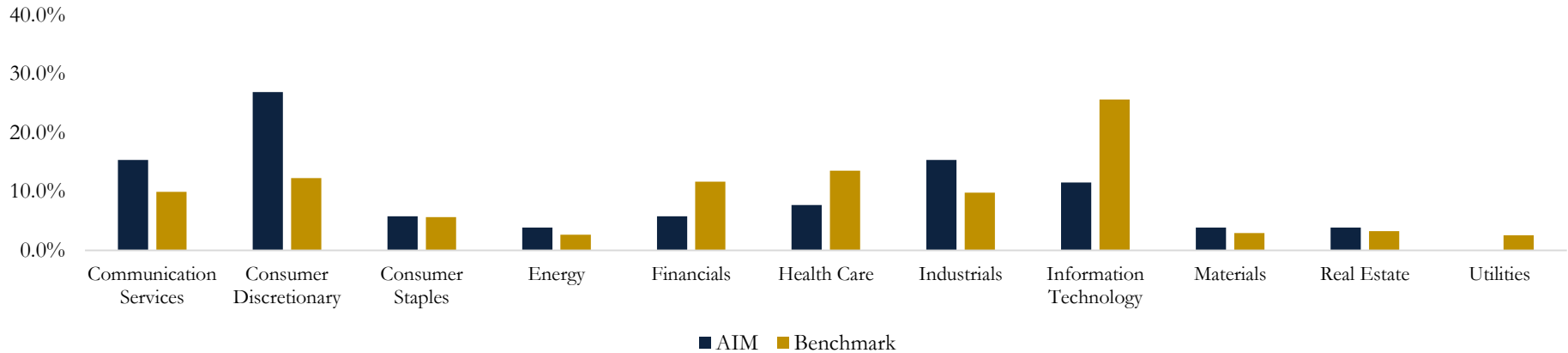
11 Stocks
Added to
the
Portfolio
by AIM
LII

16 Other
Stocks
Evaluated
by AIM
LII

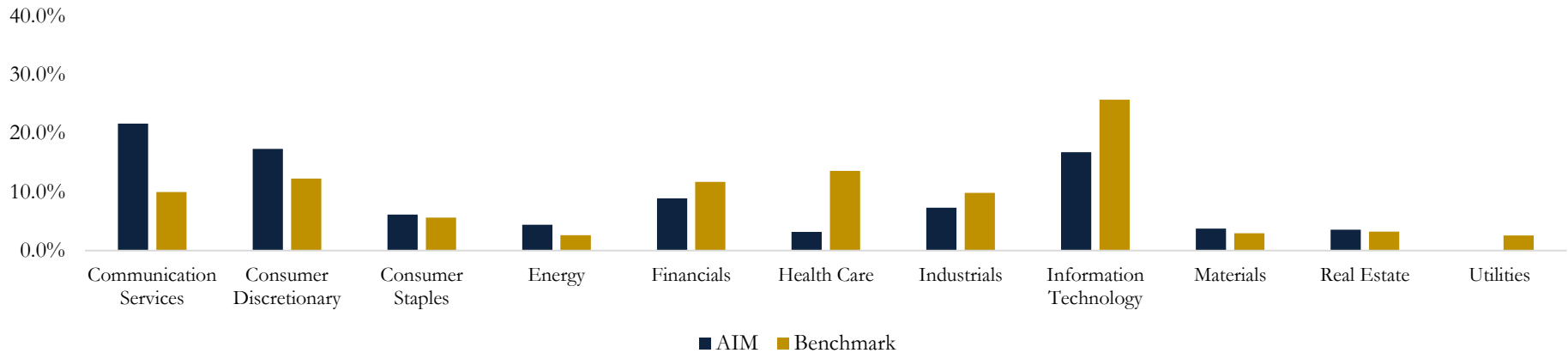


Sector Distribution

All AIM LII Stocks Evaluated



Final AIM LII Portfolio Distribution





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Individual Analysis: Breakout Rooms

Breakout Room 1



Jonathan Botek
Walmart, Westrock



Mollie Carr
LCI Industries, Spotify



Jacqueline Fletcher
Veeva Systems, Quanta Services



Patrick Hogan
Microsoft, Take Two Interactive



Paul Murphey
Union Pacific, Hamilton Lane



Prasheel Vartak
Alteryx, XPO Logistics

Breakout Room 2



Mark Haak
Oportun Financial, Lululemon



Sarah Hohenberger
Alphabet, General Motors



Patrick Iannelli
Intuit, MGM



David Jarret
Installed Building Products, Boston Scientific



Matt Talley
The Walt Disney Company, Enbridge

Breakout Room 3



Daniel Bannon
Costco, Pool Corp.



Anne Elizabeth Barr
Zillow, Ulta



Ryan Hickey
Qualys, Alamos



Conor Neal
Mastercard, Essex Property Trust



Daniel Windoff
Waste Management, Roper Technologies

Breakout Room 4



Tim Bautz
Live Nation Entertainment, DraftKings



Luke Brizzolara
Crown Castle, Cirrus Logic



Julia Caccavo
Match Group, Sonos



Colin Gutzmer
Intercontinental Exchange, PetIQ



David Keller
WW International, ZIM

Breakout Room 5



Kyle Grba
AerCap Holdings, The Hershey Company



Patrick Lanser
Enterprise Product Partners, Fuel Cell



Connor Leonard
Facebook, Planet Fitness



Matt Muliadi
Crown Holdings, Guardant Health



Lauren Yankanich
Malibu Boats, Dollar Tree



Breakout Room 1

Analysts



Jonathan Botek
Walmart, Westrock



Mollie Carr
LCI Industries, Spotify



Jacqueline Fletcher
Veeva Systems, Quanta Services



Patrick Hogan
Microsoft, Take Two Interactive



Paul Murphey
Union Pacific, Hamilton Lane



Prasheel Vartak
Alteryx, XPO Logistics

Board Members

Jenni Lanktree

Frank Potenziani

William Smith

Chris Zepf



Walmart, Inc. (WMT)

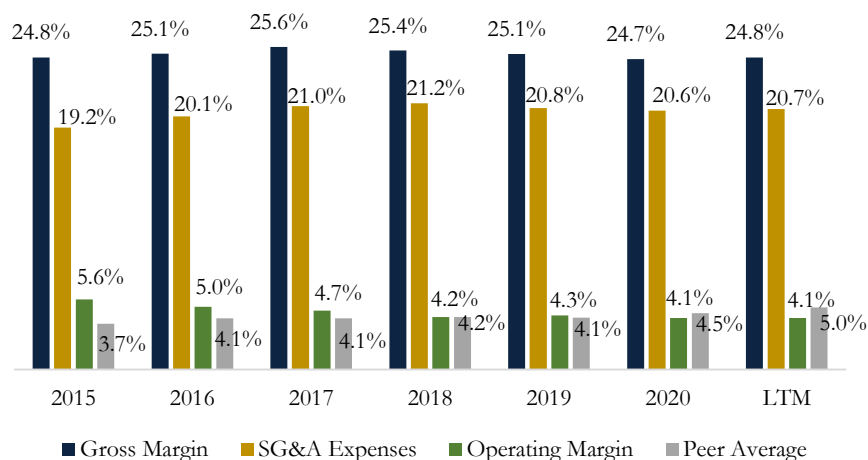


Investment Thesis: **BUY** | AIM Decision: **SELL**

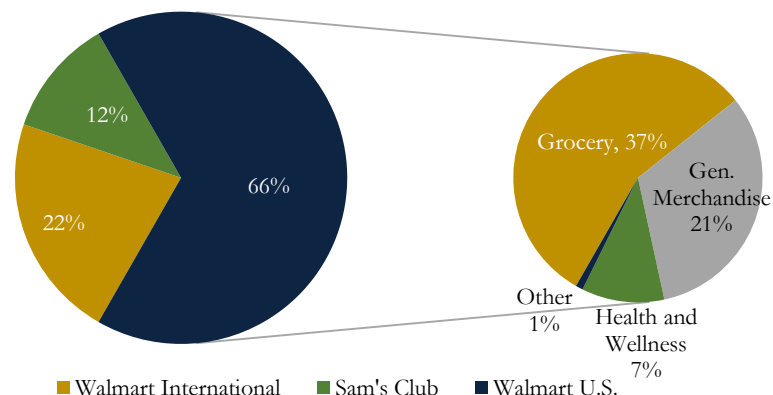
Walmart is the largest retailer in the world, serving 240M customers weekly via 11,400 stores and numerous eCommerce websites

1. Amazon is a significant threat to the long-term positioning of Walmart; it is expected to overtake Walmart as the U.S.'s largest retailer by 2025
2. Recent data indicates that Walmart+ may be losing members and awareness, casting doubt over eCommerce growth
3. The stock appears to be overvalued compared to its peers across a variety of multiples

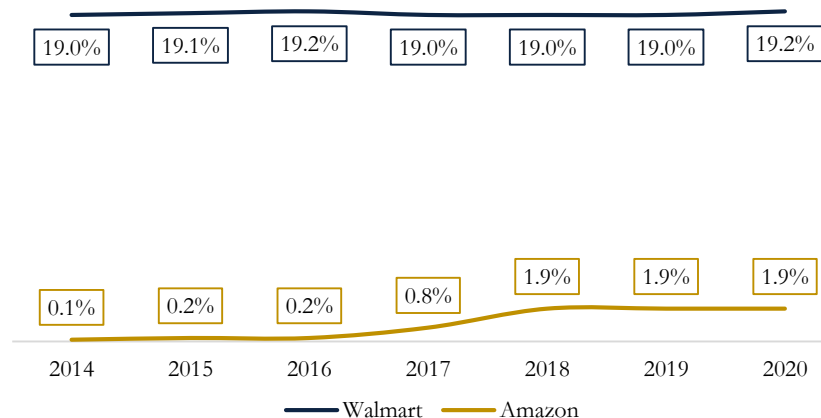
eCommerce Compressing Margins



Heavy Reliance on Grocery



U.S. Food and Beverage Market Share





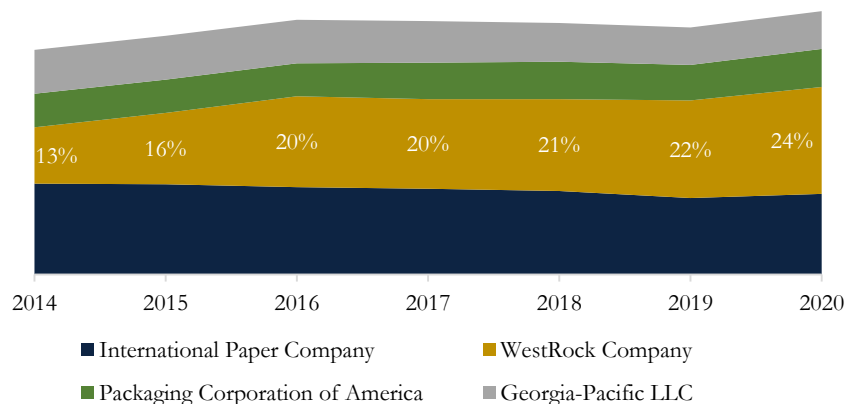
Investment Thesis: **BUY** | AIM Decision: **BUY**

WestRock is a multinational provider of sustainable, fiber-based paper and packaging solutions

1. Attractive industry with strong tailwinds: eCommerce growth, sustainability, integration of automation
2. Very low trading multiples relative to peers due to trailing fundamentals, which are set to improve
3. Most exposure of any competitor to South America and Asia Pacific, the two fastest growing paper packaging markets in the world
4. Pure-play packager with no exposure to the dying printing paper market, unlike most of its peers

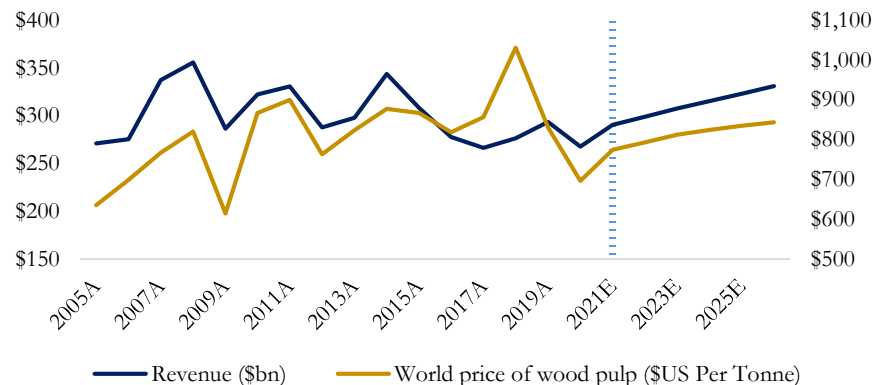
Grown into U.S. Leader in Paper Packaging

Market Share Evolution

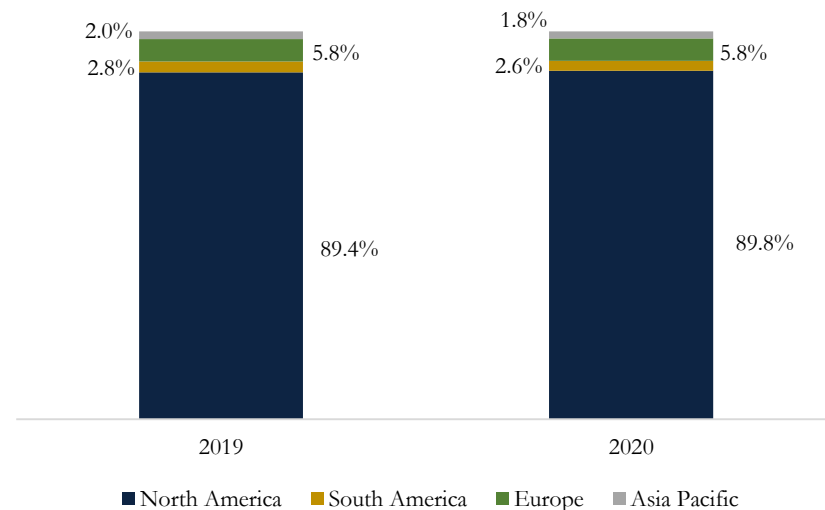


Industry Poised for Growth

Global Cardboard Box & Container Industry



Exposure to High-Growth Markets



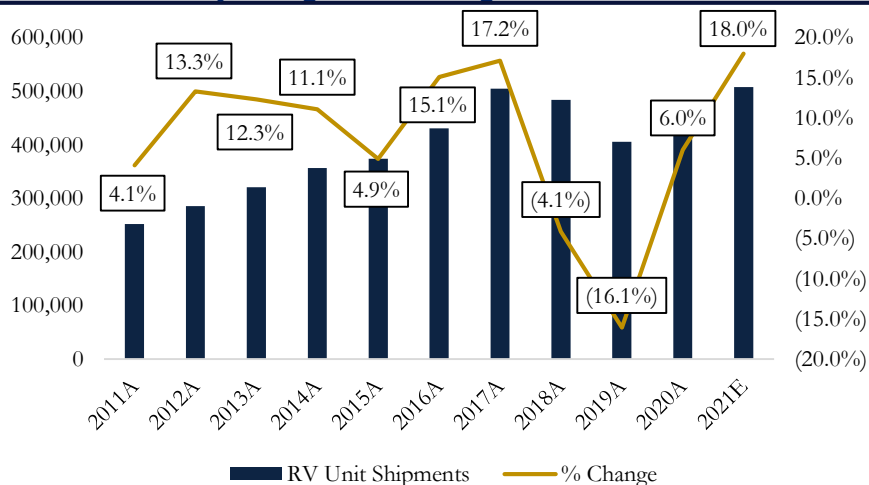


Investment Thesis: **SELL** | AIM Decision: **SELL**

LCI Industries manufactures and supplies components for leading manufacturers of recreational vehicles, adjacent industries, and their related aftermarkets

1. LCI is increasing capacity and producing components at rates that exceed estimated demand
2. RV retail demand is pulled forward three to five years and is likely to fall flat when commercial travel normalizes
3. Increasing operating risk with volatile input costs and below average efficiency levels

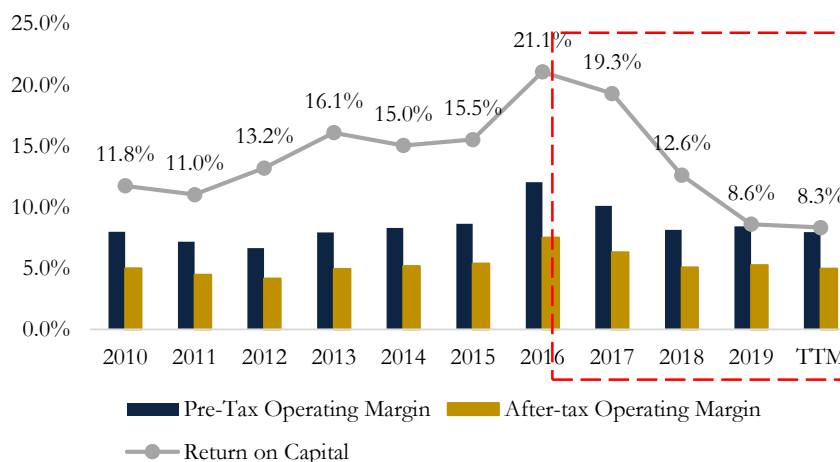
RVIA Yearly Shipment Reports



Primary Discovery Takeaways

- Discussion with CFO Brian Hall
- LCI's room for growth is in its adjacent markets and aftermarkets, not internationally
- The rising costs of raw materials will adversely affect margins
- Demand will pull back dramatically, just a matter of when
 - In reference to the next three years, Brian Hall notes that **“it could be a bumpy road”**

Raw Materials Adversely Affect Margins



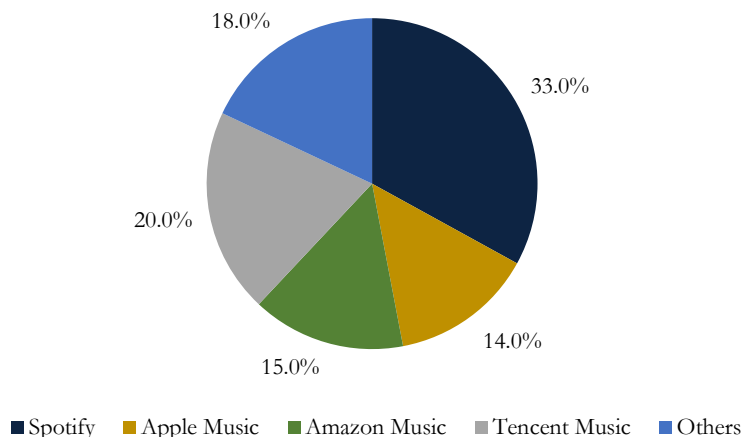


Investment Thesis: **BUY** | AIM Decision: **BUY**

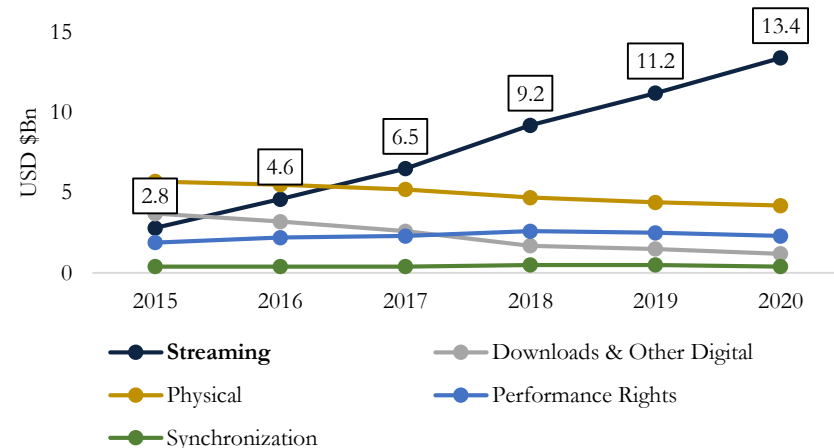
Spotify is a leading global audio streaming platform that leverages its global user base and monetization strategy to transform how users access music and podcasts

1. Favorable industry shift from on-demand to access-based music streaming
2. Ability to capture share in the growing audio market through global market expansion, next-generation audio opportunities, and differentiating platform product initiatives
3. Spotify's optionality and the real, but hard to quantify, latent value of the current user base

2030 Projected Share of Subscribers



Favorable Industry Environment



Key Revenue Drivers

- Global Expansion
 - Expanding into the fastest growing music markets globally
 - Platform and catalogue available to billions of potential new users
- Next Generation Audio Formats
 - Drives retention and lifetime value per subscriber higher
 - Unlocks advertising supply and showcases versatility of the platform
- Platform Product Initiatives
 - Live audio and curation products strengthen value proposition and advertising strategy



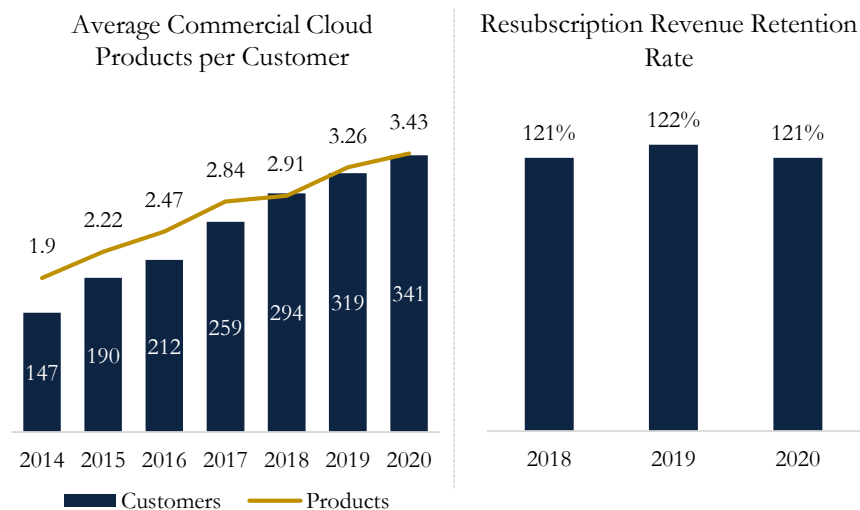
Veeva Systems, Inc. (VEEV)

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

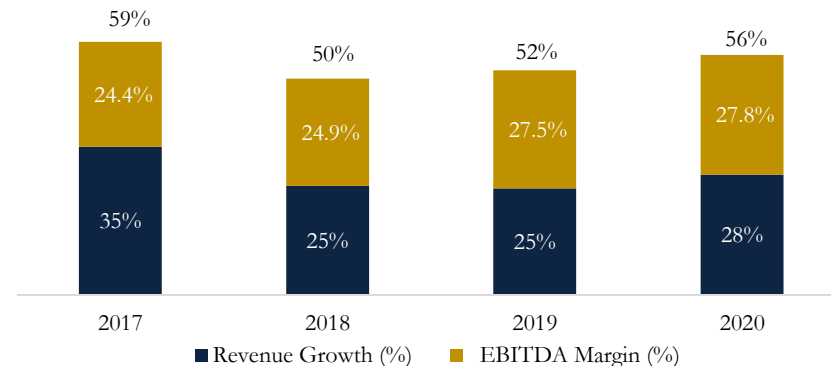
Veeva is a global provider of cloud-based software solutions for life sciences and other regulated industries

1. Only specialized life-sciences platform with commercial and R&D capabilities
2. Increased regulation and sectoral pressures drive demand for regulation-compliant and omni-channeled Commercial Cloud
3. The industry shift toward digitization bolsters demand for Veeva and increases its data leverage, creating high switching costs
4. Demonstrated growth in cross-selling and upselling opportunities
5. Sizable TAM in new regulated industries outside of life sciences

Cross-Selling and Upselling

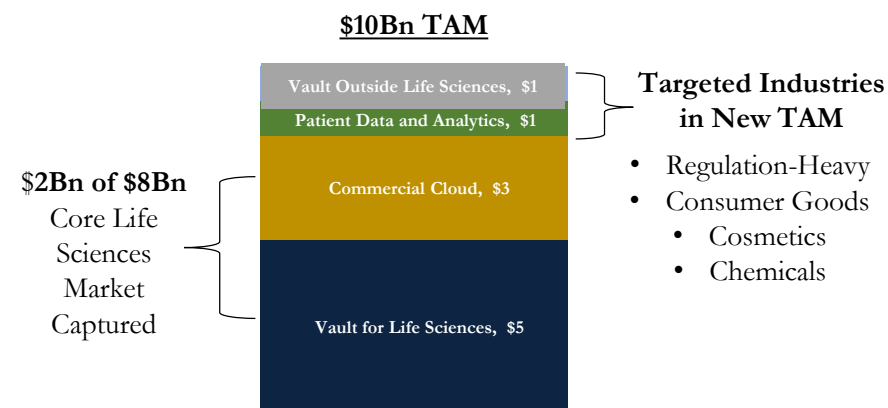


The Rule of 40: Growth and Profitability



It's impressive for a company to exceed the Rule of 40, let alone for four consistent years with no leverage and peer-aligned R&D expenditures

Organic Growth in New Markets (\$Bn)





Quanta Services, Inc. (PWR)

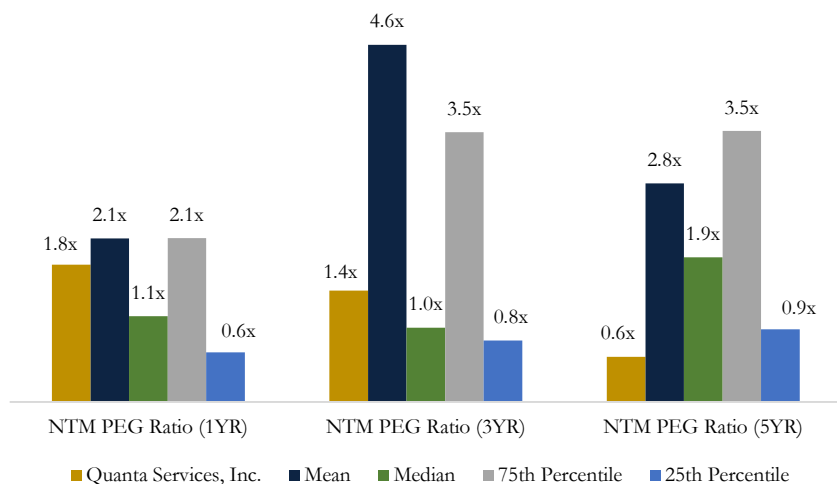


Investment Thesis: **SELL** | AIM Decision: **BUY**

Quanta Services is the nation's largest specialty contractor, providing services in electric and power as well as underground and pipeline services

1. Quanta Services is a proven market leader with the industry's strongest customer relationships, creating high barriers to entry
2. A shift to recurring revenues through MSA contracts in 2017 created a strong, predictable backlog with cash flow generation
3. Quanta is favorably positioned toward infrastructure spending
4. Although excitement around renewables caused significant share price appreciation due to excitement, the company's positioning toward secular energy trends will drive growth

Undervalued Compared to Peers (PEG Ratio)



Value Proposition and Selected Customers



Utility and Energy Providers



Selected Primary Research

Leslie Barrett
Partner at the Vanir Group

"I see a lot of opportunity in developing new grid system. It needs updating, T&D, renewables and renovations."

"Utilities rarely take on investment without government support. I see this as a huge opportunity if someone else pays for it."

Tomas Hirsch
Engineer at Quanta

"We keep bidding on projects and have so much work now and for the foreseeable future of the next 10 to 15 years."

"I think Quanta can have a really big piece of the [renewables] pie, and that's why I work here."

Kieran McCabe
Stifel Equity Research

"Tough to get industry because need contracts, certifications, trade labor force; PWR can squeeze out smaller players."

"Company's focus on multiyear decade secular trend in infrastructure gives us more certainty."



Microsoft Corporation (MSFT)



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

Microsoft is a technology company focused primarily on productivity software, server management software, and cloud computing services

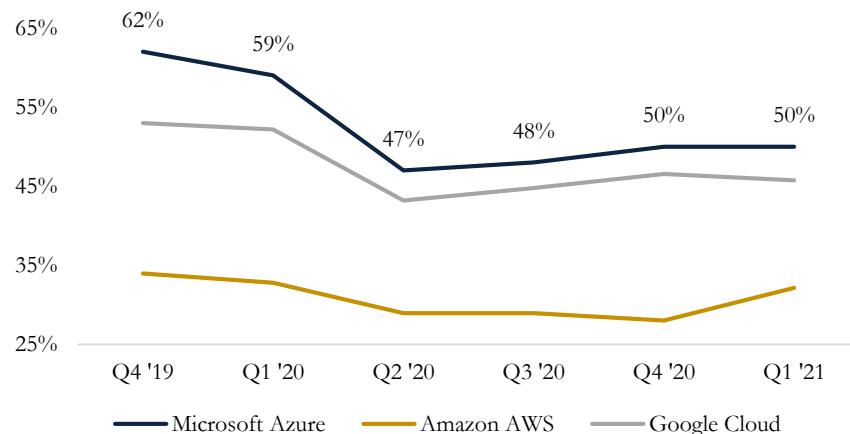
1. Azure continues to gain market share in cloud computing due to its legacy licensing advantage with existing server software customers
2. Economies of scale may generate margin expansion due to high fixed costs associated with building out data center infrastructure in recent years
3. The market undervalues the Company's SaaS segment including Office, Dynamics, and LinkedIn which benefit from high switching costs and network effects

Sum of the Parts

Sum of the parts analysis indicates that the market undervalues Microsoft's PBP segment which contains its SaaS products

		Intelligent Cloud EV/EBIT				
PBP EV/EBIT	Upside	23.0x	25.0x	27.0x	29.0x	31.0x
	31.0x	-3.6%	-0.6%	2.4%	5.5%	8.5%
	33.0x	-1.4%	1.7%	4.7%	7.7%	10.8%
	35.0x	0.9%	3.9%	7.0%	10.0%	13.0%
	37.0x	3.1%	6.2%	9.2%	12.3%	15.3%
	39.0x	5.4%	8.4%	11.5%	14.5%	17.5%

Azure Revenue Growth Outperforms Peers



Primary Discovery Confirmed Azure Thesis

- ✓ On-premises server management software is integrated into how enterprises manage their computing, and this a significant business line for Microsoft
- ✓ Microsoft's legacy server software business creates high switching costs and locks in existing server products customers with Azure through licensing benefits
- ✗ AWS remains the market leader with best-in-class customer service, and Microsoft Azure is the clear #2 player



Take-Two Interactive Software, Inc. (TTWO)

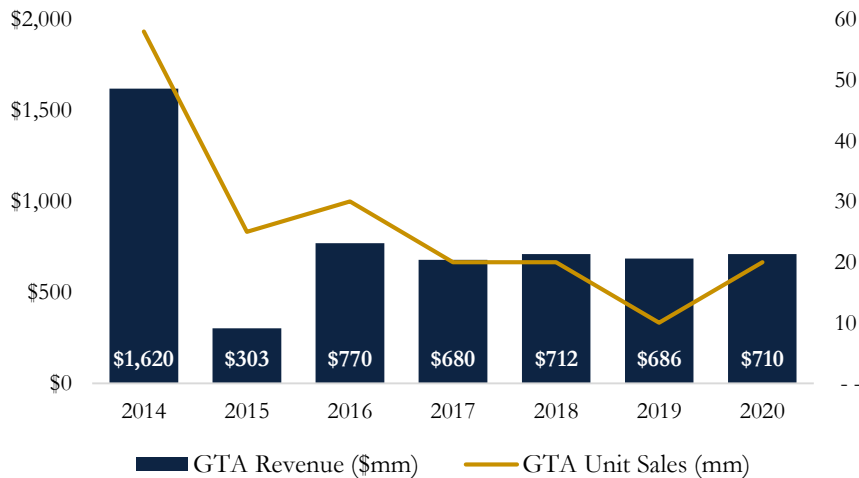


Investment Thesis: **BUY** | AIM Decision: **SELL**

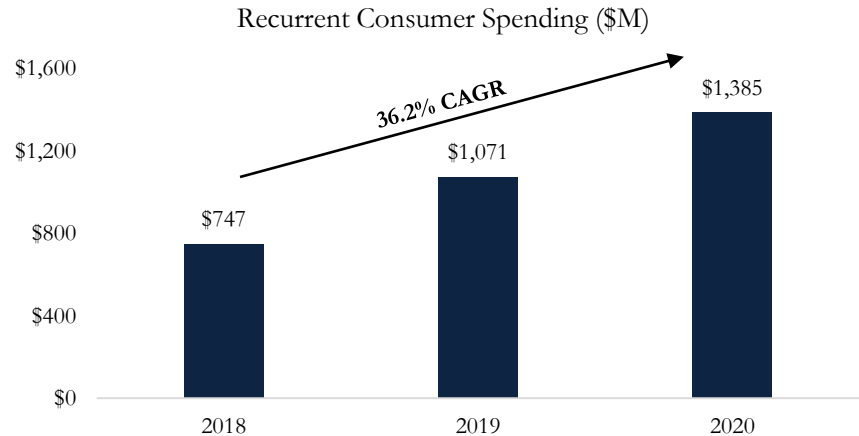
Take-Two is a developer and publisher of video games with key franchises including Grand Theft Auto, Red Dead Redemption, NBA 2K, and BioShock

1. The market underestimates the potential of the GTA franchise with the release of GTA VI expected for FY 2023
2. Best-in-class IP and strong development team will facilitate execution on the product pipeline of 93 new titles over the next four years
3. Increased frequency of releases will drive the realization of economies of scale with development costs if the Company executes on its product pipeline
4. GTA and other Mature games published by Take-Two contain explicit content and warrant ethical concerns

GTA is the Most Successful Franchise Ever

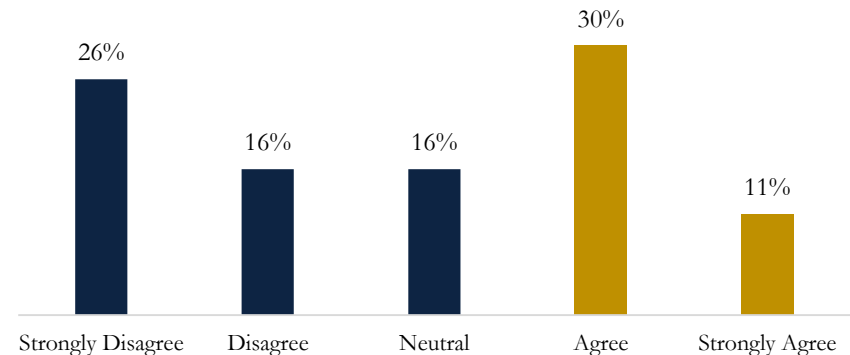


Higher In-Game Spending is a Tailwind



Primary Discovery on Ethical Concerns

41% of ND students surveyed believe that Grand Theft Auto conflicts with the values of the University





Union Pacific Corporation (UNP)

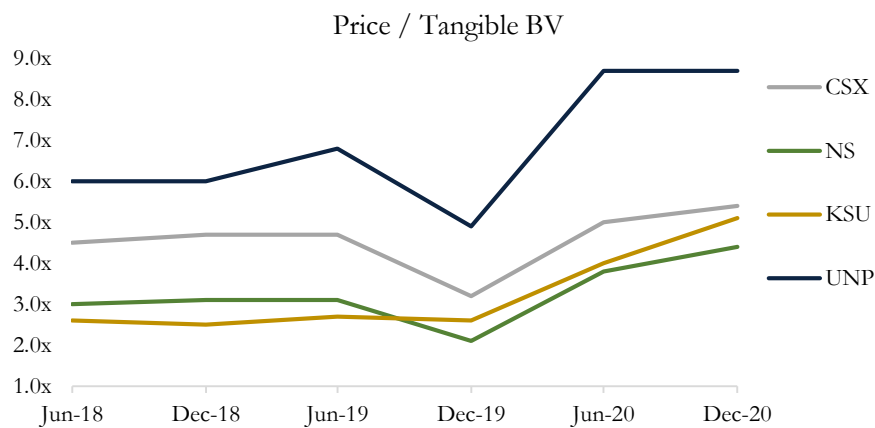


Investment Thesis: **SELL** | AIM Decision: **SELL**

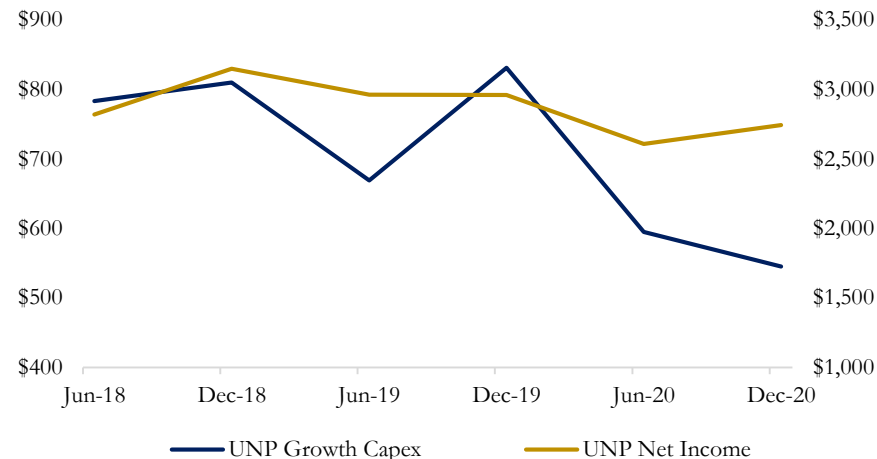
UNP is a Class I railroad operator covering the western half of the U.S.

1. Strong e-commerce growth is mostly captured by air freight, LTL services providers and “last-mile” logistics providers, while **UNP is dedicated to low-growth, bulk commodity focused end markets**
2. **Overvalued** – UNP trades at a premium to peers and other transportation segments with better business mix and growth prospects, both organically and through M&A
3. While making great progress to expand margins by streamlining operations, **concerns over incremental runway opportunity**

Trades at a Significant Premium to Peers



Declining Investment in Growth CapEx (\$M)



Insights from Primary Discovery

- Consumer **expectations** of same-day/next day delivery from retailers is **driving market share gains** for air & trucking vs rail, hurting rail's CPG business
- Rail is 20-40% cheaper but truck service times are typically **3-5 days faster** and trucking fleets are better able to meet unexpected demand pulls and shorter turnaround times for shippers
- As the preferred modal for shippers, **further investment in trucking fleet efficiency and scale will drive price competitiveness** and further market share gains over Rail



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

Leading private markets advisor and investor serving institutional clients from 18 offices worldwide

1. Expertise and global reach in running exclusively private markets investment programs for LPs
2. Early innings of expansion into retail and ultra-high-net worth segments and monetization of proprietary dataset
3. Sell Rationale – concerns with and lack of information on fund platform; high valuation relative to traditional PE firms

Insights from Primary Discovery

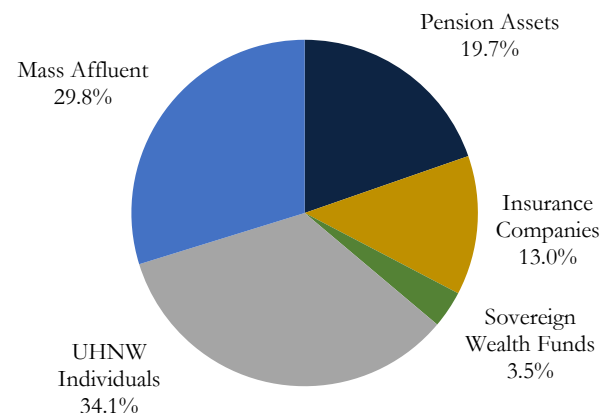
- ✓ Relationships with US labor union pension plans and foreign sovereign wealth funds, top GPs, plus positioning as “one-stop shop” provider for LPs are sustainable competitive advantage
- ✓ Seen as having clear market leadership position in Asset Allocator category by clients and employees
- ✓ Large and growing proprietary dataset on private markets deals provides economic moat and information advantage in sourcing attractive investment opportunities

Attractive Growth Prospects and Business Model



Opportunity in Retail & UHNW Segments

2025 Estimated Share of Global Assets (US \$Tn)



(1) Weighted average of LTM and 2-Year Consensus Estimate

(2) LTM data

(3) Source: AIM LII/Murphey, CapitalIQ, Company Filings



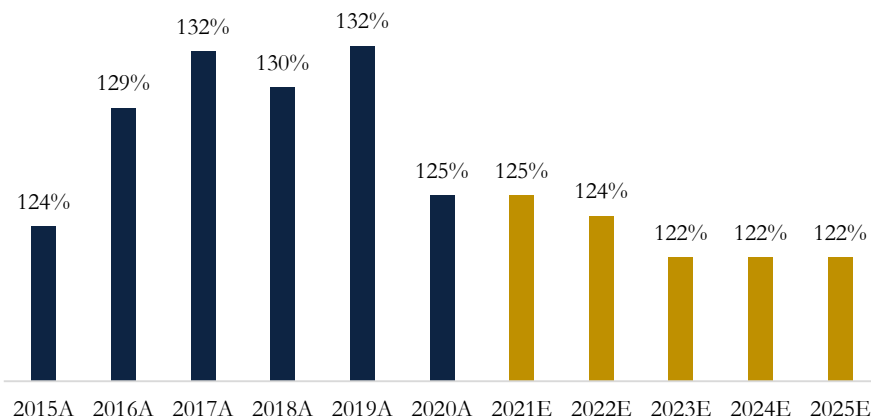
Investment Thesis: **BUY** | AIM Decision: **SELL**

Alteryx is a provider of self-service data analytics software and does so through a product portfolio that consists of its core product - Alteryx Designer, as well as a host of product offerings aimed at both individual and enterprise users

1. Alteryx's unique presence across the fast-growing data analytics space is a big positive, and gives the company a strong moat to rely on
2. Shift toward cloud-based offerings, investments in new products, key management and upsell opportunities are positive signals
3. High priced offerings off-putting as seen in Covid-19 affected year
4. Weak guidance and management turnover can throw a wrench in Alteryx's ability to execute its plans and make a strong recovery

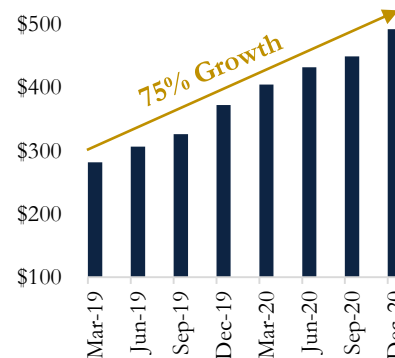
Strong Customer Retention Rates

Dollar-Based Net Retention Rate (NRR)

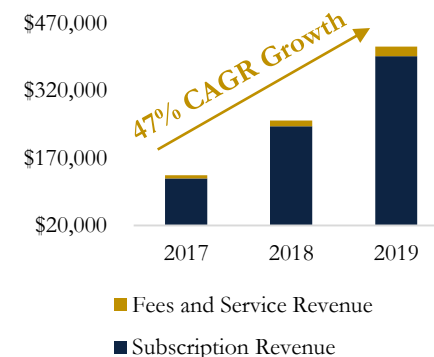


Strong Revenue Growth with Consistent ARR's

Alteryx's Rising ARR

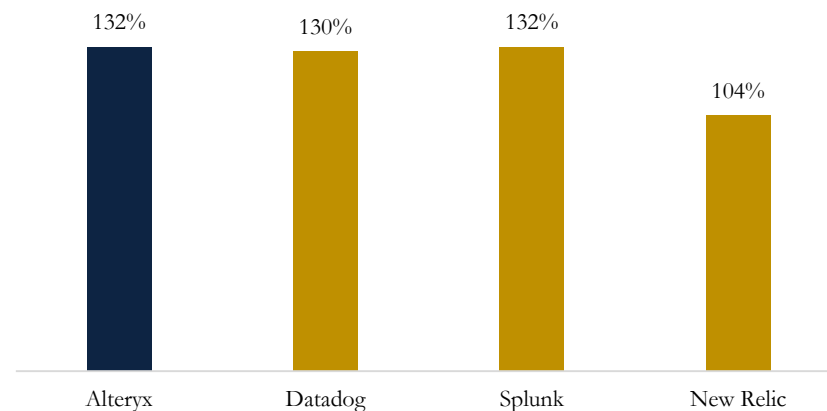


Alteryx Revenue Breakdown (\$ in '000s)



Retention Rates Lead Peers

Average Dollar Based NRR





XPO Logistics, Inc. (XPO)

XPOLogistics

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

XPO provides supply chain solutions to companies in North America, Europe and internationally, primarily operates in two segments: transportation and logistics. The company announced a spin-off of its logistics segment

1. Clear value-unlocking potential in spinoff, but depends on execution
2. Secular trends in e-commerce industry and outsourced logistics support quick topline growth through asset-light business model
3. CEO's stellar record of industry consolidation to help switch from acquisition focus to move towards improving operations
4. Technological focus helpful for growth and margin improvement
5. Fundamentals appear weak compared to peers

Spinoff Overview

XPOLogistics

- Transportation Segment –
- LTL Transportation – 27% of revenue
- Non-asset Truck Brokerage – 27% of revenue
- Last mile, managed transportation and global forwarding – 10% of revenue

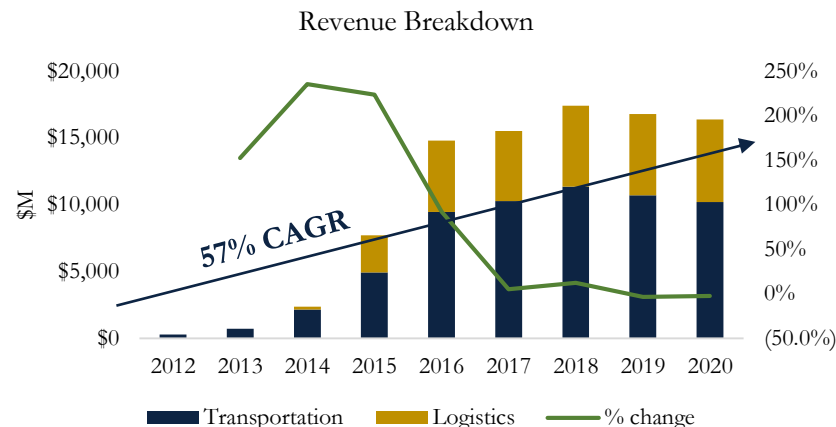
GXO

- Logistics Segment
- Contract logistics, XPO direct – 32% of revenue

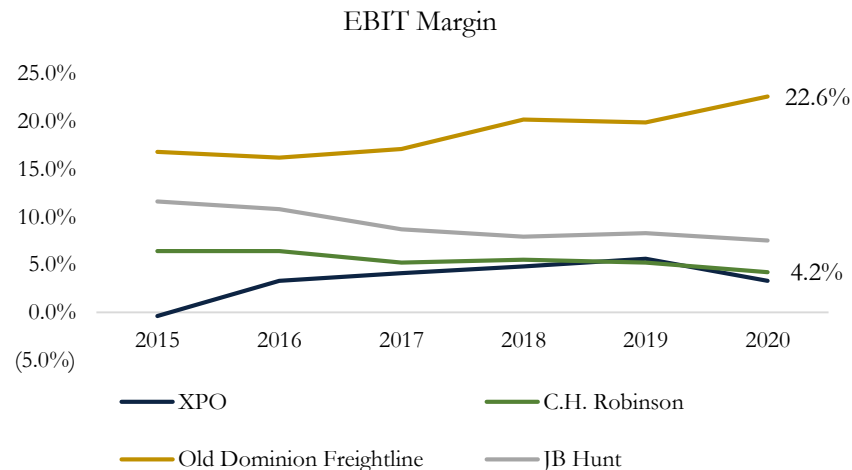
Management Rationale

- Improve Credit Rating from BB- to Investment Grade
- Simplify the business and take off conglomerate discount (~12x EBITDA vs Peer average of 18x EBITDA)

Strong Acquisition Led Revenue Growth



Margins Lag Peers





Breakout Room 2

Analysts



Mark Haak

Oportun Financial, Lululemon



Sarah Hohenberger

Alphabet, General Motors



Patrick Iannelli

Intuit, MGM



David Jarret

Installed Building Products, Boston Scientific



Matt Talley

The Walt Disney Company, Enbridge

Board Members

Erin Bellissimo

Michael Carroll

Frank Reilly



Oportun Financial Corp. (OPRT)



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

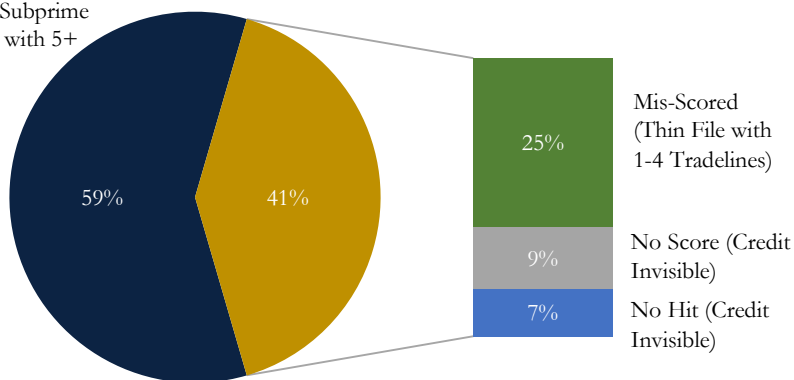
Oportun is a provider of financial services and alternative forms of lending for low-to-moderate income individuals without access to mainstream forms of credit due to limited or nonexistent credit histories

1. Proprietary lending platform creates a significant competitive advantage allowing for more attractive rates for customers, undercutting predatory competitors
2. Promise of approval of national bank charter allows for tremendous geographic expansion and a greatly expanded customer base
3. Increased regulation of consumer lending industry will further strengthen Oportun's moat

Room for Major Expansion

US Credit Market Breakdown

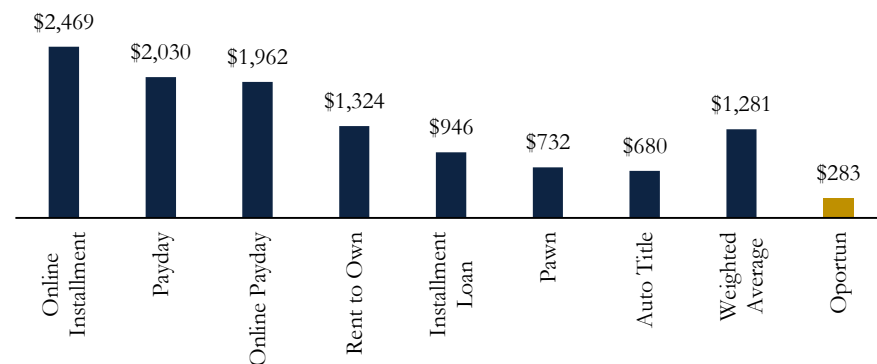
Prime and Subprime
(Thick File with 5+
Tradelines)



To date, Oportun has only served 1.8 million out of the 100 million credit-underserved Americans that represent 41% of the total population

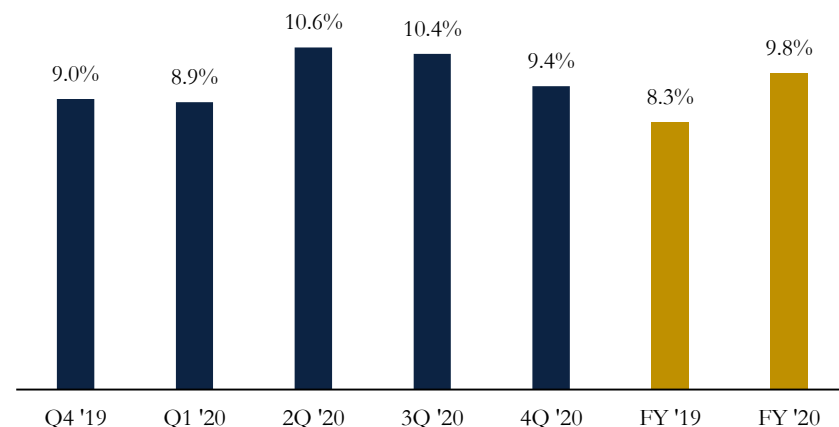
Far Less Expensive Than Competition

Cost of Borrowing \$1,000



Predictive Strength of Lending Technology

Annualized Net Charge-Off Rates



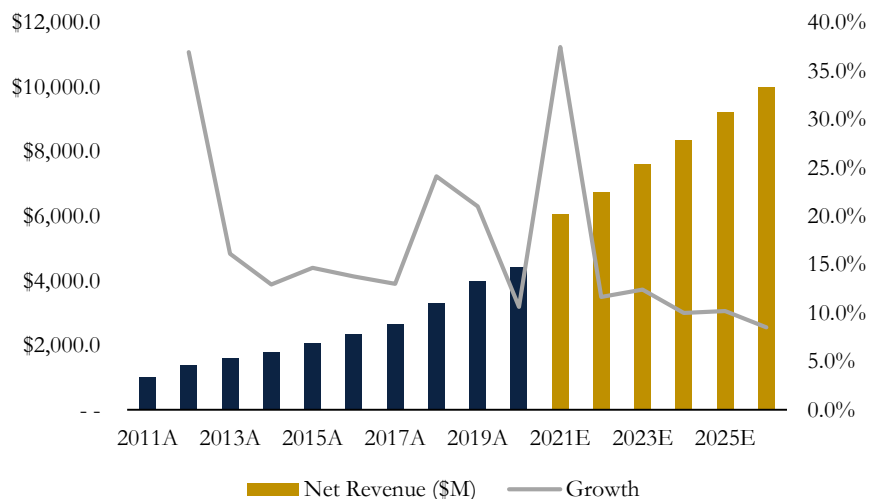


Investment Thesis: **Sell** | AIM Decision: **Sell**

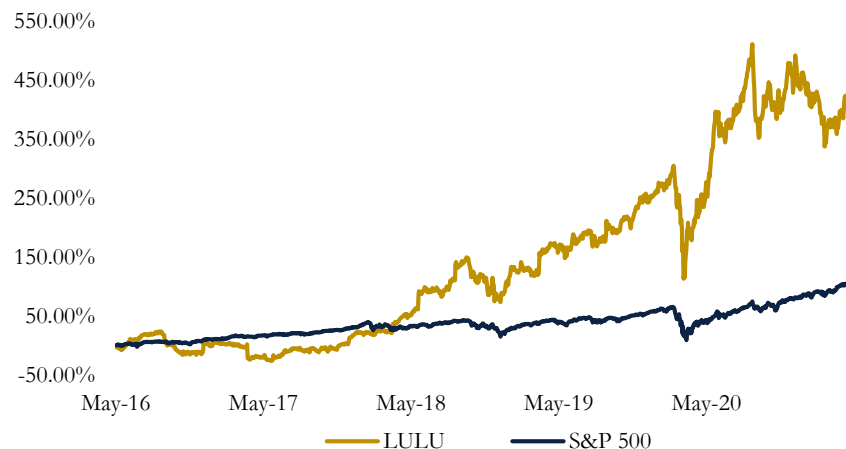
Lululemon is a global designer and retailer of high-end athletic apparel meant both for fitness and comfort in everyday life

1. Recent price run-up signifies lack of unrealized upside and likely market overvaluation
2. Expansion abroad will likely not be able to take place at the rates needed to justify current market price
3. MIRROR acquisition is unlikely to succeed, both as a standalone product offering and as a complement to Lululemon's brand as a fitness lifestyle company rather than just an apparel retailer

Revenue Growth



Dramatic Price Run-Up



Negative Outlook on MIRROR

	Lululemon MIRROR	<ul style="list-style-type: none"> • <u>Base Price:</u> \$1,495 • <u>Installation:</u> \$250-300 • <u>Subscription:</u> \$39
	Peloton Bike	<ul style="list-style-type: none"> • <u>Base Price:</u> \$1,895 • <u>Installation:</u> N/A • <u>Subscription:</u> \$49
	Vault Home Gym	<ul style="list-style-type: none"> • <u>Base Price:</u> \$2,995 • <u>Installation:</u> N/A • <u>Subscription:</u> \$49



Alphabet Inc. (GOOGL)

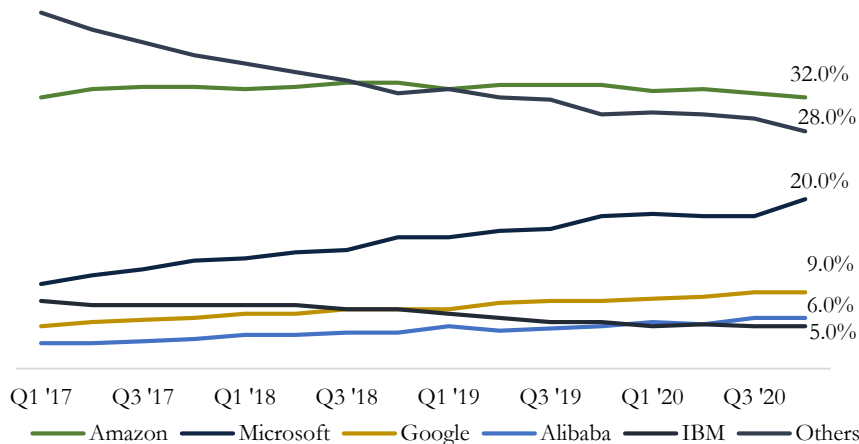
Alphabet

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

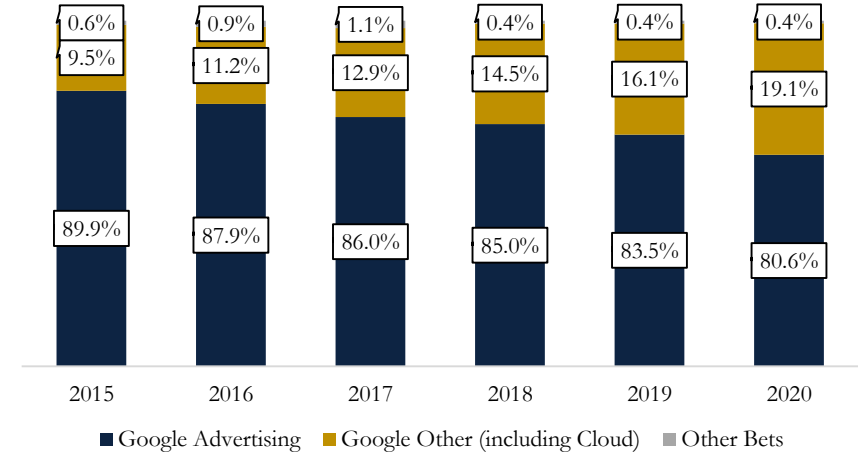
Alphabet Inc. is an American conglomerate made up of multiple companies, which reports its businesses in Google Services, Google Cloud, and Other Bets (all non-Google companies within Alphabet Inc)

1. As the leading global search engine, Alphabet's ad revenue is expected to increase 33% by 2023
2. Continued revenue diversification now includes other Google services and the newly separated Google Cloud segment
3. The additional revenue potential from YouTube, Cloud, and "Other Bets" differentiates to company from a pure advertising company to a diversified tech conglomerate

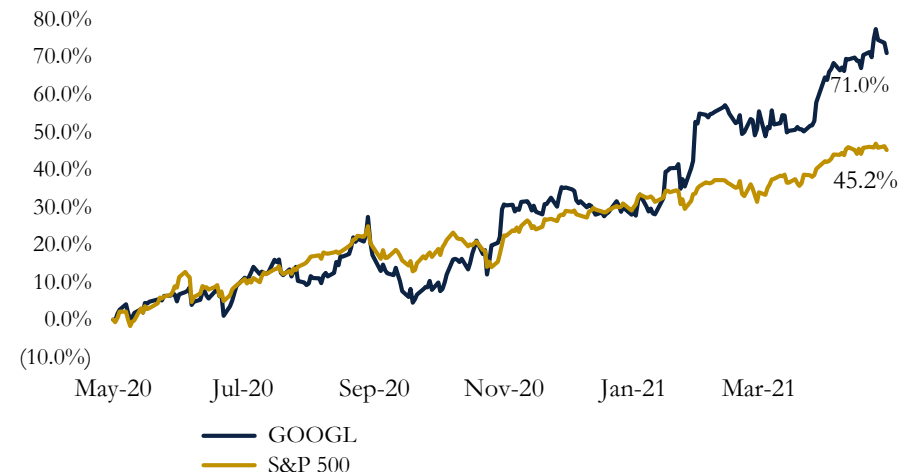
Cloud Provider Market Share



Decreased Reliance on Ad Revenue



One-Year Stock Chart





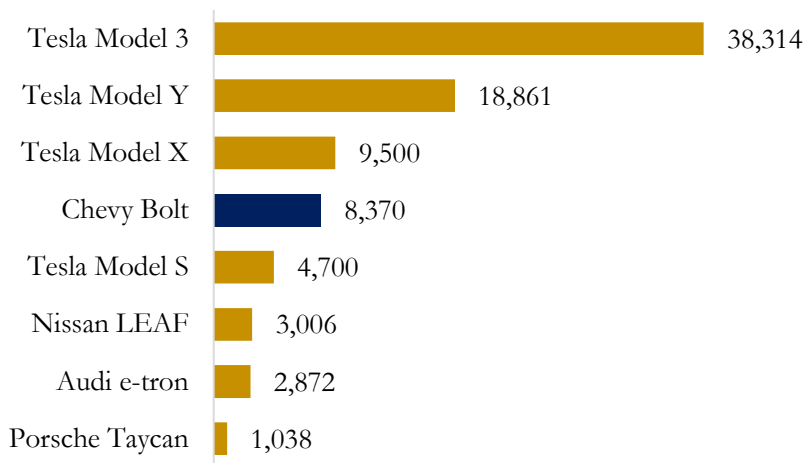
General Motors Company (GM)

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

General Motors Company is an American multinational corporation that designs, builds, and sells automobiles and auto parts worldwide under the Chevrolet, GMC, Cadillac, Buick, Wuling, and Baojun brands

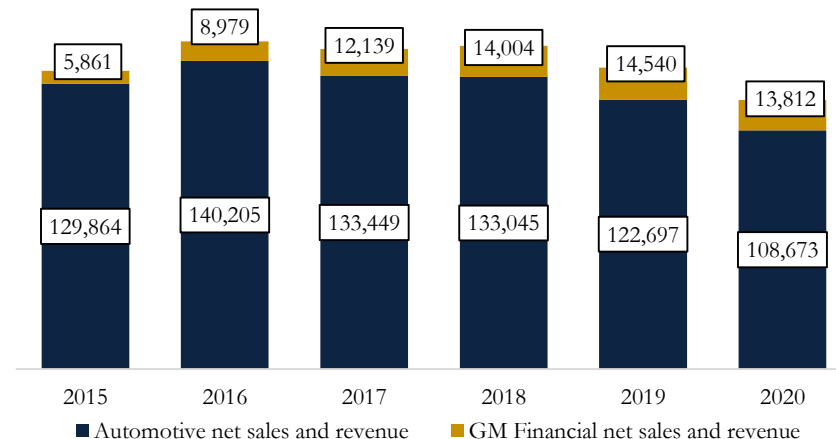
1. After its bankruptcy and bailout, GM has managed its capital structure, cut ancillary product lines to focus on key competencies and regions to maximize value
2. GM strives to make affordable EVs to compete with Tesla. Cruise AV tech intends to bring safer carpooling to urban areas
3. Uncertainty of the feasibility or cost effectiveness of larger vehicle EV technology and questionable current customer buy-in leads us to a Sell recommendation

Competitive Positioning of GM in EV (vehicles)



US sales first half of 2020

Yearly Revenue by Segment (in \$M)



Best-Selling Vehicle Models

Model	Sales (units)	Class	MPG
Chevrolet Silverado	575,600	Pickup	19/23
Chevrolet Equinox	346,048	SUV	26/31
GMC Sierra	232,323	Pickup	16/22
Chevrolet Traverse	147,122	SUV	18/27
Chevrolet Malibu	131,917	Mid-size car	29/36
Chevrolet Colorado	122,304	Pickup	20/30
Chevrolet Trax	116,816	Crossover	24/32
Buick Encore	102,402	SUV	24/32
GMC Terrain	101,470	SUV	25/30
Chevrolet Tahoe	101,189	SUV	21/28

Global sales 2020



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

Intuit is a market-leading provider of cloud-accounting and tax preparation software

1. Consistent double-digit revenue growth with industry-leading margins
2. Targeted growth strategy with large runway both domestically and internationally within its online ecosystem
3. Sustainable competitive moat with superior product quality, high switching costs, and strong network effects

High Switching Costs with TurboTax

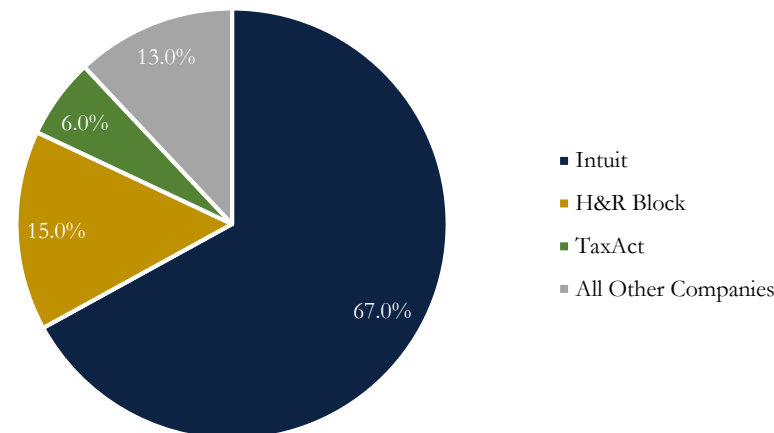
TurboTax Year by Year

- When a return is filed on TT, personal info and return data is saved. The next year, these preferences are automatically imported, eliminating repetitive screening and data entry
- If a customer decides to switch, they also must learn a new software in addition to having to re-input data

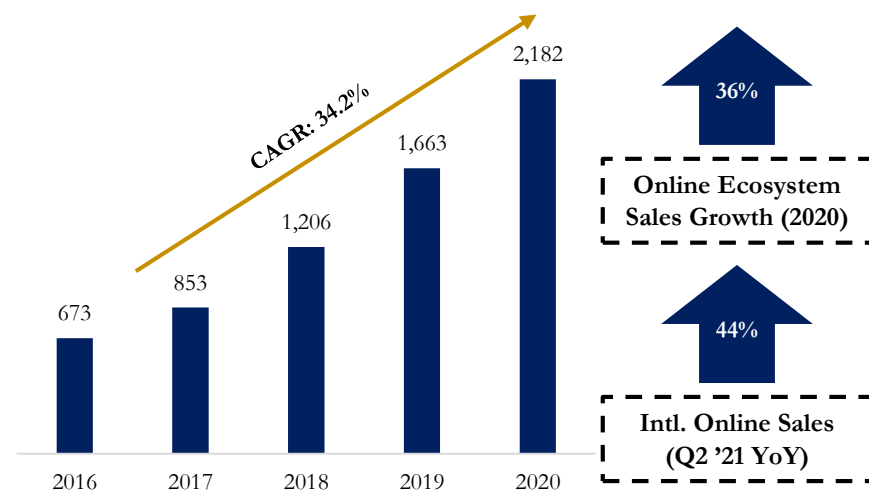
Seamless Integration of TT with QuickBooks Self-Employed

- QBSE tracks invoices, helps separate personal expenses from business expenses, tracks mileage automatically, and helps track any quarterly taxes due
- When tax season comes, self-employed users can file their returns in minutes through TT (at a price point of \$120) without having to parse through the data themselves

TurboTax Market Share (DIY Online)



Strong Online Ecosystem Revenue Growth (\$M)





MGM Resorts (MGM)

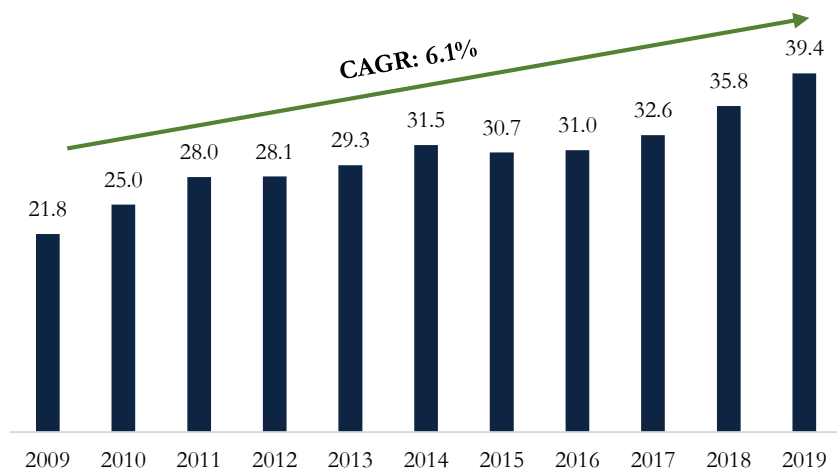


Investment Thesis: **BUY** | AIM Decision: **BUY**

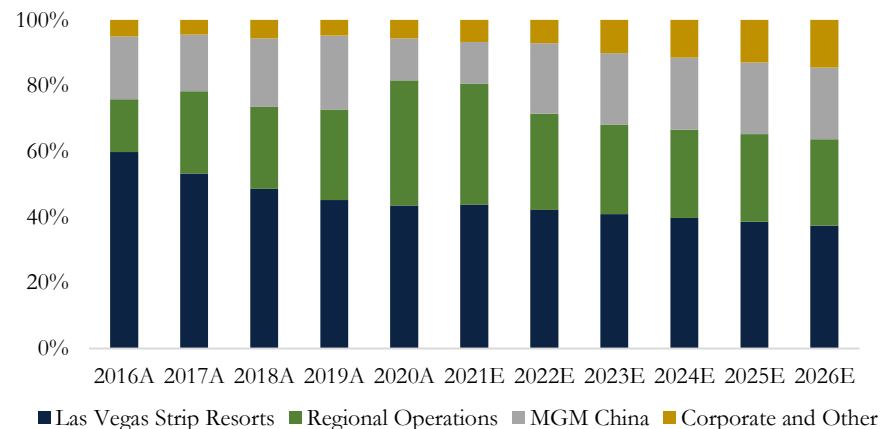
MGM is the owner and operator of casino resorts, which offer gaming, hotel, convention, dining, entertainment and retail across the U.S. and in Macau

1. Las Vegas properties expected to rebound quickly, benefitting from tailwinds of strong vaccination rollout within the U.S. and pent-up demand for leisure travel and live entertainment
2. Strong Macau visitation growth is expected to resume as the Chinese government starts to ease domestic travel restrictions
3. Successful cost cutting initiatives undertaken during the pandemic will help to boost margins by reducing G&A expense

Total Visitor Arrivals to Macau (\$M)



Revenue Breakdown by Segment



Primary Discovery

“Nobody expected demand in Las Vegas to come back this fast”
—MGM Director of Global Dev.

“Expect a major sustainable reduction in G&A expense”
—MGM Director of Strategy

“According to our estimate, 20 percent of all Asia (excl-Macau) mass gaming revenue could come back to Macau by 2022”
—MS Research Analyst



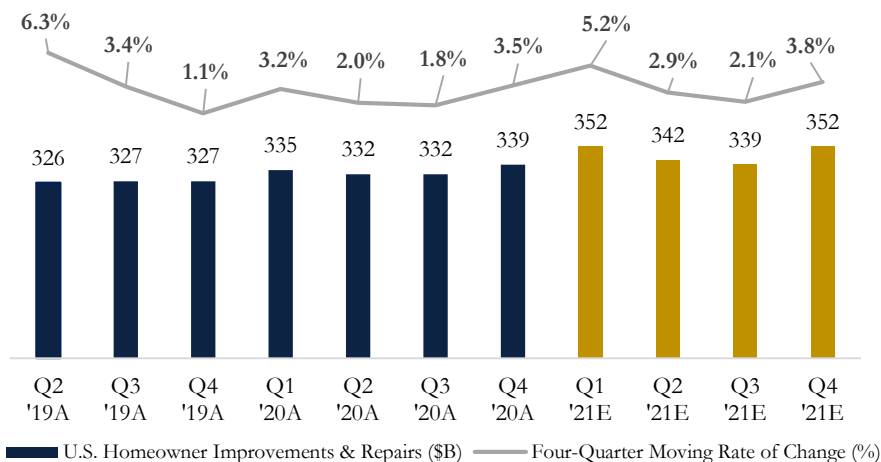
Installed Buildings Products (IBP)

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

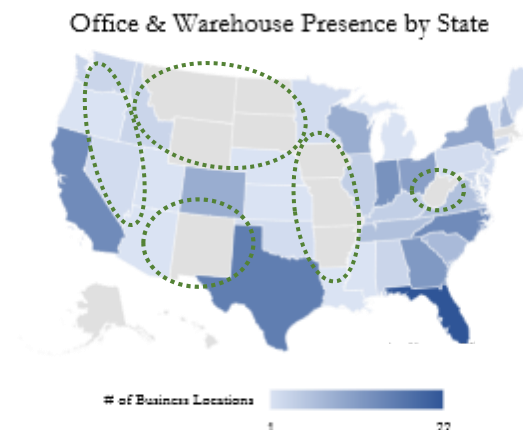
IBP is a market-leading provider of residential insulation and ancillary building products (waterproofing, blinds, rain gutters, etc.) across the United States

1. Historically low Federal Funds rate expected to be maintained through 2022
2. Untapped market potential in western United States provides runway for proven acquisition strategy
3. Ancillary products build-out reduces incremental SG&A
4. Formidable management fosters labor retention, pricing power, & exceptional EBITDA contribution margins

Leading Indicators in Home Remodeling (\$Bn)



Acquisition as a Focus

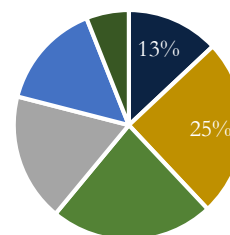


Avg. ~10
targets/year

\$107M
addition to
2020 Revenues

\$65M+
bolted-on
through Q1
2021

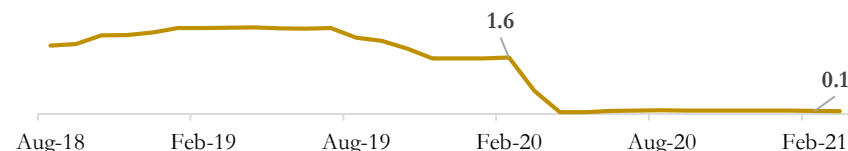
Home-Buying Dynamics



2020 Home Purchases by Age Cohort:

- Younger Millennials/Gen Yers (Ages 22-29)
- Older Millennials/Gen Yers (Ages 30-39)
- Gen Xers (Ages 40-54)
- Younger Boomers (Ages 55-64)
- Older Boomers (Ages 65-73)
- The Silent Generation (Ages 74-94)

Federal Funds Effective Rate (%)





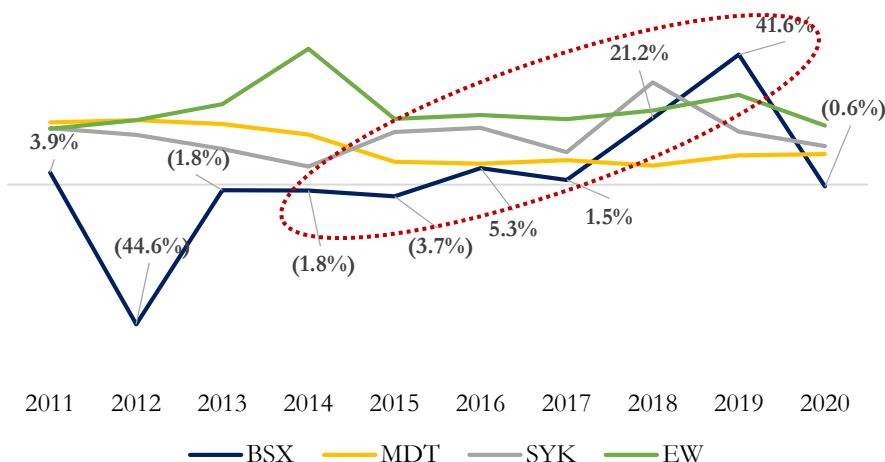
Boston Scientific Corp. (BSX)

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

Boston Scientific operates as a worldwide designer, manufacturer, and marketer of technological devices used in interventional medical procedures

1. Potential for a significant industry rebound due to procedure volume carry-over post COVID-19
2. Strong macro trends related to aging global demographic
3. International runway – specifically in Asian-Pacific markets – combines with formidable Venture Capital effort to offer significant share price appreciation
4. Stable organic portfolio growth characterized by an increasing moat

Pre-Pandemic ROE Growth



Primary Discovery Insights

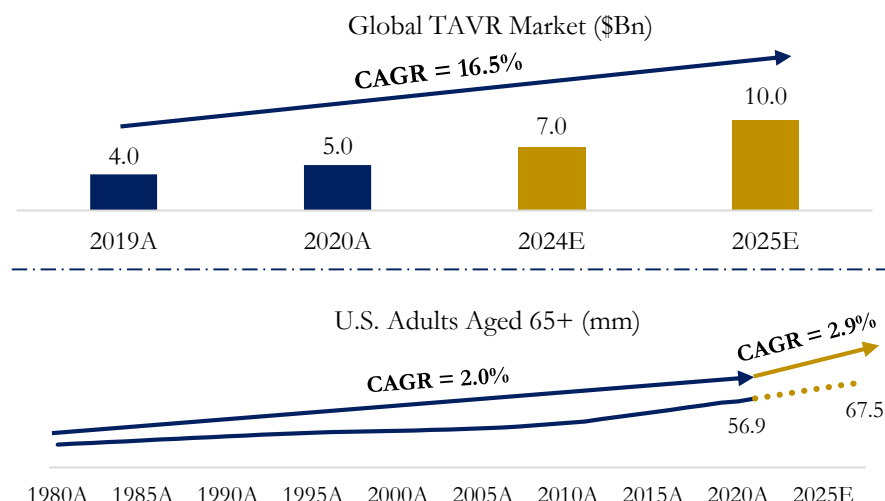
BSX CEO Mr. Mike Mahoney

“The proper integration of Farapulse, Inc. this coming summer could yield a **billion-dollar product** for us...”

“The **rate of liver cancer in China is actually three times** what it is in the United States...”

“Our idea has always been to **offer the full buffet** as opposed to just the ham section...”

Industry Tailwinds





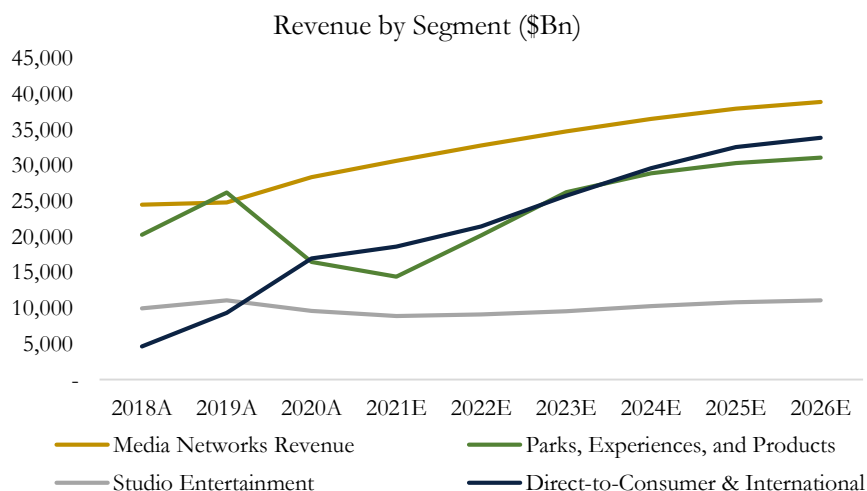
The Walt Disney Company (DIS)

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

Disney is an entertainment and media conglomerate that operates across its direct-to-consumer (DTC), parks, and linear cable business segments

1. Disney's IP strength enables them to develop key partnerships and drive DTC growth domestically and in global markets
2. Impressive global subscriber growth exceeded management expectations and milestones faster than that of competitors
3. The legacy and continued growth of the Disney brand will aid the cruise and parks segments, which will rebound dramatically following the completion of the international vaccine rollout

Rebound of Parks & Continued Rise of DTC



Strength of Disney's IP & Content



“Great content is the most effective way to grow your subscriber base. **Quality holds its value.**” – Executive Chairman Bob Iger

Global Launch Continues



Global launch of DTC platforms will result in **300-350 mm subscribers by 2024.**



Enbridge Inc. (ENB)



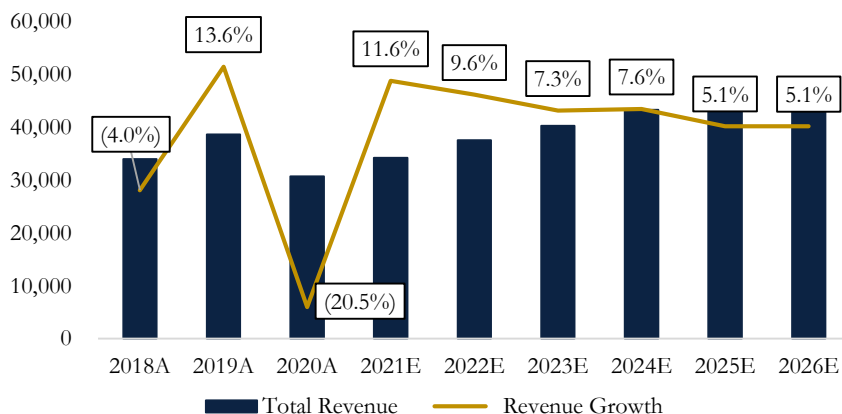
Investment Thesis: **BUY** | AIM Decision: **SELL**

Enbridge is an energy infrastructure company that operates through its Liquid Pipelines, Gas Transmission and Midstream, Gas Distribution and Storage, Renewable Power Generation, and Energy Services business segments

1. Increased revenue diversification across the oil, gas, and renewable segments continues to improve top and bottom lines
2. Continued investment in organic infrastructure & robust existing connections to prime markets will drive growth
3. Increasing market share in the domestic pipeline industry
4. Commitment to return value to shareholders in a staggering 26 years of dividend increases, with a current yield of ~7%

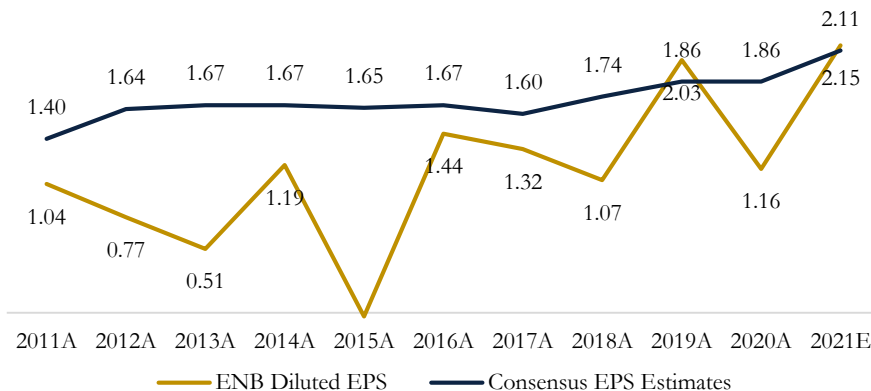
More Gradual Recovery Across Segments

Total Revenue (\$M) and Growth

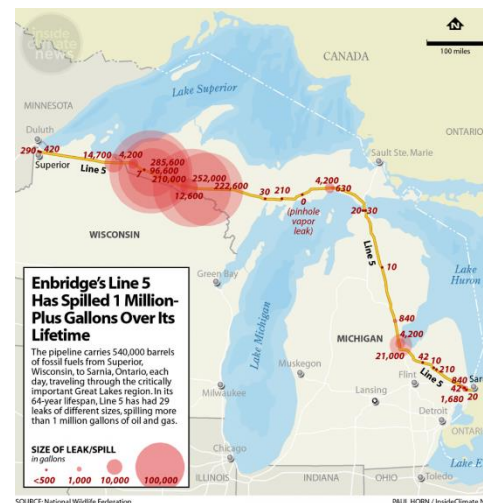


Consistent Underperformance on EPS

Enbridge EPS Performance (\$) vs. Consensus



Industry Headwinds and Operational Risk



Despite ENB's record of owning mistakes, environmental headwinds are increasing for their Line 3 and line 5 pipeline projects.



Breakout Room 3

Analysts



Daniel Bannon
Costco, Pool Corp.



Anne Elizabeth Barr
Zillow, Ulta



**Ryan
Hickey**
Qualys, Alamos



Conor Neal
Mastercard, Essex Property Trust



Daniel Windoff
*Waste Management, Roper
Technologies*

Board Members

Jon Carr

Kevin Casey

Shane Corwin

Michael Purcell



Costco Wholesale Corp (COST)

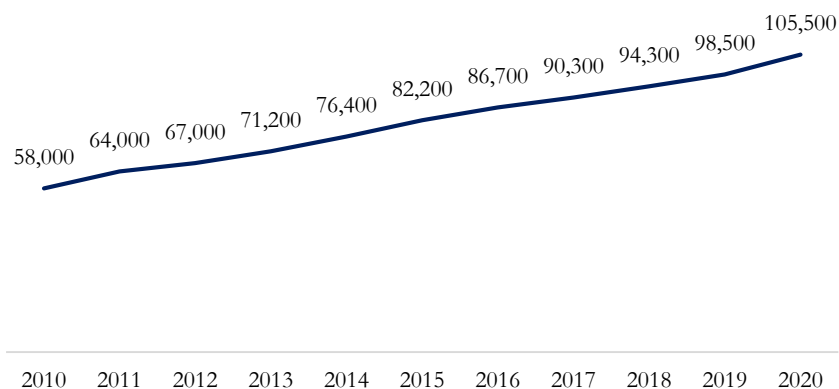


Investment Thesis: **SELL** | AIM Decision: **SELL**

Costco owns and operates warehouse supercenters selling predominantly staple items in bulk to their loyal members primarily in North America

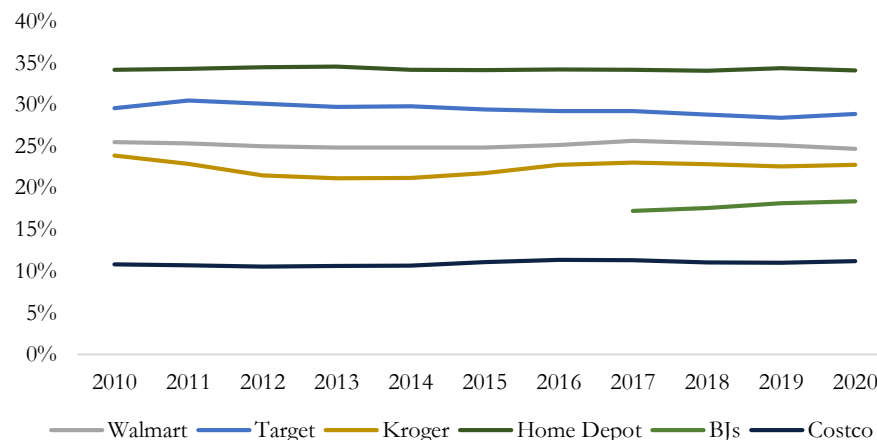
1. Costco is valued at a premium to all its peers despite a shrinking domestic growth runway and no comprehensive track record of expanding internationally
2. A ballooning cash balance and a special dividend paid to shareholders in November 2020 gives me caution about how much more room this stock has to run
3. The power of the brand, and recurring revenue, is valued too highly in the market today—it is not a judicious investment to pay \$165 B for 800 warehouses

Total Cardholders

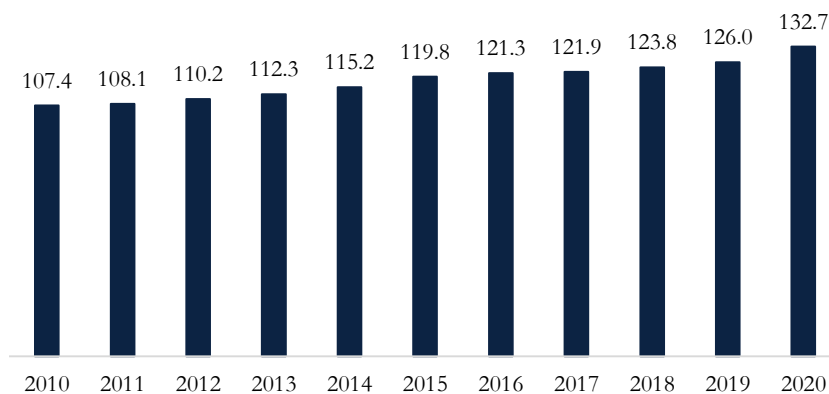


6% CAGR

Lagging Gross Margin. Win on Volume?



Members Per Warehouse



2% CAGR



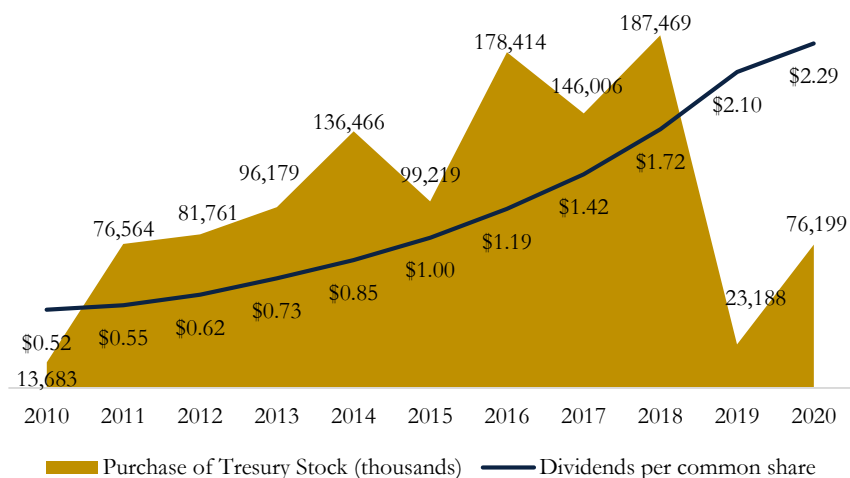
Pool Corporation (POOL)

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

POOL is a wholesaler of essential pool supplies to small mom and pop operations and exploits their scale to provide bargain prices for their customers

1. Installed base of pools is growing rapidly as consumers favor at home leisure activities and individuals move to warmer latitudes
2. POOL has a massive moat. Management has shown an adept ability to acquire smaller players: I am confident the firm will continue to operate monopolistically
3. Low-capital intensive, price insensitive customers gives POOL great pricing power over non-discretionary spend for pool owners

Masters of Capital Allocation



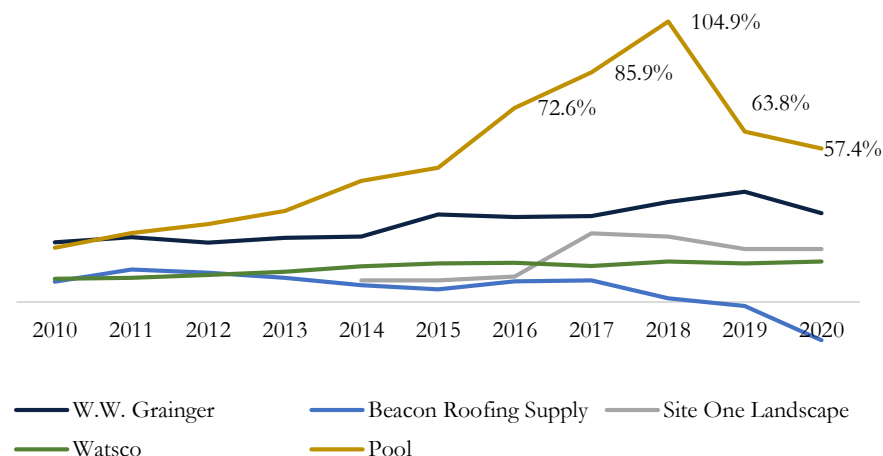
Primary Discovery

Pool Scouts CEO: Kevin Wilson



- Large provider of pool maintenance with 80 franchisees.
- POOL is their exclusive provider of equipment—despite their scale they cannot negotiate on price at all
 - “Even though they raised prices on all our products in 2020, it was still cheaper than going directly to the manufacturer. The convenience and breadth of product offerings is unmatched.”
- Doubled down on the attractiveness and growth potential of the industry—18-month pool construction backlog even in the seasonal market of Virginia Beach

Leading Returns on Equity





Zillow Group, Inc (ZG)

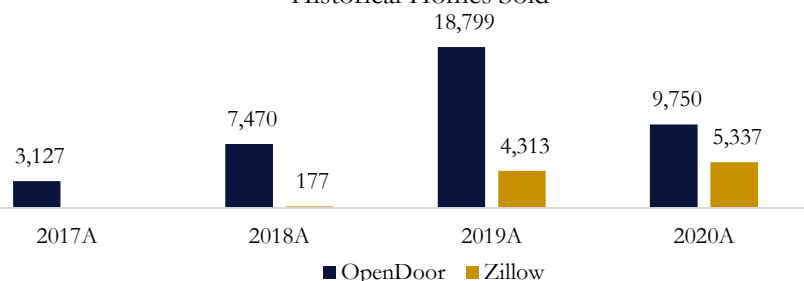
Investment Thesis: **SELL** | AIM Decision: **SELL**

With 200 million monthly users, Zillow is the leading digital real-estate platform, offering services under its Internet, Media, and Tech segment and transactional real-estate services under its Mortgages and Homes segments

1. As its IMT Segment's Zestimate technology and strong brand name continue to grow its already sizable user base, Zillow's strength lies within its tech presence in real-estate ("Zillow 1.0")
2. Zillow is encountering stiff and seasoned competition as the enter the transactional side in "Zillow 2.0"
3. The "Zillow 2.0" E-Sales and E-Mortgages platforms have severe headwinds such as lessened buyer intentionality and unfavorable unit economics

High Competition within E-Sales

Historical Homes Sold



Zillow

Tenor 3 Years

Gross Margin 5.5%

Contribution Margin (-0.4%)

Inventory Turnover 3.6x

OpenDoor

Tenor 7 Years

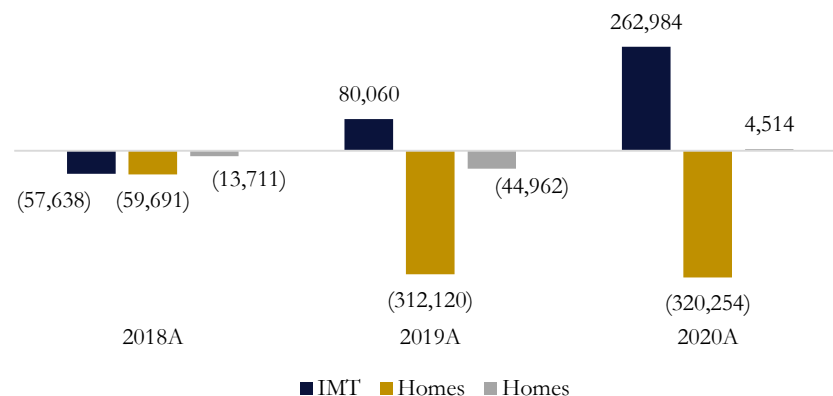
Gross Margin 8.5%

Contribution Margin 3.2%

Inventory Turnover 22.0x

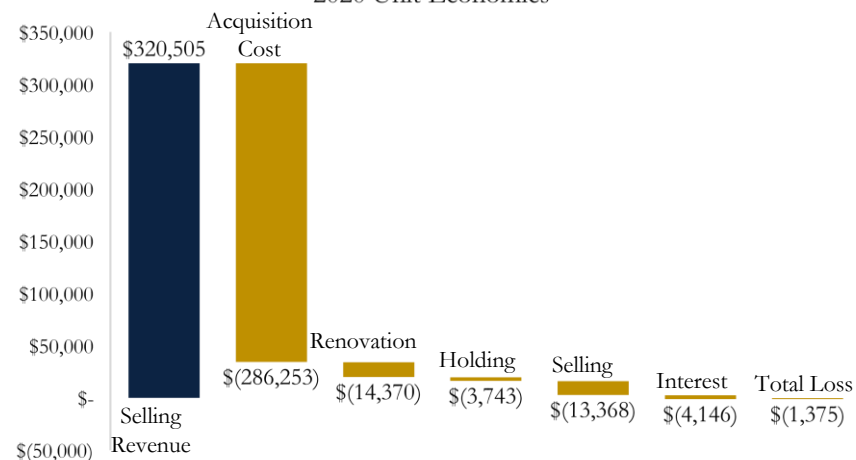
Zillow 1.0 Performance Compared to Zillow 2.0

EBT Performance by Segment (\$thousands)



Unattractive Unit Economics in E-Sales

2020 Unit Economics





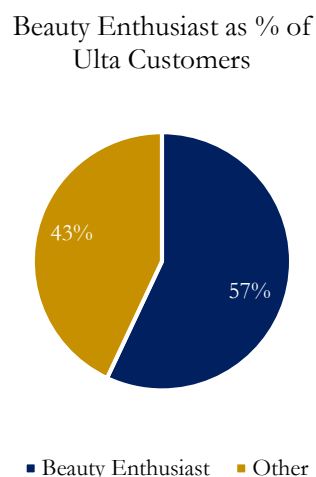
Ulta Beauty, Inc (ULTA)

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

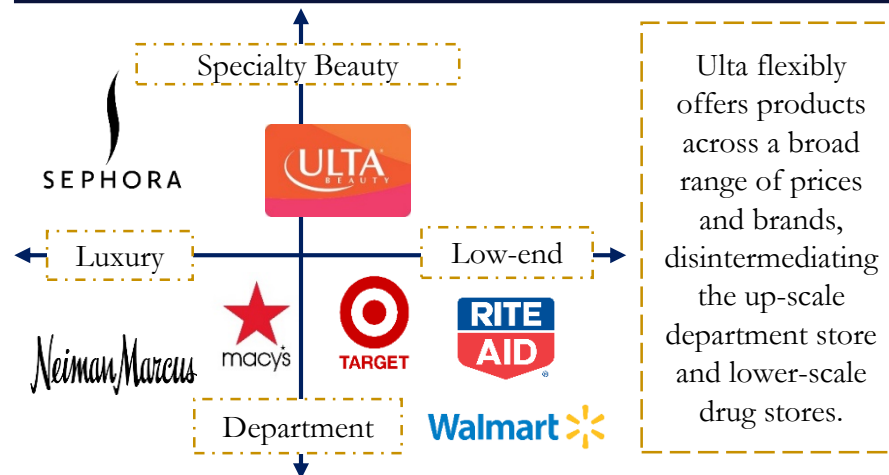
Ulta Beauty is the leading domestic one-stop-shop beauty retailer, offering cosmetics, fragrances, salon services and other beauty necessities through its integrated omni-channel network of 1,264 stores, as well as e-commerce platforms

1. Ulta has industry-leading strength in flexibility through its broad scope of product offering, fast-growing omni-channel network, diverse set of loyal consumers, and adaptable cost-management
2. Declines seen among both cosmetics and brick-and-mortar retailers create sizable headwinds for Ulta
3. The market is currently very optimistic about Ulta and its prospects, seemingly encapsulating all value in flexibility

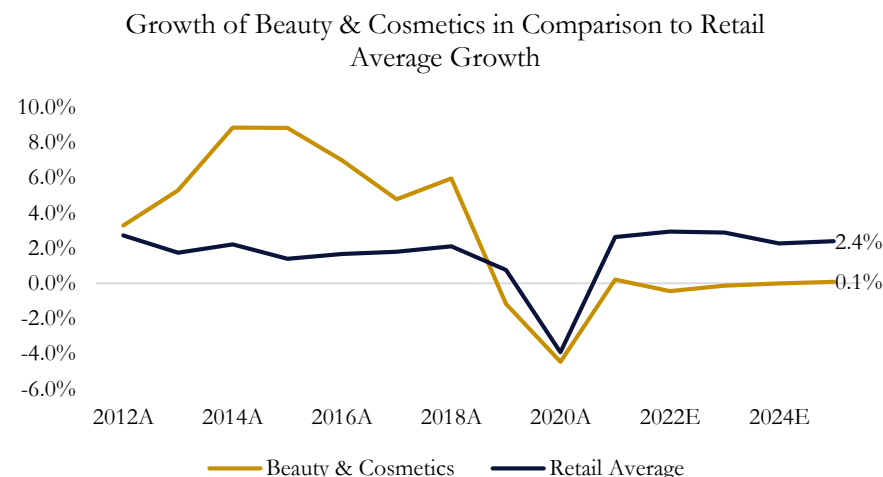
Industry-Leading Loyalty Membership



Unique Flexible Positioning across Products



Declines in Beauty & Cosmetics Industries





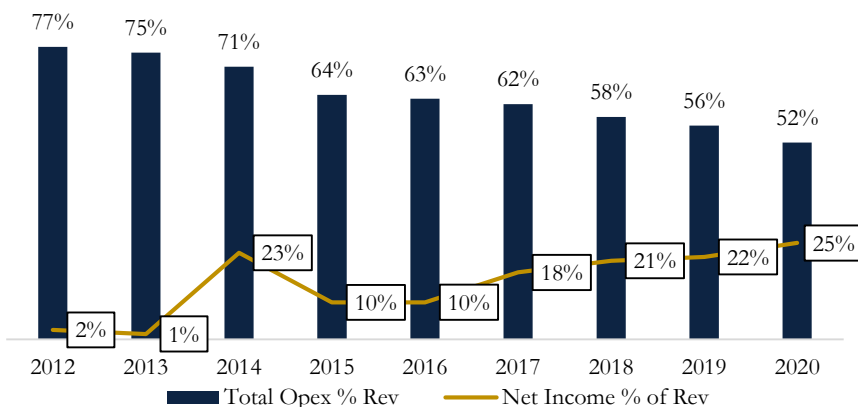
Investment Thesis: **SELL** | AIM Decision: **SELL**

Qualys is a back-end IT (enterprise and compliance) application systems provider with a shifting strategic focus on cybersecurity

1. Qualys is transitioning its previous systems to VMDR cloud platform software and rebuilding its customer base
2. The Company has guided for materially higher operating expenditures over the short term to assist in expansion operations, which will compress margins
3. Key management risk heightened when CEO Phillipe Courtot took a leave of absence in Feb. 2021

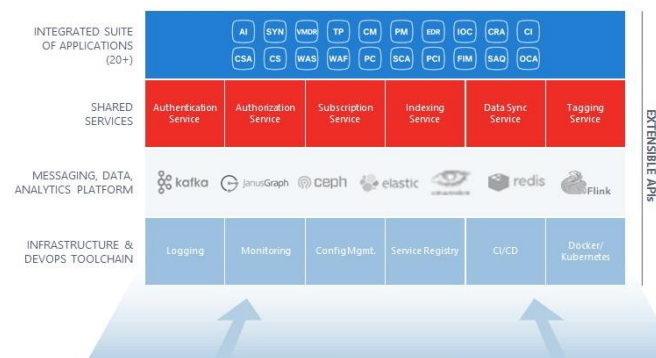
Expansion and an Expense

Correlation of Net Income and Operating Expense



Business Value Proposition

Qualys Cloud Platform



Mixed Product Reviews

Selected Commentary: Channel Check with IT Professional

“Qualys has a really strong vulnerability management offering. Though we don't compete with them directly, a lot of my customers are using their product. We have law firms, insurance companies, universities and more using them.”

“[We] used it about 10 months ago, and we switched to a new tool because it was buggy. I used the patch management solution and dashboards in my previous role for reporting purposes. There were some bugs, we got a lot of false positive alerts.”

“I don't think I'd pay for a subscription... It's expensive and at the end if you want an honest opinion your better off hiring a professional firm.”



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

Alamos owns and operates three mines in North America, Young Davidson, Island Gold and Mulatos. The Company generates growing and sustainable revenue and net income

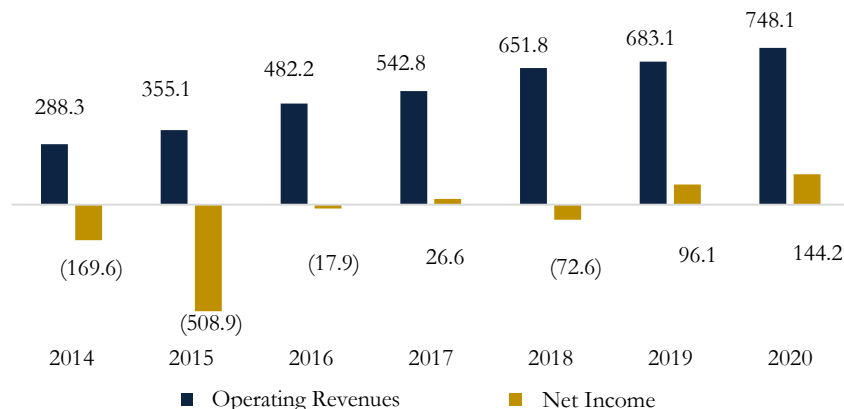
1. Geopolitical risk mitigated by mine locations in favorable jurisdictions such as Canada and Mexico
2. Alamos has an experienced and conservative management team, i.e., using \$1250 input costs to value reserves and projects (current Gold price \$1771)
3. Even with no leverage, the Company still pays a 1.26% dividend and has a share buyback program of up to 10% of float

Market Cap Exceeded by Ore Reserves

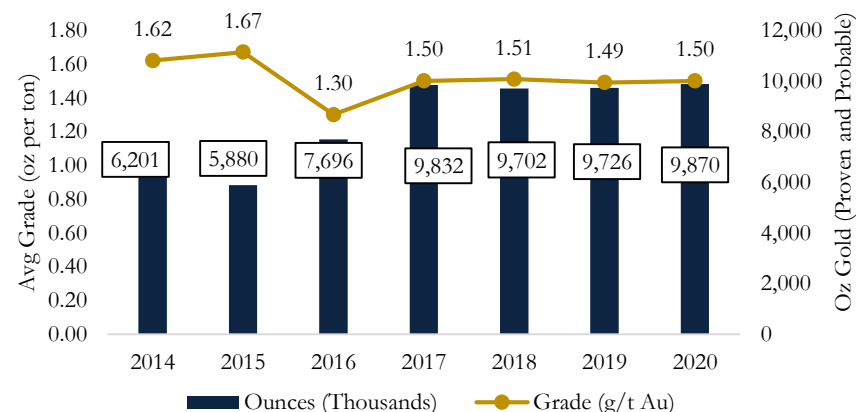
Market Cap \$3.2 Billion (5/4/2021)

Mineral Reserves and Resources		Gold Price (per oz)									
AISC	9,870,000										
	EBIT	\$ 1200	\$ 1300	\$ 1400	\$ 1500	\$ 1600	\$ 1700	\$ 1800	\$ 1900	\$ 2000	
	\$ 500	6,909	7,896	8,883	9,870	10,857	11,844	12,831	13,818	14,805	
	\$ 600	5,922	6,909	7,896	8,883	9,870	10,857	11,844	12,831	13,818	
	\$ 700	4,935	5,922	6,909	7,896	8,883	9,870	10,857	11,844	12,831	
	\$ 800	3,948	4,935	5,922	6,909	7,896	8,883	9,870	10,857	11,844	
	\$ 900	2,961	3,948	4,935	5,922	6,909	7,896	8,883	9,870	10,857	
	\$ 1000	1,974	2,961	3,948	4,935	5,922	6,909	7,896	8,883	9,870	
	\$ 1100	987	1,974	2,961	3,948	4,935	5,922	6,909	7,896	8,883	
	\$ 1200	-	987	1,974	2,961	3,948	4,935	5,922	6,909	7,896	

Revenue (\$M) and Net Income Growth



Organic Reserve Growth and Stable Ore Grade





Mastercard (MA)

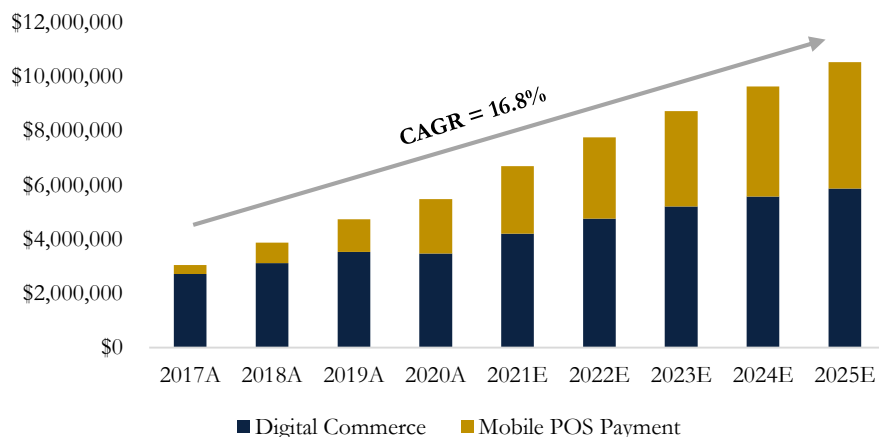


Investment Thesis: **BUY** | AIM Decision: **BUY**

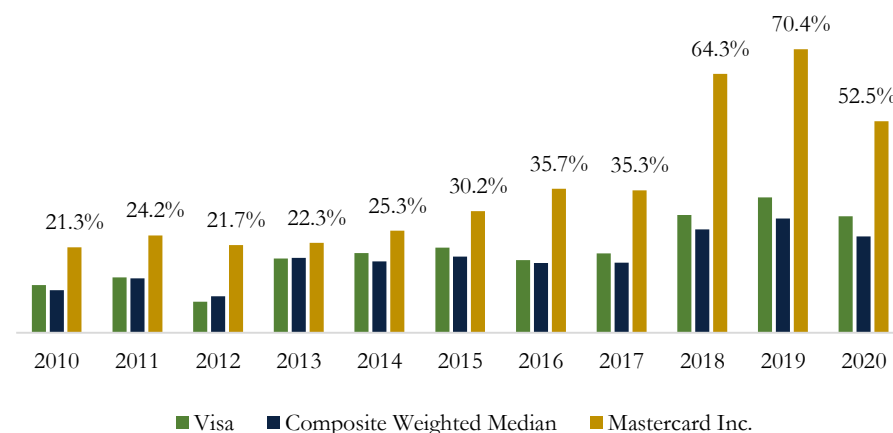
Mastercard is an intermediary payment processing network that works to connect consumer and commercial clients

1. Mastercard's stable and entrenched position should continue to benefit from increased digital payments and allow for easy entry into the \$125T B2B payment market
2. Their greater international presence compared to peers should allow them to capitalize on growing globalization
3. While Mastercard is slightly overvalued compared to peers, management has shown its ability to generate industry leading return on equity

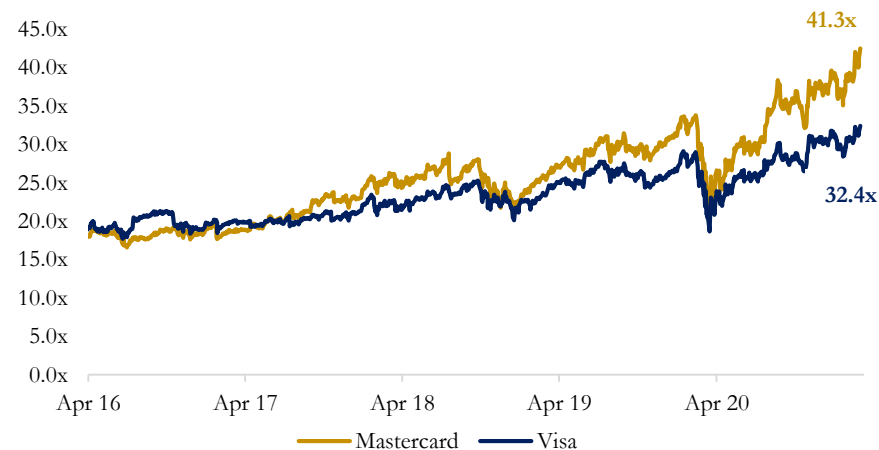
Digital Transaction Volumes



Industry Best ROE



Slightly Overvalued Compared to Peers





Essex Property Trust (ESS)

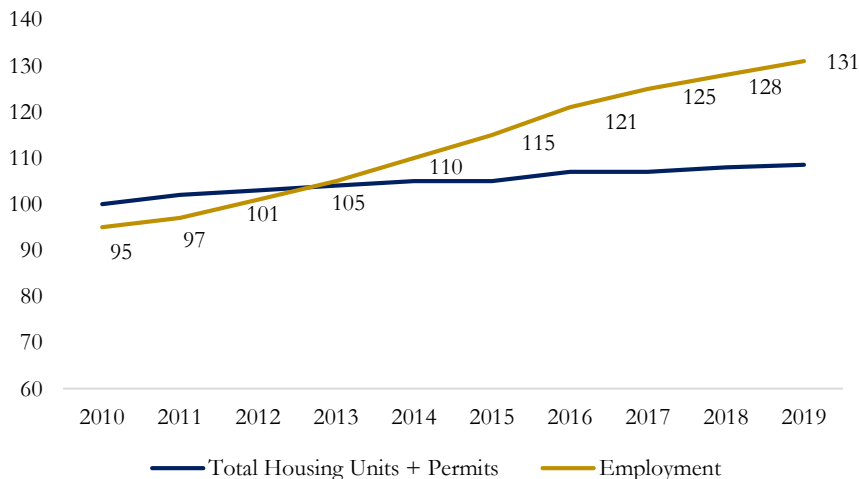
ESSEX
PROPERTY TRUST, INC.

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

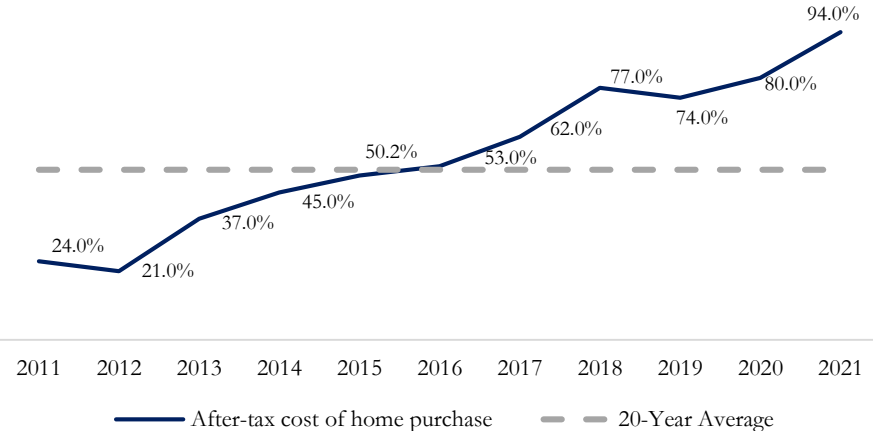
Essex is a residential REIT that owns and operates high-end apartment complexes in select west coast markets in more suburban areas surrounding urban cores

1. Essex's strong location presence in areas with an increasing housing shortage should allow for additional pricing power
2. Favorable macroeconomic trends, including rising housing prices, changing tax legislation, and misunderstanding of population movements should provide a favorable climate for Essex
3. Management has proven its ability to generate value through industry-leading adjusted funds from operations margin

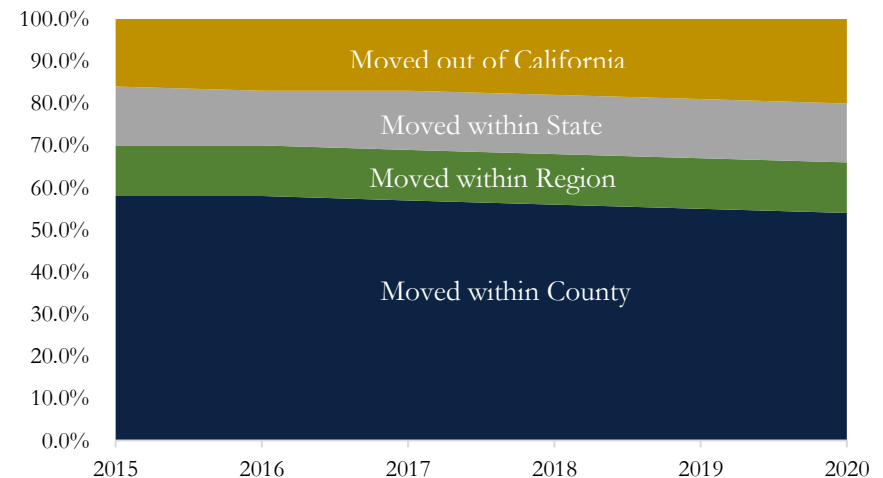
Employment Growth vs. Housing Permits (SF)



Cost Premium to Own vs. Rent in Essex's Markets



Most California Movers Stayed in the State





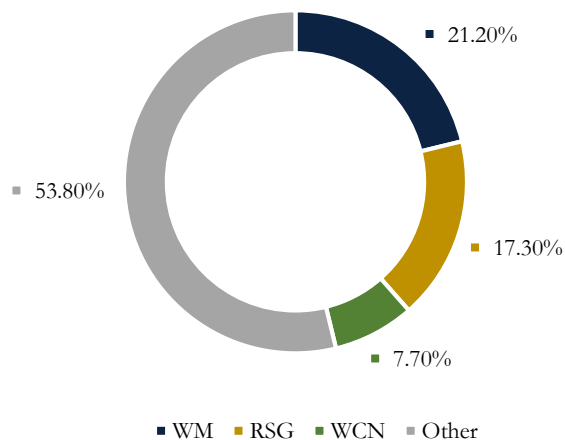
Waste Management (WM)

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

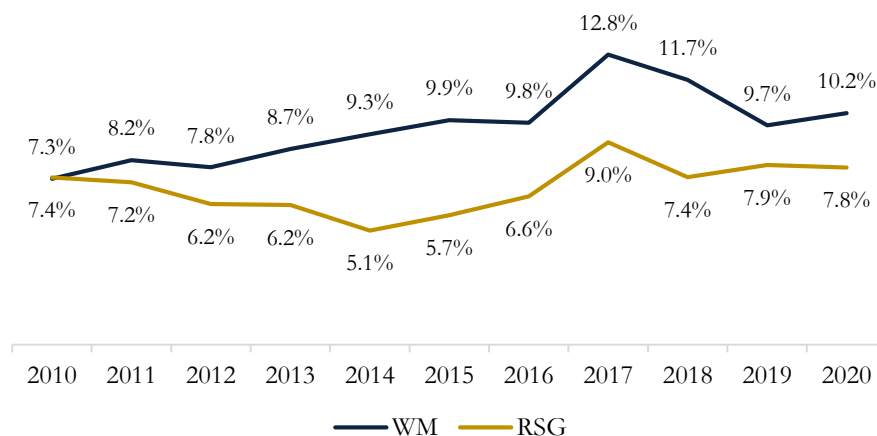
Waste Management is the largest provider of collection, transfer, disposal, and recycling services in North America

1. Stable and highly resilient business model operating in a capital intense industry with high regulatory barriers of entry
2. WM's strong management team are good stewards of capital as seen in the company's return on invested capital and steady increase in margins
3. Competitive industry uniform pricing with beneficial industry structure for large, multi-stream players controlling privileged landfill assets

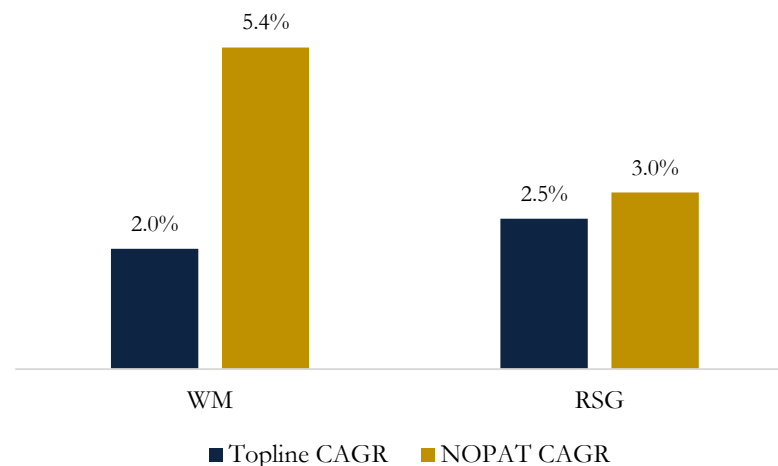
Market Share



Return on Invested Capital



NOPAT Growing Faster Than Revenues





Roper Technologies (ROP)

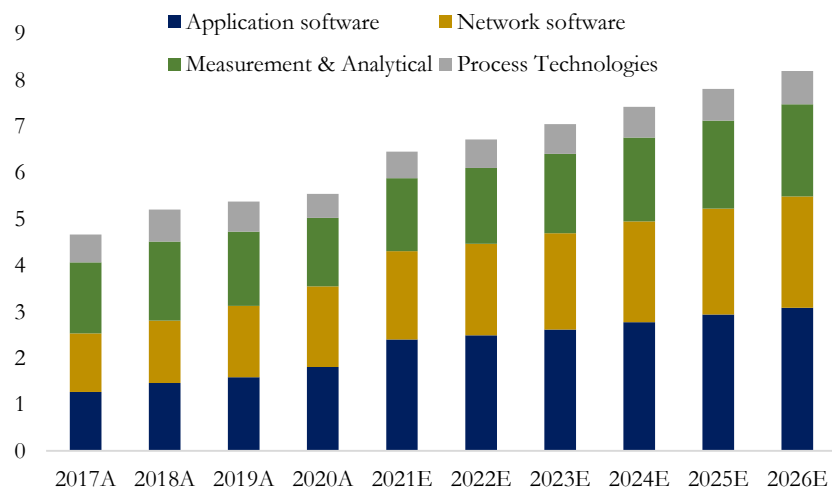


Investment Thesis: BUY | AIM Decision: SELL

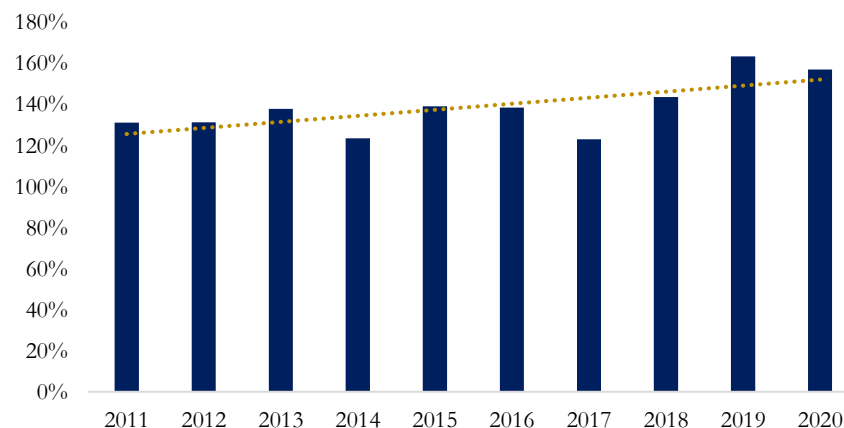
Roper Technologies is a diversified software and industrial technology company operating in highly engineered niche end markets

1. Superb acquisition strategy resulting in a strong diversified portfolio of companies in markets with high barriers of entry
2. Roper's strong management team are excellent executors of strategy and have a long history of value and cash flow accretive acquisitions
3. Roper has diverse income streams, of which 80% is recurring and noncyclical combined with increasing pricing power due to large SaaS model income

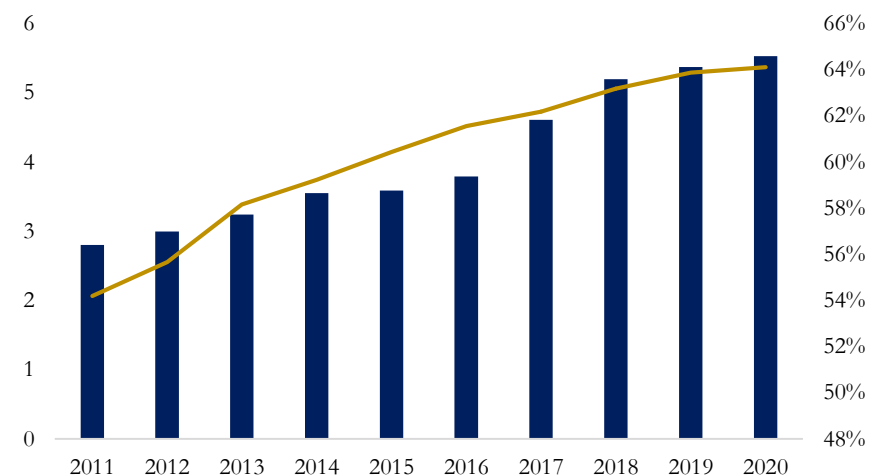
Historical and Projected Segment Growth (\$Bn)



Free Cash Flow Conversion



Revenue (\$Bn) and Margin Growth





Breakout Room 4

Analysts



Tim Bautz

Live Nation Entertainment, DraftKings



Luke Brizzolara

Crown Castle, Cirrus Logic



Julia Caccavo

Match Group, Sonos



Colin Gutzmer

Intercontinental Exchange, PetIQ



David Keller

WW International, ZIM

Board Members

Stephen DuFour

Scott Malpass

John Rudolf



Live Nation Entertainment Inc. (LYV)



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

Live Nation is the market leader in live entertainment, primarily focused on promotion and production of concerts and other live events

1. Live Nation is positioned to grow from strong industry tailwinds and expected available consumer spend coming out of COVID
2. Commitment to identifying cost inefficiencies and re-organizing itself into a more lean and nimble business will propel margin growth to be more in line with the market and industry peers
3. There is tremendous value in Live Nation, but the market has priced in too much optimism regarding significant industry unknowns (i.e., timing of industry restart and show capacity limits, industry competition and alternatives, etc.)

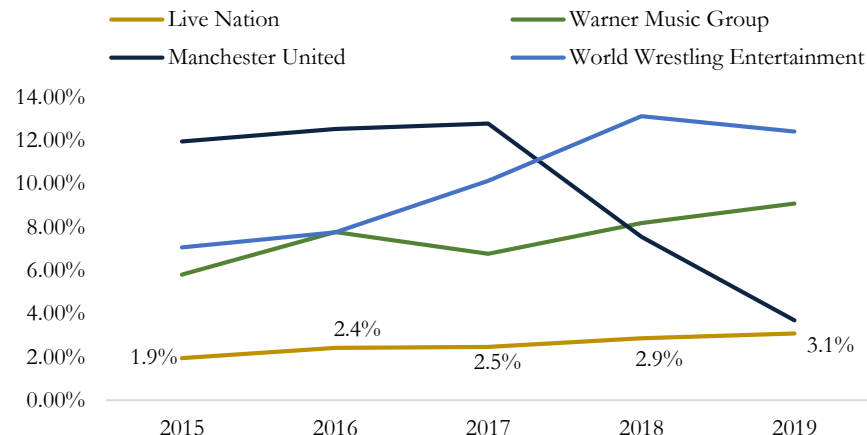
Primary Discovery Validates Skepticism

JOE FUCIGNA

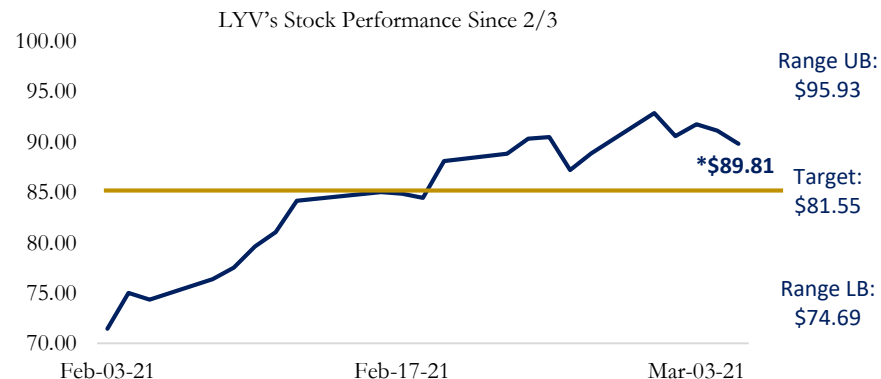
Talent Agent, Head of Touring at A3 Artists

- Meaningful live entertainment at scale will return closer to Fall 2021...[and] we will run into disruptive elements through the end of 2021
- I expect that, at least through 2021 and 2022, artists will be on the road and venues will be booked solid every day
- There is a ton of value in Live Nation given its competitive advantage, but there are too many unknowns in live entertainment right now
- There's no doubt about it, Live Nation is the best positioned company to bounce back when things recover

Operating Margins Trail Industry Peers



Market Already Baked in Too Much Optimism



Much of projected upside has been traded away during the semester. Since Feb. 3, LYV's stock has grown 26% (and up 18% from pre-COVID trading high).

* LYV share price as of 3/5/2021



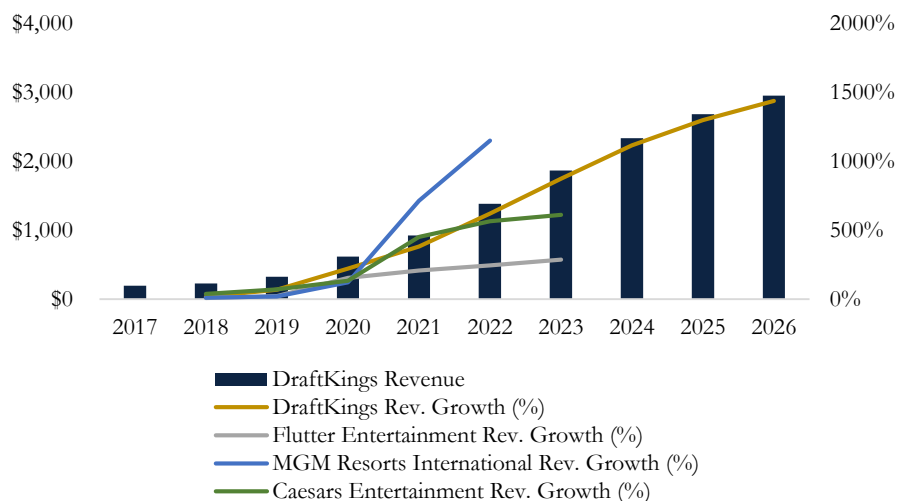
DraftKings Inc. (DKNG)

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

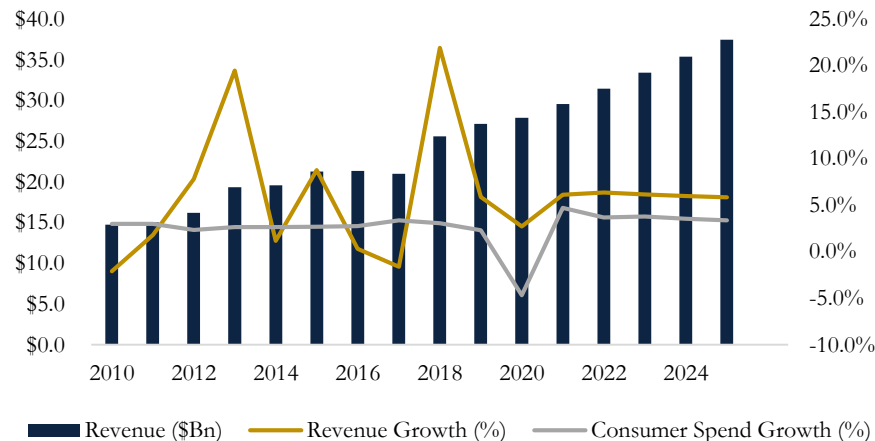
DraftKings is a US-based digital entertainment and gaming company in the Online Gambling Services (“OGS”) industry

1. Industry is still very fluid and the market is too optimistic of how quickly OGS will be legalized at scale in the US given that States hold all decision making power
2. The market prices in DKNG’s competitive advantage and excitement over the company’s and industry’s growth potential, but the market weighs DKNG’s ability to generate revenues too heavily and is not concerned enough about DKNG’s prolonged unprofitability and unknowns re: legalization and DKNG's path to profitability

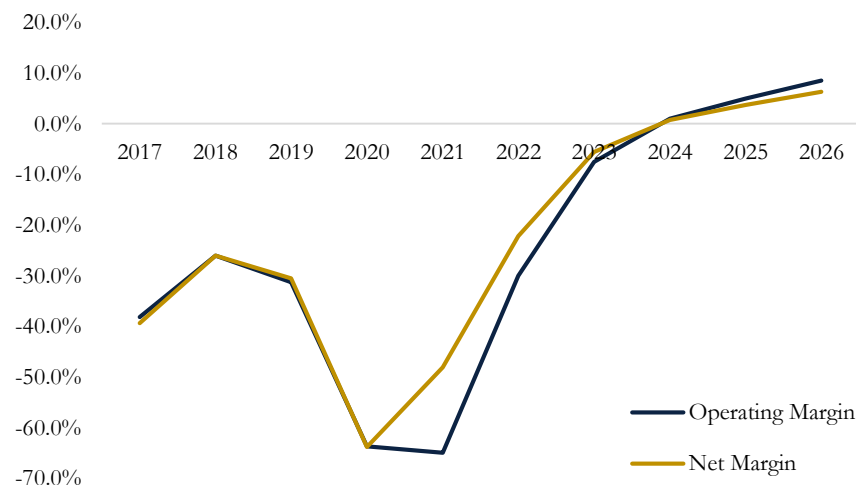
Revenue Growth Outpacing Peers in US



Ability to Capture Share of US OGS Industry



Unclear Path to Profitability Is Concerning



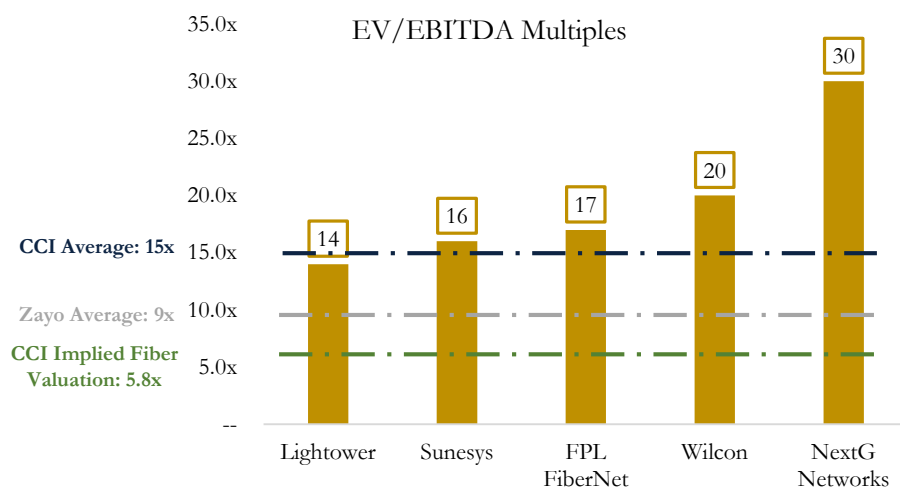


Investment Thesis: **SELL** | AIM Decision: **SELL**

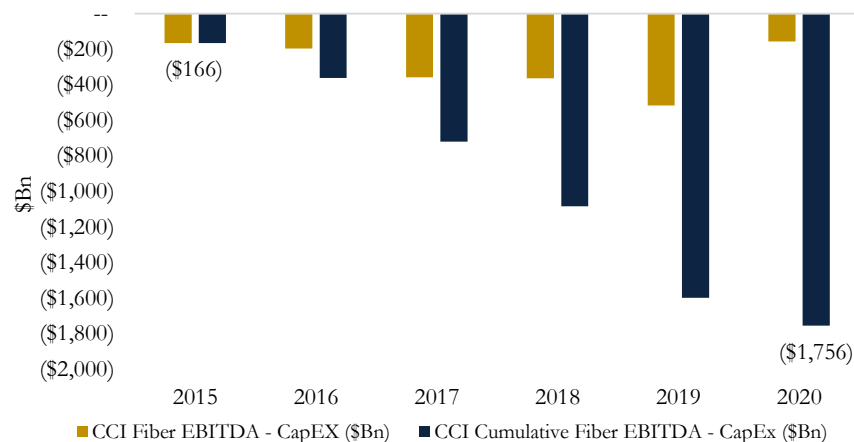
Crown Castle operates a robust cell tower business that operates as a local monopoly and has recently invested aggressively into a fiber business with much less attractive industry dynamics that will continue to degrade its fundamentals

1. The fiber industry is fundamentally less attractive than the tower industry due to increased competition and lower margins
2. On small cell sites, Crown Castle earns a return on capital for its first carrier below its cost of capital and increased competition makes significant, widespread colocation unlikely
3. Crown Castle's annual fiber cash burn has accelerated over the past five years with no clear end in sight

Imprudent Acquisition Strategy



Crown Castle is Burning Cash



Potential Upside if Fiber Pays Off?

If Crown Castle can increase its Fiber EBITDA and trade at a multiple closer to what its buying assets at, it will have upside

Fiber EBITDA	Fiber Multiple				
	5.0x	5.8x	9.0x	15.0x	30.0x
1300					
1400	\$147	\$149	\$160	\$179	\$228
1480	\$147	\$150	\$161	\$182	\$233
1750	\$151	\$154	\$167	\$191	\$252
2000	\$154	\$157	\$172	\$200	\$269
2250	\$156	\$160	\$177	\$209	\$287

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

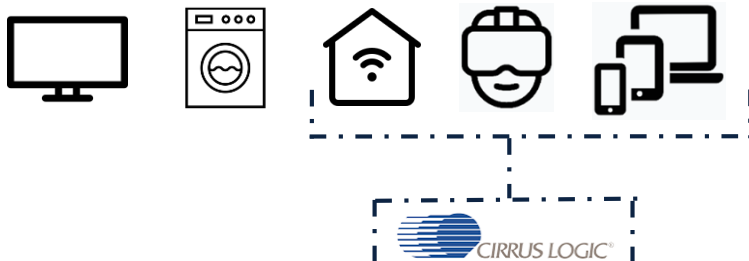
Cirrus produces best-in-class audio, haptics, and mixed-signal integrated circuits and codecs for smart devices. Cirrus dominated the iPhone market and is focused on expanding to other smart devices both within and outside of Apple

1. Cirrus has best-in-class-products: it has continually gained share within iPhones and has never lost a component previously won
2. Cirrus is positioned on the right side of sustained exponential growth opportunities in mixed signal and smart device markets
3. Apple comprises more than 75% of revenue, which provides a robust base of cash flow but also a risk that must be continuously monitored

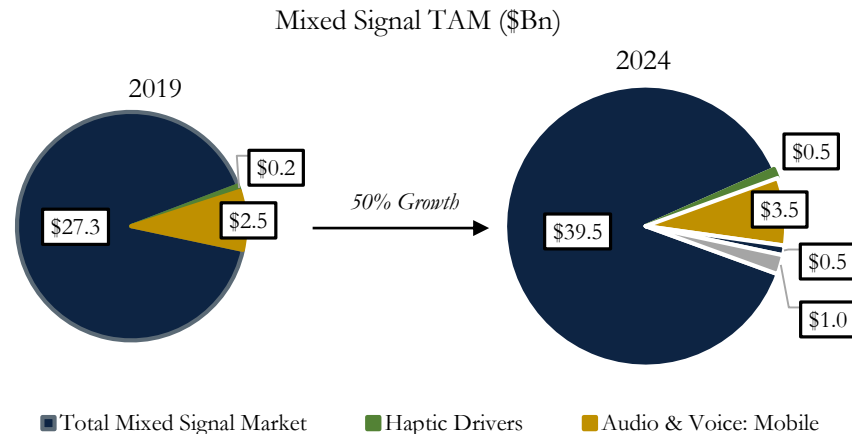
...That Cirrus has Tailored Exposure to

Smart device unit sales have grown at a 28% CAGR since 2013. By buying Cirrus, we get exposure to the growth opportunities that I believe are most attractive

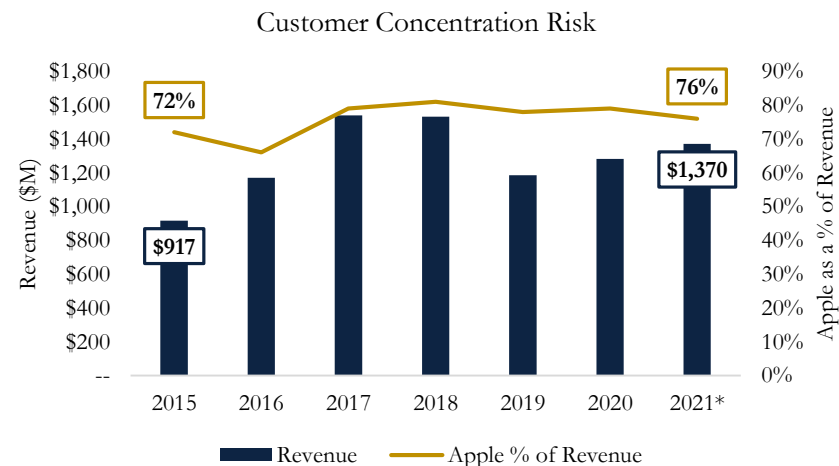
SAMSUNG



Attractive Growth Opportunities...



Apple Poses a Risk





Match Group (MTCH)

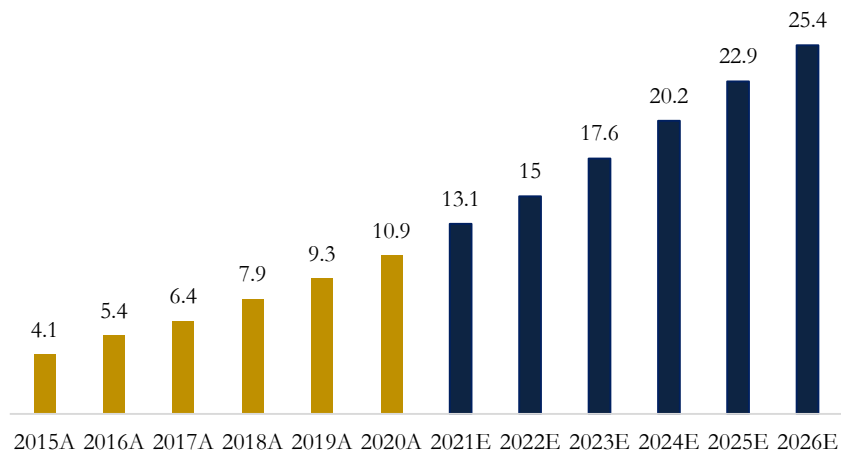
matchgroup

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

Match Group is the leading provider of online dating services, with a portfolio of over 45 brands, including Tinder, Hinge, and OkCupid, allowing it to serve 10.9M subscribers globally

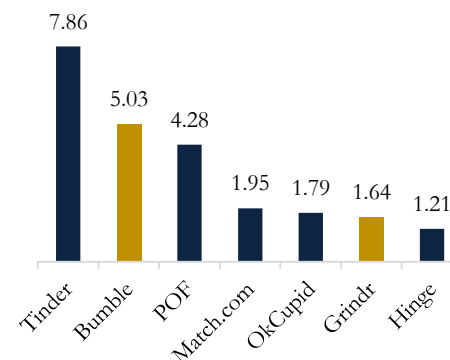
1. Unparalleled dominance and market share of the rapidly growing online dating industry
2. Significant international opportunity for both existing and emerging brands
3. Hinge's enormous growth potential in both subscribers & ARPU increases

Strong Subscriber Growth (M)

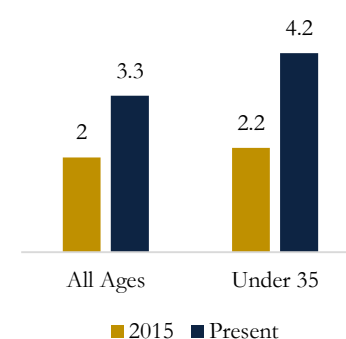


Clear Leader in an Attractive Market

Dating Apps in US by Audience Size (millions)

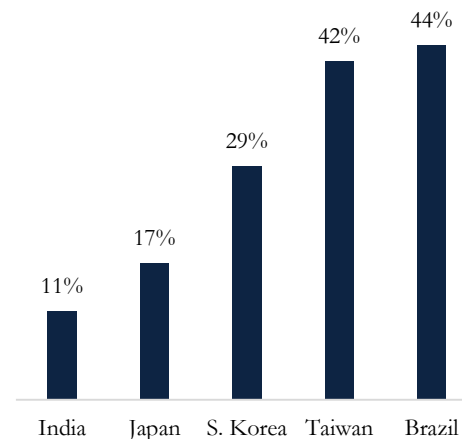


Average # of Dating Apps Used



Runway for Emerging Brands

Dating Product Usage (2018)



Hinge



pairs engage

Over 1/2 singles in NA & Europe and 2/3 singles in APAC, Africa, ME & Latin America **have never tried dating products**



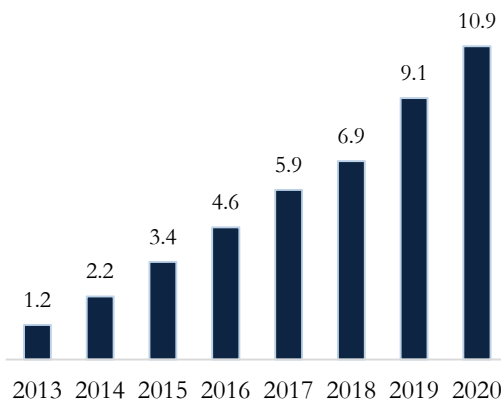
Investment Thesis: **SELL** | AIM Decision: **SELL**

Sonos is a leader in the wireless home audio space and aims to provide customers with a differentiated sound experience through its portfolio of wireless and home theater speakers

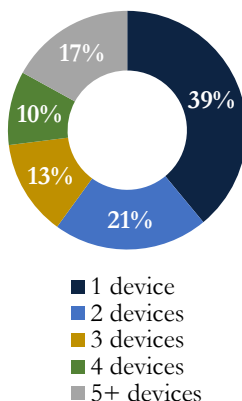
1. The Company is well-positioned for growth given its sticky “Start with One, Buy More” business model and significant IP portfolio
2. Given the significant run-up in stock price over the past year thanks to COVID-19 tailwinds, the market has priced in Sonos’ growth potential

Attractive Business Model

Households with at Least One Sonos Device (M)

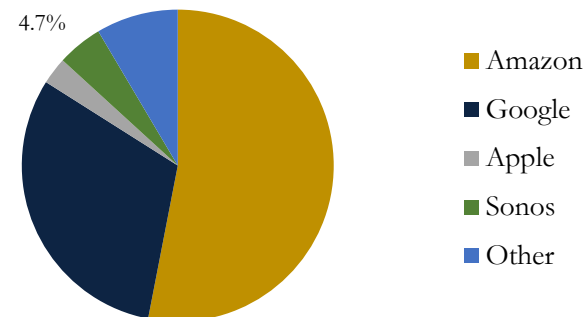


Households by # of Registered Devices

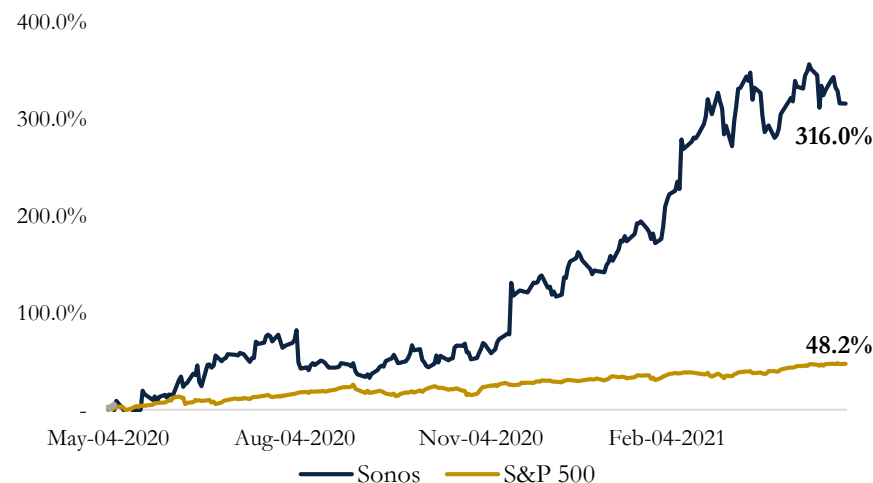


Competitive Industry Environment

U.S. Smart Speaker Market Share (2020)



One Year Stock Chart





Intercontinental Exchange (ICE)

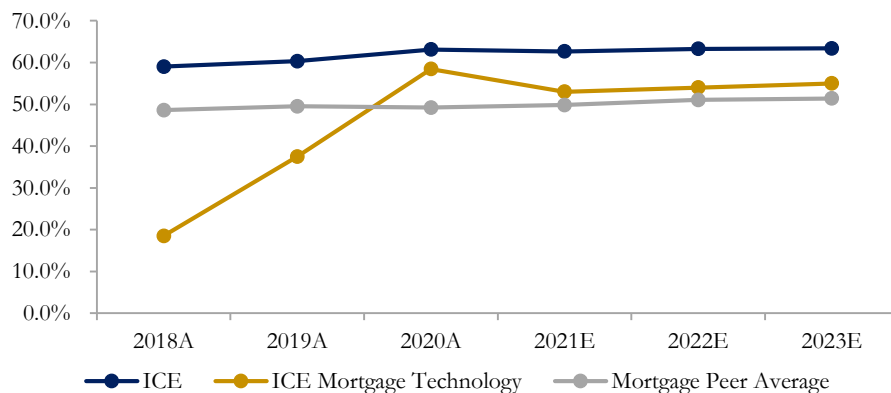


Investment Thesis: **SELL** | AIM Decision: **SELL**

ICE operates a strong Exchange business behind the brand of the NYSE but has limited growth avenues beyond its uncertain mortgage bet

1. ICE's growth profile is diminishing and hinges on the success of the mortgage industry
2. Growth in the Mortgage Technology segment, a priority of management, will likely deteriorate the base business's fundamentals
3. The market applies a full multiple to ICE despite limited growth prospects and operating profiles versus peers

Mortgage Move Pressures Profitability



ICE's Growth Prospects are Melting

“NYSE Owner Intercontinental Exchange Makes Takeover Offer for eBay”

A deal could value the online marketplace at more than \$30 billion

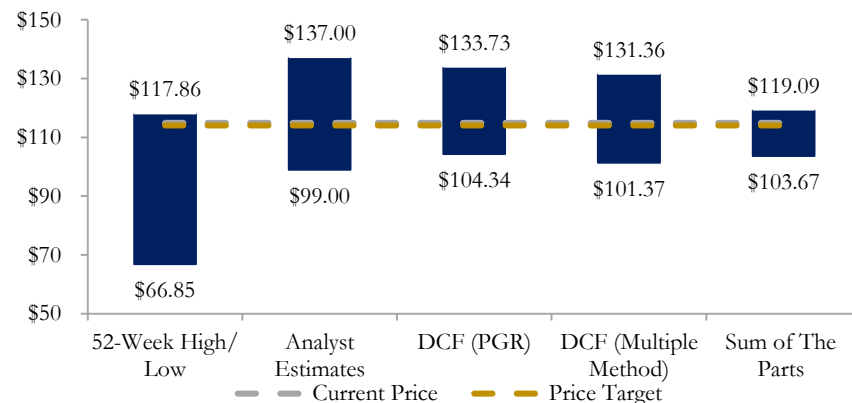
— Wall Street Journal Headline, February 4, 2020

“Intercontinental Exchange to acquire Ellie Mae from Thoma Bravo for \$11 billion”

Thoma Bravo acquired the company for \$3.7 billion 15 months ago

— HousingWire Headline, August 6, 2020

Full Valuation Suggests Better Opportunities





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

PetIQ is a microcap veterinary products and services company. PetIQ is the fourth largest veterinarian employer in the U.S. and will operate 1,000 permanent locations by 2024

1. The pet industry is a different animal and offers a compelling secular growth backdrop
2. PetIQ's emphasis on consumer value will allow it to unlock and take market share
3. The move towards Services will drastically improve the earnings power of the Company

PetIQ's Value Proposition

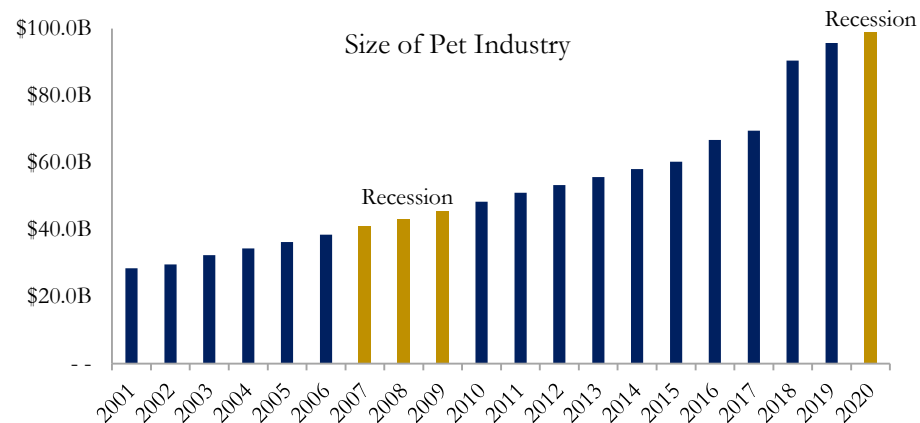
“We believe that our offerings will help us address the **\$10.0 billion underserved veterinary market** according to L.E.K. Consulting, consisting of an estimated \$7.4 billion of services and an estimated \$2.6 billion in product revenue.”

—PetIQ 2020 10-K

“45% of these pets treated have not seen a veterinarian in over 3 years”

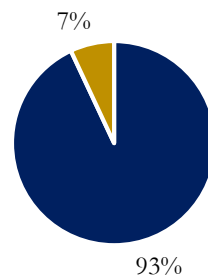
—PetIQ 2019 Q4 Earnings Call

The Pet Industry is a Different Animal



Projected Earnings Power Transformation

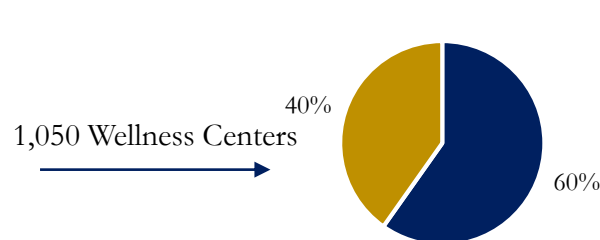
FY2020A Revenue Mix



■ Products Revenues
■ Services Revenues

~8.7% EBITDA Margin

FY2026E Revenue Mix



■ Products Revenues
■ Services Revenues

~16.3% EBITDA Margin

1,050 Wellness Centers

Service Segment
Approaches Peer
Margins



WW International, Inc. (WW)



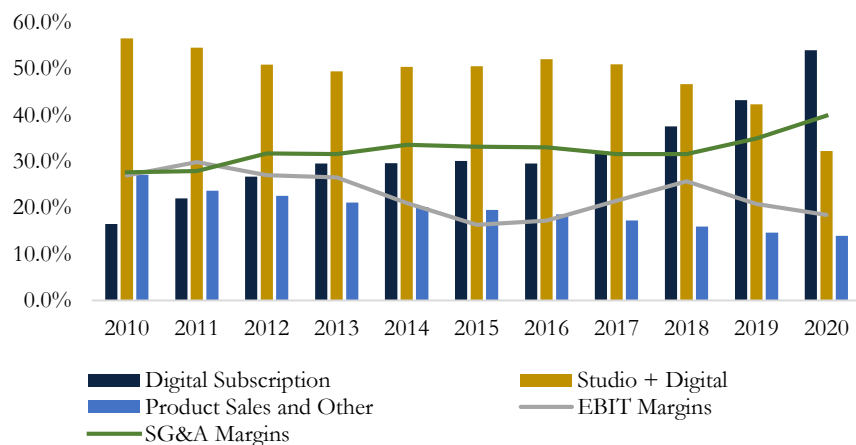
Investment Thesis: **SELL** | AIM Decision: **SELL**

WW International Inc. is a global provider of health and wellness solutions, focusing on diet, weight-loss, and fitness products and services

1. Even when accounting for the impact of COVID-19 on the Studio business, the firm's fundamentals are deteriorating
2. Lackluster success with digital platforms combined with topline stagnation and compressing margins is concerning
3. The destiny of WW hinges on its ability to attract and retain key demographic groups they have historically struggled with (millennials, Gen Z), and the firm has not shown any progress in attracting these customers to its digital platforms

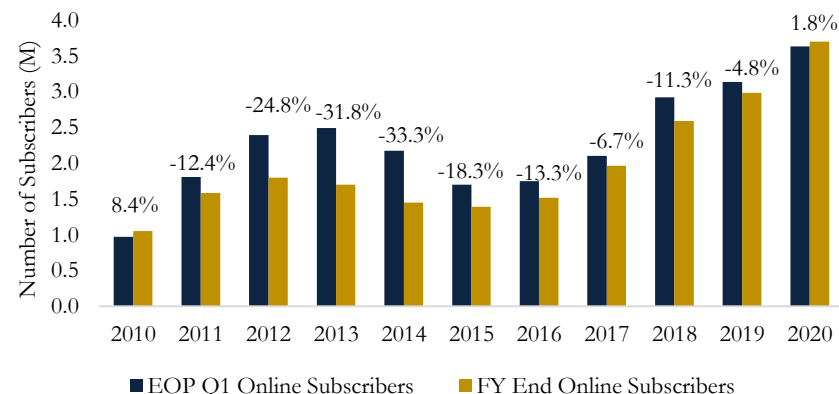
SG&A Margins ↑ EBIT Margins ↓

Net Revenues from Operating Segments as % of Total, EBIT Margins, and SG&A Margins, 2010-2020



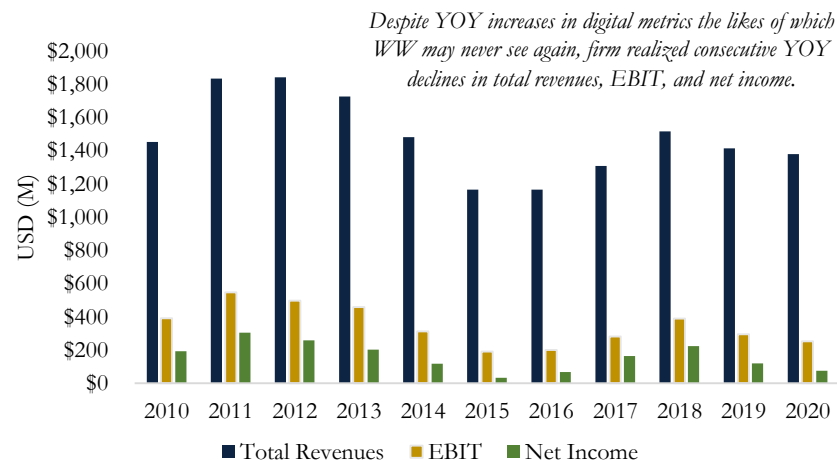
WW's Rebranding and Transition to Digital

Attrition Rates for Digital Subscription Users



Still No Improvement in Top or Bottomline

WW's Total Revenues, EBIT, and Net Income, 2010-2020





Zim Integrated Shipping Services Ltd. (ZIM)

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

Zim is an asset-light carrier in the maritime shipping industry with leadership positions in niche trade lanes around the world

1. The maritime shipping industry is poised to have a colossal year. Transpacific freight rates have soared and the Q1/Q2 surges in U.S. Imports show no indication of leveling off as we head into the peak seasons for the industry
2. Maritime carriers flex their pricing power this year and ZIM's niche position and asset-light structure enables the firm to increase freight rates (and carried TEUs) and post best-in-class margins
3. Contrary to the Street, there is no evidence to suggest (1) U.S. imports will fall dramatically in 2022 and/or (2) transpacific freight rates will collapse

2020 Industry Trends/Performance vs. ZIM



2020 Change in Global Container Demand: **-2%**
2020 Change in North American Container Demand: **3%**



2020 Change in Carried TEUs (all segments): **0.7%**
2020 Change in Carried TEUs - U.S. Imports from Asia: **23.5%**

2020 Average Freight Rates (USD/TEU)



MAERSK



OOCL



Hapag-Lloyd



CMA CGM



ZIM

\$1,000

\$1,100

\$1,115

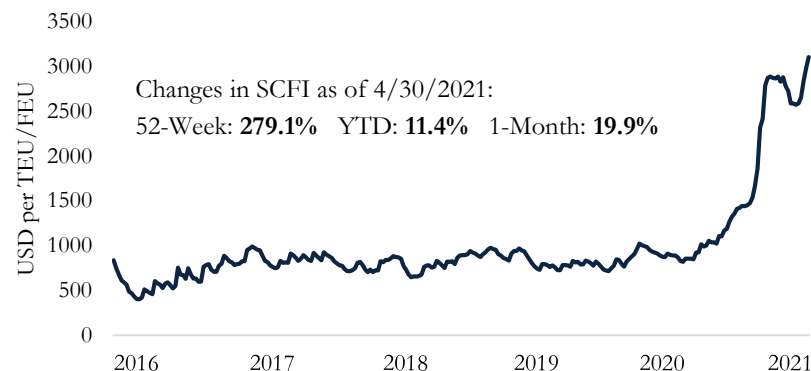
\$1,154

\$1,229*

*While the overall industry saw an 18% increase in average freight rates in 2020, ZIM realized an increase of **21.8%** in average freight rates.

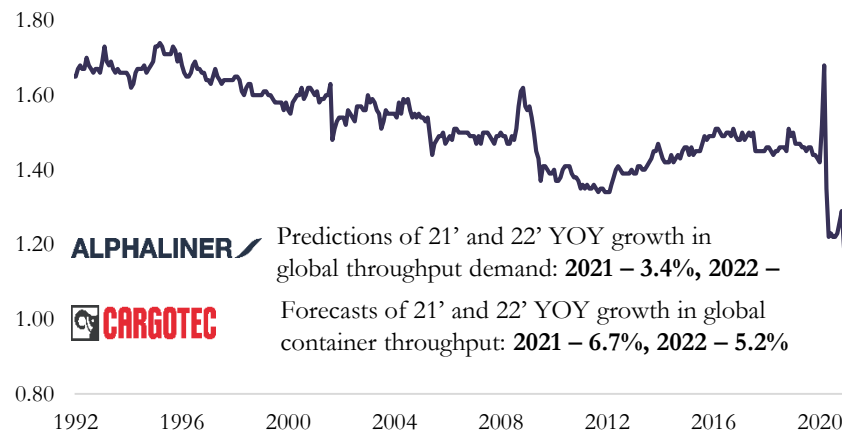
Transpacific Freight Rates Have Skyrocketed

Weekly Changes in the Shanghai Containerized Freight Index (SCFI), 1/1/2016 – 4/30/2021



No Indication of U.S. or Global Import Slowdown

Monthly U.S. Retail Inventories-to-Sales Ratios, January 1, 1992 - February 1, 2021





Breakout Room 5

Analysts



Kyle Grba

AerCap Holdings, The Hershey Company



Patrick Lanser

Enterprise Products Partners, FuelCell



Connor Leonard

Facebook, Planet Fitness



Matt Muliadi

Crown Holdings, Guardant Health



Lauren Yankanich

Malibu Boats, Dollar Tree

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Charles Cascarilla

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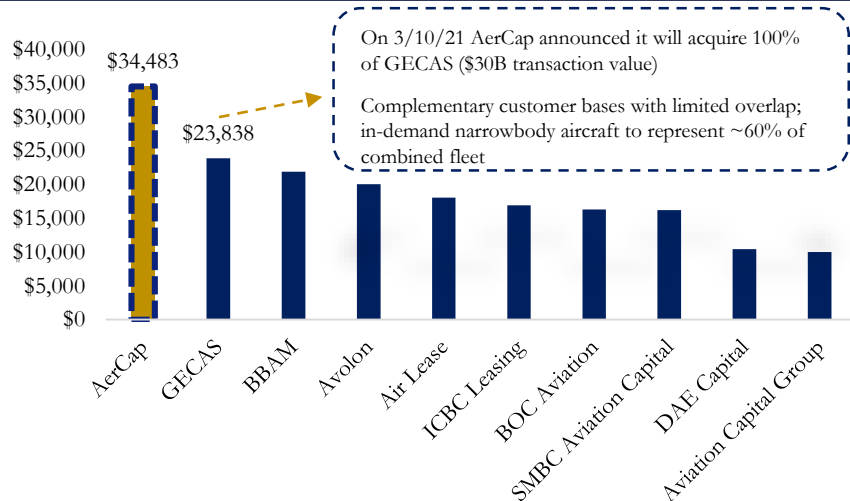


Investment Thesis: **BUY** | AIM Decision: **BUY**

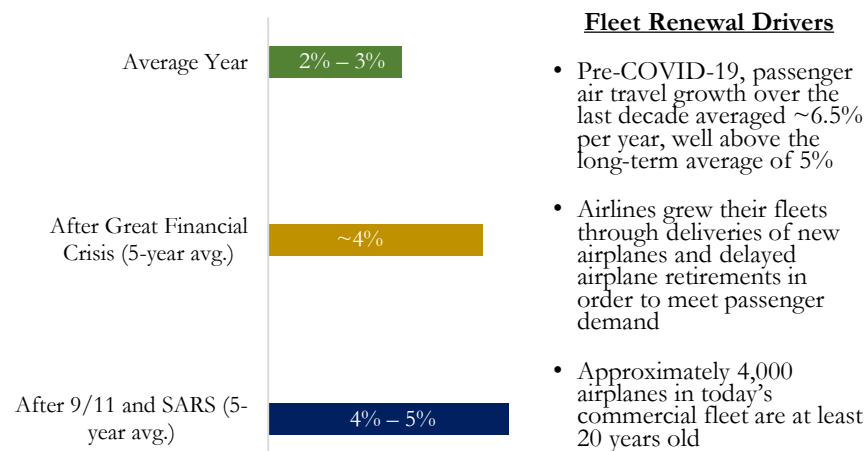
AerCap is the largest aircraft lessor in the world, providing commercial aircraft to over 200 customers in 80 countries

1. Global passenger demand will continue to recover as vaccination dissemination increases
2. Airline demand for aircraft leasing in the near- and intermediate-term will strengthen as airlines prioritize de-leveraging
3. AerCap's market leadership position and operational execution will drive outsized benefit from secular tailwinds attributable to stretched airline balance sheets and global air travel growth

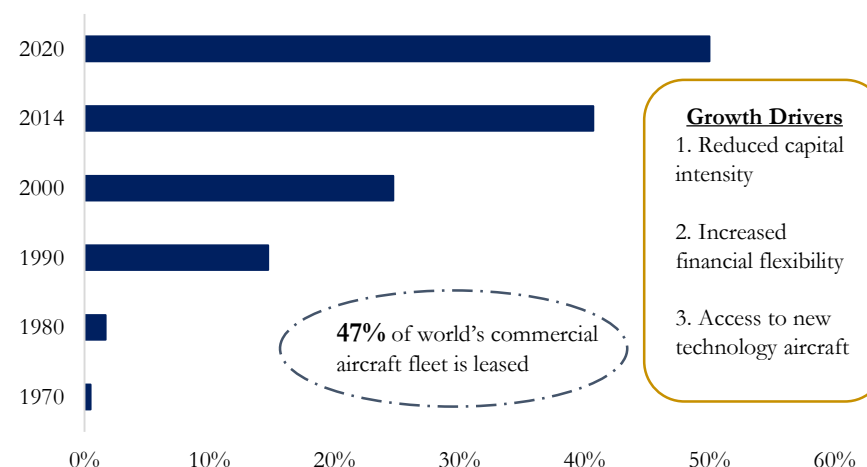
Aircraft Lessors by Fleet Value



Looming Acceleration in Fleet Renewals



Leased Share of Aircraft Worldwide





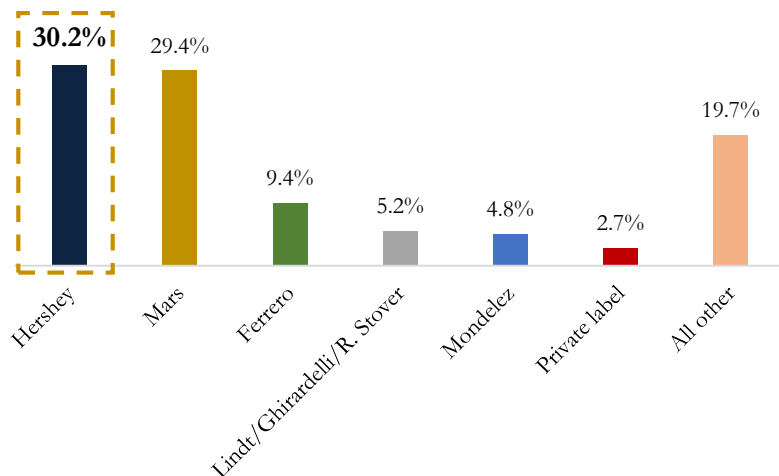
The Hershey Company (HSY)

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

The Hershey Company is the largest manufacturer of chocolate and confection in North America

1. Opportunities for meaningful market share growth and margin expansion are negligible given the mature and stagnated core marketplace in which Hershey operates
2. The Company's risk-averse management team has demonstrated an unwillingness to pay a premium for quality, high-growth snacking assets
3. Hershey's inability to develop a meaningful international presence restricts long-term growth opportunities to the slow growing U.S. confectionary segment

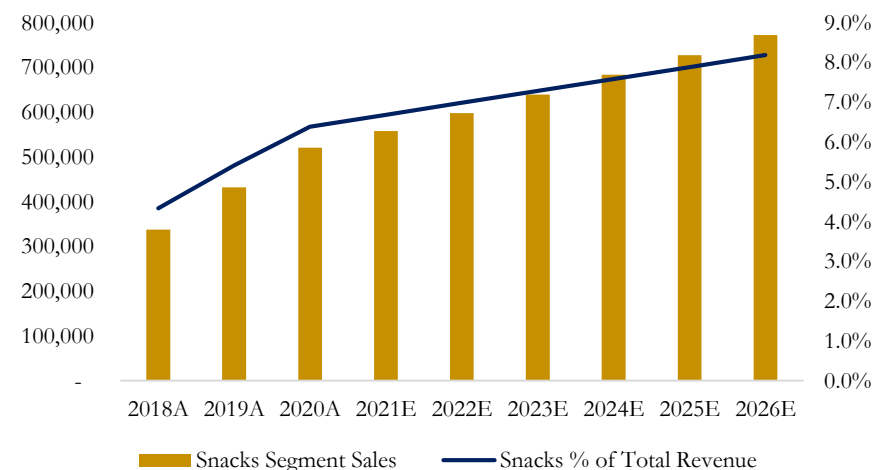
The Market Leader in U.S. Confection...



Primary Discovery

Business Driver	Rob Moskow Credit Suisse	Erin Lash Morningstar
U.S. Confection	"Hershey has been beating Mars over the last several years – my positive thesis on the stock is related to market share growth ."	"Consumers continue to display strong preference for indulgent brands they trust ."
Snacking Expansion	"I see potential M&A growth as being small bolt-on deals that are low risk ."	" Hershey's acquisitions are not aimed at top-line growth – they're focused on acquiring insights from best-in-class operators."
International Growth	"They've tried multiple times to expand internationally without success . They made a bad bet in China that they are unwinding now."	" Michele has pulled back on international investments to fuel core domestic brands."

...Needs More Snacks





Enterprise Products Partners L.P. (EPD)

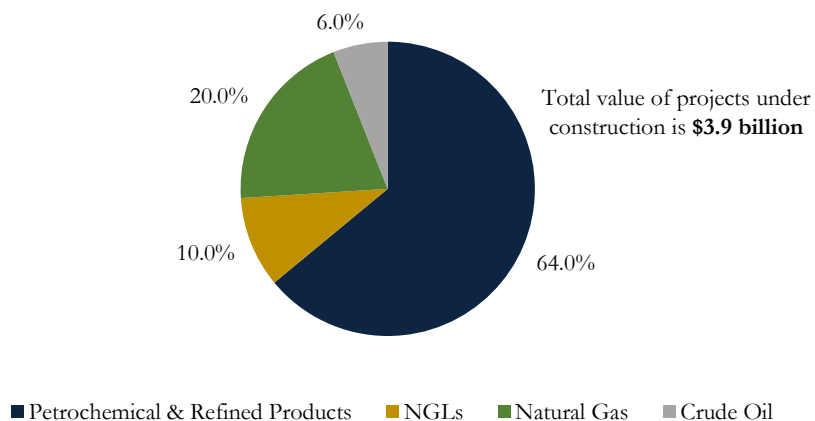
Investment Thesis: **BUY** | AIM Decision: **BUY**

EPD is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services

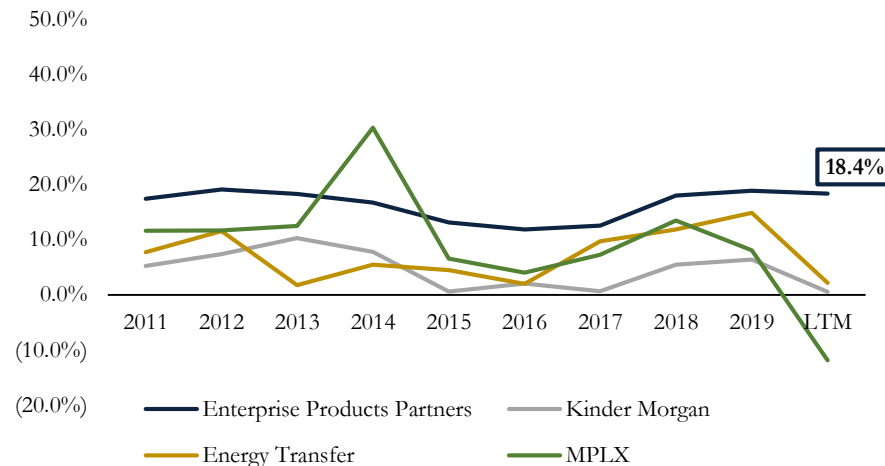
- 1. Strong ROE** – EPD pays the largest cash distribution relative to its peers, which is primarily driven by its unique midstream assets, strong growth CAPEX, and experienced management team
- 2. Increasing Petrochemical Demand** – Petrochemicals are expected to account for 60% of oil demand growth over the next ten years
- 3. Fortress Balance Sheet** – EPD's safe and stable dividend is a result of its very strong leverage, liquidity, and operational profiles

Increasing Petrochemical Demand

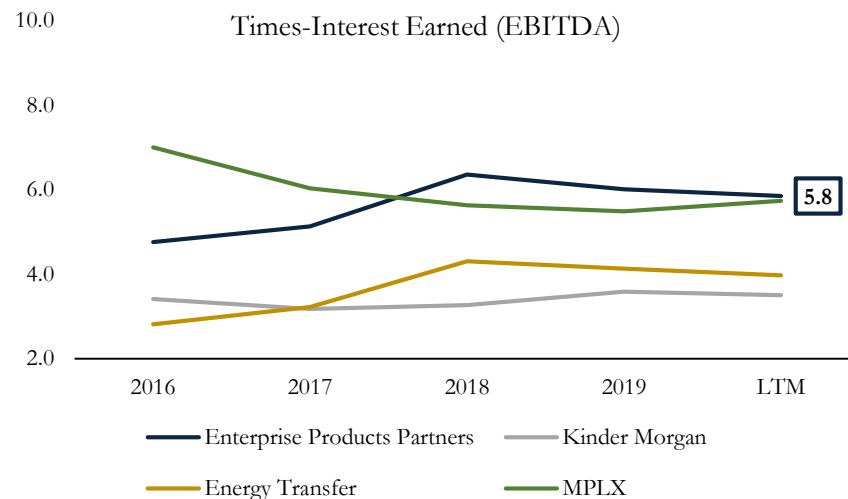
Major Capital Projects Under Construction (2020 Q4 - FWD)



Strong Returns on Equity



Fortress Balance Sheet



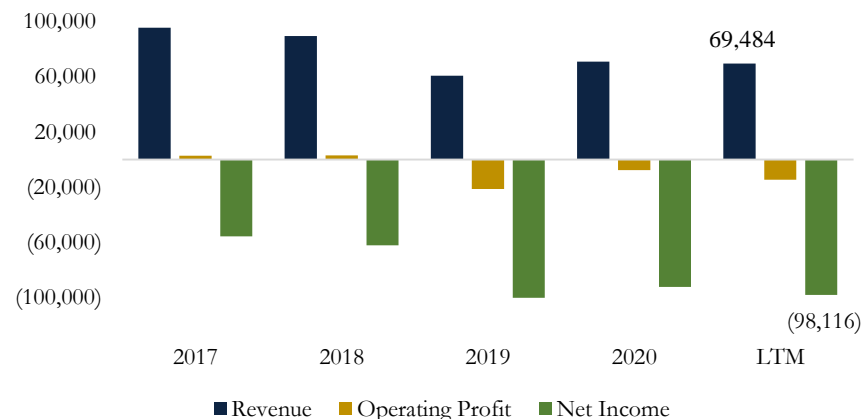


Investment Thesis: **SELL** | AIM Decision: **SELL**

FCEL is a global leader in delivering clean, efficient and affordable fuel cell solutions configured for the supply, recovery and storage of energy

1. **Speculative** – High expected growth rates but no visibility as to when FCEL will become profitable or cash flow positive
2. **More R&D and Infrastructure Required** – Fuel cell technology is currently too expensive relative to its alternatives
3. **Very Risky** – High share price volatility fueled by FCEL's unprofitability, high customer concentration, and market (dis)enthusiasm for fuel cell technology

Extremely Unprofitable



More R&D and Infrastructure Required



Prof. Paul McGinn, Chemical and Biomolecular Engineering

- Difficult and expensive to store hydrogen
- More R&D is required before fuel cells become commercially feasible



Prof. Jennifer Schaefer, Chemical and Biomolecular Engineering

- The value of fuel cell technology is the ability to produce green hydrogen
- This production requires massive investment in solar and wind infrastructure

Very Risky – Daily Return Standard Deviation

Cumulative Performance	1 Month	6 Months	1 Year	3 Year
FuelCell	-15.8%	508.9%	1075.0%	5122.2%
S&P 500 Index	1.7%	18.9%	76.1%	32.0%
S&P Renewable Energy and Clean Technology Index	-7.7%	36.4%	129.2%	81.8%
Daily Return Standard Deviation	1 Month	6 Months	1 Year	3 Year
FuelCell	9.0%	10.1%	8.5%	11.0%
S&P 500 Index	1.2%	1.0%	1.6%	1.5%
S&P Renewable Energy and Clean Technology Index	2.3%	1.7%	2.1%	1.6%



Crown Holdings (CCK)

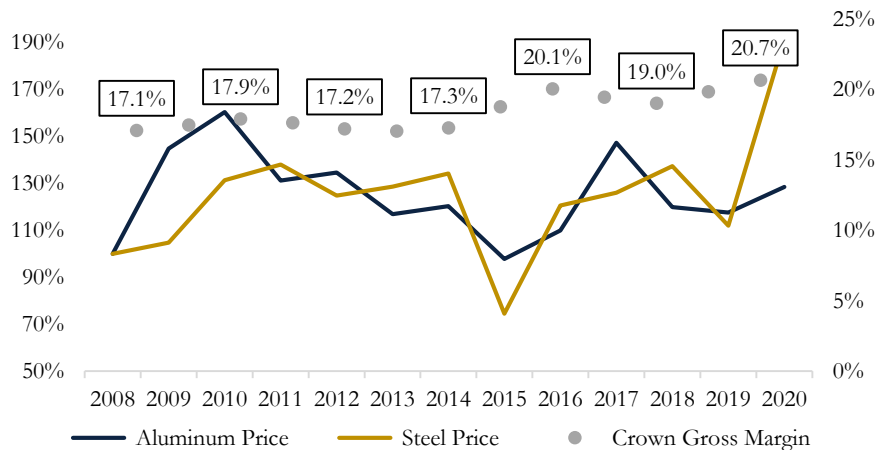


Investment Thesis: **BUY** | AIM Decision: **BUY**

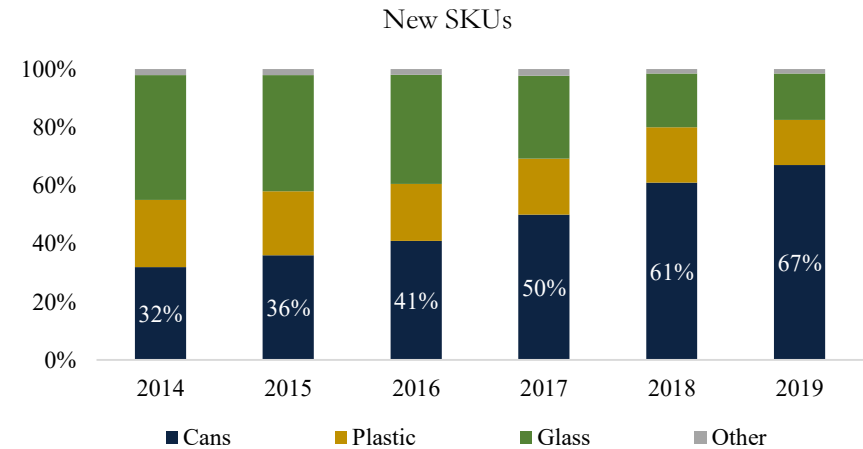
Crown Holdings is a leading global packaging company with offerings across beverage, food, and industrial packaging products

1. Favorable industry tailwinds that are driving unprecedented growth within the beverage cans industry
2. Crown is strategically repositioning itself as a pureplay beverage can packaging in unlocking greater shareholder value
3. The Company has shown strong resiliency in economic downturns – end markets are nondiscretionary food and beverage good which give us downside protection in addition to reaping the benefits of a growing industry

Input Price Volatility is Passed Through



Industry Shifting Towards Metal Cans



Trading at Discount to Closest Competitor



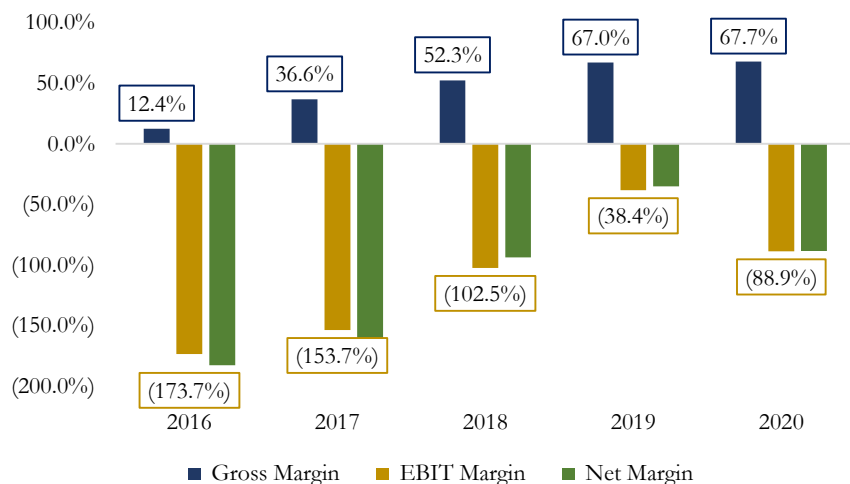


Investment Thesis: **SELL** | AIM Decision: **SELL**

Guardant Health is an oncology diagnostics company focused on the emerging technology of liquid biopsies, which is a simple blood draw that is used to gain molecular information on cancerous tumors

1. Value proposition lies in a shift in the standard-of-care within cancer diagnostics from tissue biopsies to liquid blood draws
2. The Company's products address the shortcomings of tissue biopsies, covering the whole continuum of cancer care with significant long-term value in early detection
3. Valuation is driven by speculative assumptions on launch of pipeline products, a path to profitability, and continued broad adoption of a novel technology

Uncertain Path to Profitability

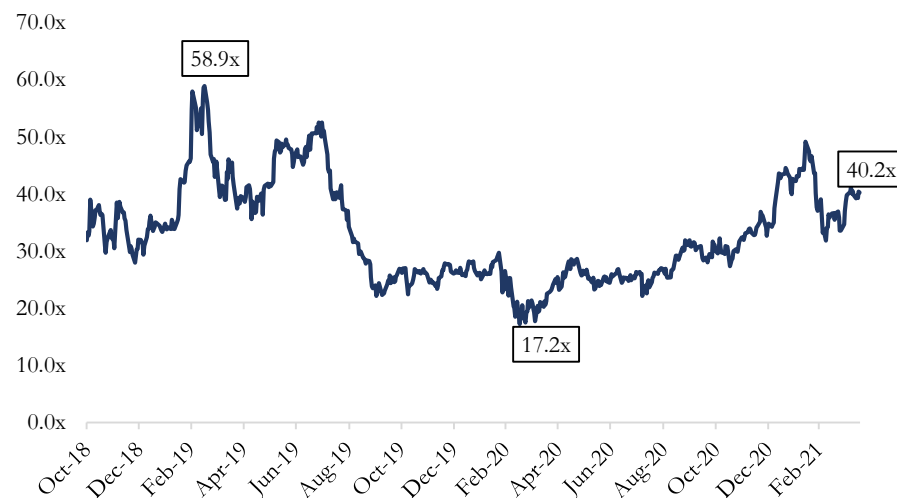


Merits of Liquid Biopsy vs. Status Quo

	Tissue Biopsy	Liquid Biopsy
Standard of Care	✓	✗
Wide Adoption	✓	✗
Non-Invasive	✗	✓
Easily Repeatable	✗	✓
Average Turnaround Time	3-4 weeks	<7 days
Estimated Average Cost	\$10,000	\$3,000 - \$5,000
Heterogeneous Information	✗	✓

+\$50Bn TAM in Early Cancer Detection

Concern over EV / Sales Multiple Volatility



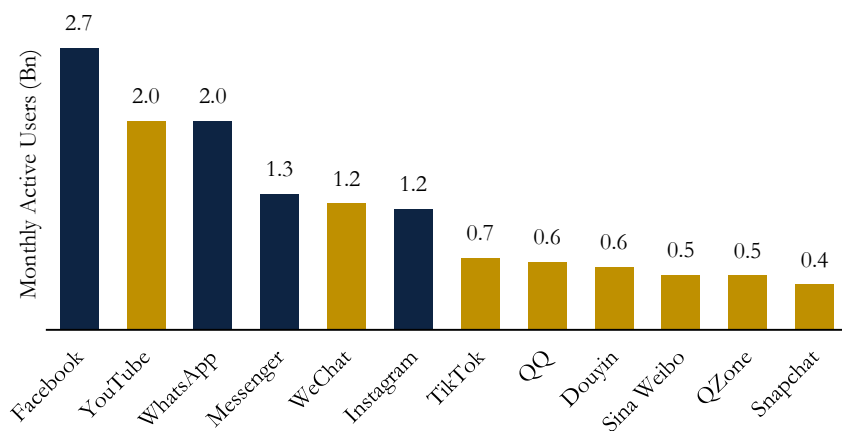


Investment Thesis: **BUY** | AIM Decision: **BUY**

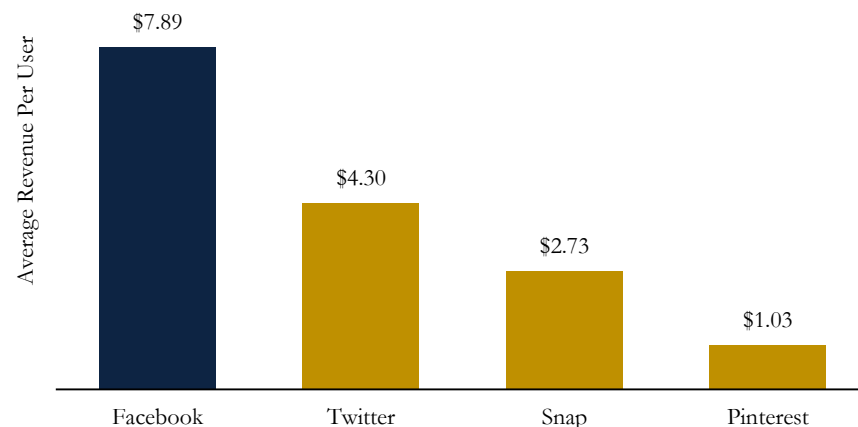
Combined with its dominant market position, Facebook will thrive from continued eCommerce adoption around the world

1. Companies will increasingly rely on platforms like Facebook to reach potential customers as **more types of products** (cars, furniture, etc.) are sold online
2. The market is excessively discounting the company's financial performance due to **negative public perception** and a misunderstanding of its risks
3. **Network effects**, achieved through its massive user base, protect the company's downside

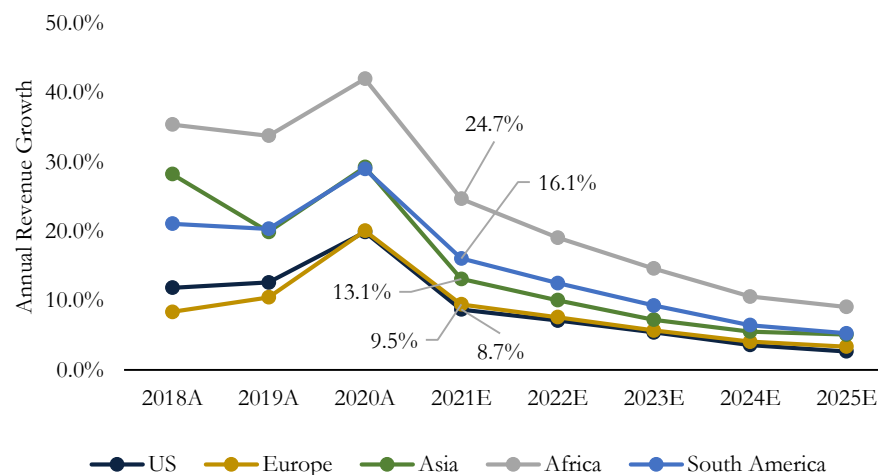
Achieves Network Effects Through Scale



Industry-Leading Monetization



Continued eCommerce Adoption





Planet Fitness, Inc. (PLNT)

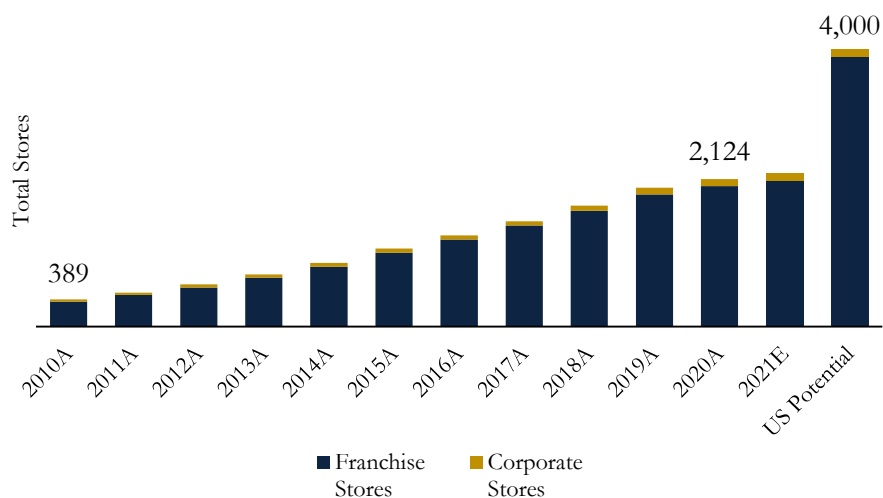


Investment Thesis: **SELL** | AIM Decision: **SELL**

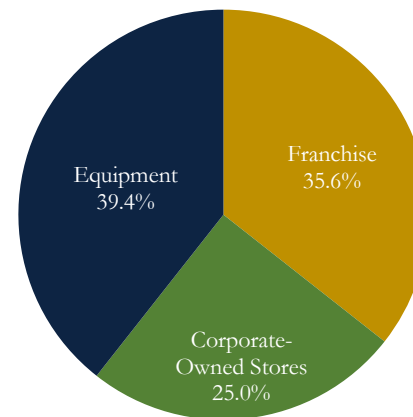
Planet Fitness remains a strong brand with an attractive business model, but the market has fairly priced the asset and left little room for unrealized upside. I believed that other potential companies demonstrated more promise

1. The high-margin, high-efficiency, and high-growth business model is **fully appreciated by the market**
2. I'm uncomfortable placing **control** over the company's growth in independent franchisors' hands
3. Potential growth opportunities, such as international expansion or a "digital transformation of fitness," **aren't likely**

Domestic Store Expansion Driving Growth

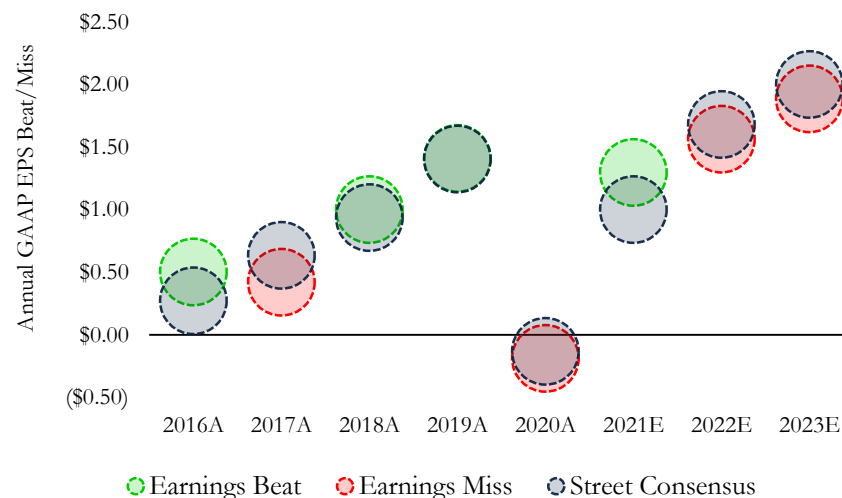


FY19 Revenue by Segment



Note: FY19 utilized to illustrate pre-COVID segmentation

I'm Bullish... But so is the Market





Malibu Boats (MBUU)

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

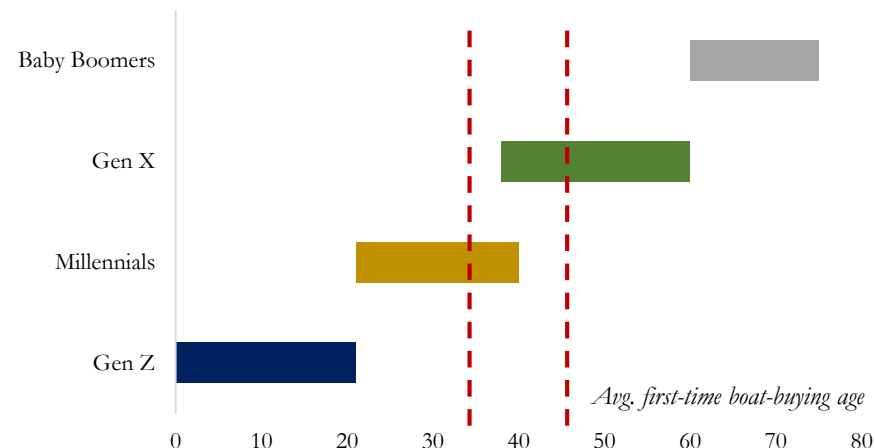
Malibu Boats is the #1 performance sport boat manufacturer that owns four popular brands: Malibu, Axis, Cobalt, and Pursuit

1. Aging millennials and their increasing disposable income will drive continued demand for sport boats
2. Continual water sports innovation will drive up the price per boat as it has for the past eight years
3. Double-digit revenue growth will likely persist as boats are produced at max capacity for the foreseeable future

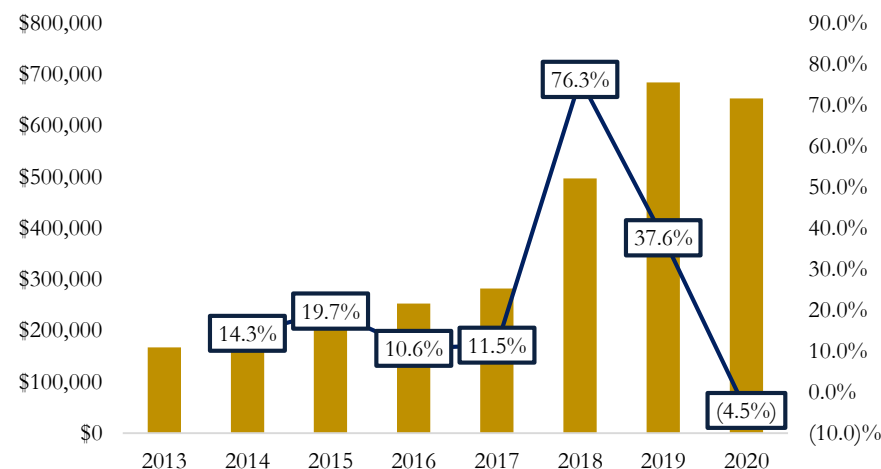
Steadily Increasing Price / Boat (\$ Thousands)



Millennials Reaching Boat-Buying Age



Double-Digit Revenue Growth (\$ Thousands)





Dollar Tree (DLTR)

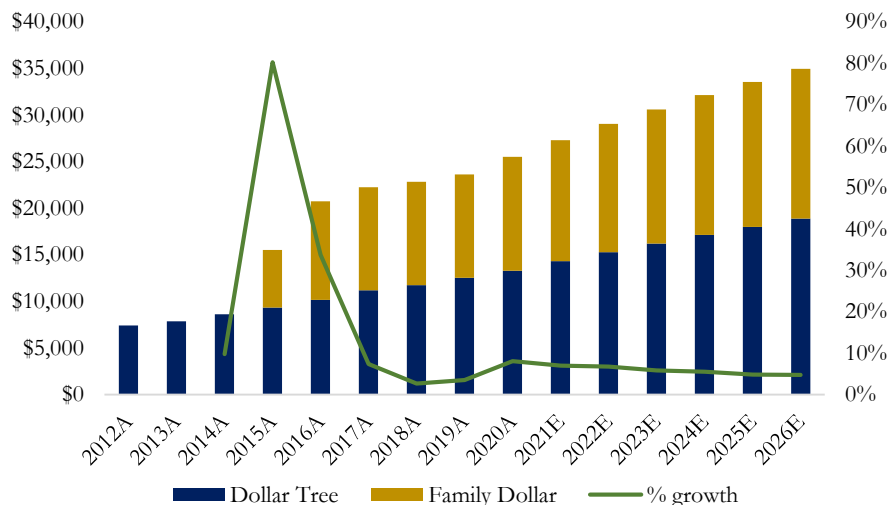


Investment Thesis: **SELL** | AIM Decision: **SELL**

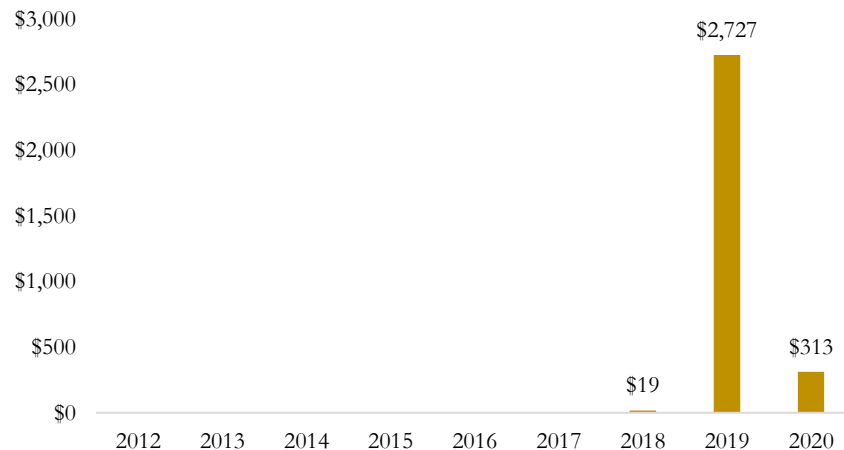
Dollar Tree owns and operates over 15,000 combined stores under the Dollar Tree and Family Dollar brands

1. Major write-downs associated with Family Dollar have incentivized management to pursue an extensive renovation strategy
2. Company will grow increasingly reliant on Dollar Tree stores as the primary source of revenue and growth expected to slow
3. Competition from closest competitor Dollar General as well as eCommerce players limit the company's growth runway more than management suggests

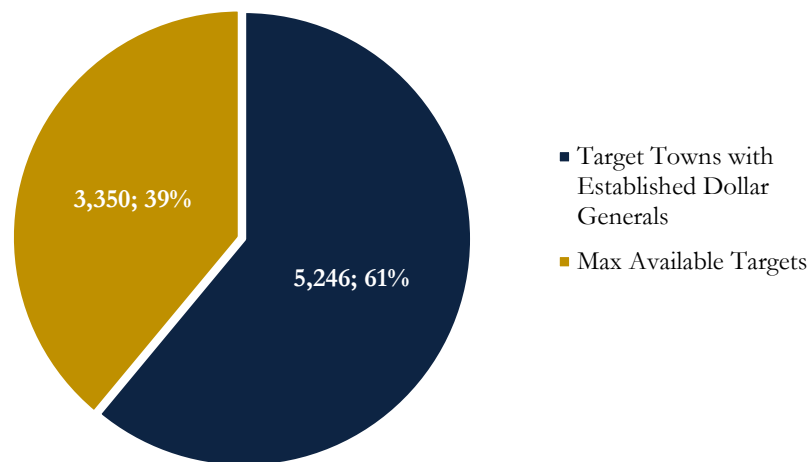
Projected Revenue Mix (\$M)



Recent Major Goodwill Write-Downs (\$M)



Limited Growth Runway in Small Towns





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



Acknowledgements

Thank you for all your guidance and support

AIM Advisory Board

Colin Jones

NDIGI

Frank Reilly

Sean Baker

Scott Malpass

Jason Reed

Notre Dame
Investment Office

Grant Worthington

Meaghan Hanley

Questions?

