



FIRST CLUB MEETING

2020-2021

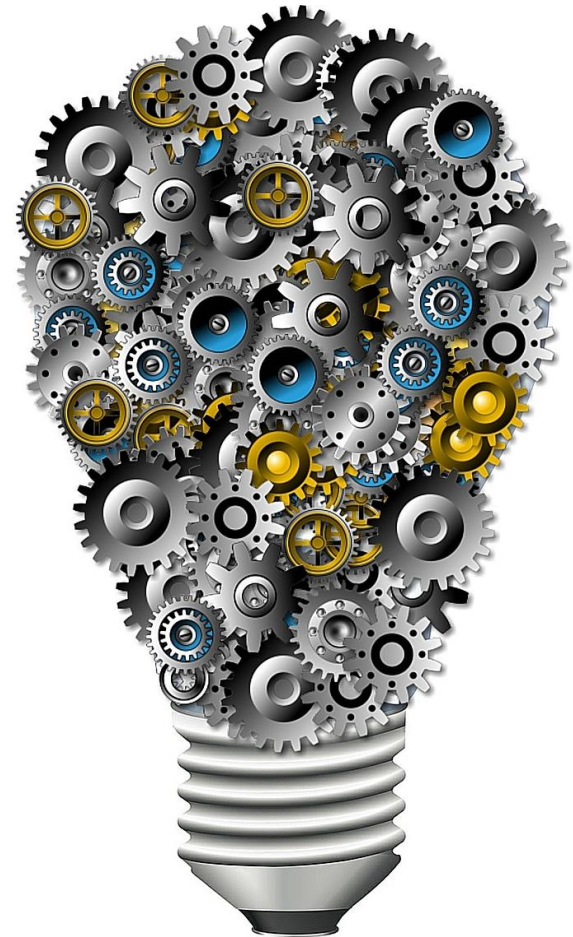
IDEA OF THE WEEK

Get Involved



What is Idea of the Week?

- "Idea of the Week" is a weekly discussion that kicks off every YIS Club Meeting.
- Nominate one student per week to research a company, investment topic, or financial news issue.
- Student will present their "Idea of the Week" to the group and have a brief discussion on the topic.
- "Idea of the Week" topics can be current events in the finance industry, industry announcements, company news, and even predictions about what a company will do next.



YIS Interview with Barbara Corcoran

Barbara Corcoran Promo Video



<https://youtu.be/Qlp3FRvzqks>

BACKGROUND

Young Investors Society



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.



MARKET

Problem



Reality

85% of parents believe that financial education courses should be a requirement for high school graduation (*LearnVest*)

Problem

2/3 of high-school students fail a basic financial literacy test (*JumpStart*)

Reality

As of 2015, 39 states have adopted financial literacy standards as part of the Common Core State Standards (*CEE*)

Problem

Existing in-school programs teach about the stock market using mock-portfolios, which rewards risky behavior and short-term thinking.

Solution



Over 90% of Young Investors Society members that participate in the program successfully pass a standardized financial literacy test (*2017*)

YIS FOUNDER'S STORY



Click to watch our Founder's Story Video here:

<https://www.youtube.com/watch?v=ZsCHuHNYWLE>

Why Does YIS Exist?

We believe financial education in the United States and abroad is inadequate at best.

It does not begin to prepare students to manage their personal finances, let alone make responsible investment decisions in adulthood.

According to JumpStart, two-thirds of U.S. high-school students fail a basic financial literacy test.

YIS wants to change that!



Why Learn About Investing?



Top Reasons To Learn About Investing:

- College & Career Preparation: 40% of top MBA students go into finance. We partner with top Universities across the country.
- You can **make money**, (a lot of it if you start investing early!) Good investing = WEALTH
- Investing teaches you about almost everything: business, strategy, economics, accounting, and public speaking.
- **Everyone is an investor!** It is an essential tool! We will all have savings to invest and retirement to plan for during our lives.



YIS Overview Video



Click to watch the YIS Overview Video here:
https://www.youtube.com/watch?v=Pr_L0kqlsWw&t=1s



OUR IMPACT

2020-2021 ACTIVE SCHOOLS



SCHOOLS

540 Registered Schools

ACTIVE MEMBERS

3000+ Participating Students

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



PROGRAMS



YIS Programs Offered:



School Sponsored Clubs: Students will learn to create life-changing habits to save and invest for the future in a fun team environment supported by local teachers on campus or virtually. Each local chapter will learn the fundamentals of personal finance and progress through the program to learn the more advanced concepts of saving and investing. Students will compete with other YIS students using the MyYIS Portfolio, gain leadership experience and learn many life lessons (e.g. hard work, patience, teamwork, etc.) They will also have an opportunity to participate in all other YIS programs.

YIS Global Online Club: Young Investors Society will launch the YIS Global Online Club for new YIS students and for students who do not have an established YIS club that meets regularly. 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.

Courses & Lessons: Young Investors Society has created a curriculum written by some of the top investors in the world, complete with 30+ turn-key lesson plans that teach many fundamental investing concepts including accounting, finance, ethics, economics, psychology, mathematics, business strategy and entrepreneurship. YIS lessons are comprised of online interactive activities, engaging presentations and curriculum support videos along with peer-led activities focused on financial literacy lessons that emphasize the importance of saving and investing for the future.

Money Skillz Bootcamp: A 10-hour intro into personal finance course for 7th-9th graders that teaches the Seven Golden Rules of Investing as well as the Five Steps to Financial Freedom that is structured as a student self-study course and meets all the criteria for current distance learning methods.

PROGRAMS



YIS Programs Offered:

Dollar-A-Day Challenge: YIS 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. Students can also compete for a FREE Money Match Scholarship by submitting a brief essay on an assigned financial literacy topic.

Stock Pitch Competition: This competition is the culmination of investment skills gained during the year and provides students hands-on mentoring in financial analysis. Students (individually or in teams of two) create a "best stock idea" and analyze a publicly traded company. Each student/team writes a report on their chosen company with a "Buy" or "Sell" recommendation and then defends their analysis in a written report and brief to a panel of university professors and industry professionals. The winners advance through state, regional and a global competition, where one team emerges as the Global Stock Pitch Champion. The competition rewards long-term, original business analysis, and presentation skills.

CYIA® Designation: The highest achievement within Young Investors Society, students qualify by studying for and passing a rigorous 60-question online finance exam, maintaining a high GPA, participating in community service, and passing an interview with a YIS Board Member. The CYIA® Designation is widely recognized by top Universities and Employers as a top honor for teenagers around the world.

CFA Institute Investment Foundations® Program: 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.

PROGRAMS

School Sponsored Clubs



Club Program

- 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.).



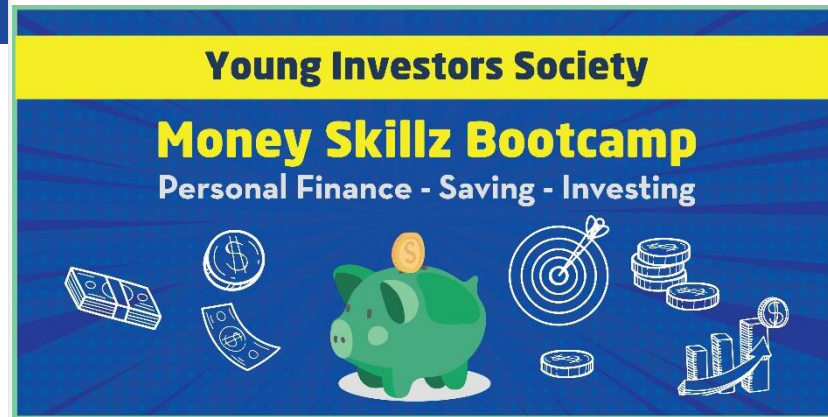
PROGRAMS

Personal Finance



Personal Finance Curriculum

- 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)



PROGRAMS

Start Investing NOW Giveaway



Start Investing NOW Giveaway!

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/>



Young Investors Society

Start Investing Now

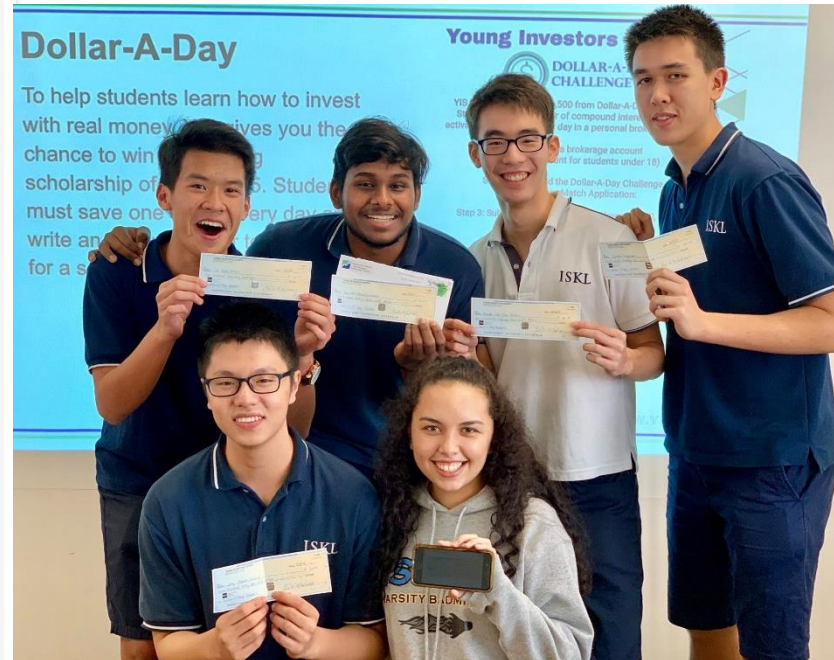
PROGRAMS

The Dollar-A-Day Challenge



The Dollar-A-Day Challenge

- 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.

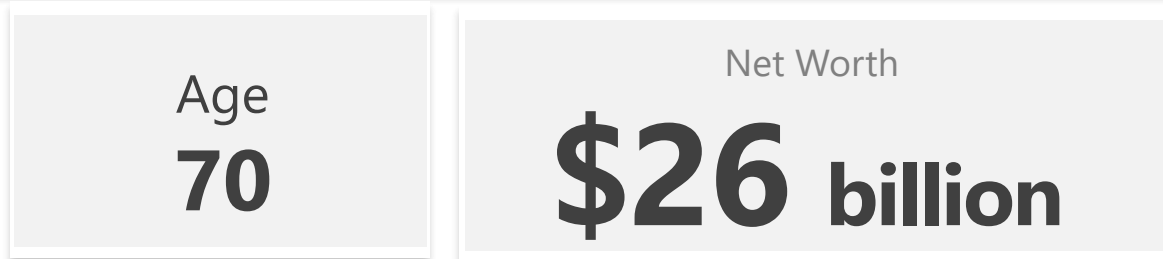


PROGRAMS

The Dollar-A-Day Impact



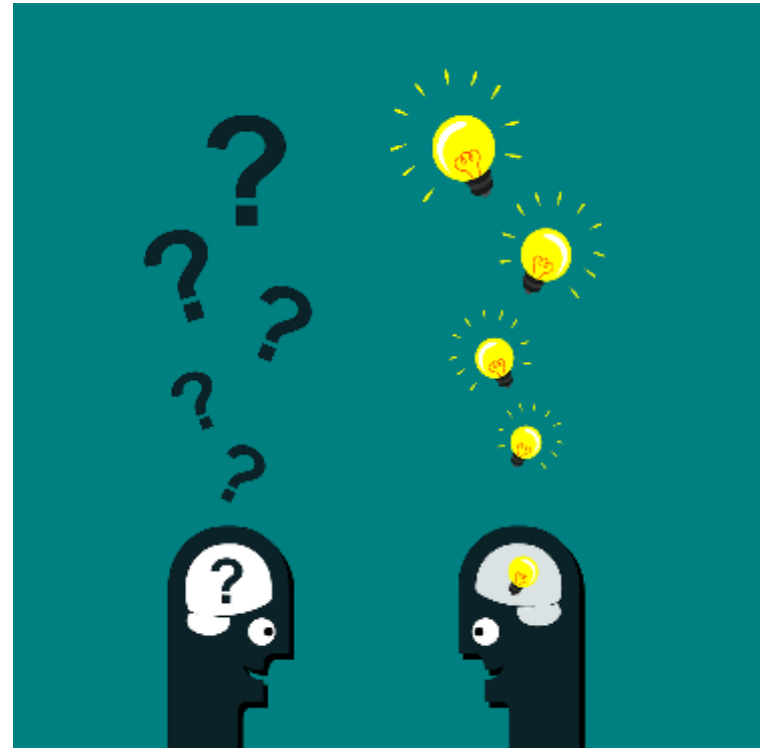
SECOND GENERATION



POP QUIZ

QUESTION?

If you start investing **\$1,000 per year at age 15**, how much money would you have by the time you retire (at age 65) if you achieve a 10% return per year (the stock market average)?



POP QUIZ

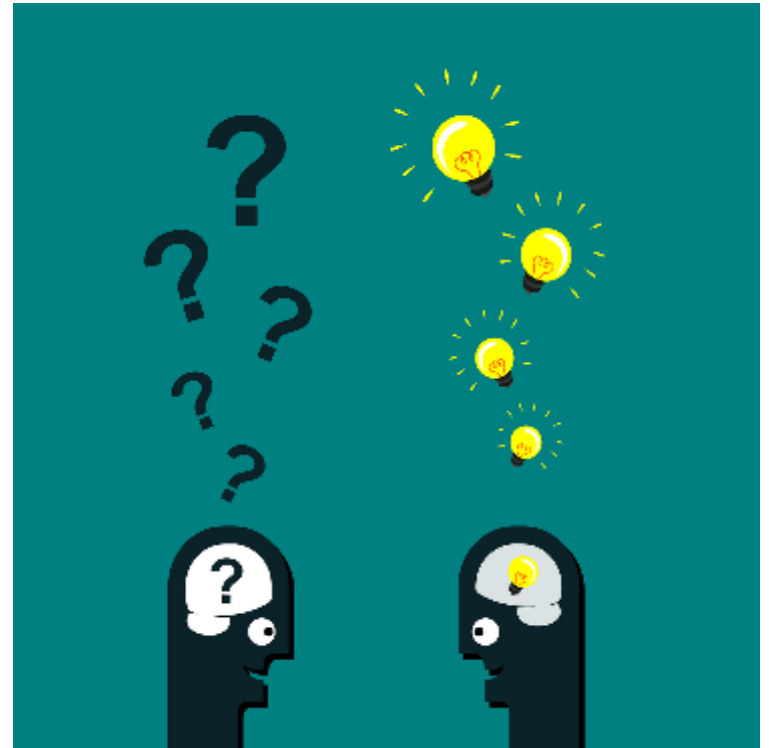


QUESTION?

If you start investing **\$1,000 per year at age 15**, how much money would you have by the time you retire (at age 65) if you achieve a 10% return per year (the stock market average)?

ANSWER:

❖ \$1,629,074



PROGRAMS

Stock Pitch Competition



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.



PROGRAMS

Stock Pitch Competition



Applied Materials

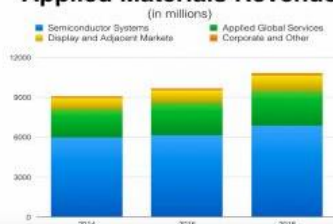
Business Overview

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

Applied Materials Revenue



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.

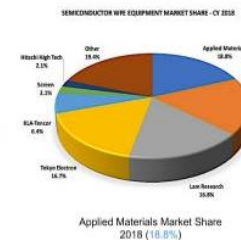
Overview

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 \$468.78B, mirroring Applied Materials' peak / rebound pattern. Applied Global Services, Applied Materials' second largest income source, accounted for 23.95% of

Applied Materials

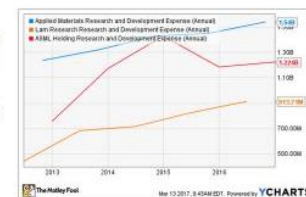
Market Positioning and Competitors

Applied Materials currently dominates the semiconductor manufacturing industry, with a dominant 19.4% market share in 2019 (see Appendix Figure E), an increase from 18.8% in 2018. 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.



Applied Materials Market Share 2018 (19.4%)

This gives Applied Materials an upper edge as they can keep up with new technologies better than other 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 alone. 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 R&D Costs (billions)

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.

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.
- Dan Durn, CFO, in exclusive interview

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.

PROGRAMS

Stock Pitch Competition Highlights



https://www.youtube.com/watch?v=KHuClvI_dDo

PROGRAMS

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 YIS 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.



PROGRAMS

CFA Institute Investment Foundations® Program



- 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

PROGRAMS

At-Risk Initiative



YIS At-Risk Initiative

- 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.
- We have recently launched our Money Skillz Bootcamp that provide personal finance curriculum to our At-Risk students that is comprised of earning money, saving, budgeting, banking, investing, and career exploration that will lay the foundation for future YIS programs.
- The Money Skillz Bootcamp is structured as a student self-study course and meets all the criteria for current distance learning methods.

We hope to end the cycle of poverty in low-income communities by empowering the youth to take an active role in their financial future.



YIS MERCHANDISE

YIS Merchandise Store Now OPEN!



Click to go to the YIS Online Store:

<https://shop.spreadshirt.com/young-investors-society>

Get your YIS Merch!

100% of all merchandise proceeds go to fund YIS programs! Get your YIS swag today!



Young Investors Society LOGO - Sweatshirt
Cinch Bag
\$20.49



Young Investors Society LOGO - Coffee/Tea
Mug
\$14.99



Young Investors Society LOGO - Tote Bag
\$18.49



What Type of Investor Are You?



At A Grocery Store: Which Item Would You Buy?

- 3 Cartons of Ice Cream: **\$10.00**
- Latest Blockbuster Movie: **\$10.00**
- 3lb Pack of Filet Mignon: **\$10.00**
- 12 Pack of Toilet Paper: **\$10.00**



What Type of Investor Are You? Part 2



At A Grocery Store: Which Item Would You Buy?

- 3 Cartons of Ice Cream: \$10.00
Short-Term Gain=**Growth Investor**
- Latest Blockbuster Movie: \$10.00
Latest & Greatest=**Momentum Investor**
- 3lb Pack of Filet Mignon: \$10.00
Quality At A Good Price=**Quality Investor**
- 12 Pack of Toilet Paper: \$10.00
Cheap & Practical=**Value Investor**



POP QUIZ



QUESTION?

In 2005 you invested \$10,000 in Priceline (PCLN)?

How much is that investment worth today?

Who can get the closest?



POP QUIZ



QUESTION?

In 2005 you invested \$10,000 in Priceline (PCLN)?

How much is that investment worth today?

Who can get the closest?

ANSWER:

\$53 Million Dollars!

(PCLN is up 5,345%)



IMPORTANT DATES

Mark Your Calendars



Dates to Remember

- **September 9, 2020**
YIS Global Online Club Launch
- **October 1st-November 30th**
(FALL) Dollar-A-Day Challenge Essays **DUE November 30th**
- **January 1st-January 30th**
CYIA® Exam Open Online
- **February 2021**
Shark Tank Contest
(SPRING) Dollar-A-Day Challenge Essays **DUE Feb. 28th**
- **March 2021**
Stock Pitch Prep Night
Stock Pitch Registration OPENS
- **April 1-April 30, 2021**
State Stock Pitch Competitions Held (U.S. & International)
Stock Pitch Reports & Presentations **DUE April 5, 2021**
- **May 27, 2021**
Global Stock Pitch Competition



Ongoing

- Start Investing NOW Giveaway (Monthly)
- CYIA Designation Applications Accepted
- CFA Institute Investment Foundations Program Applications Accepted

All applications can be emailed to
Ctobin@yis.org

Follow Us On Social Media



Young Investors Society has regular updates and contest that are announced on our social media pages.

Follow us for the most recent news, updates, and contests!

Follow us on:



Questions?

Contact:

Christine Tobin
Chief Operating Officer
(805) 479-5292
Ctobin@yis.org



Visit our website at:

WWW.YIS.ORG



See You At The Next Meeting!