



Applied Investment Management



Fiscal Year Report

(July 1st, 2019 – June 30th, 2020)

November 11th, 2020

Report Highlights

Management's Message	Page 2
A.I.M. Committee	Page 3
How is A.I.M. Developing?	Page 5
Market Report	Page 6
Trading Report	Page 7
Trading Summary	Page 8
Individual Holdings	Page 11
Sector Allocations & Returns	Page 12
Current Holdings	Page 13
Special Thanks	Page 37



Management's Message

Dear Kutztown University Foundation,

“The whole is greater than the sum of its parts”, a phrase first coined by the famous Greek philosopher, Aristotle.

The phrase aptly defines the modern concept of synergy – it echoes the high school locker room acronym, T.E.A.M. – together everyone achieves more. This is the philosophy we’ve adopted to encourage our team of analysts this past semester. Embracing the philosophical way of life, we as fund managers saw the value of asking ourselves the right kind of questions:

“How can we create value for the A.I.M. Program – not only in its bottom line, but as an experiential learning opportunity?”

“What can we do to cultivate an organizational culture that resonates with our personal values of honesty, accountability and clarity of purpose?”

“How can we assist in getting our team of analysts employment opportunities upon graduation?”

The pursuit of any goal – no matter the scale – starts with one step. In our case, the first step was assigning a summer reading, *The Go-Giver* by Bob Burg and John D. Mann, to our analysts. The book etches out five laws of stratospheric success in the mind of the reader, one of them being the law of value: “Your true worth is determined by how much more you give in value than you take in payment.” We realized that if we want to create long-term value for the program, in more than just the bottom-line, we have to inspire our analysts to take extreme ownership of all of their assigned responsibilities. In taking extreme ownership of their responsibilities each analyst becomes their own catalyst for personal growth.

Extreme ownership walks hand-in-hand with honesty and accountability, principles that are synonymous with the top 1% of the students in the College of Business. But even though the concept of honesty and accountability are familiar terms in our day-to-day lives, the personal definition thereof is unique. In simpler terms, accountability does not have the same practical implications for any two analysts and we as fund managers encouraged the unique nature of it. Every analyst had a different perspective and a distinct set of skills that they brought to the table to continuously revolutionize the status quo, incessantly creating a better learning environment.

The synergy between the analysts, the organizational culture of extreme ownership and the unique approach to problem-solving created an environment of creative destruction – one that will benefit the whole (the A.I.M. Program) and the sum of its parts (the student) for years to come.

Sincerely,



Gerald Lowe

A handwritten signature in black ink, appearing to read 'Gerald Lowe'.



Marc Scambia

A handwritten signature in black ink, appearing to read 'Marc Scambia'.



A.I.M. Committee



Michael Dent

Year: Senior
Hometown: Orefield, PA
Major: Finance
Minor: Economics
Position: Chief Financial Analyst



Brandon Schaeffer

Year: Senior
Hometown: Coplay, PA
Major: Finance
Minor: Management
Position: Secretary & Junior Financial Analyst



Allison Kostaras

Year: Senior
Hometown: Robesonia, PA
Major: Finance
Position: Secretary & Junior Financial Analyst



Dominick Goncalves

Year: Senior
Hometown: Allentown, PA
Major: Finance
Position: Junior Financial Analyst



Daniel Chen See

Year: Senior
Hometown: Oley, PA
Major: Finance
Position: Junior Financial Analyst



Kelly Slattery

Year: Senior
Hometown: Douglassville, PA
Major: Finance
Minor: Economics
Position: Director of Marketing & Junior Financial Analyst



A.I.M. Committee



Valerie Philipps

Year: Senior

Hometown: Saylorsburg, PA

Major: Finance

Position: Junior Financial Analyst



Emily Fisher

Year: Senior

Hometown: Lancaster, PA

Major(s): Finance & Management

Position: Junior Financial Analyst



Sebastian Buckley

Year: Senior

Hometown: Allentown, PA

Major: Accounting

Position: Junior Financial Analyst



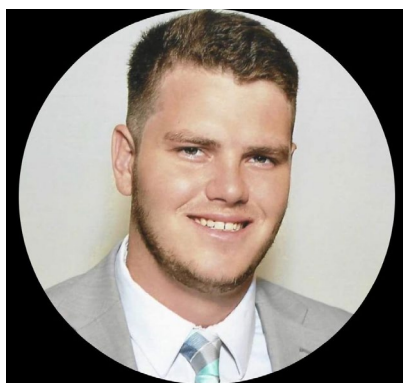
Joao Pedro Simoes

Year: Junior

Hometown: Kutztown, PA

Major: Finance & Accounting

Position: Chief Financial Officer



Thorne O'Connell

Year: Junior

Hometown: Johannesburg, South Africa

Major: Finance, Personal Financial Planning & Management

Minor: Economics

Position: Junior Financial Analyst



How is A.I.M Developing?

The A.I.M. Program, in conjunction with the A.I.M. Association, has experienced tremendous growth over the course of the last few years. In terms of expanding our influence sphere on campus, both the Program and the Association has truly hit its stride in the virtual realm with workshops, informative lectures and guest speaker opportunities. In an attempt to prevent stagnation, the management of both organizations have identified projects that will ensure the trajectory of the continuous growth curve that we are on. Some of these projects include:

- Revising the Investment Policy Statement
- Critically analyzing the functionality of FactSet, the market intelligence software utilized by our analysts
- Drafting a Commitment to Excellence Policy
- Designing a KU AIM Website
- Creating a KU AIM Newsletter to improve alumni engagement and interaction

In an attempt to improve interaction between our analysts and some of the illustrious alumni of our university, we've had informational seminars with names familiar to the Foundation:

- Bobby Spengler
- Dean D'Amico
- David Nassaar
- Matt West

In conclusion, the A.I.M. Program has exponential growth potential and by accomplishing these projects we will capitalize on the unrealized intrinsic value of the Program.





Market Report

As the new decade began, the American stock markets were flourishing ridding the back of a 10-year long bull run which pushed shares prices to their highest amounts. In the first few months of 2020, the trend seemed to be on the continuation until a certain virus named COVID-19 began to spread across China. As concern for global pandemic mounted, countries began shutting their borders, businesses closed their doors, and governments across the world braced for the absolute worst. The market reacted according to how most consumers felt, all hope was lost. In late March and early April, one of the largest selloffs in American history occurred as scared investors dumped their stocks before share prices bottomed out.

The Federal Government was staggered but did not waver moving quickly passing stimulus legislation to help the American people. On March 27th, 2020, President Donald Trump signed into law the bipartisan-introduced CARES Act in response to the impending economic disaster that was predicted from the COVID shutdown. Roughly \$2.2 trillion in Federal loans and grants were passed onto business, large and small, across the US as well as adding much needed funds to a new wider-reaching unemployment system. Nearly 20.5 million people suddenly lost their sources of income and needed government assistance to survive, so in April, the Federal Government began issuing \$1,200 checks to qualified citizens as a way of offering some sort of assistance. On top of this, unemployment systems in every state were expanded to include a wider group of individuals as well as larger weekly/biweekly payouts. For instance, in Pennsylvania, an individual who lost his/her job due to COVID and could not actively seek employment still received state and federal payouts to support under our state plan. As all this happened the markets began rising offering investors hope that soon the bullish-nature would return.

As Spring turned to Summer, states across the US began to realize that their economies were going to collapse if business continued to be closed and people were locked inside. Slowly, state governments began to open up certain businesses and reintroduce society to normal life. The market responded accordingly and took off in late July/August breaking out the COVID lows and surpassing the previous high prior to the massive selloff. This massive run-up comes on the back of speculation rather than performance. In this sense, investors are betting on the fact that the COVID virus will eventually be a thing of the past, so share prices keep creeping higher and higher on the hopes that companies will return to their profitable ways. Businesses, particularly small ones, are hurting across America and have seen significant damage done this year with thousands of companies closing their doors forever.

Moving forward, a second round of stimulus seems to be the next step in our Federal government's fight against COVID. Even powerful figures like Jerome Powell have stressed the necessity to pass further government assistance if we wish to beat our current economic crisis. Despite what it may seem in the stock market, the American economy has not yet fully recovered from the COVID pandemic.



Trading Report

The A.I.M. portfolio returned 10.41%, during the fiscal year ending in June 30, 2020, outperforming by 3 basis points the return of the S&P 500 benchmark (SPY) of 7.34%, over the same period. The Top 5 performing stocks were Thor Industries (THO, annual return of 86.9%), Apple Inc. (AAPL, annual return of 86.5%), Activision Blizzards (ATVI, annual return of 61.86%), Splunk Inc. (SPLK, annual return of 58%) and Microsoft Corporation (MSFT, annual return of 53.8%). The five worst performing stocks in the portfolio were The Boeing Company (BA, annual return of -48.73%), Wells Fargo & Company (WFC, annual return of -43.03%), JetBlue (JBLU, annual return of -41.05%), Exxon Mobile Corporation (XOM, annual return of -38.18%) and Discover Financial Services (DFS, annual return of -33.62%). Throughout the annual fiscal year, the A.I.M. portfolio held overweight positions in the Consumer Discretionary, Consumer Staples and Industrials, near neutral position in Utilities and underweight positions in Communications, Energy, Financials, Health Care, Information Technology, Materials and Real Estate. The A.I.M. portfolio also held 7.47% in Index & Mutual Funds and 1.21% in Money Market Securities. The main factors that influenced our fiscal year performance was the recession caused by the corona virus pandemic and the strong growth in the technology sector, especially in Apple Inc., which currently comprises 15.78% of our entire portfolio.

A.I.M. Portfolio	
Beginning Balance	\$566,907.18
Ending Balance	\$625,608.34
Fiscal Year Gain	\$58,992.29
Cash Balance	\$7,572.19

Performance	Fiscal Year	5-Year Average
A.I.M. Portfolio	10.41%	9.96%
SPY	7.34%	9.98%
AIM vs SPY	3.07%	-0.02%





Trading Summary

TRADING SUMMARY		
Order	Stock	Ticker
Buy	Air Products and Chemicals Inc.	APD
Buy	Boeing	BA
Buy	Hannon Armstrong	HASI
Sell	JetBlue	JBLU
Reject Buy	Kinder Morgan	KMI
Buy	MasterCard	MA
Reject Buy	Shake Shack	SHAK
Reject Buy	The Southern Company	SO
Partial Buy	Stryker	SYK
Buy	Tyler Technologies Inc.	TYL
Hold	General Mills	GIS
Buy	Starbucks	SBUX
Buy	Protector & Gamble	PG
Reject Buy	Raymond James Financial	RJF
Buy	Amazon	AMZN
Buy	Amerisource Bergen	ABC
Buy	T-Mobile	TMUS
Reject Buy	Comcast	CMCSA
Buy	CBRE Group Inc.	CBRE
Reject Buy	Anixter	AXE
Buy	Visa	V
Sell	Kraft-Heinz	KHC
Sell	The Kroger Company	KR
Sell	Western Digital Corp	WDC
Sell	Gilead Science	GILD



Trading Summary (cont'd)

Sell	Rationale	Sell	Rationale
Kraft-Heinz	<ul style="list-style-type: none"> Negative ROE of 17.24% Steadily declining net income 	The Kroger Company	<ul style="list-style-type: none"> Retail company that is failing to grow Lost the portfolio over 10%
Western Digital Corp.	<ul style="list-style-type: none"> The worst performing stock of the portfolio Needed to digest to purchase Amazon 	Jetblue	<ul style="list-style-type: none"> Low Altman Z-score Corona virus pandemic hard hit on the airline industry Will be downscaling its size in foreseeable future
Axos	<ul style="list-style-type: none"> Switch stock for Mastercard Small brand name recognition Does not have dividends Slowed growth in past years 		

BUY	RATIONALE	BUY	RATIONEL
Air Products And Chemicals	<ul style="list-style-type: none"> Trading at a discount Established market position Outperformed market & sector LTM High ROE and earnings growth 	The Boeing Company	<ul style="list-style-type: none"> Historical high dividend yield Trading at Discount Government backed company One of US's largest exporters
Hannon Armstrong	<ul style="list-style-type: none"> Diversified portfolio Double digit revenue increase High dividend yield Strong Balance Sheet & low Beta 	MasterCard	<ul style="list-style-type: none"> ROIC upwards of 605 3-Year CAGR projects 15% revenue increase Repurchased almost 4 Billion shares per year between 2014-2017
Stryker	<ul style="list-style-type: none"> High growth for past years Better return than key competitors 	Tyler Technologies	<ul style="list-style-type: none"> Strong fundamentals Low volatility Market leader Outperformed market and sector
Visa	<ul style="list-style-type: none"> Low risk company Market leader in its industry EBITDA expected to grow 72% by 2022 5-year CAGR projects double digit growth in revenue, NI and EPS 	Amazon	<ul style="list-style-type: none"> Net income grew 1590% from 2015-2019 E-commerce monopoly Consistently innovating and improving process ROE on the triple digits mark
Starbucks	<ul style="list-style-type: none"> High increase in number of stores, including 1100 in China in 2019 Low beta stock with high growth potential & strong P/E ratio of 28% 	Protector & Gamble	<ul style="list-style-type: none"> Consistent Growth over an extended period Outperformed both sector and competitors
Amerisource Bergen	<ul style="list-style-type: none"> Under allocated in the healthcare sector Safer healthcare stock with 0.98 beta Outperformed the market 	T-Mobile	<ul style="list-style-type: none"> Strong CAGRs of over 10% First company to utilize 5g nationwide
CBRE Group	<ul style="list-style-type: none"> Brings a strong competitor to an under-allocated sector Strong revenue growth between 2015-2018 	Gilead Sciences	



Individual Holdings

A.I.M. Portfolio			
AAPL	Apple, Inc.	ABC	Amerisource Bergen Corp.
AMZN	Amazon Corp.	APD	Air Product and Chemicals, Inc.
ATVI	Activision Blizzard, Inc.	AXTA	Axalta Coating Systems Ltd.
BA	Boeing Company (The)	BABA	Alibaba Group Holding Ltd.
BAC	Bank of America Corporation	BMO	Bank of Montreal
BRK-B	Berkshire Hathaway	BWXT	BWX Technologies Inc.
CBRE	CBRE Group, Inc.	CMCSA	Comcast Corp.
CME	CME Group Inc.	COST	Costco Wholesale Corp.
CSL	Carlisle Companies, Inc.	CVS	CVS Health Corporation
DFS	Discover Financial Services	DHR	Danaher Corp.
DIS	Walt Disney Company	FB	Facebook
FTV	Fortive Corporation	GD	General Dynamics Corporation
GIS	General Mills Inc.	HASI	Hannon Armstrong Sustainable Infrastructure Capital, Inc.
HII	Huntington Ingalls Industries	JNJ	Johnson & Johnson
KHC	Kraft Heinz Company	KR	The Kroger Company
LOW	Lowe's Companies Inc.	MA	Mastercard Inc.
MCK	McKesson Corp.	MMM	3M Company
MMM	3M Company	MORN	Morningstar Inc.
MSFT	Microsoft Corporation	NEE	NextEra Energy, Inc.
NKE	Nike, Inc.	ORCL	Oracle Corporation
PAYX	Paychex	PEG	Public Service Enterprise Group Inc.
PEP	PepsiCo, Inc.	PG	Procter & Gamble Company
SBUX	Starbucks	SCHW	The Charles Schwab Corporation
SPLK	Splunk, Inc.	STZ	Constellation Brands
SYK	Stryker Corp.	T	AT&T
THO	Thor Industries Inc.	TJX	TJX Companies, Inc. (The)
TMUS	T-Mobile US, Inc.	TYL	Tyler Technologies, Inc.
UNH	United Health Group Inc.	UNP	Union Pacific Corporation
V	Visa Inc.	VHT	Vanguard Health Care Index Fund ETF
WBA	Walgreen Company	WDC	Western Digital Corporation
WFC	Wells Fargo & Company	WM	Waste Management
XOM	Exxon Mobil Corporation		



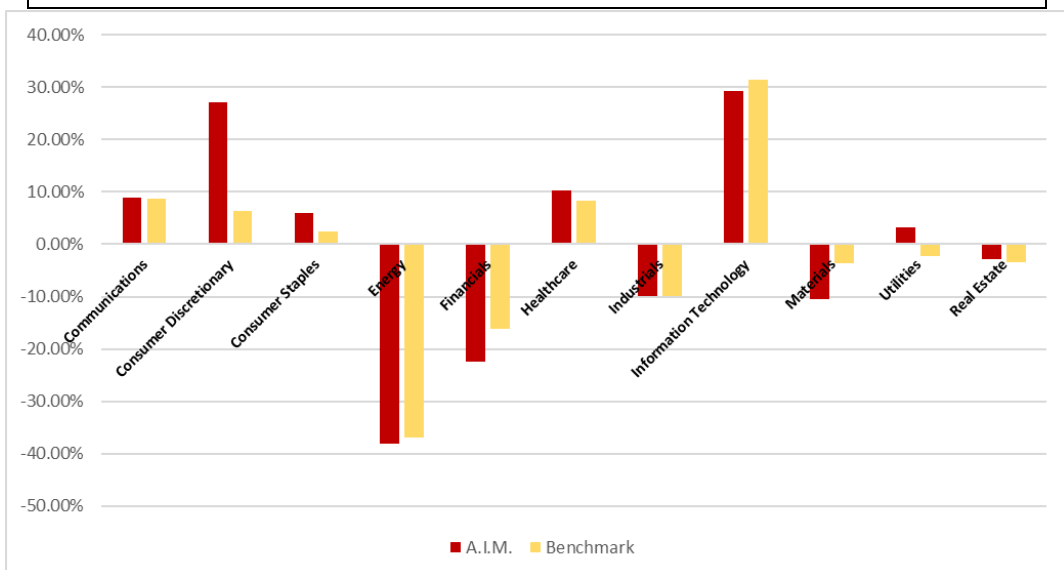


Sector Allocations & Returns

Sector Allocations				
Sector	Target	Range	Current Holdings	Over/Under Allocation
Communications	11%	9% - 12%	5.60%	-5.40%
Consumer Discretionary	9%	7% - 9%	13.35%	4.35%
Consumer Staples	7%	5% - 7%	7.34%	0.34%
Energy	5%	4%	0.32%	-4.68%
Financials	13%	11% - 13%	6.54%	-6.46%
Healthcare	15%	13% - 15%	8.24%	-6.76%
Industrials	8%	6% - 8%	13.52%	5.52%
Information Technology	24%	21% - 25%	30.09%	6.05%
Materials	3%	2%	2.37%	-0.63%
Utilities	3%	2%	1.57%	-0.43%
Real Estate	2%	2%	1.57%	-0.43%
Cash	0%	0% - 10%	1.32%	1.32%
Index & Mutual Funds	N/A	N/A	7.31%	N/A

Currently, the A.I.M. portfolio maintains only the sectors consumer staples, materials, utilities and real estate with less than a 1% difference to our desired target in accordance with the A.I.M's IPS. The sector's communication, energy, financials and health care are all under allocated by over 4.68%. Emphasis on the energy sector that is under allocated by 15x it's supposed value. The sector's consumer discretionary, industrials and information technology are all over allocated by over 4%. In relation to the information technology sector, we are in opposition to our IPS rule for percentage of holding in a singular stock for Apple Inc. by 5.78%. If we decrease our current threshold for Apple to the maximum acceptable of 10%, the information technology sector will be with a total percentage of our portfolio of 24.27%, in accordance with our desired target. Also, our portfolio obtains 1.32% of holdings in cash under FirstAmerican Government Obligations, with a target of 0%. Last, our portfolio does not have a target for index and mutual funds, while we obtain 6.73% of our holdings on SPDR S&P 500 ETF and 0.58% of Vanguard Health care Index ETF.

Sector Returns vs. Benchmark			
Sector	A.I.M	Benchmark	A.I.M. vs Benchmark
Communications	8.91%	8.71%	0.20%
Consumer Discretionary	27.05%	6.32%	20.73%
Consumer Staples	5.93%	2.42%	3.51%
Energy	-38.11%	-36.95%	-1.16%
Financials	-22.49%	-16.19%	-6.30%
Healthcare	10.26%	8.23%	2.03%
Industrials	-9.85%	-9.85%	0.00%
Information Technology	29.22%	31.35%	-2.13%
Materials	-10.46%	-3.61%	-6.85%
Utilities	3.24%	-2.24%	5.48%
Real Estate	-2.83%	-3.41%	0.58%





Current Holdings

Communication Services			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Activision Blizzard, Inc.	59.99%	36.39%	1.34%
Comcast Corporation	-8.73%	0.20%	0.47%
The Walt Disney Company	-20.31%	-11.26%	2.52%
Facebook, Inc.	17.65%	38.75%	0.57%
AT&T Inc.	-4.03%	-28.81%	0.71%

ATVI

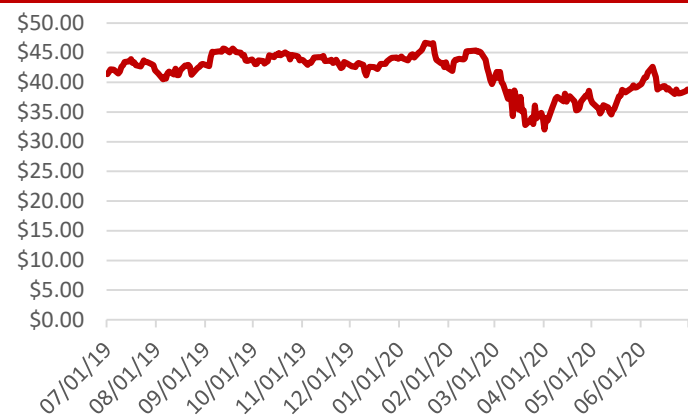
Activision Blizzard, Inc.



- Activision made former Google executive Daniel Alegre its President and Chief Operating Officer just before the pandemic hit in early March.
- Sales grew 38.8% in the most recent quarter, June 2020.

CMCS.A

Comcast Corporation



- For Q2, 2020 Revenue was \$23,715. down 11.3% from 2019 Q2 reported revenue. Reported EPS of \$0.65 for Q2 2020. down from 2019 Q2 EPS of \$0.69
- Comcast announced it is investing \$15 million to enhance and expand its internet infrastructure in Modesto. The network expansion project will deliver up to 10-Gigabits-per-second (Gbps) Ethernet speeds, increased capacity and reliability to an estimated 2,000 businesses throughout downtown and central Modesto.

DIS

The Walt Disney Company



- On February 25th, 2020 Disney's CEO Bob Iger stepped down from his position. He will now assume the role of executive chairman through 2021. He will be succeeded by Bob Chapek, who most recently served as the chairman of the company's parks, experiences and products.
- On August 4, 2020 Disney came out with Q3 earnings of \$0.08 per share beating the consensus estimate of a loss of \$0.43 per share. The company also reported revenues of \$11.78 billion for Q3 compared to year-ago revenues of \$20.25 billion.



Current Holdings

FB

Facebook



- In May, Facebook announced “Facebook Shop”, an e-commerce platform that will facilitate easier transactions on both Facebook and Instagram. Some analysts project that this new platform could result in \$30.B gain in revenues.
- Facebook was able to beat projections in revenue, profits, and user growth for Q2 2020. Revenues for the quarter were \$18.69B, an 11% increase YOY. Daily active users (DAU) were 1.79 billion in the month of June, a 12% increase YOY. Diluted EPS nearly doubled from the previous year increasing from \$0.91 to \$1.80.

T

AT&T



- AT&T is losing a large amount of subscribers to its media platforms. During the June quarter, AT&T lost 886,000 DirectTV and U-Verse subscribers and 68,000 AT&T TV Now subscribers. However, this is better than the estimated 1 million subscriber loss.
- AT&T beat its EPS estimate by \$0.04 for Q2 2020. It had an estimated EPS of 0.79, but an actual EPS of 0.83.





Current Holdings

Company	Consumer Discretionary		
	Fiscal 2019 Performance	YTD Performance	% of Holdings
Alibaba Group Holding Limited	23.22%	46.12%	1.56%
Lowe's Companies, Inc.	33.37%	43.74%	2.25%
Nike, Inc.	16.00%	28.31%	4.42%
Starbucks Corporation	-11.29%	3.28%	1.00%
Thor Industries, Inc.	88.51%	18.76%	0.54%
The TJX Companies, Inc.	-3.38%	-6.62%	2.97%
T-Mobile US, Inc.	42.90%	43.31%	0.61%

BABA

Alibaba Group Holding Limited



- Net Income Increased by 70% in FY' 19. Stock price has increased by 79.70% TTM.
- Alibaba will invest \$3.6 billion for a controlling stake in Sun Art Retail Group, a leading supermarket operator in China, continuing its expansion into retail. Giving Walmart strong competition in the Chinese market.

LOW

Lowe's Companies Inc.



- Lowe's Companies, Inc. most recent quarterly report (Q2) was released on August 26th, 2020. Their Revenue was up in quarter compared to last year at \$27.302 billion nearly a 30% increase from the previous year at \$20.992. The companies Earnings Per Share is also up at \$3.74 which is close to a 75% increase from the previous year at \$2.14.
- On September 29, 2020 Lowe's Companies, Inc. determined to restart its previously authorized stock repurchase program, which was temporarily suspended in Q1 of 2020 in response to the uncertainties surrounding the COVID pandemic.





Current Holdings

NKE

Nike, Inc.



- Diluted earnings per share for the quarter was \$0.70, an increase of 35 percent driven primarily by strong revenue growth, gross margin expansion, selling and administrative expense leverage, a lower tax rate and a lower average share count.
- Debuted in February 2020, the Nike Revival collection extends NIKE, Inc.'s Move to Zero, a journey toward a zero carbon and zero waste future, and related circular design principles to apparel design. Most of the styles present a gender-neutral take on classic silhouettes, including a full-zip hoodie, crew, T-shirt, joggers and shorts. These are complemented by a women's dress. All garments are conceived with a blend of at least 75 percent recycled and organic fibers.

SBUX

Starbucks



- Americas total net revenues for the first two quarters of fiscal 2020 increased \$414 million, or 5%, primarily driven by 274 net new Starbucks® company-operated store openings, or a 3% increase, over the past 12 months (\$260 million) and a 2% increase in comparable store sales (\$120 million). Also contributing were higher product sales to and royalty revenues from our licensees (\$26 million), primarily resulting from comparable store sales growth and the opening of 277 net new Starbucks® licensed stores, or a 3% increase, over the past 12 months.
- Over the next 18 months Starbucks will accelerate the transformation of its new store portfolio with the expansion of convenience-led formats such as Drive-Thru, Starbucks® Pickup and curbside pickup due to a retail environment that has shifted.



Current Holdings

THO

Thor Industries Inc.



- Due to the social distancing guidelines put in place over the summer as a response to COVID-19, RV sales rose 4.5%. Looking ahead to 2021, RV sales are expected to increase 19.5%, making it the best year to have occurred for the RV industry.
- Despite the negative affects of the COVID-19 pandemic, Thor Industries was still able to see 3.3% revenue growth from 2019 to 2020.

TJX

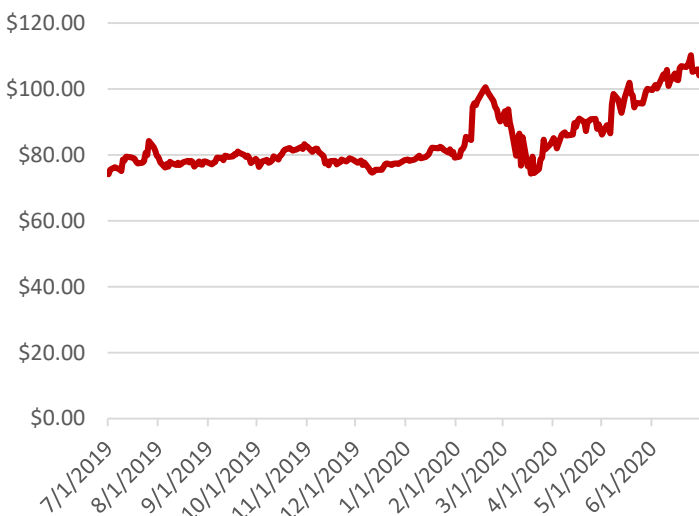
TJX Companies, Inc.



- TJX companies is in the process of opening a new \$150 million distribution center in El Paso. This distribution center would create 950 new jobs over a 5-year period.
- For Q2 and Q3 2020, TJX Companies has missed its EPS estimates. In Q3, it was estimated to have an EPS of -0.10, but in actuality it had an EPS of -0.18.

TMUS

T-Mobile US, Inc.



- Sprint and T-Mobile Merger on April 1, 2020.
- Sales jumped \$6m after merger with Sprint.

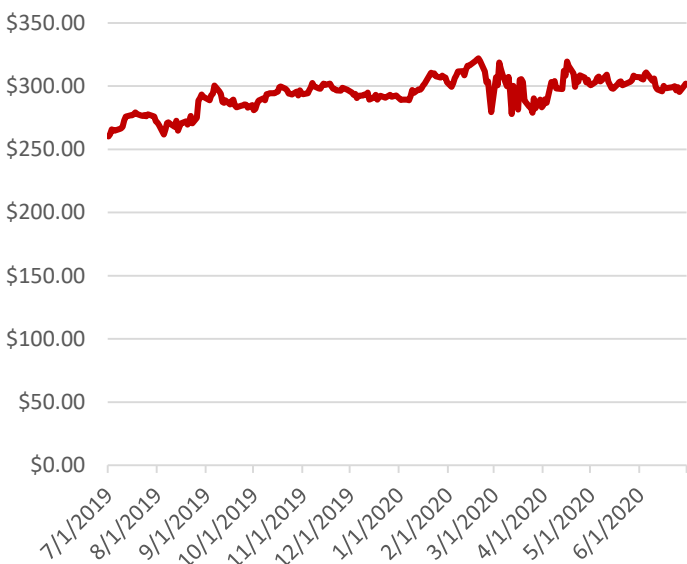


Current Holdings

Consumer Staples			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Costco Wholesale Corporation	15.44%	27.45%	1.60%
CVS Health Corporation	21.03%	-18.90%	0.56%
General Mills, Inc.	19.86%	15.35%	1.17%
PepsiCo, Inc.	3.18%	2.11%	2.64%
The Proctor & Gamble Company	11.00%	14.00%	0.50%
Constellation Brands, Inc.	-9.33%	-5.42%	0.25%
Wallgreens Boots Alliance, Inc.	-19.68%	-35.48%	0.61%

COST

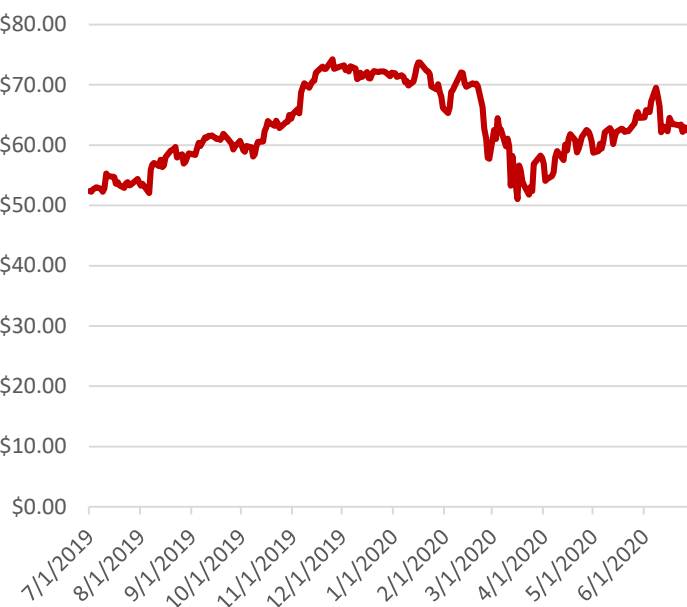
Costco Wholesale Corporation



- Costco is starting to deliver on the e-commerce side of the business, showing a 17.9% increase in e-commerce revenue over the 6-month period ending March 1 2020. To help the e-commerce growth along, Costco acquired Innovent Solutions in mid-March for \$1 billion. Innovent is a logistics company that specializes in storage, transport, and delivery of "big and bulky" items.
- The company reported a net income of \$838 million and a diluted EPS of \$1.89, these both fell short of the previous years' marks of \$906 million and \$2.05 respectively. The company's earnings were negatively impacted by incremental wage safety and sanitation costs resulting from COVID-19.

CVS

CVS Health Corporation

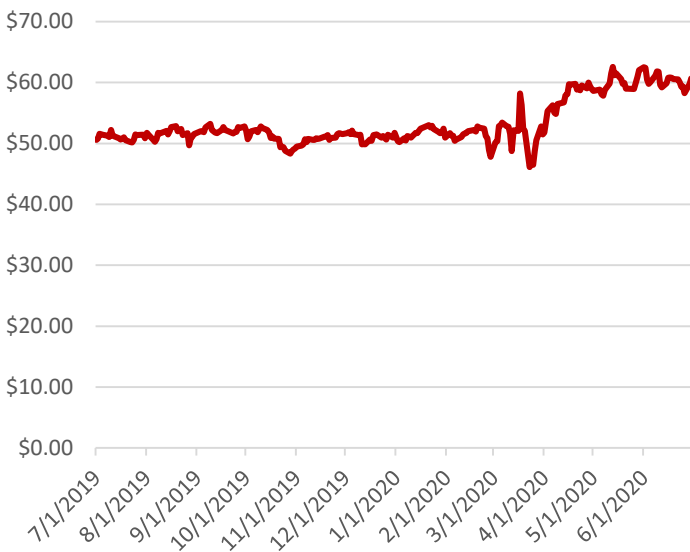


- CVS has been conducting COVID drive-thru tests at store locations and made great strides in May of 2020. The company added 15 testing locations in Ohio and 13 in Connecticut during this time.
- On August 5, 2020 CVS announced its Q2 2020 earnings. CVS reported adjusted EPS of \$2.64 which is an increase of 39.7% year over year. The company also reported total revenues of \$65.34 billion which is an increase of 3% year over year.



Current Holdings

GIS



General Mills Inc.

- General Mills benefited from changes in consumer behavior due to the pandemic. In-home dining increases led to a surge in demand for General Mills products that resulted in 68% retail sales growth in the company's Q4. The Cheerios franchise expanded both its retail sales and market share through its health-focused marketing approach.
- General Mills reported an adjusted EPS of \$1.10 for Q4 exceeding the consensus estimate of \$1.06 and rising by 33% YOY. The company reported revenues of \$5.02B, exceeding the consensus projection and representing a 21% increase YOY.

PEP



PepsiCo, Inc.

- On February 13, 2020, announced a 7% increase in our annualized dividend to \$4.09 per share from \$3.82 per share, effective with the dividend expected to be paid in June 2020. Pepsi reported net income of \$1.65 billion, or \$1.18 per share, down from \$2.04 billion, or \$1.44 per share, a year earlier. the company spent nearly \$400 million on costs related to the pandemic, including personal protective equipment for employees.
- As consumers increasingly turn online for their food and beverage needs during the COVID-19 pandemic, PepsiCo, Inc. (NASDAQ: PEP) announced the launch of PantryShop.com and Snacks.com, two direct-to-consumer websites where shoppers can order an assortment of PepsiCo's trusted and loved food and beverage brands.

PG



The Procter & Gamble Company

- Operating income increased \$224 million, or 7% to \$3.5 billion for the quarter, due to the net sales increase and the increase in gross margin. Net earnings increased \$181 million or 7% to \$3 billion due to the increase in operating income. Diluted net earnings per share increased 8% to \$1.12. Core net earnings per share increased 10% to \$1.17.
- P&G Launches New Line of Antibacterial Cleaning Products, Microban 24. P&G announced the launch of Microban 24, a new brand of antibacterial home sanitizing products that keeps surfaces protected against bacteria for 24 hours when used as directed. Not only does Microban 24 kill 99.9% of bacteria on contact, but it also keeps working throughout the day.



Current Holdings

STZ



Constellation Brands

- They are the fourth largest hard seltzer brand in the US, holding approximately 6% of the market share since launching this past spring. In 2021, Constellation Brands intend to double their capacity for hard seltzers
- Constellation Brands has been consistently beating its earnings per share estimates. In Q3 2020, they had an actual EPS of 2.76, beating the estimate of 2.51 by \$0.25

WBA



Walgreen Company

- Walgreens recorded and adjusted EPS of \$0.83, down from \$1.47 the previous year and a 43.4% decrease YOY. EPS performance is believed to reflect \$0.61-\$0.065 operational impact due to COVID-19.
- Walgreens entered a partnership with Microsoft and Adobe to develop new customer analytic models to assist in outreach and better ensure that the company is able to meet public demand and anticipate emerging market trends. The deal helps bolster the company's digital capabilities to help keep pace with their competitors.



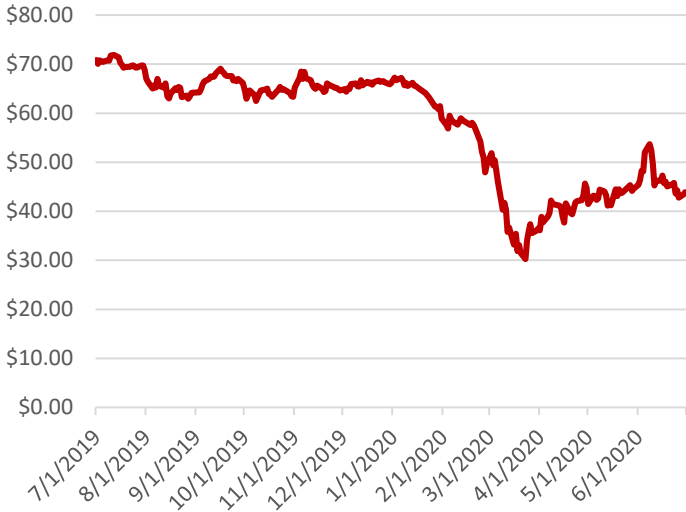


Current Holdings

Energy			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Exxon Mobil Corporation	-38.11%	-51.05%	0.32%

XOM

Exxon Mobil Corporation



- In June, ExxonMobil was sued by the District of Columbia along with a number of other oil companies for purportedly misleading residents on the role they play in contributing to climate change.
- ExxonMobil reported a loss of \$1.1 billion for Q2 as the demand for oil fell to its lowest levels in twenty years. EPS was \$0.53 which surpassed the market consensus by \$0.04.



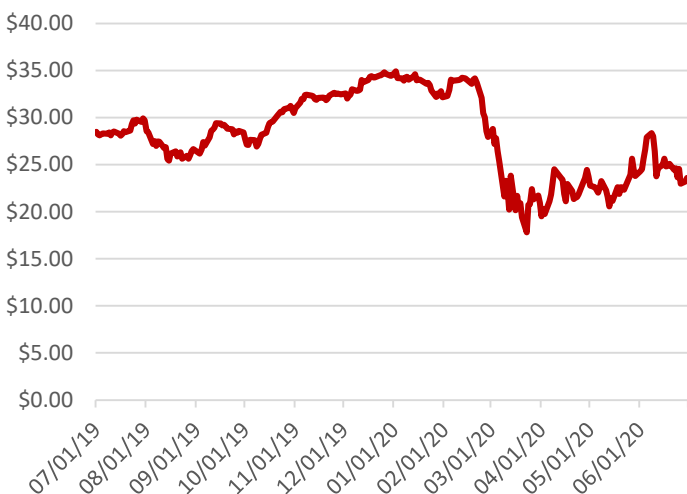


Current Holdings

Financials			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Bank of American Corporation	-19.27%	-29.30%	0.48%
Bank of Montreal	-27.68%	-17.43%	0.26%
Bershire Hathaway Inc.	-0.48%	-6.09%	0.70%
CME Group Inc.	-15.27%	-18.36%	0.92%
Discover Financial Services	-35.47%	-19.83%	1.83%
The Charles Schwab Corporation	-15.76%	-15.16%	0.55%
Wells Fargo & Company	-43.49%	-56.73%	0.49%

BAC

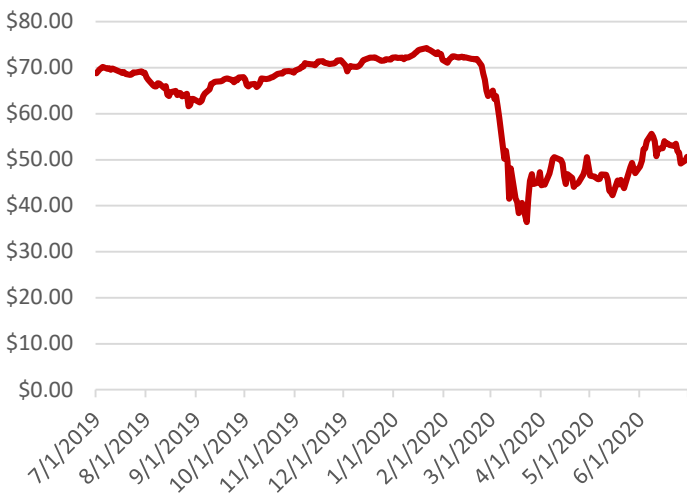
Bank of America Corporation



- Net interest income declined \$719mm from Q2 2020 and \$2.1B from Q3 2019. The drop from Q2 was driven by lower loan balances and decline in interest rates across the yield curve, which was more pronounced on an average basis than on a spot basis. Stock price has dropped 27.7% TTM.
- Consumer Banking was the most heavily impacted by COVID as it bore the brunt of revenue disruption from lower rates and lower consumer spending. BAC earned \$2.1B in Consumer Banking in Q3 vs. roughly \$100mm in Q2 but remained well below last year's results as NII fees and expenses have all been pressured by the pandemic.

BMO

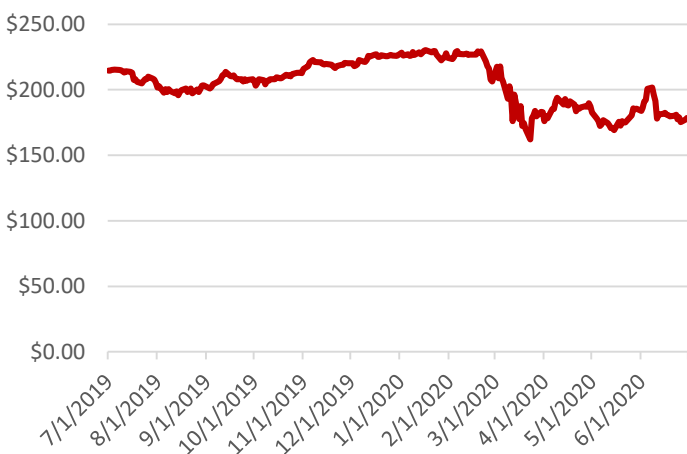
Bank of Montreal



- Stock price decreased by 16.73% TTM. Canadian personal and commercial banking divisions net revenue up 2% and record net income up 35% Y/Y in wealth management.
- Average loans up 7% Y/Y. Commercial up 7% and Personal up 6%. Average deposits up 32% Y/Y. Commercial up 60% and Personal up 10%, reflecting the higher liquidity retained by customers due to the impact of COVID-19.

BRK-B

Berkshire Hathaway Inc.



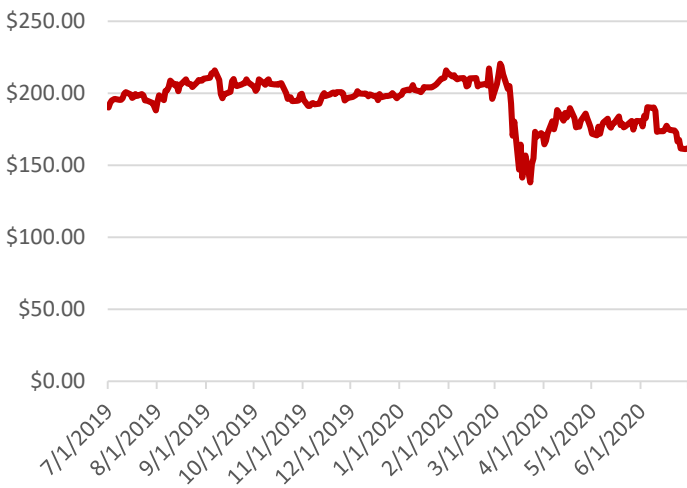
- BRKB Revenue in Q2 2020 was 56.8B, Down 10.6% from Q2 2019. BRKB Diluted EPS is \$9.71 TTM.
- Unrealized investment gains in Q2 2020 were 39.3B, up 301% from Q2 2019.



Current Holdings

CME

CME Group Inc.



- On March 24th, 2020 CME group announced the launch of a new gold future contract with expanded delivery options of 100-troy ounce, 400-troy ounce, and one kilo bars.
- On July 29, 2020 CME Group announced its Q2 2020 earnings. The company reported revenue of \$1.18 billion which was lower than the consensus estimates by 1.06%. The company also reported adjusted EPS of \$1.63 beating the consensus estimates of \$1.62.

DFS

Discovery Financial Services



- Discover financial services and Car IQ, a California based financial technology startup, have partnered to create an innovative payment platform for machine-initiated payments beginning with automotive fleets. Fleet vehicles that are connected to the Car IQ platform will be able to transact autonomously to pay for services through the infrastructure of the Discover Global Network. This integrated commercial payment solution looks to capture a share of what Fleet Management Market report indicates to be a \$34 billion fleet industry by 2025.
- On July 23, 2020 Discover Financial Services Reported Q2 results. Discover reported a quarterly loss of \$1.20 per share which is worse than the consensus estimate of \$0.05. The company also reported Revenues of \$2.66 billion in Q2 which is lower than the year-ago revenues of \$2.85 billion.





Current Holdings

SCHW

The Charles Schwab Corporation



- The Charles Schwab Corporation announced today that its net income for the first quarter of 2020 was \$795 million, down 7% from \$852 million for the prior quarter, and down 18% from \$964 million for the first quarter of 2019. The company’s financial results for the first quarter include acquisition-related expenses described below, as well as expenses totaling approximately \$27 million, or \$.02 per share, relating to certain actions taken in response to the COVID-19 pandemic. Earning per share of \$.58 for first quarter 2020.
- Schwab makes an official announcement about the \$26 billion merger with TD AmeriTrade, which it said it finalized plans for on, Schwab says the DOJ approved the merger on June 3 2020.

WFC

Wells Fargo & Company



- Wells Fargo net income was \$653 million in first quarter 2020 with diluted earnings per common share (EPS) of \$0.01, compared with \$5.9 billion and \$1.20, respectively, a year ago.
- Wells Fargo Advisors today announced reduced minimums and fees on the Intuitive Investor® automated platform. Investors now can access the digitally automated platform with a minimum \$5,000 investment, managed at a 0.35% annual advisory fee.





Current Holdings

Healthcare			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Amerisource Bergen Corporation	17.84%	16.89%	0.69%
Johnson & Johnson	7.74%	-0.43%	1.51%
McKesson Corporation	14.33%	13.08%	0.99%
Stryker Corporation	-11.70%	5.70%	3.55%
United Health Group, Inc.	21.56%	12.46%	0.91%
Vanguard Health Care Index Fund ETF	11.79%	9.45%	0.58%

ABC

Amerisource Bergen Corporation



- ABC is talking about acquiring Alliance Healthcare from Walgreen Boots Alliance.
- Even as COVID-19 has decreased other company's revenue, ABC has maintained its quarterly revenue between around \$45 billion to \$50 billion.

JNJ

Johnson & Johnson



- On March 30th, 2020 Johnson & Johnson reached a landmark agreement with U.S. Department of Health and Human Services to supply one billion doses of its leading COVID-19 vaccine candidate worldwide. The company projects that the vaccine could be ready for emergency use authorization by early 2021.
- Johnson & Johnson reported \$1.67 EPS for Q2 2020 beating the consensus estimate of \$1.50. The company has surpassed the consensus EPS projection each of the past four quarters. Johnson & Johnson outperformed the market during the second half of the fiscal year achieving returns of 1.6%. By contrast, the S&P 500 experienced a decline of -0.1% during this time period.

MCK

McKesson Corporation

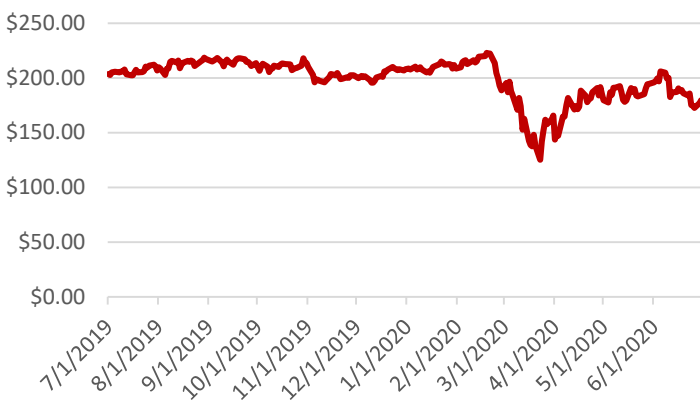


- McKesson Corporation released their most recent quarterly report (Q1) on August 3rd, 2020. It showed that their Revenue was slightly down at \$55.679 a decrease of \$49 million from the previous year. The Earnings Per Share was \$2.72 which is a 21.43% increase from the previous year.
- As of September, McKesson Corporation has been expanding its pharmacy services to include virtual health offerings, home delivery in certain markets, and increased online pharmacy capabilities.



Current Holdings

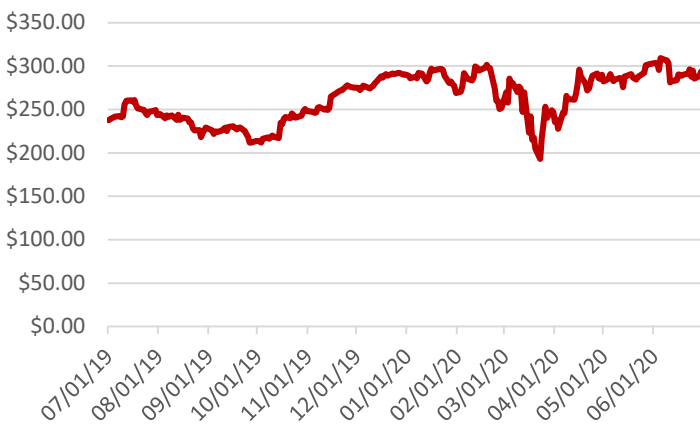
SYK



Stryker Corporation

- Stryker has a wide variety of products that makes the company more protected if the demand for a single product decreases. These products include orthopedic implants, surgical navigation systems, and neurosurgical and neurovascular devices. Their newest innovation is the Niagara Lateral Access System, which allows for more control during lateral lumbar fusion surgery. The introduction of this product allows Stryker to offer a comprehensive portfolio of minimally invasive lateral spinal surgeries in adults.
- Stryker has been able to maintain strong profitability ratios compared to the industry average. Stryker had a return on assets of 7.26%, whereas the medical equipment and supplies sector had an average ROA of 3.91%. Likewise, Stryker had a return on equity of 16.98%, which is significantly higher than the industry average of 7.89%.

UNH



United Health Group Inc.

- Net Income increased 101% in Q2 2020 from the same quarter a year ago. this can be attributed to a 113.6% increase in operating income in Q2 2020 compared to Q2 2019.
- UnitedHealthcare introduced its 2021 Medicare Advantage and prescription drug plans, showcasing affordable coverage, exclusive benefits, expanded plan access and a simplified member experience that connects people to quality care – when and where they need it. Currently, more than 6.5 million people are enrolled in UnitedHealthcare Medicare Advantage plans. In 2021, the company will expand its service area to reach nearly 3.2 million additional people in nearly 300 counties – the company’s largest footprint expansion in five years.

VHT



Vanguard Healthcare Index Fund

- Vanguard added four new stocks to its index in Q4 of 2019. These new additions consisted of Reata Pharmaceuticals Inc. (NASDAQ:RETA), Ascendis Pharma AS (NASDAQ:ASND), Sarepta Therapeutics Inc. (NASDAQ:SRPT) and Notre Dame Intermedica Participacoes SA (BSP:GNDI3). The fund is managed by Jean Hynes, who strives to add stocks that meet a variety of quantitative and qualitative benchmarks including: strong balance sheets, excellent management teams, and companies that consistently generate above-average earnings and revenue growth.



Current Holdings

Industrials			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
The Boeing Company	-44.45%	-48.62%	1.41%
BWX Technologies, Inc.	9.60%	-7.15%	0.59%
Carlisle Companies Inc.	-14.11%	-18.62%	1.34%
Danaher Corporation	20.28%	51.59%	2.63%
Fortive Corporation	-17.74%	4.11%	0.38%
General Dynamics Corporation	-16.03%	-20.22%	0.96%
Huntington Ingalls Industries, Inc.	-20.84%	-39.09%	1.04%
3M Company	-7.53%	-3.75%	1.40%
Union Pacific Corporation	-1.24%	4.07%	2.16%
Waste Management, Inc.	-6.44%	2.40%	1.61%

BA

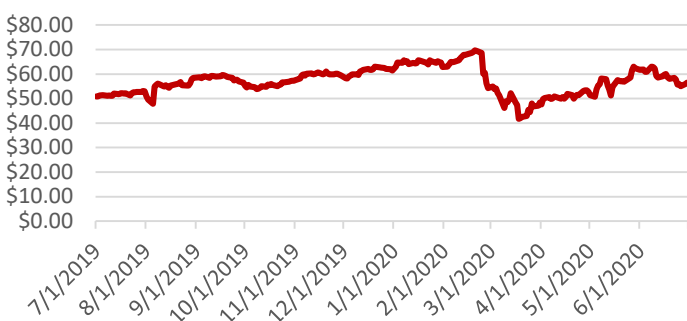
The Boeing Company



- Between layoffs, plane safety concerns, and the pandemic, Boeing is struggling. However, it is government-backed and seems "too big to fail."
- Boeing issued \$25 billion in long-term debt between the end of march and the end of June 2020.

BWXT

BWX Technologies Inc.



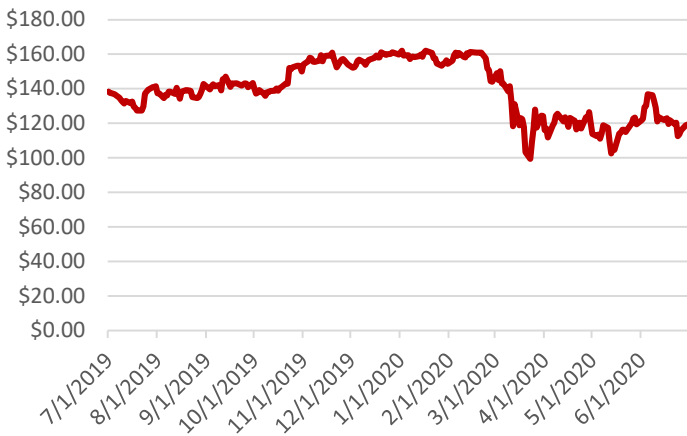
- Aug 3rd, 2020, BWXT reported \$504,520 in revenue for Q2, up 7.06% from 2019 Q2 revenues. EPS was reported at \$0.67 in Q2 2020, an increase of 8% from 2019 Q2 EPS
- Wed June 3rd, 2020. Framatome SAS, a subsidiary of Électricité de France SA, ultimately owned by Government of France, acquired business and assets and business related to Commercial Nuclear Services from BWX Technologies Inc, for an undisclosed amount. The acquisition would allow Framatome SAS to expand equipment and tooling for nuclear power plant inspections and maintenance, enhances its position in the nuclear energy sector. Following the transaction, BWX Technologies Inc will receive manufacturing facility and the associated 11 acres of land from Framatome SAS, which will assume its occupancy and ownership. The acquired assets are located in United States and are related to commercial nuclear services business.





Current Holdings

CSL



Carlisle Companies, Inc.

- On May 6th, 2020 Carlisle Companies announced the retirement of David A. Roberts, the firm's Chairman of the Board. This was done in accordance with the board's mandatory retirement policy at the age of 72.
- On July 22, 2020 Carlisle announced its Q2 earnings. The company reported revenues of \$1.02 billion surpassing the consensus estimates by 2.63%. The company also reported earnings of \$1.61 per share beating the consensus estimates of \$1.06 per share.

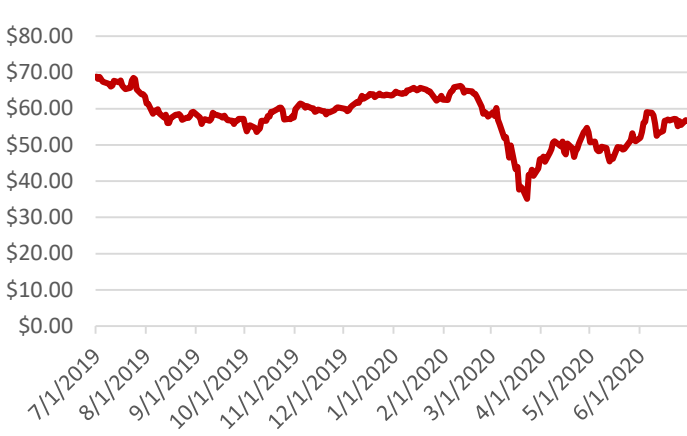
DHR



Danaher Corporation

- On April 1st, 2020 Danaher acquired GE Healthcare Life Sciences for \$21 billion. The subsidiary will be renamed Cytiva and makes Danaher a leader in the field of bioprocessing.
- On July 23, 2020 Danaher came out with Q2 financial results. The company reported quarterly earnings of \$1.44 per beating the consensus estimate of \$1.06 per share. The company also posted revenues of \$5.3 billion surpassing the consensus estimate by 6.74%.

FTV



Fortive Corporation

- On May 14th, 2020 Fortive agreed to a joint venture with Pioneer Square to form a collaborative innovation studio to create brand new companies in the industrial technology space. The studio will be responsible for generating new ideas and scaling the most promising companies to market competitive levels.
- Fortive posted \$0.68 EPS for Q2 2020 surpassing analyst projections. This was a decline of 24.4% YOY, but a 17.24% increase from the previous quarter. Over the past four quarters, Fortive has exceeded the consensus EPS projections three times. Revenues were equal to \$1.57B, a 15.6% decrease YOY, but the company exceeded consensus revenue estimates two out of the previous four quarters.



Current Holdings

GD

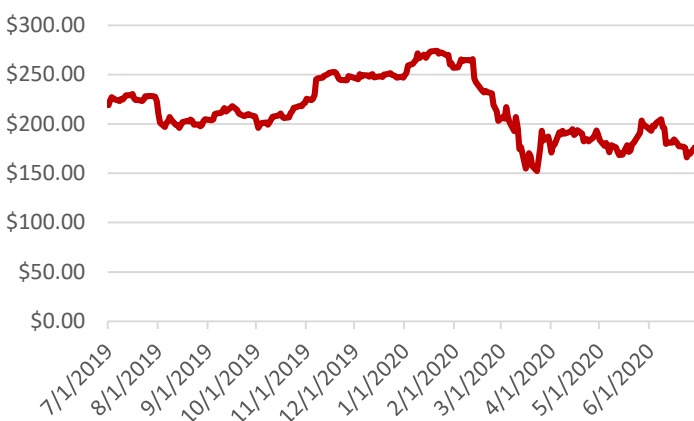
General Dynamics Corporaton



- In June of 2020, General Dynamics faced a disruption in production at the Bath Iron Works shipyard in Maine as 4,000 workers declared a strike. The company was already behind in its production schedule due to the impact COVID-19 had on operations. The iron works accounts only for 5% of company profits, but ship construction is an important aspect of General Dynamics' business.
- General Dynamics reported an EPS of \$2.18 for Q2 2020, surpassing the estimate of \$2.14. The company has exceeded the consensus EPS estimates three out of the past four quarters. General Dynamics recorded \$9.26B in revenue for the quarter, beating the consensus estimate by 1.66%. In addition to its EPS performance, the company has eclipsed the consensus revenue projections three out of the past four quarters.

HI

Huntington Ingalls Industries



- On June 30th, 2020 HI announced that it was awarded a \$936M contract to an additional Arleigh-Burke class Flight III destroyer for the U.S. navy. This model of ship is capable of conducting various types of missions and has a wide range of capabilities that can support the U.S.'s broader military strategy both in peacetime and in war.
- Huntington Ingalls reported EPS of \$3.07, which fell short of consensus expectations for Q2 of \$3.56. However, the company posted revenue of \$2.19B, which exceeded the consensus projections of \$2.12B.

MMM

3M Company



- The latest quarterly report (Q2) by 3M Company was released July 28, 2020. Their sales were down in 2020 at \$7.176 billion from \$8.171 billion in 2019. 3M's Earnings per share were \$1.78 which beat out the consensus estimate of \$1.77.
- 3M company has launched an aggressive legal effort to stop profiteers who are attempting to take advantage of the demand for 3M products used by healthcare workers and first responders during the COVID pandemic. Creating a hotline around the world to report suspected fraud and has created online resources to help spot price-gouging, identify authentic 3M respirators and ensure products are from 3M authorized distributors



Current Holdings

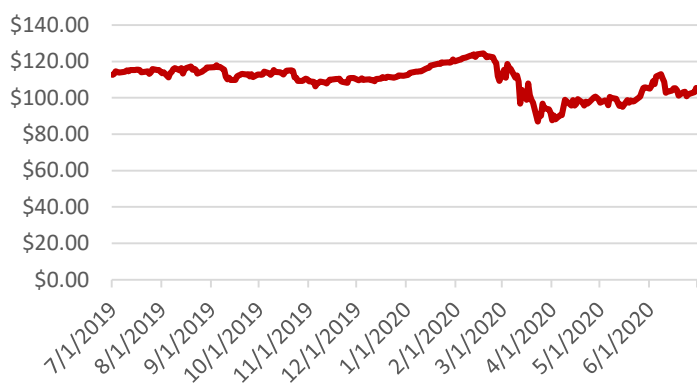
UNP



Union Pacific Corporation

- On March 10th, 2020 Union Pacific announced new benchmarks intended to help reduce the company's greenhouse gas emissions and overall carbon footprint. The company sent a commitment letter to the Science Based Targets Initiative (SBTi), which tracks company's emission targets and ensures that they are consistent with the reductions needed to limit global warming to the two degrees Celsius above pre-industrial levels, as specified in the Paris Climate Agreement.
- On July 23, 2020 Union Pacific reported Q2 earnings of \$1.67 per share surpassing the consensus estimate of \$1.61 per share. Operating income in the second quarter declined 27% year over year to \$1,654 million.

WM



Waste Management

- Revenues for the first quarter of 2020 were \$3.73 billion compared with \$3.70 billion for the same 2019 period. Net income for the quarter was \$361 million, or \$0.85 per diluted share, compared with \$347 million, or \$0.81 per diluted share, for the first quarter of 2019. On an adjusted basis, net income was \$395 million, or \$0.93 per diluted share, in the first quarter of 2020, compared with \$402 million, or \$0.94 per diluted share, in the first quarter of 2019.
- Waste Management has been recognized 11 times for the designation and is one of only two honorees in the Environmental Services industry. In 2020, 130 honorees were recognized spanning 21 countries and 51 industries. Recognition honors those companies that take the long view with a purpose-based strategy and strive to create positive change throughout their global communities.



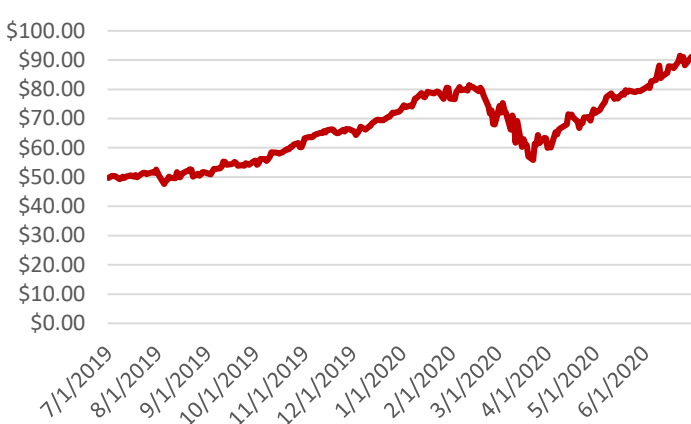


Current Holdings

Information Technology				
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings	
Apple Inc.	81.64%	56.70%	15.78%	
Amazon Inc.	39.44%	73.41%	1.36%	
Mastercard Inc.	10.39%	10.39%	0.70%	
Morningstar, Inc.	-2.20%	21.97%	0.91%	
Microsoft Corporation	48.06%	37.11%	5.03%	
Oracle Corporation	-3.02%	13.06%	1.81%	
Paychex, Inc.	-6.37%	-0.04%	0.64%	
Splunk Inc.	55.19%	44.56%	3.13%	
Tyler Technologies, Inc.	57.31%	34.79%	0.73%	
Visa Inc.	11.75%	5.38%	1.31%	

AAPL

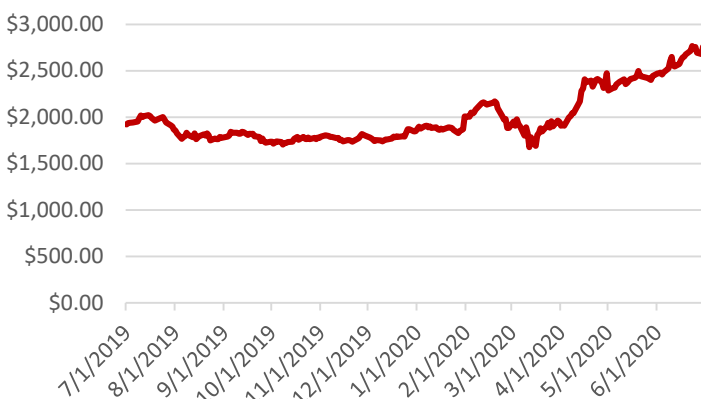
Apple Inc.



- Announced iPhone SE preorder in April.
- Jun 2020 Q3 Return on Equity has been steadily increasing over the quarters. was 75.7%

AMZN

Amazon.com, Inc.



- Climate Pledge ahead of schedule. Moving net zero carbon up to 2025.
- In the most recent quarter, June 2020, Amazon reported a 40.2% increase in sales compared to the quarter before 26.4% in March.

MA

Mastercard Inc.



- Mastercard's most recent quarterly report (Q2) released on July 30th, 2020. Their revenue was down from the previous year at \$3.335 billion in 2020 compared to \$4.113 billion in 2019. Their Earnings Per Share was also down in 2020 at \$1.41 down nearly 35% from this quarter last year.
- On October 8th, 2020 Mastercard announced that they are expanding their global partnership with Marqeta. Marqeta is a global modern card issuing platform. Their expansion includes expanding into new geographies, open access to new products, and launching additional card programs together. As a part of the partnership, Mastercard has also made a financial investment in Marqeta.



Current Holdings

MORN

Morningstar Inc.



- The most recent quarterly report (Q2) released by Morningstar, Inc. was released on July 31st, 2020. Their revenue took a jump from \$273.9 million in 2019 to \$327.9 in 2020. This is near a 20% jump in revenues for the quarter from the previous year. Their Earnings Per Share was \$1.11 which is up from \$.97 from last year in quarter 2.
- In April, Morningstar fully acquired the rest of Sustainalytics which they previously owned 40% of. The deal will give investors access to greater levels of ESG data, research, ratings and solutions. Sustainalytics has worked on sustainable data for more than 25 years.

MSFT

Microsoft Corporation



- Microsoft Corporation most recently released their annual 10-K on July 30th, 2020. Their revenue was \$143.015 billion which is up nearly 14% from the previous year in 2019. Their annual Earnings Per Share also increased to \$5.82 which is also up close to 14% from the previous year.
- Microsoft Corporation and the Alberta Machine Intelligence Institute have teamed up to put forward \$200,000 in scholarships in Amii's machine learning Technician Certification. The seats are being offered to Albertans whose employment has been negatively impacted by COVID-19 or those in communities that are underrepresented.

ORCL

Oracle Corporation



- Earnings Per Share was up 14% to \$0.69, while non-GAAP Earnings Per Share was up 12% to \$0.90. Short-term deferred revenues were \$8.1 billion. Operating Cash Flow was \$13.8 billion during the trailing twelve months.
- As live streaming continues to represent a huge portion of all internet traffic, leading content providers—Phenix, Net Insight, and Mynet Inc.,—have selected Oracle Cloud Infrastructure to support growing global demand for streaming content.



Current Holdings

PAYX

Paychex



- Net income was \$354.5 million for the third quarter and \$877.4 million for the nine months, reflecting an increase in both periods of 9%, compared to the same periods last year. Diluted earnings per share was \$0.98 per share for the third quarter and \$2.43 per share for the nine months, reflecting an increase in both periods of 9% compared to the same periods last year.
- Paychex, Inc., a provider of human resources, payroll, benefits, and insurance solutions, has won a Brandon Hall Group gold award for Excellence in Technology in the “Best Advance in HR or Workforce Management Technology for Small and Medium-Sized Businesses” category. This marks the fourth-straight year Brandon Hall Group has honored Paychex Flex®, the company’s cloud-based HR solution, in its annual Technology Excellence Awards program.

SPLK

Splunk, Inc.



- On May 5th 2020 Splunk reached an agreement with Google to provide data analysis software for their cloud platform. The partnership provides Splunk greater distribution for their proprietary software.
- Splunk achieved \$434 million in revenue for Q1, a 2.0% increase YOY but falling short of the consensus estimate \$443 million.

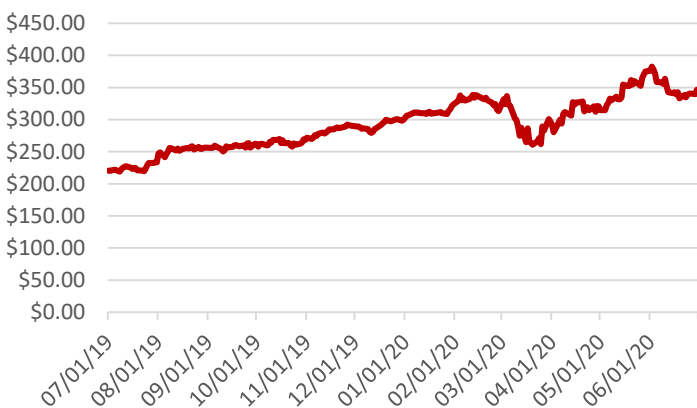




Current Holdings

TYL

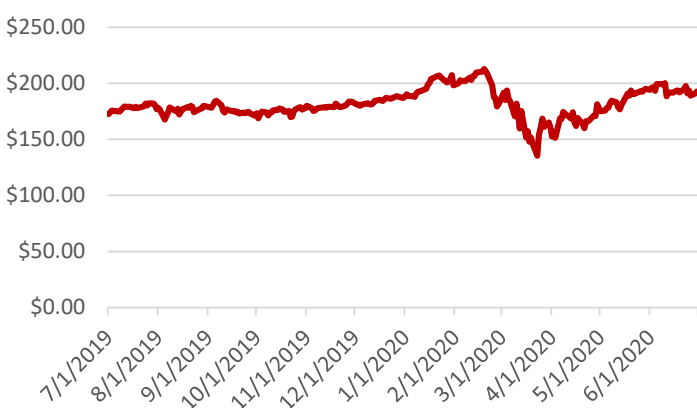
Tyler Technologies, Inc.



- In Q2,2020. Net income was reported at \$53,829, an increase of 68.9% from Q2 2019. EPS in Q2 2020, was reported at \$1.35. A 62.7% increase from Q2 2019
- Tyler Technologies Inc acquired Courthouse Technologies Ltd (US\$19 million) in cash. The acquisition of Courthouse Technologies strengthens Tyler’s courts and justice portfolio to better serve our clients and their community. Following the transaction, all management and staff of Courthouse Technologies Ltd would become part of Tyler Technologies Inc’s Courts & Justice Division and its current employees were expected to remain in the current office space in Vancouver. CHT is the strongest solution for jury management in the market, and we look forward to enabling courts to make their jury operations more efficient

V

Visa Inc.



- On January 13th, 2020 Visa reached a \$5.3B deal to acquire Plaid, an upstart financial-technology company that allows users to link their bank accounts with newer fintech platforms. This move furthers the company’s shift in focus from payments to the movement of funds for any purpose, with the goal of being less dependent on a traditional transactional model.
- Visa reported \$1.06 EPS, surpassing the consensus estimate of \$1.02. Revenues surpassed the consensus estimate by 0.62% totaling \$4.84B but declined from the previous year’s total by 17.1%.





Current Holdings

Materials			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
Air Products and Chemicals, Inc.	6.04%	25.11%	1.83%
Axalta Coating Systems Ltd.	-26.95%	-11.94%	0.54%

APD

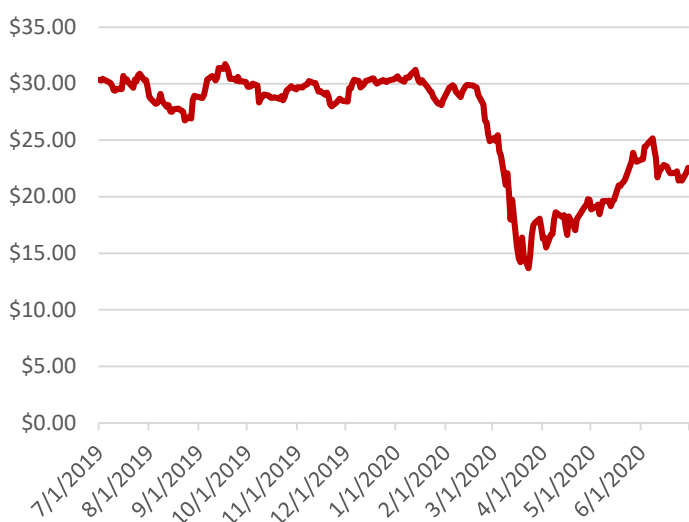
Air Products & Chemicals, Inc.



- Acquired five hydrogen production plants from PBF Energy for \$530m on April 20, 2020.
- Total debt to equity increased to 73.7% in June 2020, up from 32.6% in March 2020.

AXTA

Axalta Coating Systems Limited



- Acquired Capital Paints November 26, 2019. Strategically Increasing their scope to the Middle East and North Africa oil and gas industry.
- Return on Equity has managed to stay fairly constant ranging from 30% before the pandemic, to 22% in June 2020.





Current Holdings

Real Estate			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
CBRE Group, Inc.	-13.57%	-23.87%	0.68%
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	7.91%	37.73%	0.89%

CBRE

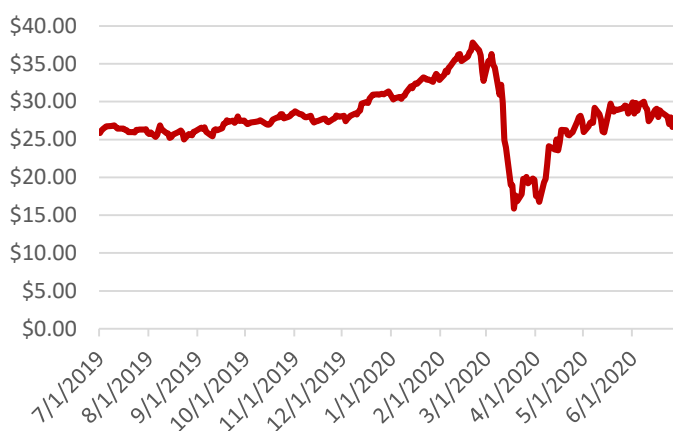
CBRE Group, Inc.



- In Q2 2020, operating income was \$94,165, down significantly from 2019 Q2 which was \$284,417. EPS was reported at \$0.24 in Q2 2020, down from Q2 2019 of \$0.66.
- CBRE Group, Inc. announced a pledge to spend \$1 billion with diverse suppliers in 2021 and to grow this spend to \$3 billion in five years. By achieving these goals, CBRE will substantially increase its engagement and partnerships with businesses that are certified as owned by underrepresented groups, including minorities, women, veterans, LGBTQ and disabled individuals. The company is also committed to increasing support for small businesses.

HASI

Hannon Armstrong Sustainable Infrastructure Capital, Inc.



- On October 29th, 2019 Hannon announced a collaborative partnership with Empower Energies to jointly invest in renewable energy projects in the commercial & industrial (C&I), and the municipal, university, school, and hospital markets (M.U.S.H.) across the United States. Hannon Armstrong will be mostly responsible for providing the long-term financing of the project while Empower Energies will provide the technical expertise.
- Hannon Armstrong reported a core EPS of \$0.36, surpassing the consensus estimate of \$0.32 and representing a 20% increase YOY. The company accumulated \$48.6B in revenue, which is more than double the consensus estimate of \$19.7B.





Current Holdings

Utilities			
Company	Fiscal 2019 Performance	YTD Performance	% of Holdings
NextEra Energy, Inc.	19.33%	25.15%	3.23%
Public Service Enterprise Group Inc.	-12.85%	3.17%	0.25%

NEE

NextEra Energy, Inc.



- NextEra Energy's most recent quarterly report (Q2) was released on July 24th, 2020. Their EPS was \$2.60 which up \$.02 from the previous year. While their Revenues were down 18% at \$4.204 billion compared to last year at \$4.970.
- NextEra Energy recently approached Duke Energy about potentially acquiring the company. While on October 13th, 2020 NextEra Energy surpassed Exxon Mobil in market cap becoming the largest energy company in the United States. This shows that market is rewarding them for their goal of making cleaner energy sources.

PEG

Public Service Enterprise Group, Inc.



- PEG is in the process of a sale of its largest fossil-fuel power generation fleet, which it will then transition primarily to regulated transmission and distribution utility.
- PEG plans to invest on average \$2.5 billion annually through the year 2023.





Special Thanks

Dear Kutztown University Foundation,

We would like to extend our humble gratitude for the continued support of the Applied Investment Management Program. This course grants us students a particularly unique opportunity to hone our skills through both independent research and analysis – founded in strong communication skills, and teamwork.

Furthermore, the structure of the course truly emulates a real-world environment and continues to be a course highlight among current students and A.I.M Alumni. Having personal experience with portfolio management provides us with extraordinary insight into the world of finance and will undoubtedly help give us a competitive advantage among our peers.

Once again, we truly appreciate this incredible opportunity. Thank you for your continued support.

Sincerely,
The A.I.M. Committee

