AIM LXI 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 $28 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.

SHANE CORWIN

Finance Department Chair and AIM Alumni Collegiate Professor of Finance

JASON REED

Associate Faculty Director for the Notre Dame Institute for Global Investing & Wade Family Associate Teaching Professor of Finance

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 $28 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.

Throughout the semester, AIM LXI welcomed a range of guest speakers representing diverse corners of the financial industry—from hedge fund management to private equity and distressed investing. These conversations offered students meaningful insights into career discernment, idea generation, and the importance of mentorship, along with practical investment guidance.

FRANCIS BEACH

SENIOR ANALYST, READE STREET CAPITAL MANAGEMENT

Francis is a Senior Analyst at Reade Street Capital Management. Prior to joining the firm, he held roles at ThornTree Capital Partners and J.P. Morgan.

Reade Street is a long-only, mid- and large-cap fund whose investing philosophy mirrors that of a billion-dollar family office operating in the public markets. The firm blends tenets of private equity and family capital investing, including taking a long-term view (5+ years) and prioritizing highly-understandable, cash-generative companies. Francis' presentation offered valuable guidance as they sourced ideas for their Round 2 companies.

CAS SCHNELLER

MANAGING PARTNER, FFL PARTNERS

Cas Schneller is a Managing Partner at FFL Partners, a San Francisco-based private equity firm specializing in healthcare and tech-enabled services. During his visit, Cas advised students on how to navigate their investing careers, emphasizing the importance of pursuing roles aligned with their genuine interests. He also shared insights from his work in impact investing and highlighted how it can serve as a path to both professional success and personal fulfillment.

"HEARING FROM MIKE MELBY SPARKED MY CURIOSITY IN MICRO-CAP INVESTING. HIS COMMITMENT TO IN-DEPTH PRIMARY RESEARCH AND A STRICT MARGIN OF SAFETY SHOWED THE POWER OF DOING THE HARD WORK OTHERS OFTEN OVERLOOK. THE MICRO-CAP CASE STUDY MADE ME REALIZE HOW MANY HIDDEN OPPORTUNITIES STILL EXIST WHEN YOU ARE WILLING TO DIG DEEPER." - HAYDEN HOFACKER

CJ LANKTREE

MANAGING DIRECTOR AND HEAD OF DISTRESSED PRODUCTS GROUP, DEUTSCHE BANK

CJ Lanktree rejoined Deutsche Bank in 2023 to lead the firm's special situations and distressed investing business. Prior to his return, he spent over a decade as a partner at Solus Alternative Asset Management. In his discussion with the class, CJ offered students a view into the world of distressed investing. He also highlighted the pivotal role strong mentorship can play in shaping one's career and urged students to conduct research deeply enough to always hold a thoughtful, defensible opinion.

MIKE MELBY

FOUNDER AND PORTFOLIO MANAGER, GATE CITY CAPITAL MANAGEMENT

Mike Melby is the founder and portfolio manager of Gate City Capital Management, a Chicago-based hedge fund focused exclusively on U.S. micro-cap companies. He walked the class through the firm's investment process—from sourcing and due diligence to evaluating exits. Mike also highlighted Gate City's emphasis on primary research and maintaining a strong margin of safety, illustrating these principles through a case study of a current portfolio company.

"WHILE OUR CLASS FOCUSED ON A LONG-EQUITY MANDATE, CJ OFFERED UNIQUE INSIGHT INTO DISTRESSED INVESTING THROUGH A VARIETY OF CASE STUDIES DRAWN FROM HIS BROAD INDUSTRY EXPERTISE, HIGHLIGHTING THE SIGNIFICANT OPPORTUNITY FOR MISPRICING IN DISTRESSED ASSETS." - PARIS FEAR

The class had the opportunity to travel to San Francisco to meet with professionals in venture capital, private equity, growth equity, and hedge fund management.

FIRM AND SPEAKER HIGHLIGHTS

Sequoia Capital Global Equities

Bryce Kam & Jacqueline Li

Sequoia Capital Global Equities (SCGE) is a public/private crossover firm with investments spanning from late-stage private companies to public companies. During the class's visit, General Partner and Portfolio Manager Bryce Kam discussed SCGE's impressive list of investments and highlighted broader trends shaping the technology sector. His insights were especially helpful as the class evaluated the portfolio's tech exposure, including its positioning relative to the Magnificent 7.

KKR

Stewart Buzdon, *Patrick Dolan, Chris Komra, Kevin Marks, & Grant Worthington*

At KKR, the class learned about the firm's investment strategy and the current landscape of the healthcare industry. They also received a special visit from KKR co-founder George Roberts, who shared that Notre Dame investment bankers are ranked the highest on Wall Street in terms of career outcomes. When asked about the most admirable character trait in investing, Roberts emphasized the importance of curiosity.

Altimeter Capital

Meghan Reynolds

Altimeter Capital is a technology-focused investment firm founded by Brad Gerstner in 2008. The firm invests across venture, private growth, and public equities. During the class visit, students heard from Partner Meghan Reynolds about the key investments that drove Altimeter's outsized returns and the firm's emphasis on conviction and portfolio concentration. To cap off the visit, the class also had the opportunity to ask Brad Gerstner a few questions.

Hover

A.J. Altman

Hover is a software startup that transforms smartphone photos of homes into interactive 3D models, enabling accurate measurements, material selection, and automated estimates for construction and renovation projects. The class visited Hover's headquarters and met with founder A.J. Altman. Altman shared with the class his ultimate vision for Hover and the importance of dedication and discipline in one's career.

A16z

Joe Schmidt

Andreesen Horowitz (A16z) is a venture capital firm dedicated to supporting entrepreneurs in the technology space. While visiting the firm, the class met with former Notre Dame Football player and A16z Partner, Joe Schmidt. Schmidt shared with the class insights about the venture capital investing process, including how he interacts with founders and management teams. He aso provided advice to students as they begin their careers in investing, focusing on the importance of building meaningful relationships and reading.

Route One

Bill Duhamel, Kyle Hyland, & Justin Maletsky

Route One is an investment advisory firm that offers portfolio management and consulting services to individuals, pension and profit-sharing plans, and charitable organizations. The firm primarily invests in equity, credit securities, and commodities. While visiting, the class learned about how Route One goes about capital allocation, in which they place a strict emphasis on valuation, management, and accounting. The investors also took the class through a case study on companies in the retail sector to better understand Route One's investing process.

Sixth Street

Trinity Cha & Aaron Moyer

At Sixth Street, the class received an overview of the firm's position in the investment industry and how their wide-breadth of offerings differentiates them from other players. The class had the opportunity to ask investors about exciting new investment verticals, including those in professional sports. Toward the end of the visit, the class learned about a specific deal in the consumer sector and why Sixth Street ultimately decided to pass on the investment.

AIM ALUMNI DINNER

On Friday evening, current analysts dined with AIM alumni at China Live in Chinatown. Analysts had the opportunity to meet a number of AIM alumni who recounted stories from their time in the class and shared career advice for the investment industry.

AIM CLASS DINNER & OTHER ACTIVITIES

On Saturday, faculty and students enjoyed a Notre Dame Football watch party at Chief Sullivan's in North Beach. Later that evening, the class ended the trip with a dinner at John's Grill near Union Square. In their down time, students hiked to the Golden Gate Bridge, explored the city's food scene, and shopped downtown.

CAMPUS CONSTRUCTION UPDATE

The Mendoza College of Business continued its transformation this fall as construction progressed steadily on the new 28,000-square-foot North Addition. The addition is set to open for the beginning of the 2026-27 academic year and will include a large classroom for business foundations courses surrounded by a spacious undergraduate lounge—all on the first floor. Upper levels of the addition include plans for faculty and Ph.D. offices, additional classrooms and conference rooms, as well as a third-floor terrace.

Elsewhere on campus, a number of additional major construction efforts are in full-swing. These include the construction of two new residence halls on South Quad, Coyle and Therese Mary Grojean Halls. These halls will replace Pangborn and Fisher and are set to be complete for the start of the 2026-27 academic year. Additionally, South Dining Hall is undergoing a major renovation with completion targeted for the Fall of 2027.

STUDENTS UTILIZE NEW TRADING ROOM

This fall marked the opening of Mendoza's new, state-of-the-art trading room in the northeast corner of the building's atrium. The new 1,200 square foot room is equipped with 24 workstations that have industry-leading information platforms for business research, such as Bloomberg terminals, FactSet, and Capital IQ. The room also features a glass-front entry, a wall-to-wall video board and racetrack-style tickers reminiscent of Wall Street.

AIM analysts have put the room to good use since arriving on campus in August. The new space has fostered a collaborative environment that allows students to debate potential portfolio investments, ask questions to peers and faculty, and build the camaraderie that defines the Notre Dame and AIM investment communities. The trading room now serves as the primary gathering space for AIM students, replacing the long-standing role of the Business Library.

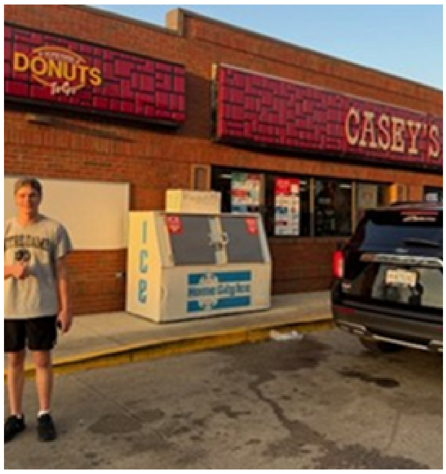
FIELD RESEARCH BRINGS VALUABLE INSIGHTS

SHANNON BURCHETT

Alongside conversations with Boot Barn executives and industry peers, Shannon visited multiple Boot Barn and competitor locations in Texas and Indiana to assess merchandising, customer traffic, and competitive positioning. In-store visits revealed strong brand equity of Boot Barn exclusive labels, Boot Barn's superior selection and atmosphere versus rivals, and family-oriented shopping patterns. The breadth of assortment relative to competitors and the differentiation from mass retailers further reinforced conclusions that Boot Barn effectively captures incremental demand and takes share from traditional retailers. These insights supported Shannon's conviction in his investment thesis.

THEO PACCHIANA

Theo visited a Casey's location in Elkhart to directly assess food quality, service cadence, and in-store traffic dynamics. During this field visit, he sampled the flagship pizza and pilot wings offering while speaking with employees about preparation standards and demand patterns. These firsthand observations reinforced Casey's positioning as a value-driven QSR alternative with strong foodservice execution in rural markets, strengthening overall conviction in the durability of in-store growth and margin leadership.



JACK KOPESKY

Alongside conversations with the CEO and CFO, Jack flew over coal mines in central Appalachia to evaluate sources of supply in the United States. During his flight, he was surprised by the volume of inactive mines in the region, with heaps of thermal coal left abandoned. The active mines he observed featured notably higher levels of automation, including long conveyor belts, large mining systems, and direct rail interconnection. These observations informed Jack's price projections and reinforced his confidence in CNR's profitability given its highly-automated capabilities.

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

BUY DECISIONS

Inherited

Amazon
AptarGroup
Casey's General Stores
Clean Harbors
Microsoft
MSCI
NVR
Stryker
TSMC
Uber
Vertiv

Newly Proposed

Airbnb
Alphabet
Chipotle
Camping World
e.l.f. Beauty
Fiserv
Garmin
IQVIA
Labcorp
Matson
NextEra Energy
TransMedics
UPS
XPEL

SELL DECISIONS

Inherited

Atlas Energy
DocuSign
Enterprise Product Partners
Fortinet
HEICO
Live Nation
Mastercard
Procore Technologies
Pool Corporation
Quanta Services
Sherwin-Williams
T-Mobile
Trex Company
Western Midstream Partners

Newly Proposed

Applied Industrial Technologies
Boot Barn
Core Natural Resources
Flex
Hilton
Life Time Group
Meta
Pinterest
Planet Labs
TJX
VeriSign

Airbnb is a global leader in short-term rentals, using strong branding and price-to-quality value to maintain its competitive moat. The market undervalues the long-term potential of its experiences and new services businesses.

Alphabet strengthens its AI leadership by integrating Gemini across Search, Cloud, and advertising. With unmatched data and infrastructure, it is well positioned to monetize generative AI and sustain long-term dominance.

Amazon is a global technology and retail leader spanning e-commerce, cloud computing, digital streaming, and AI services. Its vast customer base, logistics network, and operational scale support continued innovation and market share growth.

Aptar is a global leader in packaging and delivery systems for pharmaceuticals, beauty, and food & beverage. Its strong innovation and regulatory expertise position it to serve a wide range of high-value end markets.

Camping World is the largest RV retailer in the U.S., providing sales, service, parts, and memberships. Its nationwide reach, data advantages, and expanding used-vehicle platform position it for long-term earnings recovery as affordability improves.

Casey's General Stores is a major convenience store chain with over 2,900 locations across the Midwest and South. As the industry consolidates, Casey's is positioned to grow through its food service strength and customer-focused store model.

Chipotle is a leading fast-casual chain with a customizable fresh-ingredient menu and efficient operations. Its strong digital platform, steady same-store sales growth, and significant new-store runway support durable long-term expansion.

Clean Harbors is a leading provider of environmental and industrial services across the U.S. and Canada. Its hazardous waste management, disposal, and emergency response capabilities give it a strong position in a highly-regulated market.

ELF is a fast-growing cosmetics and skincare company known for affordable, high-quality products and viral marketing. Its innovation, retail partnerships, and international expansion continue to drive meaningful market share gains.

Labcorp is the largest clinical business in the United States, operating through 2,200 patient service centers. Labcorp's M&A runway and moat in specialty testing provide long runways for growth.

Fiserv is a leading provider of payments and financial technology. Its scale, recurring revenue, and high switching costs create durable growth, while its broad product suite positions it well across financial and merchant services.

Matson provides freight transportation and logistics across the Pacific, supported by protected routes and strong operational reliability. Its pricing power and steady U.S.–Asia volume help drive consistent financial performance.

Garmin is a diversified premium technology company with strong positions in fitness, outdoor, aviation, automotive, and marine categories. Its specialized hardware and integrated ecosystems support high-margin, loyal, and long-lasting customer relationships.

Microsoft is a global provider of software, cloud infrastructure, and hardware. Its efficient reinvestment has translated into cloud infrastructure leadership and bolstered its recurring enterprise revenues in its legacy segments.

IQVIA is a global leader in life-science data, analytics, and clinical research. Its advanced AI-enabled insights, software solutions, and real-world data help healthcare organizations improve decision-making and accelerate drug development.

MSCI is a major provider of financial indexes and portfolio analytics. Its subscription and asset-based revenue model, combined with strong brand recognition, supports consistent growth and high recurring revenue.

NextEra is the largest U.S. energy infrastructure company, delivering power to homes, utilities, and enterprises. Its scale, reliability, and operational excellence—combined with clean energy leadership—support long-term growth.

NVR is the fourth-largest U.S. homebuilder, operating across 16 states and 36 metro areas in the East. Its capital-light model of buying finished lots instead of holding land leverages strong local expertise and relationships.

Stryker is a leading medical technology company providing orthopedic implants and medical equipment. Its strong physician relationships, product innovation, and execution in M&A and R&D reinforce long-term competitive strength.

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.

TransMedics develops the Organ Care System (OCS), a platform that preserves donor organs in near-living conditions, helping improve transplant success for heart, lung, and liver procedures.

Uber is a global mobility and delivery platform generating revenue through rides, freight, and delivery services. Its brand, network scale, and diversification position it well as autonomous and logistics opportunities expand.

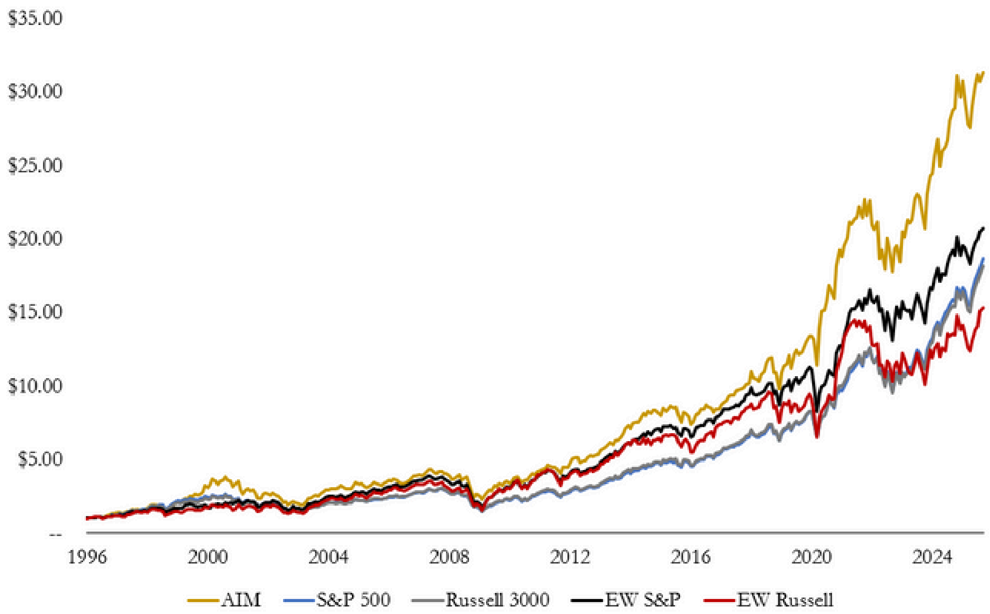
UPS is the largest integrated parcel carrier, using its network to serve higher-margin SMB, B2B, and healthcare customers. Its scale and efficiency support strong, sustainable returns.

Vertiv provides mission-critical power, cooling, and IT infrastructure for data centers. As demand for high-density computing increases, Vertiv's global service network and liquid-cooling solutions position it for continued growth.

XPEL offers protective films for automobiles, including paint protection, window tint, and interior coatings. Its strong brand, installer network, and vertically-integrated model support expanding global demand.

CUMULATIVE PERFORMANCE

The AIM portfolio benchmarks against two indices: the Russell 3000 and the S&P 500. As of September 30, 2025, the portfolio has achieved an annual return of 12.28% since inception, 204 bps higher than the Russell 3000 and 193 bps higher than the S&P 500. The portfolio has performed well over the past ten years, achieving an annualized return of 15.22%. 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 mirror the equal-weighting of the AIM portfolio.



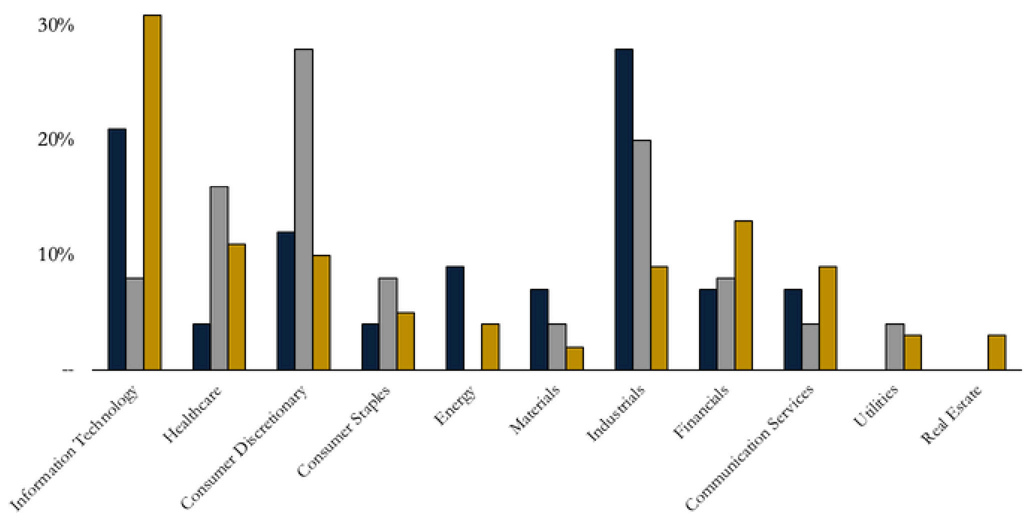
AIM: $31.34

EW S&P: $20.77

EW Russell: $15.37

AIM LXI SECTOR ALLOCATION

The inherited portfolio was overweight in industrials and energy, as well as underweight in healthcare relative to the Russell 3000 benchmark. The current portfolio balanced its exposure to healthcare and industrials, while cutting back on energy and information technology exposure.



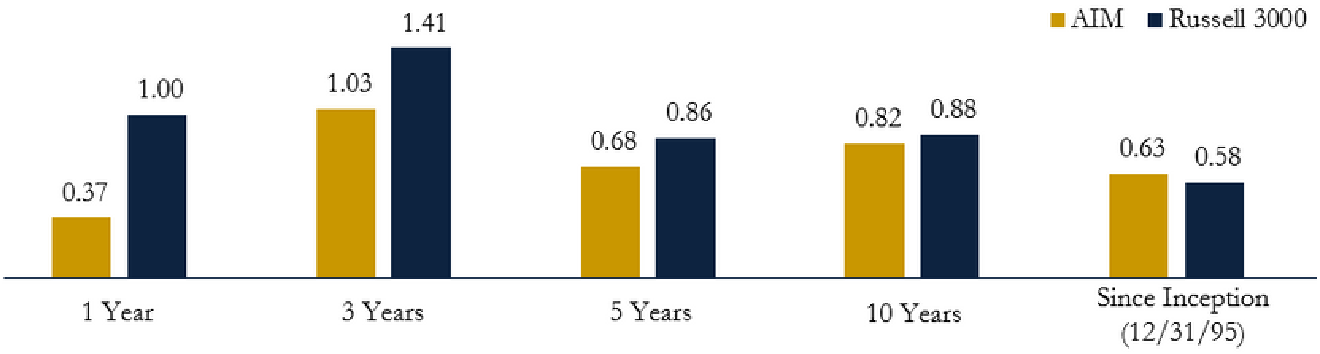
AIM LX Portfolio

AIM LXI Portfolio (Current)

Russell 3000

SHARPE RATIO

AIM has lagged its benchmark over the past decade, driven largely by recent decisions that resulted in weaker risk-adjusted returns. However, despite this near-term underperformance, AIM has delivered strong long-term value, outperforming the Russell 3000 since inception by 500 bps on a risk-adjusted return basis and generating a positive rolling monthly alpha of 18 bps.



TOP PERFORMERS (3 MONTH)

VRT	TSMC	PWR	CASY	PCOR
Return: 40.60%	Return: 24.92%	Return: 19.68%	Return 15.21%	Return: 8.10%

BOTTOM PERFORMERS (3 MONTH)

TREX	AESI	POOL	LYV	TMUS
Return: (42.63%)	Return: (25.62%)	Return: (21.29%)	Return: (21.26%)	Return: (17.59%)

LEX BANKER
Audax
Western Midstream, Chipotle

SHANNON BURCHETT
Santander
Procore, Boot Barn

COLE CERAVOLO
Ducera
Vertiv, Garmin

GJON CURANJ
Perella Weinberg
Stryker, TransMedics

CONNOR D’AQUILA
Blackstone Infrastructure Partners
Mastercard, XPEL

ANDREW DALY
Koch Equity Development
TSMC, VeriSign

DANIEL DIDOMINICA
Bank of America
Uber, AIT

MADELYN DONNELLY
Evercore
Atlas Energy, Labcorp

PARIS FEAR
Goldman Sachs
Microsoft, Airbnb

KENDALL FICKEN

William Blair

HEICO, e.l.f. Beauty

AMANUEL FISAHA

Evercore

Enterprise Products, UPS

JACK GAGERMEIER

Guggenheim

Sherwin-Williams, Alphabet

HAYDEN HOFACKER

Morgan Stanley

Fortinet, Planet Labs

CONNOR KLEIDERER

Guggenheim

NVR, Hilton

MATTISON KNOBLOCH

Perella Weinberg

AptarGroup, TJX

JACK KOPESKY

Blackstone Infrastructure Partners

MSCI, Core Natural Resources

GEORGE LAVIGNE

Evercore

Live Nation, Matson

K LEE

J.P. Morgan

T-Mobile, NextEra

MASON LINDLEY

Blackstone Harvest

Amazon, Pinterest

SARAH MCMANUS

Morgan Stanley

Pool Corporation, IQVIA

KATE NORMAN

Evercore

Quanta, Meta

HARRISON ORR

Citi

Trex, Fiserv

THEO PACCHIANA

Miller Buckfire

Casey's, Camping World

GRACE ROETHLIN

UBS

Clean Harbors, Flex

RILEY RUSSO

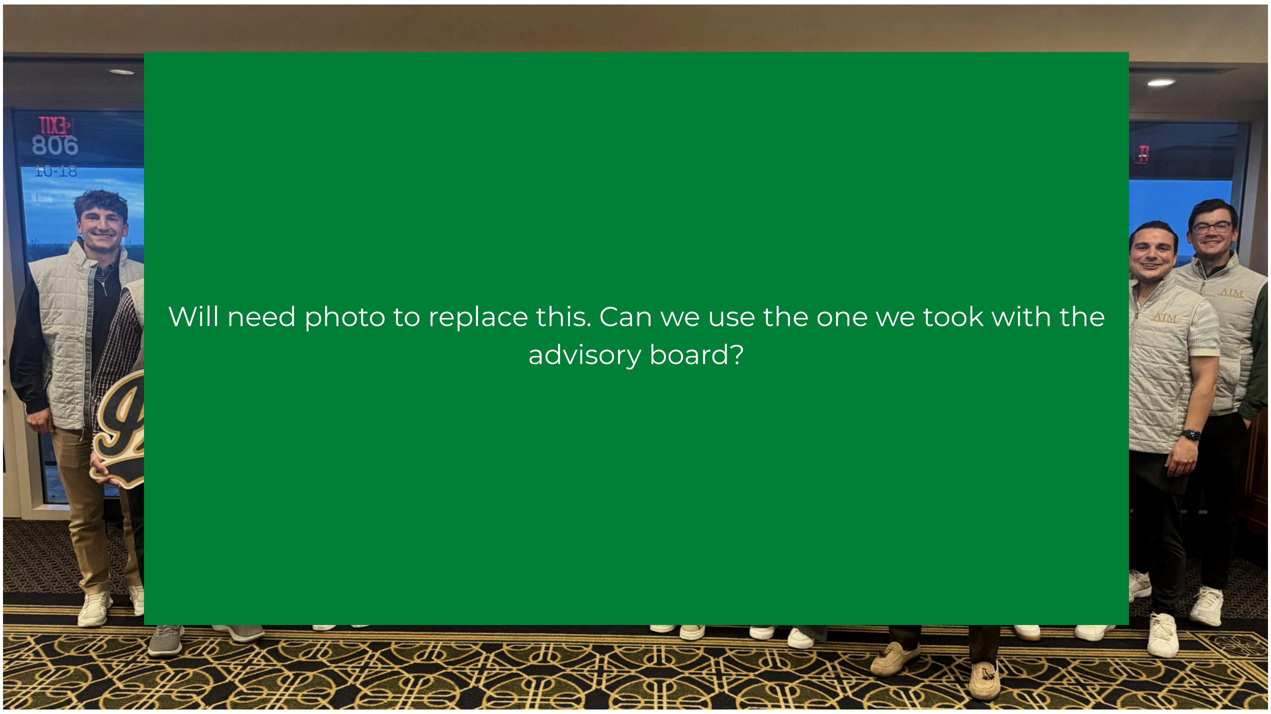
Goldman Sachs

Docusign, Life Time

THE MENDOZA COLLEGE OF BUSINESS

THE UNIVERSITY OF NOTRE DAME

APPLIED INVESTMENT MANAGEMENT LXI



Will need photo to replace this. Can we use the one we took with the advisory board?

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VITA DUL- CEDO SPES