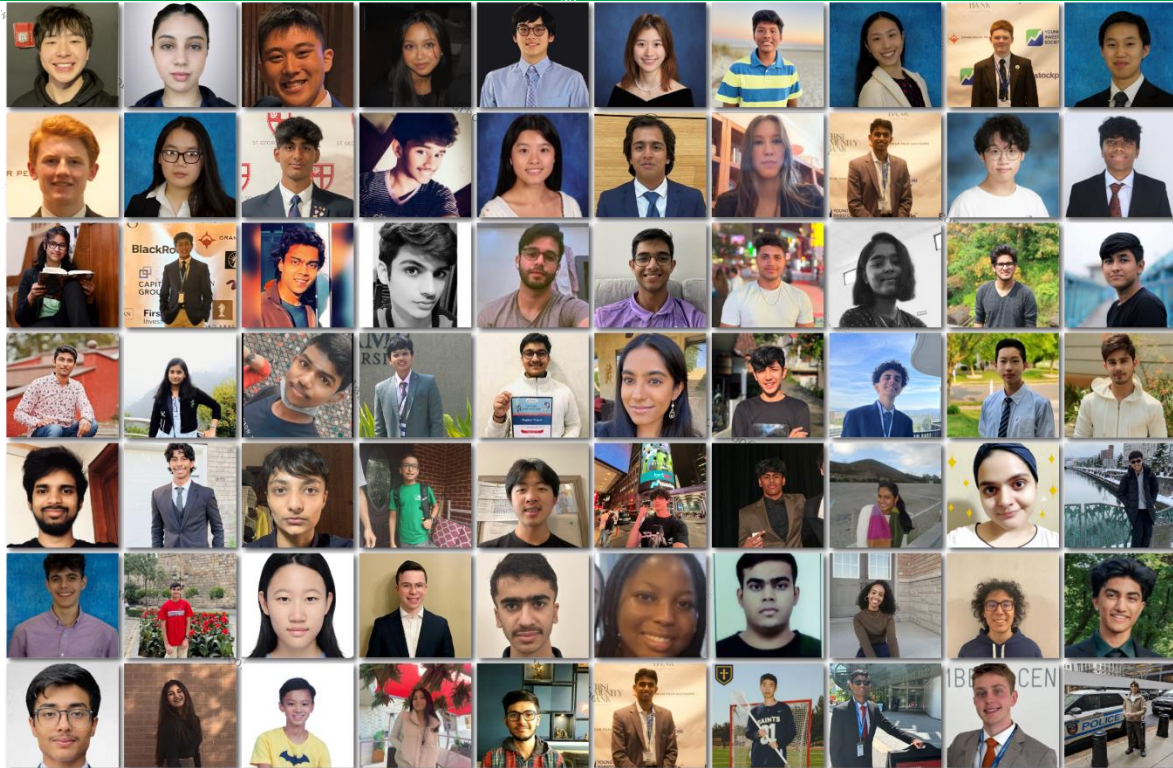




YOUNG  
INVESTORS  
SOCIETY



# FIRST CLUB MEETING

2024-2025

# YIS Overview Video



Click to watch the YIS Overview Video here:  
<https://www.youtube.com/watch?v=NsgEwYEoTPU&t=49s>



# Background

## Young Investors Society



### Background

Young Investors Society (YIS) was founded in 2015 by James Fletcher, Founder and Chief Investment Officer at Ethos Investment Management, and other finance and business professionals with the goal of providing access to financial literacy for teens.

Financial literacy is key to helping young people manage money effectively so that they can become financially stable, build assets, and achieve their personal goals.

### Mission

Young Investors Society provides quality financial literacy education and programs to students from all backgrounds and socio-economic levels.

We believe that when youth are empowered by financial literacy, they can become outstanding investors in companies, societies, and themselves, thus achieving financial independence and breaking the cycle of generational poverty.



# 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.



# POP QUIZ

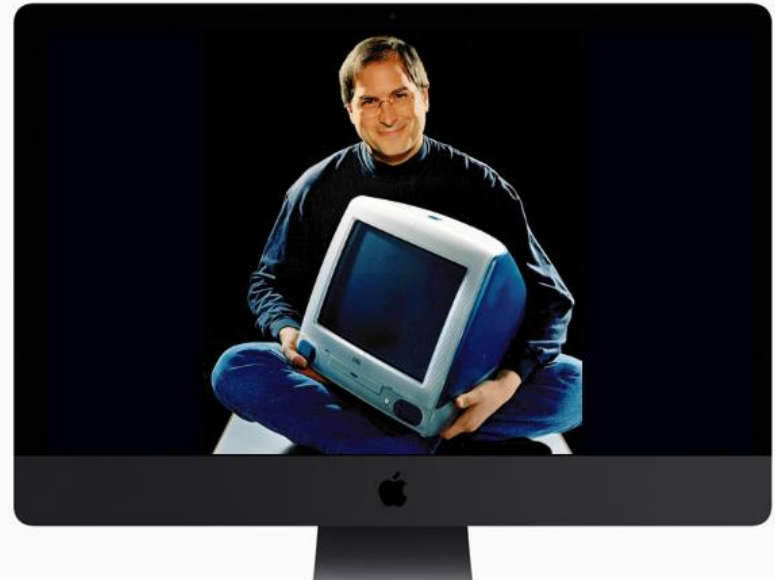


## QUESTION?

In 2004 you invested \$100 in Apple (AAPL)?

How much is that investment worth today?

*Who can get the closest?*



# POP QUIZ



## QUESTION?

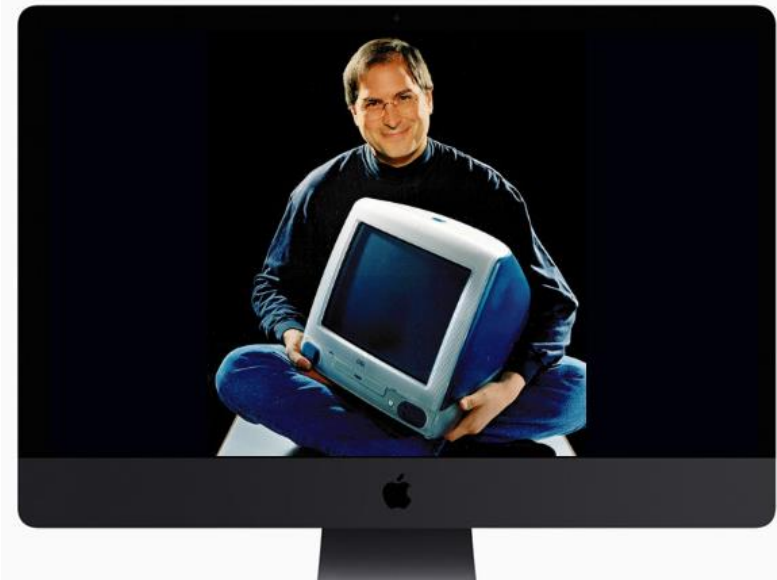
In 2004 you invested \$100 in Apple (AAPL)?

How much is that investment worth today?

*Who can get the closest?*

## ANSWER:

**\$36,484.71**



# YIS SCHOOLS ACROSS THE WORLD

## 46 U.S. States

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



## 80 Countries

Australia	Jordan
Africa	Kenya
Bahrain	Kyrgyzstan
Belgium	Kuwait
Bolivia	Liberia
Brazil	Lithuania
Canada	Malaysia
China	Mexico
Colombia	Morocco
Costa Rica	Nepal
Croatia	Netherlands
Czech Republic	New Zealand
Denmark	Nigeria
Dominican Republic	Norway
Egypt	Pakistan
El Salvador	Peru
England	Philippines
Ecuador	Poland
France	Portugal
Germany	Puerto Rico
Ghana	Qatar
Greece	Russia
Guam	Rwanda
Guatemala	Saudi Arabia
Honduras	Scotland
Hong Kong SAR	Singapore
Hungary	Slovenia
India	Somalia
Indonesia	South Africa
Ireland	South Korea
Israel	Spain
Italy	Sri Lanka
Japan	Switzerland
	Swaziland
	Taiwan
	Tajikistan
	Thailand
	Trinidad/Tobago
	Turkey
	UAE
	United Kingdom
	United States
	Uganda
	Uruguay
	Vietnam
	Zambia



# PROGRAMS

## School Sponsored Clubs



### 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.).



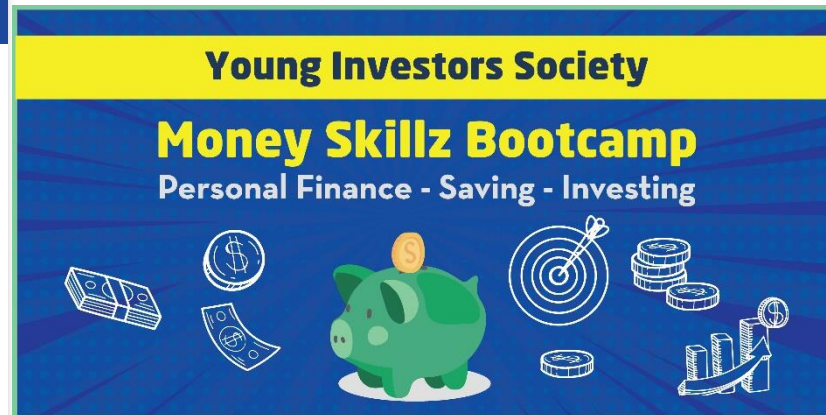
# PROGRAMS

## 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)

**Unit 2**  
**THE VALUE OF A STOCK**  
0%

**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...](#)  
© 2 Hours Download All

**Unit 3**  
**WHAT MAKES A GOOD BUSINESS?**  
0%

**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...](#)  
© 4 Hours Download All

**Unit 4**  
**FINDING STOCKS TO INVEST IN**  
0%

**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...](#)  
© 1 Hours Download All

**Unit 5**  
**LEARNING TO SPEAK THE LANGUAGE OF FINANCE**  
0%

**Unit 5**  
This lesson will teach you what a financial statement is and how to read one.  
.....

**Unit 6**  
**INTRINSIC VALUE**  
0%

**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  
.....

**Unit 7**  
**THE INVESTMENT THESIS**  
0%

**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.  
.....

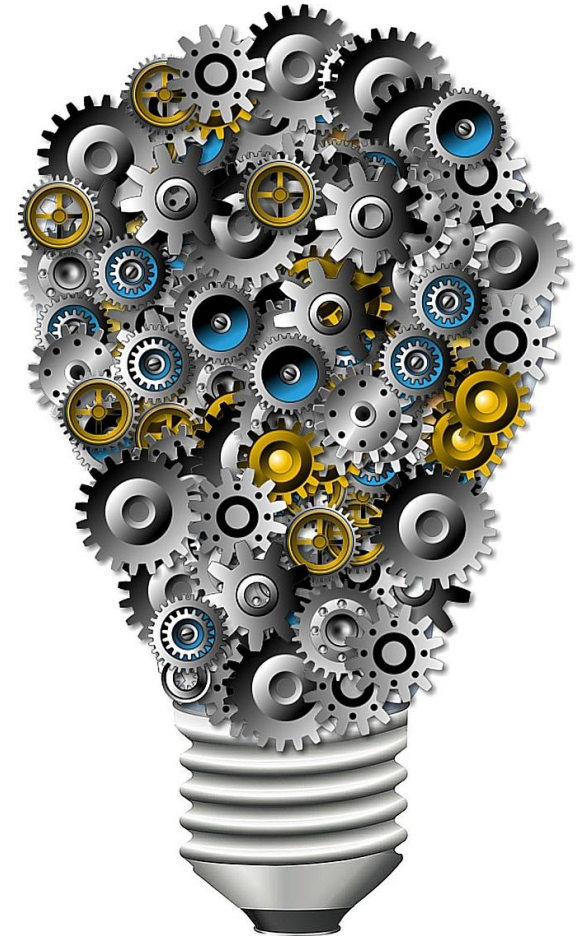
# IDEA OF THE WEEK

## 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.





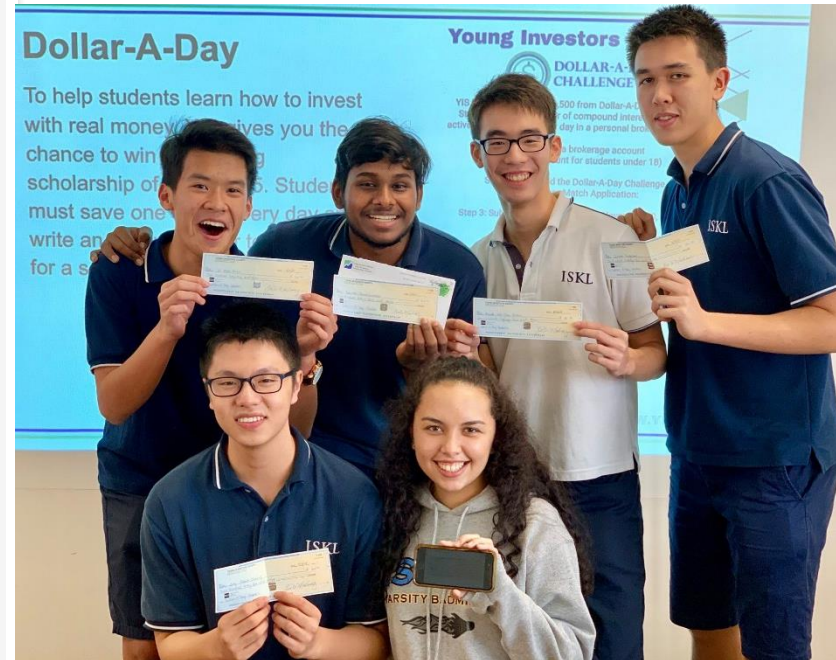
# PROGRAMS

## 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

## Global 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 with 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 2024, over 540 students from 28 U.S. states and 18 countries competed in the competition. The Top 100 teams were invited to attend the Global Youth Investment Summit in NYC.





# PROGRAMS

## Global Stock Pitch Competition



### Winning Stock Pitch Report

#### Microsoft Corporation

Software and Cloud  
Computing  
Symbol: MSFT  
Recommendation: BUY

Headquarters: Redmond, WA USA  
Current Price: \$261  
Target Price: \$374

May 15, 2022

Research Analysts:  
Shant Koutnouyan, Cameron Lay  
shantkout@gmail.com  
clay23@mylicusd.net

#### COMPANY STATISTICS

Market Cap (\$ Bn):	\$2319
Enterprise Value (\$ Bn):	\$2274
52-Week Range:	\$238 - \$349
Dividend Yield:	0.95%
Free Cash Flow Yield (NTM):	3.6%
PIE (NTM):	27x
EV/EBITDA (NTM):	20
Return on Equity (2021):	46%
Return on Invested Capital:	33%

#### Company Overview

We believe that Microsoft will yield consistent returns while having minimal downside. Microsoft's business consists of three segments: Productivity and Business Processes, Intelligent Cloud, and More Personal Computing. Productivity and Business Processes is made up of Office Commercial, LinkedIn, and Dynamic. This segment has seen consistent growth from 2018 to 2020 with an annual revenue growth rate of 20% and is likely to continue its growth due to an increase in Microsoft Teams usage. Secondly, Microsoft's largest revenue generating segment is Intelligent Cloud, which is its fastest growing and most promising segment. Microsoft's server product Azure is becoming increasingly competitive with AWS and saw a revenue growth of over 50% last quarter. Lastly, Windows OS and Surface fall under the More Personal Computing segment, which is likely to generate steady revenue in a maturing PC industry. A sizable portion of Microsoft's Cloud and Business Revenues (which combined make up two-thirds of total revenues) are recurring; these offerings are integral to operating businesses and we believe clients are unlikely to cancel during economic weakness. Close to 60% of Microsoft's revenue is generated from the United States; we feel confident that consumer spending, and GDP growth will increase in the U.S. and that the U.S. will remain a leading player in the technology sector.

**Sales by Geography:** United States 50%, International 50%

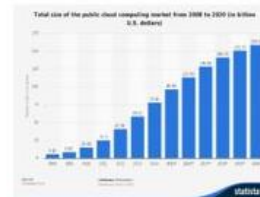
**Market Position:** MSFT is a market leader in each of the segments it operates. MSFT's cloud segment is the second largest in the world in terms of revenue, trailing only Amazon Web Services. Microsoft's operating system serves along Apple's offerings as a duopoly in the personal computer space. MSFT also operates a robust gaming segment which has continually grown revenue, and with the acquisition of Activision Blizzard, MSFT is able to control the game development and game distribution through Xbox. Lastly, MSFT's commercial offerings provide a reliable source of recurring revenue, with a lack of competition for a complete suite of Business-to-Business products.

**Shareholders:** Institutional investors hold the majority of Microsoft's shares at about 65% of total shares outstanding. The top three institutional shareholders are Vanguard, BlackRock, and SSgA.

#### INVESTMENT THESIS

We rate Microsoft (MSFT) as a Buy with a base case Target Price of \$418. Our recommendation is driven by the following key points:

- **High growth yet defensible business** – MSFT has nearly tripled revenue over the past decade, and its cloud business segment, including Microsoft Azure, is expected to continue growing above 25% a year for the next several years. We believe there is considerable room for upside for both revenue growth and margin expansion, particularly in MSFT's business offerings and cloud segments.
- **Wide competitive moat** – Microsoft has developed a large ecosystem of products which allows it to continually cross-sell to customers while simultaneously making it increasingly difficult to steal MSFT's customers. MSFT has its software installed on over 74% of laptops and it manufactures a sizable amount of hardware as well, essentially having monopolistic control of which service offerings can be used on their platforms.

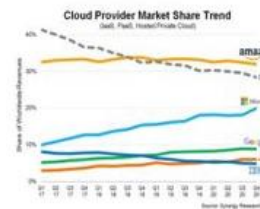


- **Competent management and large upside in future acquisitions** – Over the past decade, management has made a series of accretive acquisitions, including LinkedIn, Skype, and GitHub, all of which have seamlessly integrated with their existing product offerings, fueled further revenue growth, and contributed to MSFT's 33% ROIC. We believe management will achieve the same level of success with the Activision Blizzard acquisition as well as future acquisitions, through which they will be able to return substantial capital to shareholders.
- **Cheap Valuation** – Based on an average of our fair value target prices using relative valuation and a DCF, we believe there is 43% upside to fair value.

#### Industry Analysis

- **Cloud Market** – The global cloud computing market is projected to grow at a CAGR of 16% for the next five years, from 445B USD to 647B USD. The COVID pandemic only accelerated this growth, and we believe that economic reopening will not hurt the growth of the market. In fact, COVID has provided opportunities in the space, with Microsoft announcing healthcare offering in order to improve workflow efficiency and help analyze data for healthcare organizations.

Microsoft is the second largest cloud provider globally with a 20% market share, trailing only Amazon (32%) and followed by Google (9%), Alibaba (6%), IBM (5%) and Salesforce (3%). Amazon's cloud offerings are growing at a slower rate compared to those of Microsoft; we project that Microsoft can overtake Amazon Web Services in terms of revenue over the next decade if they continue to expand their cloud gaming business.



- **Business Productivity Software Market** – The global business productivity market is expected to grow at a CAGR of 13% until 2028. We believe that blockchain technology as well as new data analytics tools will be used in businesses of all sizes, helping drive growth in the market. We believe MSFT will be able to use its large cash pile to be at the forefront of innovation in this sector and continue to remain ahead of the competition.
- **Clients in the business productivity market** tend to remain with their provider for extended periods of time and do not offer switch from one service to another. This is because integration with a customer's business and that company's employees requires considerable effort and training. Therefore, once MSFT gains a new customer, it is extremely likely that they will continue to pay MSFT for the years to come, ensuring that MSFT continues to remain the leading player in the industry.

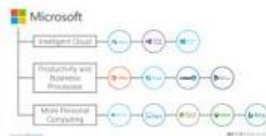
#### Competitive Positioning

##### Moat Analysis: Wide-Moat

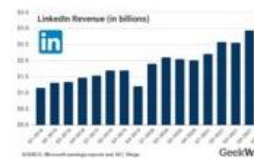
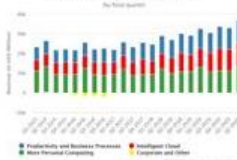
Source of Competitive Protections:

- **Necessity**- Cloud storage and B2B software are essential for businesses and hence they cannot forgo the service without substituting it. Therefore, in a recession, it is unlikely that customers would cancel their Microsoft subscriptions.
- **Lack of competition + substitutes**- Smaller competitors do not have the entire suite of cloud offerings MSFT has. There is one other computer operating system that has sizable market share and that is Apple which is mostly for graphic design and some personal computing. Large corporations rely heavily on MSFT operating systems as well as its cloud offerings.
- **Scale** – MSFT has been able to increase their gross margins over the years to 70%, allowing it to have a commanding position in a hypothetical price war.
- **Recurring Revenues** – As of 2021, 2/3 of MSFT's revenue is recurring, anchored by the commercial portion of the business. This makes MSFT less susceptible during times of economic uncertainty and further solidifies MSFT as a great asset as the business is not "hit-driven."
- **Long term contracts** – MSFT has multiple long-term contracts which ensure a substantial portion of revenue in the coming years. For instance, MSFT has a 22B contract with the United States government for AR headsets.
- **Proprietary Data** – For years, MSFT has collected user data from billions of computers allowing it to continually better its offerings. Not only do competitors do not have the same number of financial resources to spend on R&D to outcompete Microsoft, but they do also not have the necessary data points to create a seamless software offering.

#### Microsoft buckets products into 3 business segments



#### Microsoft Quarterly Revenue by Segment (in billions)





# PROGRAMS

## Stock Pitch Competition Highlights



[https://www.youtube.com/watch?v=KHuClvI\\_dDo](https://www.youtube.com/watch?v=KHuClvI_dDo)

# 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:

❖ **\$1,524,089**



Calculate your own at:

<https://www.nerdwallet.com/calculator/investment-calculator>

# 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

## 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 under-represented ethnic groups and women in finance, and empower 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://young-investors-society.myspreadshop.com/>

### 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: **\$12.00**
- Latest Blockbuster Movie: **\$12.00**
- 3lb Pack of Filet Mignon: **\$12.00**
- 12 Pack of Toilet Paper: **\$12.00**



# What Type of Investor Are You? Part 2



## At A Grocery Store: Which Item Would You

- 3 Cartons of Ice Cream: \$12.00  
Short-Term Gain=**Growth Investor**
- Latest Blockbuster Movie: \$12.00  
Latest & Greatest=**Momentum Investor**
- 3lb Pack of Filet Mignon: \$12.00  
Quality At A Good Price=**Quality Investor**
- 12 Pack of Toilet Paper: \$12.00  
Cheap & Practical=**Value Investor**



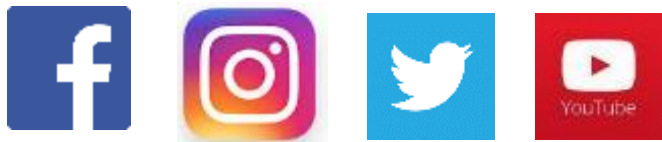


# Follow Us On Social Media



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](http://WWW.YIS.ORG)



**See You At The Next Meeting!**