



AIM LX NEWSLETTER

THE UNIVERSITY OF NOTRE DAME



WELCOME

Applied Investment Management (AIM) was created in the fall of 1995 to provide students with live portfolio management experience. Today, AIM manages a portfolio of approximately \$27 million.

Throughout the semester, each student performs fundamental security analysis on two equities and students collectively determine the composition of the final portfolio to mimic the process of professional portfolio management.

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The Applied Investment Management (AIM) course was created in the fall of 1995 to give Notre Dame students the opportunity to participate in live portfolio management while developing their financial analysis skills through rigorous, fundamental equity research.

AIM is an intensive, 6-credit course that requires substantial work outside of the classroom. The course is comprised of 25 students per semester, selected through a competitive application process. The selected students-turned-analysts are charged with the research and decision-making process required to manage a live portfolio, currently valued at approximately \$27 million. The course is student-led, built primarily around student presentations and discussion. During the course, each student analyst must complete a series of reports and presentations on two stocks: one from the existing AIM portfolio and one the analyst chooses as a potential addition to the portfolio. These reports include analyses of business fundamentals, competitive position and strategy, financial forecasts, and valuation, culminating in the analyst's final recommendation on whether to include the stock in the AIM portfolio.

Collectively, the analysts act as a portfolio management team, providing feedback on each other's work throughout the course and voting on final portfolio decisions. Portfolio decisions are driven by bottom-up fundamental analysis, with top-down portfolio construction considerations. The entire body of work in AIM is designed to mimic the portfolio management process of a long-only public equity hedge fund manager, with a specific emphasis on comprehensive equity research.

Taken together, we believe the rigorous individual security analysis and well-researched trade decisions in AIM contribute to our combined goals of building the analytical and critical thinking skills of our students and outperforming our benchmarks.

JACKIE FLETCHER ('22, AIM LII)

Investor at Long Path Partners

Jackie is an investor at Long Path Partners, where she primarily focuses on public markets software investing. Previously, Jackie worked at Evercore in their Tech M&A Group in New York, and at Hebbia, an AI-based start-up for private equity and banking. These experiences have shaped her perspectives as an investor, which she shared with the class.

“WE HAVE THESE FOUR BUSINESS CRITERIA WHICH SOUND PRETTY SIMILAR TO WHAT I THINK A LOT OF PEOPLE AT NOTRE DAME SUBSCRIBE TO AS BEING A QUALITY BUSINESS. NAMELY THAT IT IS MISSION CRITICAL, THERE IS A HIGH DEGREE OF CUSTOMER LOYALTY, A HIGH DEGREE OF RECURRING REVENUE, AND A SUSTAINABLE COMPETITIVE ADVANTAGE FOR A MOAT. BEING A LONG-ONLY FUND, WE ARE REALLY LOOKING FOR THOSE HIGH-QUALITY BUSINESSES AT GOOD PRICES, LIKE WHAT YOU ALL DO IN AIM. IN THAT WAY, AIM WAS IMPACTFUL FOR ME IN TERMS OF THAT TRAINING.”

INVESTING IN QUALITY

REPETITION TO IMPROVE AS AN INVESTOR

“ONCE YOU LOOK AT TEN SOFTWARE BUSINESSES, EACH INCREMENTAL BUSINESS, THAT LEARNING CURVE IS GOING TO BE DRAMATICALLY REDUCED. AND BY NATURE OF THAT YOU START TO DEVELOP A REAL CENTER OF COMPETENCE THAT ALLOWS YOU TO BE A BETTER INVESTOR BECAUSE YOU KNOW EXACTLY WHAT'S GOING ON IN THE ECOSYSTEM. CONVERSELY, I THINK STUDYING MANY DIFFERENT BUSINESS MODELS AND MANY DIFFERENT BUSINESSES IS JUST GREAT TO FLEX THAT MUSCLE, SO IDEALLY YOU WANT TO HAVE THAT BALANCE.”

“YOU ALWAYS WANT TO BE CONSERVATIVE AND YOU ALWAYS WANT TO SAY, ‘I'M BELOW CONSENSUS AND THE MATH CHECKS OUT, SO IT HAS TO BE A GREAT INVESTMENT.’ AND I HAVE DEFINITELY BEEN GUILTY OF THAT. BUT I THINK SOMETHING IMPORTANT TO REMEMBER IS THAT IN SOME OF OUR REALLY HIGH GROWTH COMPANIES, IT'S ALMOST JUST AS BAD TO BE CONSERVATIVE IF SOMETHING'S ACTUALLY GOING TO OUTPERFORM. AND SO THOSE ERRORS OF OMISSION ARE SOMETIMES JUST AS BAD.”

FORECASTING BUSINESSES

AIM LX had the opportunity to hear from a number of interesting guest speakers throughout the course of the semester. The range of experiences and investing philosophies was wide and students were able to incorporate lessons from the speakers into their own investment processes and career discernment.

CHRIS BLOOMSTRAN

PRESIDENT AND CHIEF INVESTMENT OFFICER OF SEMPER AUGUSTUS INVESTMENTS GROUP LLC

Chris has three decades of professional investment experience with a disciplined, value-driven approach to fundamental equity and industry research. Semper Augustus manages concentrated equity portfolios of well-run, well-capitalized businesses with share prices trading below conservative appraisals of intrinsic value.

Prior to forming Semper Augustus in 1998 – in the midst of the stock market and technology bubble – Chris was a Vice President and Portfolio Manager at UMB Investment Advisors where he managed the Trust Investment offices in St. Louis and Denver and the Scout Balanced Fund from the fund's inception until he left to found Semper Augustus.

DAVID BUCKLEY

MANAGING DIRECTOR, GLOBAL HEAD OF GROWTH ACCELERATION

David Buckley is a Managing Director and Head of Growth Acceleration at General Atlantic. David's team integrates thematic research, commercial due diligence, go-to-market, pricing, operational efficiency, and data science capabilities across the firm's global investment program. Before joining General Atlantic in 2011, David worked at McKinsey & Company. Previously, he served as a Captain in the United States Army.

"THESE CONVERSATIONS RESHAPED HOW I THINK ABOUT INVESTING. CHRIS BLOOMSTRAN ENCOURAGED SKEPTICISM AND PATIENCE, WHILE DAVID BUCKLEY SHOWED THAT REAL RETURNS COME FROM CREATING VALUE, NOT JUST IDENTIFYING IT. I'M LEAVING THIS CLASS MORE GROUNDED AND MORE CURIOUS." - ROCCO PACCHIANA



JASON KING

INVESTMENT DIRECTOR AT UNIVERSITY OF NOTRE DAME INVESTMENT OFFICE

Jason is '04 Notre Dame Finance and AIM graduate. After graduation, he worked as an associate at JP Morgan Chase. Before returning to Notre Dame in the Investment Office, Jason earned his MBA from Columbia Business School. At the Notre Dame Investment Office, he leads and manages Notre Dame's public equity team and portfolio, which represents 35% of the University's endowment pool.

JAVIER PEREZ TENESSA

FOUNDER OF PUBLICLY TRADED UNICORN EDREAMS ODIGEO (EDR), MUSICAL THEATER PRODUCER

Javier Perez-Tenessa is a Mexican Entrepreneur, Musician and Investor. He is a Founding partner of Venture Capital Firm 4Founders Capital, and has invested in over 50 Internet companies, including 4 "Unicorns". Prior to 4Founders Javier founded eDreams, the first publicly traded Internet "Unicorn" in Spain, which he led for 16 years as CEO and Chairman from its inception in Silicon Valley.

MIKE DIAMOND

CHIEF FINANCIAL OFFICER AT DRIVEN BRANDS

Mike Diamond is Executive Vice President and Chief Financial Officer of Driven Brands, where he is responsible for finance and accounting, tax, treasury, internal audit, and investor relations. Before joining Driven Brands, he served as Executive Vice President and CFO of The Michaels Companies from August 2020 through July 2024. Prior to Michaels, he spent six years at Yum! Brands in roles of increasing responsibility, including as CFO, Pizza Hut U.S. and Chief Growth Officer, Pizza Hut U.K. and Europe.

"MIKE OFFERED A COMPELLING PERSPECTIVE ON RUNNING A PUBLIC COMPANY AND ENGAGING WITH INVESTORS. HE STRESSED THE POWER OF A CLEAR, SIMPLE NARRATIVE TO CONVEY COMPETITIVE ADVANTAGE AND SHARED THOUGHTFUL INSIGHTS ON THE IMPORTANCE OF STAYING ADAPTABLE THROUGHOUT YOUR CAREER." - SAM TOPHAM



The class had the opportunity to travel to Boston to meet with professionals in VC, PE, and Private Debt.



FIRM AND SPEAKER HIGHLIGHTS

Bain Capital

Stephanie Walsh & Tom Kolinski & Dominic DeBonis & Amanda Conklin & Lily Doyle

Founded in 1984, Bain Capital is a leading global private investment firm based in Boston. The firm operates across multiple asset classes, with deep specialization in Private Equity, Credit, Real Estate, and Venture Capital. Bain Capital is known for its disciplined investment approach, extensive operational expertise, and strong track record of partnering with management teams to drive growth.

Berkshire Partners

Bryan Jackson

Founded in 1986, Berkshire Partners is a Boston-based private equity firm focused on investing in middle-market companies across Consumer, Business Services, Healthcare, and Industrials. The firm is known for its collaborative approach, long-term partnership mindset, and history of helping businesses scale strategically.

Volition Capital

Sean Cantwell & Michael Brannan

At Volition Capital, the class learned from MD and Co-Founder Sean Cantwell (ND '99) about Volition's growth approach. At Volition, they look to invest in founders who want to have skin in the game and who are generating solid revenues with their current vision. Typically, they aim for companies that are at an inflection point in growth, and Volition provides support for founders to reach those goals.

Wellington Management

Randall Mayer & Kyra Fecteau

Wellington Management has grown into one of the world's largest independent investment management firms. The firm specializes in a broad range of asset classes, including equities, fixed income, multi-asset, and alternatives, serving clients such as pensions, endowments, and foundations worldwide. While at Wellington Kyra Fecteau, CFA described the team's long-term investment perspective.

M33 Growth

Mike Anello & Tom Guilfoile

While visiting M33 Growth, the class had the pleasure of meeting with M33 Co-Founder Mike Anello (ND '08). Mike talked about M33's founder-centric investing model and how his firm sees every investment as a partnership between M33 and the founders they back. Additionally, Mike spoke about how spending time on the operational side of the business, imbedded with a startup, greatly influenced who he is as an investor today. Overall, the class left inspired by Mike and M33's vision for backing great founders with strong values, which has helped drive outsized returns for the fund.

Game Creek Capital

Sean Murphy

Sean Murphy, founder of Game Creek Capital, made time to meet with the class during our third day in Boston. He imparted advice on how to navigate turbulent markets, recounting his experience during the dot-com bust as an Equity Research analyst at CS First Boston. He also reminded the class that like markets, careers seldom proceed in a straightforward fashion. Often it's the skills picked up in other areas of life or in other industries that may prove most valuable later on. Sean also talked about the importance of investing in high-quality businesses no matter what securities you are investing in, especially during economic and market uncertainties.

AIM ALUMNI DINNER

On Friday evening, current analysts dined with AIM alumni at Maggiano's in Little Italy. Over food and drinks, past students shared their experiences and advice regarding the class and investment careers.



AIM CLASS DINNER & OTHER ACTIVITIES

On Saturday evening, faculty and students enjoyed a class dinner at Abe & Louie's in the Back Bay. In their down time, some students walked the Freedom Trail to take in the city's rich history, raced each other at the F1 Arcade Bar, and played hockey with Bostonians on a frozen pond.



SPORTS UPDATE

Notre Dame secured its first-ever College Football Playoff victory by defeating Indiana 27-17 at Notre Dame Stadium on December 20, 2024. The game was highlighted by a 98-yard touchdown run from Jeremiyah Love and a strong defensive performance that limited Indiana to just 63 rushing yards. Although Indiana scored two late touchdowns, the Fighting Irish maintained control throughout the game to advance to the Sugar Bowl quarterfinal.



Notre Dame women's basketball had a strong showing in the 2025 NCAA Tournament, advancing to the Sweet 16 behind dominant wins over Stephen F. Austin (106-54) and Michigan (76-55). The Irish showcased their offensive depth and defensive intensity throughout the early rounds. Though their tournament run ended in a hard-fought battle against No. 2 seed TCU, the team's season reflected resilience, growth, and a bright future ahead.

MENDOZA CONSTRUCTION UPDATE

The University broke ground on a new building in the north courtyard of Mendoza, between the Kelly and McGlinn wings. This three-story addition will add nearly 28,000 square feet of new space, including classrooms, seminar rooms, conference rooms, a first-floor student commons area, and faculty and staff offices. Completion of the North Addition is set for the Fall of 2026, marking a significant step in addressing the college's growing space needs.



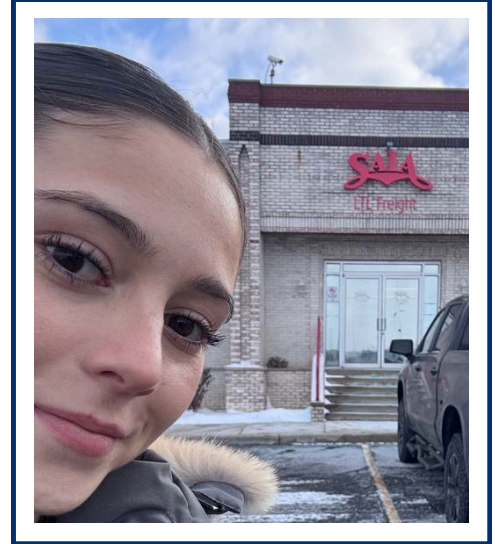
One of the most important features of this expansion is a 130-seat auditorium designed to enhance undergraduate education. Its mostly flat design will ensure that students remain close to the professor, improving engagement. Additionally, its larger capacity will allow for more students, including non-business majors, to access foundational business courses. This will help the College extend its educational offerings to a broader student population.



FIELD RESEARCH BRINGS VALUABLE INSIGHTS

ZOE GALLUP

Alongside leveraging equity research and conversations with various Saia stakeholders, Zoë visited the Saia terminal located in South Bend and engaged with management and various employees. During this terminal visit, she assessed the technological capabilities and observed operations firsthand. These insights reinforced concerns regarding increased volume management and outdated technological infrastructure at older terminals, which contributed to overall conviction in recommending a sell rating to the class.



ANNA JANG

Anna visited the Sherwin-Williams store location on North Ironwood Drive and had a great conversation with store manager Kayla Keiser. This visit reinforced her belief that Sherwin's five-star customer relationships with pro contractors in the area drive brand loyalty and sustain Sherwin's market leading position. Keiser mentioned that "it's retail but it's not really retail" and considers her daily consultations with contractors as more like talking to her good friends, further driving Anna's conviction in Sherwin-Williams as a buy to the class.



ALEX HAMILL

Alex spoke with former DocuSign Vice President of Enterprise Sales and Chief Customer Officer Marc Carlson. Carlson discussed DocuSign's journey to market dominance, highlighting its 70% market share in e-signature, and the stickiness of enterprise relationships. He emphasized DocuSign's evolution into a trusted SaaS partner and the company's attractive operating model. Despite recent headwinds, Carlson sees DocuSign as a fundamentally strong business with a meaningful runway for growth.



*DocuSign CCO '11-'18
Marc Carlson*

The 25-Position AIM LX portfolio includes 14 positions inherited from the prior class and 11 new positions. Current analysts are excited to pass this portfolio to AIM LXI and follow its performance over time.

BUY DECISIONS

Inherited

Atlas Energy Solutions
Amazon.com
Aptar
Casey's General Stores
Clean Harbors
Enterprise Product Partners
Fortinet
Mastercard Inc
Microsoft
MSCI Inc.
Procore Technologies, Inc.
Quanta Services
Sherwin Williams
Stryker Corporation
Taiwan Semiconductor

Newly Proposed

Aris Water Solutions
DocuSign
HEICO Corp.
Live Nation Entertainment
NVR, Inc.
Pool Corporation
T-Mobile
Trex Company
Uber Technologies
Vertiv Holdings

SELL DECISIONS

Inherited

Autodesk Inc.
American Tower Corp.
Booking Holdings Inc.
Garret Motion
Lulu Lemon
Medpace
nCino
O-I Glass
Saia
Yum China

Newly Proposed

Aramark
Axon Enterprise
Dutch Bros.
Salesforce
CoStar Group
Doximity, Inc.
Grocery Outlet Holding
Robinhood Markets
TopGolf Callaway
Mohawk Industries
Ferrari N.V.
Molson Coors
TransDigm Group
TotalEnergies SE



Atlas is the largest proppant producer in the Permian Basin. The recent push for domestic oil production through fracking and its best-in-class margins will enable a quicker than expected recovery from the Kermit fire



Amazon's strong moat in both retail and cloud, sustainable long-term growth outlook driven by focus on higher margin segments, and strong AI and non-AI tailwinds for AWS culminate in a favorable outlook for Amazon



Aris Water Solutions is a leading provider of sustainable water management solutions for the energy industry, specializing in the recycling, treatment, and disposal of produced water.



Aptar is a global leader in the design and manufacturing of packaging in the pharmaceutical, beauty, and food & beverage markets. It has strong legacy segments and is well-positioned to take advantage of pharma tailwinds



Casey's General Stores is a leading convenience store chain with over 2,900 locations across the Midwest and Southern United States. As the industry consolidates, Casey's will capitalize on growing white space while its food offerings will drive favorable sales mix



Clean Harbors is a leading provider of environmental and industrial services. It is positioned to be a beneficiary from reshoring and its continued investment in technology has given it a competitive advantage



DocuSign is the global leader in e-signature and intelligent agreement management solutions revolutionizing how businesses execute and manage agreements in a digital world.



Enterprise Products is an integrated energy midstream company with an unparalleled moat in the NGL segment with a strong track record of growing dividends to return capital to unitholders

FORTINET

Fortinet is a leading provider of network security solutions worldwide. The upcoming firewall refresh cycle and potential multiple rerate as it transitions to a primarily software-based company offer an attractive investment opportunity

HEICO

HEICO Corporation is a diversified aerospace, defense, and electronics company headquartered in Hollywood, Florida, founded in 1957. It operates through two primary segments: the Flight Support Group and Electronic Technologies Group.

LIVE NATION

Live Nation is the global leader in live events, operating through a vertically integrated model across three core segments: Concerts, Ticketing, and Sponsorship & Advertising.



mastercard

Mastercard operates a “four-party” payment network that facilitates the authorization, clearing, and settlement of payment transactions. It has strong network effects and value-added solutions that provide cross-sell opportunities and logo capture

MSCI

MSCI earns revenue through subscriptions to analytics products and asset-based fees on its index products.

MSCI’s brand equity and a differentiated M&A viewpoint offer levers for outsized growth



Microsoft’s deep moat, achieved through entrenching enterprises in the “Microsoft Ecosystem,” and strategic expansion of Azure, positions them for sustained growth and white space capture



NVR is the nation's fourth largest homebuilder by volume, operating primarily on the east coast. It engages in the construction and sale of single-family detached homes, townhomes, and condominium buildings under the Ryan Homes, NVHomes, and Heartland Homes names.

PROCORE

Procore is a cloud-based construction management SaaS company. It is well-positioned in a growing and underpenetrated industry that is primed for disruption



Pool Corporation is the world's largest distributor of pool supplies, equipment, and related pool products. The company primarily serves building and services professionals, retailers, and commercial customers.



Quanta delivers infrastructure solutions across many industries. It has a defensible competitive advantage built upon its reputation, labor pipeline, and suite of capabilities, and experiences strong electrification tailwinds



Sherwin-Williams manufactures, distributes, and sells paint products worldwide. Sticky customer relationships, product innovation, and disciplined M&A will continue driving top-line growth



Stryker is a leading medical technology company offering orthopedic implants and medical equipment to physicians trained with its products. Stryker's effective M&A and product development strategies will sustain its competitive advantage



T-Mobile US, Inc. is the fastest growing nationwide wireless network operator that provides mobile voice, messaging, and data services, along with a rapidly growing fixed wireless access (FWA) home internet offering.



Trex Company, Inc. is the world's largest manufacturer of composite decking and railing products, utilizing up to 95% recycled materials in its eco-friendly alternatives to traditional wood decking.



Uber Technologies Inc is a multinational technology company that has developed and operates a scaled platform to connect drivers and customers within mobility, delivery, and logistical services.



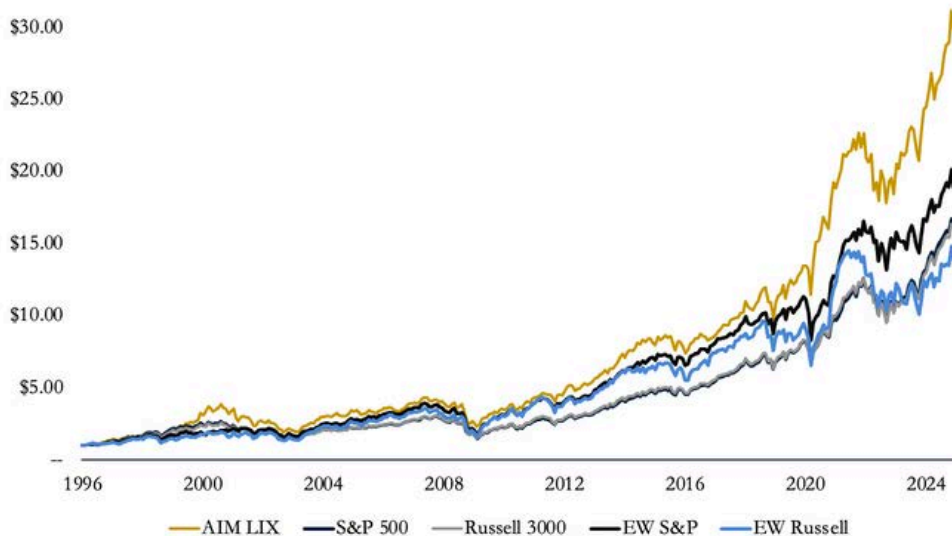
TSMC is the world's largest pure-play semiconductor foundry with industry-leading positioning due to its ability to utilize production volume and improve yields faster than peers



Vertiv designs, manufactures, installs, and maintains equipment in power management, thermal management, and IT solutions for critical infrastructure vendors including data centers, commercial and industrial (C&I), and communication networks.

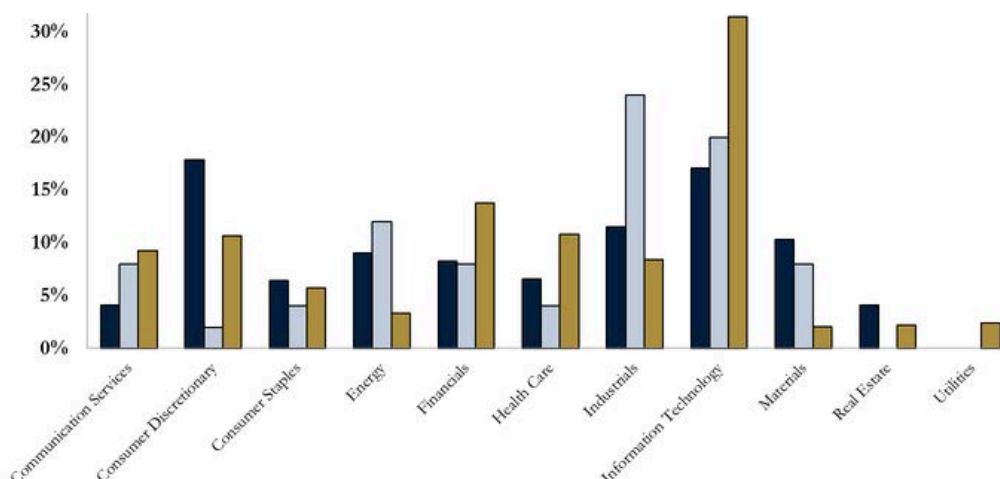
CUMULATIVE PERFORMANCE

The AIM portfolio benchmarks against two indices: the Russell 3000 and the S&P 500. As of March 1st 2025, the portfolio has achieved an annual return of 12.04% since inception, 230 bps higher than the Russell 3000 and 219 bps higher than the S&P 500. The portfolio performed extremely well over the past five years, achieving an annualized return of 19.39%. However, the portfolio has underperformed the Russell 3000 and S&P 500 over the last twelve months. The graph below shows the cumulative value of \$1 invested at inception for the AIM portfolio, S&P 500, and Russell 3000, in addition to equal-weighted S&P and Russell indices, which better mirrors the equal-weighting of the AIM portfolio.



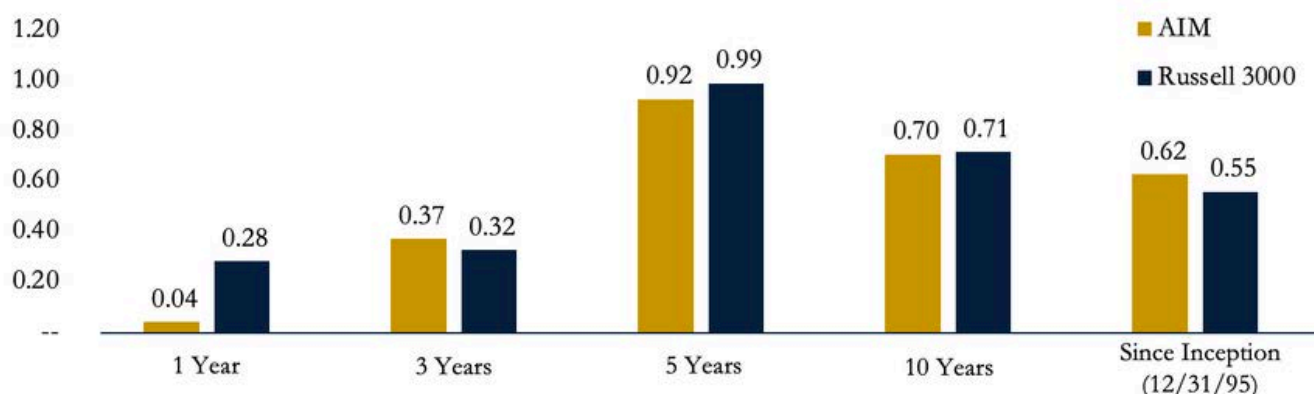
AIM LIX SECTOR ALLOCATION

The inherited portfolio was overweight in consumer discretionary and energy, as well as underweight in information technology relative to the Russell 3000 benchmark. The current portfolio increased its overweight in energy and industrials to take advantage of reshoring themes in manufacturing, and underweighted consumer discretionary in response to a tougher globalized trade environment.



SHARPE RATIO

AIM has consistently outperformed its benchmark across long-term time horizons even when accounting for the risk profile of the portfolio. We have a higher Sharpe Ratio than the Russell 3000 both since inception, and for the three-year time horizon. This risk-adjusted performance is also reflected in a rolling monthly alpha of 19 bps since inception. However, we have recently underperformed the benchmark when adjusting for our risk profile over the last twelve months.



TOP PERFORMERS (Q1 2025)



BOTTOM PERFORMERS (Q1 2025)





JOHN ADAMITIS

Houlihan Lokey
American Tower, Topgolf Callaway



OSCAR ANZOLA-SCHNELL

J.P. Morgan
Garrett Motion, Grocery Outlet



MATTIA BERNOCCO

J.P. Morgan
TSMC, Mohawk Industries



MIKE CASSIDY

Deloitte
Quanta Services, Aramark



CHRISTAL CHEN

Barclays
nCino, CoStar Group



MICHAEL CUTLER

Citi
Procore, Live Nation Entertainment



AIDAN DONOHOE

Compounding Labs
Enterprise Products, TransDigm



RYAN EGAN

APi Group
Lululemon, Aris Water



ZOE GALLUP

Goldman Sachs
Saia, Trex



YINCY GUO

Undecided
Atlas Energy, Robinhood



HARSHIT GUPTA

McKinsey
Yum China, Salesforce



STEPHEN HABETZ

Moelis
Autodesk, TotalEnergies



ALEX HAMILL

Perella Weinberg
Aptar, Docusign



BEN INZITARI

Baird
Fortinet, Uber Technologies



ANNA JANG

Perella Weinberg
Sherwin-Williams, Doximity



DAVID KIMMEL

Golden Gate Capital
Clean Harbors, T-Mobile



PATRICK KRONSTEIN

Solomon Partners
O-I Glass, Pool Corp



SAHIR MORANI

Applied Materials
Stryker



ROCCO PACCHIANA

MTS Health Partners
Medpace, Axon



ERIN STEVENS

USAF
Casey's, HEICO



JAKE THORNBURG

Golden Gate Capital
Booking Holdings, NVR



SAM TOPHAM

State Street
Amazon, Dutch Bros.



JACK VISCUSO

Bank of America
Mastercard, Ferrari



MEGAN WHELAN

PWC
Microsoft, Molson Coors



JUSTIN YUAN

MIT, Masters in Finance
MSCI, Vertiv

THE MENDOZA COLLEGE OF BUSINESS

THE UNIVERSITY OF NOTRE DAME



APPLIED INVESTMENT MANAGEMENT LX



