



YOUNG
INVESTORS
SOCIETY



YIS ACCESS INITIATIVE

2021-2022

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

Young Investors Society provides quality financial literacy education and programs to students from all backgrounds and socio-economic levels. We aim to teach finance and investing skills that will last a lifetime and empower students to take control of their financial future.



INVESTING IN OUR FUTURE



The YIS Access initiative provides access to FREE, quality, financial literacy education, mentorship, STEM career education, and scholarships to a variety of talented students in under-resourced communities.

Only six states require a stand-alone personal finance course to be taken in high school -Alabama, Iowa, North Carolina, Tennessee, Utah and Virginia.

(CNBC, February 2020)

THE WORK THAT WE DO

MEMBERSHIP IMPACT



1000

SCHOOLS



6880

STUDENTS *est.



536

TEACHERS



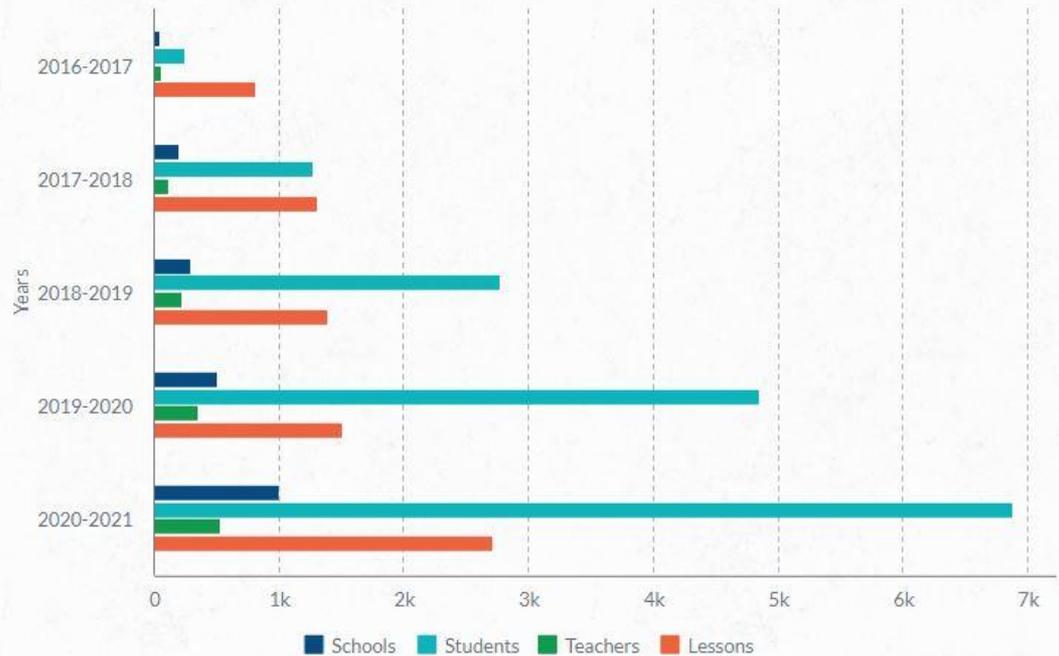
7736

LESSONS COMPLETED

*Estimated students includes students that use our curriculum in the classroom and students that have attended YIS events.



Membership Metrics



YIS SCHOOLS ACROSS THE WORLD



43 U.S. States

California	Wisconsin
Nevada	South Carolina
Oregon	North Carolina
Washington	Virginia
Idaho	Ohio
Montana	Oklahoma
Utah	Mississippi
Arizona	Georgia
Colorado	Delaware
Texas	Vermont
Kansas	New Jersey
South Dakota	Pennsylvania
Iowa	Massachusetts
Minnesota	New York
Illinois	New Hampshire
Arkansas	Connecticut
Louisiana	Maryland
Alabama	Rhode Island
Florida	Maine
Indiana	Hawaii
Kentucky	Alaska
Michigan	

22 Countries

United States
Hong Kong
Singapore
South Korea
Japan
Malaysia
Thailand
Philippines
Pakistan
Indonesia
Mexico
Canada
India
Ghana
Nigeria
Denmark
Germany
Nepal
Switzerland
United Kingdom
Australia
New Zealand

PROGRAMS

YIS ACCESS Initiative



YIS Access Initiative

- The YIS Access initiative provides access to FREE, quality, financial literacy education, mentorship, STEM career education, and scholarships to a variety of talented students in under-resourced communities.
- Student will learn Account Management, Budgeting, Credit Profile, Loans & Debt, Entrepreneurship, Saving, Stocks, and Investing.
- We hope to increase access to financial literacy in under-resourced communities, to encourage minorities and women in finance and empower youth to take an active role in their financial future.



INVESTING IN OUR FUTURE

Understanding Underserved Communities



Impacts to Underserved Youth

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.

Under-Resourced Community 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).

MARKET

Problem



Reality

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

Reality

As of 2020, only six states require a stand-alone personal finance course to be taken in high school.
(Alabama, Iowa, North Carolina, Tennessee, Utah, Virginia)
(Council for Economic Education)

Problem

In 2019, under-represented ethnic group representation in professional positions in finance services was only 28% in the United States. *(U.S Government Accountability Office)*

Problem

In 2019, women's global representation on executive committees in major financial services firms was only 20% in the United States.
(Catalyst)

Solution

The YIS Access Initiative provides access to FREE, quality, financial literacy education, mentorship, STEM career education, and scholarships to a variety of talented students in under-resourced communities.

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

Increase access to under-represented ethnic groups: Under-Represented ethnic groups in Young Investors Society is 67% (2019)

Increase access to women: Women representation in Young Investors Society is 54% (2019)

PROGRAMS

One-of-a-Kind Curriculum



UNIT 1: THE SEVEN GOLDEN RULES OF INVESTING

Welcome Young Investors! Congratulations on joining the Young Investors Society. It is our goal to make you master investors. Many of the lessons you will learn have been used by successful investors over several generations. You will notice that a recipe for success is easy to follow, but is actually followed by few.

DESCRIPTION

This unit will teach students the basic formula for becoming a successful investor. Students will be introduced to the concept of investing, gain an understanding of compound interest, build their vocabulary, learn about the Superinvestors, and understand the Seven Golden Rules to Investing.

CORE OBJECTIVES

Lesson One: Who are investors? Why invest?

- Identify if you are a spender or an investor

Lesson Two: What does it really mean to invest in the Stock Market?

- Understand key terms such as "stock," "stock market," etc
- Identify stock tickers of popular brands and make an argument for investing

Lesson Three: Beating the Market

- Become familiar with the Superinvestors, as well as Graham and Dodd
- Identify the common traits of successful investors

Lesson Four: Seven Golden Rules of Investing

- Understand the Seven Golden Rules to Investing

LENGTH

Approximately 2 hours, split up into four (4) 20 to 40-minute lessons.

PROGRAMS

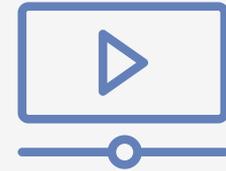
A Turn-Key Teaching Platform



Engaging
Lesson Plans



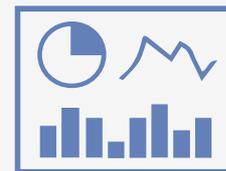
Prezi
Presentations



Instructional
Videos



Online
Learning Modules



Teacher Support
Dashboard

PROGRAMS

After School Enrichment Clubs



After School 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

YIS Global Online Club



Online Club Program

- 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 100 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.



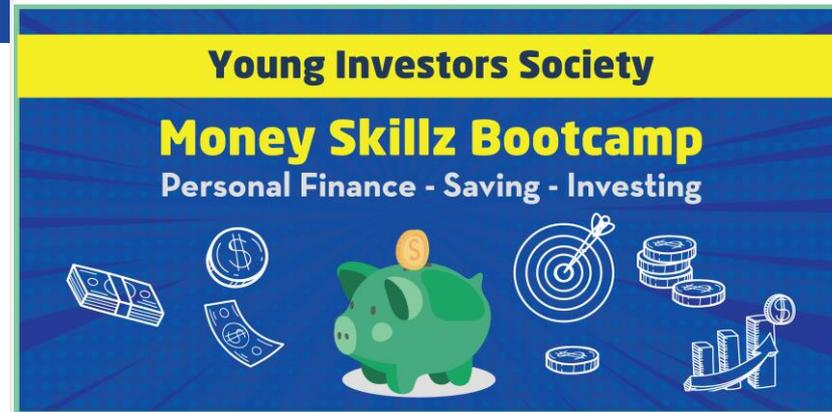
PROGRAMS

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

Investing



Investment Curriculum

- YIS students can begin learning investment skills in Units 1-7.
- Each Unit Contains 3-4 Lessons which includes Prezi Presentations, Videos, and Quizzes.
- The curriculum includes lessons in The Value of a Stock, What Makes a Good Business, Learning to Speak the Language of Finance, Intrinsic Value and so much more!
- YIS also offers YouTube videos for each lesson that can be found on our YouTube Channel (YISORG)

<p>Unit 2 THE VALUE OF A STOCK</p>	<p>Unit 3 WHAT MAKES A GOOD BUSINESS?</p>	<p>Unit 4 FINDING STOCKS TO INVEST IN</p>
<p>Unit 2 In this unit, students will gain a deeper understanding of basic stock market principles and learn how to formulate the basic value of a company. They will be introduced to the con Read More...</p> <p>© 2 Hours Download All</p>	<p>Unit 3 Unit 3 will teach students the importance of economic moats. Students were introduced to the concept of economic moats in Unit 2. In Unit 3, students will learn how to identify the Read More...</p> <p>© 4 Hours Download All</p>	<p>Unit 4 Unit 4 will teach students the keys to coming up with a good initial list of stocks. Students will practice coming up with investment ideas. They will learn how to conduct a stock Read More...</p> <p>© 1 Hours Download All</p>
<p>Unit 5 LEARNING TO SPEAK THE LANGUAGE OF FINANCE</p>	<p>Unit 6 INTRINSIC VALUE</p>	<p>Unit 7 THE INVESTMENT THESIS</p>
<p>Unit 5 This lesson will teach you what a financial statement is and how to read one.</p>	<p>Unit 6 This lesson will teach you the difference between market value, book value, and intrinsic value, and will discuss different ways to find a company's true value or intrinsic val</p>	<p>Unit 7 This lesson will teach you the importance of establishing a set of principles that justify why you continue to own or have decided to sell a particular company's stock.</p>

PROGRAMS

Start Investing NOW Program



Start Investing NOW Sponsored by Stockpile

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 Stockpile Gift Card!

Open your brokerage account TODAY!
Enter the Start Investing Now program here:

<https://yis.org/programs/start-investing-now/>



Young Investors Society

Start Investing Now



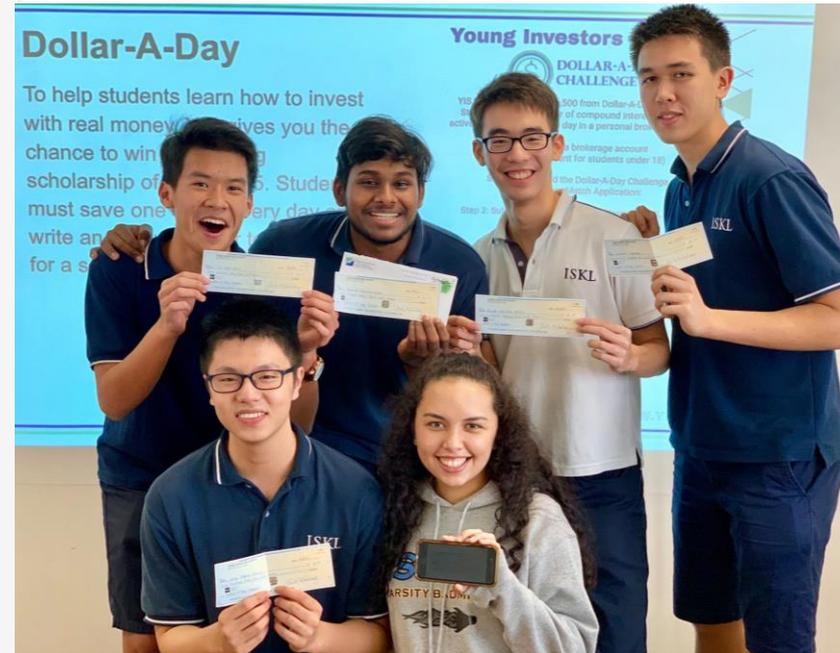
PROGRAMS

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



10%

AGE 15

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

10%

~20% of kids awarded 1x1 match

AGE 70

Net Worth

\$1.5 million

STOCKPILE
Stock by the dollar



1x1
matches
1000
students

AGE 70

Net Worth

\$3.1 million

SECOND GENERATION

Age
70

Net Worth

\$26 billion

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 2021, over 330 students from 30 US states and 14 countries competed in the competition. The global finals were held online and sponsored by Citi, JP Morgan, EMQQ, and Investor's Business Daily.



PROGRAMS

Stock Pitch Competition



Applied Materials

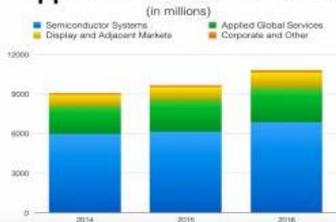
Business Overview

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 VVTRP 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



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

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.

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.

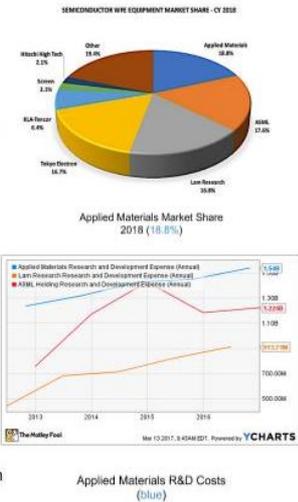
This gives Applied Materials an upper edge as they can keep up with new technologies better than other competitors, including 3D NAND and fin field-effect transistors, which are more efficient semiconductor designs. Applied's extensive research, and consistent effort for technological advancements grants 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' 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.



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 Dum, CFO, in exclusive interview

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 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

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YIS



CFA Institute



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NATIONAL
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THANK YOU