

WIC Minutes
9.13.17

Matthias calls meeting to order

Matthias calls to approve minutes

Motion passes

Matthias calls for motion to approve agenda

Motion Passes

Lucas: WIC @ WAC

Trip to Washington athletic club

Lucas: CFA challenge

WIC participated past 2 years

Probably red lion(company to research)

Pete: WSJ Subscription

Available to members, trustees, execs

Sawyer, Mikaela, Ben, Beatrice and Blair presented on L Brands

- Summary – Market cap of \$10B and P/E of 11. Dividend of 6.5%, definitely a value-play
- The cyclical nature of consumer apparel
- Concern – consumer cyclicals get hit first during market corrections
- EBITDA shows consistent growth
- Competitive landscape for consumer cyclicals
- Consistently high value returned to shareholders as a percent of cash flow
- EPV gives us a price target of \$53 to \$65
- The assumptions used in the DCF were a growth rate of 10.9% and WACC of 5.89%
- One of the big pieces in the management discussion is the decision to discontinue the Victoria's Secret swimsuit line
- There is an effort to expand into China
- Concerns were voiced about being able to replace CEO Leslie Wexner, who is 79
- Overall investment thesis of holding 2-5 years with target of \$53-\$65, giving an upside range of around 42% to 75%