AT-RISK SCHOOLS INITIATIVE
2020-2021
Young Investors Society (YIS) is an online enrichment program that teaches financial literacy through personal finance programs and stock market programs that emphasize long term, fundamental investing principles that emphasize the importance of saving and investing for the future.
**Background**

Young Investors Society (YIS) is a 501(c)(3) nonprofit organization. It was founded in 2014 by James Fletcher, CFA, Portfolio Manager at APG Asset Management and other successful investors and business professionals.

**Mission**

YIS is dedicated to preparing the next generation of investors.

Our mission is to inspire youth to be outstanding long-term investors – investors in companies, investors in communities and investors in themselves.
A study by the US Department of Health and Human Services (DHHS) analyzed census data from 2008 and found that household income dramatically impacts youth outcomes. Youth from low-income families are more likely to be teen mothers, engage in gang activity and delinquent behaviors, and are less likely to graduate from a 4-year college than are youth from middle-income and high-income families.

**At-Risk Statistics**

- 40% of children in the United States lived in low-income families, families with incomes at or below 200% of the federal poverty level (ASPE).
- Nearly 1/3 of youth from low-income families (29%) fail to earn high school diplomas (ASPE).
- Only 1/10 of youth from low-income families (10%) go on to graduate from a four-year college (ASPE).
- 2/3 of High School students fail a basic financial literacy test (JumpStart).
<table>
<thead>
<tr>
<th><strong>Market</strong></th>
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<td><strong>Problem</strong></td>
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<td>85% of parents believe that financial education courses should be a requirement for high school graduation (<em>LearnVest</em>)</td>
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<td>2/3 of high-school students fail a basic financial literacy test (<em>JumpStart</em>)</td>
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<td><strong>Reality</strong></td>
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<td>As of 2015, 39 states have adopted financial literacy standards as part of the Common Core State Standards (<em>CEE</em>)</td>
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<td>Existing in-school programs teach about the stock market using mock-portfolios, which rewards risky behavior and short-term thinking.</td>
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<td><strong>Solution</strong></td>
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<td>Over 90% of Young Investors Society members that participate in the program successfully pass a standardized financial literacy test (2017)</td>
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PROGRAMS
One-of-a-Kind Curriculum
PROGRAMES
A Turn-Key Teaching Platform

Engaging Lesson Plans
Prezi Presentations
Instructional Videos
Online Learning Modules
Teacher Support Dashboard
To ensure a rich experience, YIS teaches students to create life changing habits to save and invest for their future in a fun team environment.

Each local chapter learns the fundamentals of saving and investing.

The clubs are predominantly student-led, while overseen by a school advisor/teacher.

Students join a community of other YIS students around the world, gain leadership experience and learn many life lessons (e.g. hard work, patience, teamwork, etc.).
The YIS Global Online club provides alternative ways for students to learn and access YIS course concepts, interactive Prezi presentations, videos, and lessons taught by our YIS Student Advisory Board Members.

Discussion forums and chat options will give students the unique chance to discover the viewpoints of each of their classmates as well as the opportunity to share their own thoughts and ideas.

The YIS Global weekly online club will meet via Zoom Video (up to 300 students) and streamed LIVE on YouTube. Recorded club meetings will be available on our YouTube Channel for students who can’t attend a meeting or would like to review the material.
YIS students can begin their personal finance journey and learn real-life lessons with our newest Money Skillz Bootcamp Program.

The curriculum includes lessons in Earning Money, Budgeting, Banking, Career Exploration, Saving, and Investing and so much more!

YIS also offers YouTube videos for each lesson that can be found on our YouTube Channel (YISORG).
Young Investors Society has launched the Start Investing Now program to encourage students to open Brokerage/Investment accounts to start investing in their future! Students are encouraged to open brokerage/investment accounts at any financial institution (Custodial Account if under 18 years old)
As an added BONUS, students will be randomly selected monthly to receive $100.00 to invest in their new account!

Open your brokerage account TODAY!
Enter the Giveaway here: https://yis.org/programs/start-investing-now/
YIS members can begin investing today by taking the “Dollar-A-Day Challenge.”

Students can begin to invest one dollar per day into a personal brokerage account.

Students learn the power of compound interest and start to actively save for retirement and can also compete for a donor match scholarship by submitting a brief essay.

This program helps students develop the lifetime habit of saving and investing for retirement as well as to understand the value of long-term decisions.
The Dollar-A-Day Impact

**AGE 15**

10% Saving $1/day or drinking one less can of soda

~20% of kids awarded 1x1 match

**AGE 70**

Net Worth

$1.5 million

**AGE 70**

Net Worth

$3.1 million

**SECOND GENERATION**

Age 70

Net Worth

$26 billion

Notes: 11.0% is the historical average return of the S&P 500 from 1928-2015
Global Stock Pitch Competition

• YIS’ annual flagship event is the Global Stock Pitch Competition. This competition is the culmination of investment skills gained during the year and provides High School students hands-on mentoring in financial analysis.

• Each student or team writes a report on their chosen company with a “Buy” or “Sell” recommendation and then presents and defends their analysis to a panel of judges.

• In 2020, over 250 students from 21 US states and four countries competed in the competition. The global finals were held online and sponsored by Investor’s Business Daily.
Applied Materials

Business Overview

Applied Materials Inc. is a leading innovator in the “materials engineering” field that supplies manufacturers while creating novel, multifaceted solutions with applications in industries ranging from Semiconductors to Automation Software. They also provide the equipment and services needed to produce a number of diverse essentials, such as flat panel computer displays, smartphones, and integrated circuit chips. Headquartered in Santa Clara, CA (Silicon Valley) and led by the reputable Gary Dickerson, Applied Materials is well known for their “business excellence, technological innovation, and clean energy leadership.”

Applied Materials’ product library features a large number of processing innovations, from the “Applied VVRTP System” (a revolutionary advancement in the chip production process) to the “Precision 5000” platform. This product diversity protects the company’s sales from any major downturns as experienced by those with monopolies in highly specialized fields (as discussed later on). Additionally, with the introduction of Artificial Intelligence and Blockchain to the Semiconductor industry, the market potential for these suppliers is poised to explode in coming years. According to Q1 2020 finances, the United States only accounts for 10% of Applied Materials’ sales, revealing a large open market; additionally, as discussed below, Applied Materials is protected by their diversity (with Semiconductor Systems accounting for only 67.8% of net sales).

Financial Analysis

Overview

Applied Materials is currently trading at $39.18 per share (as of 3/18/20), with a 7-year Annual Revenue Growth Rate of 6.2%. Revenue peaked in late 2018 with $4.579B (quarterly), but witnessed a steady rebound in late 2019 post-July. Semiconductor Systems (the largest of Applied Materials’ markets) also hit a revenue high in 2018 at $468.76B, mirroring Applied Materials’ peak / rebound pattern. Applied Global Services, Applied Materials’ second largest income source, accounted for 23.95% of GAAP-adjusted Q1 2020 net sales, helping to counteract a potentially negative period for any other markets. Additionally, a smaller portion of Applied’s net income is derived from Display and Adjacent Markets, which accounted for 7.98% in Q1 2020. Given the market volatility and investor panic caused by COVID-19, quarter to quarter revenue growth is fundamental to shareholder confidence, and the diversity and reliability of Applied’s manifold sectors ensure this degree of financial stability, as discussed below.

Market Positioning and Competitors

Applied Materials currently dominates the semiconductor manufacturing industry, with a dominant 19.4% market share in 2019 (see Appendix Figure 3), an increase from 18.3% in 2016. A key differentiating factor for Applied Materials is the massive amount of money they spend on research and development of their own products and equipment each year, reaching $2.09 billion last year alone, and consistently prioritizing future development and innovation. Spending 14.3% of their revenues last year on research and development alone, they significantly outspend Lam Research and ASML Holding, their two biggest competitors.

This gives Applied Materials an upper edge as they can keep up with new technologies better than their competitors, including 3D NAND and fin field-effect transistors, which are more efficient semiconductor designs. Applied’s extensive research, and consistent effort for technological advancements grants them an advantage, as 40% of their revenue in the last three years amassed from technologies introduced in the last three years ago. Their ability to evolve with new technologies helps them stay ahead, as in the 4 quarter of 2019, they reported a total revenue increase of 10.9%, though competitors experienced roughly -32.22%.

Applied Materials’ international approach also enhances their potential value as they lead the market for semiconductor equipment and displays in China as well. Between 2015 and 2017, Applied Materials doubled their revenues in China, and this trend will only continue, as China’s own market share in the semiconductor industry was up to 60% in 2019.

Applied Materials provides equipment for almost every step of the semiconductor process, tying companies to solely using their products. They prioritize customer relationships, uncommon for their corporate competitors (LAM, KLA, ASML, etc.), creating a consistent customer base, built on trust and innovation. This allows them to resist manufacturing flaws or any mishaps, due to earned loyalty. In addition, there is little opportunity for aggressive competition, as Applied Materials’ techniques involve complete control over client assembly lines.

MOAT Analysis - Wide Moat:

- Applied Materials is a large player in acquisitions, acquiring 21 organizations reaching over $10 billion, their most recent being Kokusai Electric for $2.2 billion (see Appendix Figure F for full list).
- They invest in new technologies, and assimilate competition and companies that are beneficial to their equipment production.

- Dan Dum, CFO, in exclusive interview

Over the last 5 decades, we have been a key partner for our customers, and we have established strong expertise and capabilities to drive silicon and device scaling.
Certified Young Investment Analyst (CYIA®)

**Designation**

- The highest honor within the Young Investors Society is to be awarded a Certified Young Investment Analyst (CYIA®) Designation.
- The CYIA® Designation represents a tremendous achievement. Less than 10% of those students that enter YIS end up achieving the CYIA® Designation.
- It is widely respected by Universities and future employers.

**Requirements**

1. Be an active member of Young Investors Society
2. Pass the online timed CYIA® exam (50% pass rate).
3. Participate in a State or Regional Stock Pitch Competition.
4. Participate in the Dollar-A-Day Challenge
5. High School Teacher or YIS Advisor Letter of Recommendation.
6. Participate in a Community Service Project – 10 hrs.
7. Minimum GPA of 3.0 or equivalent.
8. Conduct a final interview with a YIS Board Member.
Young Investors Society has partnered with the CFA Institute to bring the CFA Investment Foundations® program to our YIS students in Fall 2020.
The CFA Institute Investment Foundations Program covers the essentials of finance, ethics, and investment roles, providing a clear understanding of the global investment industry.
This 80-hour online learning experience is designed for anyone who wants to enter or advance within the investment management industry, including IT, operations, accounting, administration, and marketing.
Candidates who successfully pass the online exam earn the CFA Institute Investment Foundations Certificate, demonstrating a mastery of core foundational principles of the investment profession.
We are so excited to be able to offer this program to our YIS students and continue our mission of preparing the next generation of outstanding investors.
Applications can be submitted at any time to Ctobin@yis.org
Our goal is to bring financial literacy to underserved communities and give at-risk students the opportunity to learn life-changing habits to save and invest for their future through our YIS after-school financial literacy club that focuses on personal finance.

Student will learn Account Management, Budgeting, Credit Profile, Loans & Debt, Entrepreneurship, Saving, Stocks, and Investing.

We hope to end the cycle of poverty in these communities by empowering the youth to take an active role in their financial future.
## OUR IMPACT
### 2020-2021 ACTIVE SCHOOLS

<table>
<thead>
<tr>
<th>Schools</th>
<th>550+ Registered Schools</th>
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</thead>
<tbody>
<tr>
<td>Active Members</td>
<td>3000+ Participating Students</td>
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</tbody>
</table>

### Chapters

**United States**
- California
- Utah
- Washington
- Arizona
- Nevada
- Idaho
- Colorado
- Texas
- Iowa
- Michigan
- Illinois
- Ohio
- Mississippi
- New Hampshire
- Pennsylvania
- New Jersey
- New York
- Virginia
- Hawaii
- Georgia
- Rhode Island
- Connecticut
- Massachusetts

**International**
- Hong Kong
- Malaysia
- Singapore
- India
- Thailand
MEMBERSHIP
Schools/Students

SCHOOLS (Growth)

STUDENTS (Growth)

10,000 schools
LONG TERM 15 years
100,000 students
|----------------------|-----------|-----------|-----------|-----------|-----------|------------
|                      |           |           |           |           |           | 15 years   |
| Schools              | 50        | 195       | 300       | 510       | 800       | 10,000     |
| Students             | 250       | 1270      | 1776      | 2,850     | 4000      | 100,000    |
| Dollar-a-Day Matches | 6         | 12        | 50        | 100       | 100       | 1,000      |
| Stock Pitch Competition | 30     | 87        | 225       | 242       | 400       | 10,000     |
| CYIA Achievers       | 0         | 0         | 9         | 36        | 50        | 500        |
Our goal is to bring our the Young Investors Society Financial Literacy program to 50 additional At-Risk Schools this year!

We will need to raise $62,500 to support these students and teachers!

- A gift of $365 will sponsor 1 At-Risk Student with a Dollar-A-Day scholarship.
- A gift of $500 will sponsor our Money Skillz Bootcamp for 8 At-Risk students.
- A gift of $1,250 will sponsor 1 At-Risk School (20 students) for an entire year.
- A gift of $2,500 will sponsor 2 At-Risk Schools (40 students) for an entire year.
- A gift of $5,000 will sponsor 4 At-Risk Schools (80 students) for an entire year.
Donate Today!

Help us reach our goal of raising $62,500 for our At-Risk Schools Initiative!

Donations can be made directly online on our website at: http://yis.org/donate/

Visit our website at: WWW.YIS.ORG

Follow us on: Facebook, Twitter, Instagram, YouTube

Questions?
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THANK YOU