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MESSAGE FROM **THE DEAN**

I am pleased to introduce the 2022 Annual Report for the University of Victoria's Applied Portfolio Management Program (APMP). The APMP was established to prepare students for careers in financial services by providing investment education, hands-on experience and exposure to industry professionals. It is gratifying to see the APMP graduates embarking on careers with leading financial firms.

This student-managed fund finished its fifth fiscal year with assets under management of \$1.5 million. The efforts of the student portfolio managers generated a total return of -4.9% for the 12 months ending August 31, 2022, vs. a benchmark of -7.5%, an outperformance of 262 basis points. This outperformance represented the highest in the program's history and was realized during the most challenging external environment yet. Global stock and bond markets fell sharply, reflecting the worsening economic environment (ongoing supply chain disruptions, high inflation, tightening monetary policy) and increased political risk (invasion of Ukraine, energy shock).

The fund's outperformance pays tribute to the core philosophy of integrating environmental, social and governance (ESG) factors into asset selection and risk management. The fund's philosophy of being long-term investors who focus on high-quality companies that are not excessively leveraged and exhibit consistent cash flows paid off.

Last year, the portfolio managers successfully achieved one of the long-term objectives of the APMP: exiting the final passive equity holdings in exchange traded funds (ETFs) and achieving 100% active management. At fiscal year end, the fund was invested in 21 stocks: 10 S&P TSX Composite companies and 11 S&P500 companies. On the fixed income side, the student portfolio managers had moved to a bond ETF holding shorter-duration, investment-grade bonds.

The fifth cohort refined the ESG integration framework and began benchmarking the carbon footprint of the portfolio holdings. The fund's weighted average carbon intensity fell from 185 to 130 $\rm CO_2$ equivalent per million dollars of sales. The portfolio managers advanced their risk modeling to allow for more comprehensive metrics and scenario analysis. They now generate a correlation matrix showing the diversification benefits and track active share and value at risk. They also improved their equity screening and portfolio construction models.



This program would not succeed without the continued support from a host of passionate organizations and individuals who donate time to our students. I wish to thank:

- BCI and CFA Society Victoria for their continued generous support of APMP
- Instructor Saurabh Suryavanshi (Dixon Mitchell) who trains portfolio managers through the Applied Investment Management Course
- Program Director Jordie Hutchinson (Edward Jones) for his day-to-day coaching and oversight of the portfolio managers
- The steering and investment advisory committee members (p. 5) and APMP mentors (p. 7)
- The many dedicated Gustavson and UVic staff who support APMP from the background.

It is a testament to the success of this program that the five year anniversary gala on November 5, 2022, was attended by 70 participants, including 80% of alumni from the first five cohorts. I am pleased to announce these alumni have generously funded the Saurabh Suryavanshi Award—an annual award of \$1,000 to be given out to the student who best demonstrates work ethic and perseverance in the Applied Investment Management Course. It is wonderful to see alumni giving back to students!

As I prepare to leave my role as dean of Gustavson after 11 years next June, I am proud to see this program thriving. It embodies the world-class, hands-on learning experience for students that our late colleague Pat Elemans envisioned.

Or. Saul Klein

Dean, Peter B. Gustavson School of Business, deansaul@uvic.ca

FOUNDERS LETTER

Another year in the books and another set of challenges for our student portfolio managers. This year brought the tail end of COVID-19 related obstacles, and the market environment provided an entirely new set of challenges not witnessed by any of our prior cohorts. For long-time followers of our program, this statement will not surprise you: Our portfolio managers navigated the market shifts and the associated challenges like absolute professionals! Their work ethic, positive attitude and dedication to teamwork together with the ability to digest, incorporate and communicate new information at the fundamental and macroeconomic level was outstanding. As founders, Johann and I will never tire of singing praises for our students. Each year they continue to impress and each year we feel that the Applied Portfolio Management Program (APMP) is reaching new heights.

The portfolio reached new all-time highs during the year before trending lower as the war in Ukraine erupted, the reality of stubbornly high inflation and a series of aggressive interest rate hikes triggered valuation resets across virtually every market. The fund finished the fiscal year with total assets under management (AUM) of \$1,494,150.25 and saw strong outperformance relative

to portfolio benchmarks. We maintain this is an impressive amount of capital for our students to manage but we are on a continual quest to raise the bar, ideally through a combination of compounding growth and further capital contributions. The APMP has always been about striving to be an exceptional institutional investment management program, and in our sixth year, we are well on the way. This involves many facets and always brings a heavy workload outside of just selecting securities. This year the portfolio managers continued to advance their risk model, idea generation screening and portfolio construction model in addition to refining their ESG integration framework. The inclusion of benchmarking the carbon emissions modeling was a critical step to understanding the fund's relative carbon emissions and further demonstrates the commitment to being a leader in environmental, social and governance practices.

We have been fortunate to continue to have an amazing volunteer base of industry professionals donating their time and expertise to sit on our investment advisory committee, steering committee, and partake in our mentorship program. Without you, this program truly couldn't function and we are forever grateful to you for helping our students

"Investing, like economics, is more art than science. And that means it can get a little messy." - Howard Marks

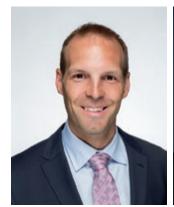
along. The University of Victoria has continued to be extremely supportive of our vision and in addition to the help from faculty members Ke Xu (Economics) and Michael King (Gustavson School of Business), we would also like to thank those who help on the fundraising, organization and support services side—Mia Maki, Amanda Taylor, Clare Harris, Andrew Coward, Mark Stephenson and many others, thank you for all you do!

The Applied Investment Management Course appears to be a well-oiled machine these days, with graduates continuing to produce amazing work and be well prepared to take ownership of the fund from the current cohort. This does not happen by accident as we know our instructor, Saurabh Suryavanshi, spends countless hours refining his material and continues to work with students to bring them along. Thank you to Saurabh and his team of industry helpers for making the AIMC run smoothly.

Speaking of Saurabh, when he launches into his opening speech of the first AIMC class he always starts with this statement: "It's all about jobs! This program is about obtaining a great set of co-op positions and ultimately a full-time job on completion." As page X demonstrates, success begets success, and we continue to see our students land amazing career opportunities. We would like to give a huge thank you to our industry supporters who continue to provide our students with opportunities to advance their skill sets and grow as professionals.

Despite the challenges of the last few years, the student interactions continue to motivate Johann and myself to provide a great program and stay committed to build on the momentum of the last six-plus years. We were extremely excited to host a five-year anniversary gala on November 5th as we gathered to celebrate the fifth anniversary of the program being seeded. We were pleased to congratulating the following students in person on a successful year: William Castle, Nicholas Carson, Elliott Dowd, Samuel Foy, Jeremy Lacey, Noor Sibat, Sydney Lewis, Oleg Moskvin, Heaven Sidhu and Tess Wei. You did an amazing job this year and we are extremely proud to see how far you have come since your initial application to AIMC back in September of 2020. Please be sure to keep in touch and provide us with updates as you achieve success in your careers and lives.

Thank you to everyone for reading. We love hearing from you, so if you have any suggestions or comments on our program please don't hesitate to reach out.







Johann Kuntze, CFA

TIMELINE OF THE **APMP PROGRAM**

The Applied Investment Management Course (AIMC) **Application Deadline: Late October**

The AIMC is a course where students interested in pursuing a career in finance learn the basics of equity research and modelling through studying one Canadian company listed on the TSX. The course runs from October to April each year and is taught by an industry expert, Saurabh Suryavanshi.

AIMC Pitch Day

Presentation Day: Late March/Early April

The AIMC is considered complete once students present their research in the form of a ~10-minute stock pitch with a question-and-answer period to a group of industry professionals.

o COM 445

Course Offering: Summer Semester

An alternative path for students to enter the APMP is to complete the course COM 445: Corporate Finance prior to the start of the new cohort of portfolio managers. Students who complete this course with a minimum grade requirement will be invited to apply to the APMP as analysts. These analysts report to the portfolio managers who will continue to manage the portfolio and make investment decisions.

APMP Portfolio Manager Hiring

Application Deadline and Interview Process: May

The top students from the AIMC class are invited to apply to become portfolio managers for a 12-month term starting the September following their successful completion of the AIMC course.

APMP Portfolio Manager Training

Training timeline: June – August

Once the incoming portfolio managers are chosen by the program directors, they will join the portfolio as junior portfolio managers. The senior portfolio managers will develop a training plan to brief the incoming cohort on all the functions of the fund. Junior portfolio managers will be given tasks to practice working as portfolio managers as the senior portfolio managers see fit.

Analyst Hiring

Application Deadline and Interview Process:

All students who earn a grade of 80 percent or higher in the course are invited to apply to become analysts for the APMP. They are invited to apply for specific areas of the portfolio including equity analysts, fixed income analysts, economists, risk managers, and ESG analysts.

MESSAGE FROM **CFA SOCIETY VICTORIA**

As committee chair of university relations for CFA Society Victoria (CFASV), I wish to congratulate the APMP for another successful year in what continues to be an extraordinary macroeconomic environment. The high-quality instruction, robust student engagement and ultimate career success of graduates continue to surpass our expectations. Furthermore, all participants of the program should be proud of contributing to the strong financial performance of the fund on both an absolute and relative basis over its four-year history.

I am proud of CFA Society Victoria's sustained partnership with the University of Victoria in the APMP, as our support for this program is core to our society's strategic themes of supporting financial literacy, promoting diversity, upholding ethics and driving member value. We are keen to strengthen the bond between the two organizations and watch the program's development in the years to come. On behalf of the society, we would like to thank the many stakeholders who support the APMP, including our board, UVic faculty, and individual CFA Charterholders and investment professionals. We would like to especially acknowledge Michael King, Johann Kuntze, Jordie Hutchinson and Saurabh Suryavanshi for their leadership to establish and maintain this program.

Sanjeet Dhari, CFA, University Relations, CFA Society Victoria



INVESTMENT ADVISORY COMMITTEE (IAC)

The investment advisory committee (IAC) is made up of nine experienced industry members who oversee the portfolio managers as they run the portfolio. Five times throughout the term the portfolio managers present what they have been working on to the IAC. Prior to these meetings, portfolio managers pull together an extensive report of all they have been working on. During these

presentations, portfolio managers will update the IAC on portfolio changes, strategic directions, new initiatives and new investment ideas. The IAC's job is to provide feedback to the portfolio managers to ensure all activities within the portfolio are well thought out and the proper due diligence has been conducted.

Jennifer Coulson

Senior Managing Director, ESG, BCI

Jennifer Coulson has worked in the financial services industry for more than 20 years. She began her career in the mutual fund business working for a national firm that specializes in

responsible investing solutions. As a senior member of the public markets department at BCI she now oversees environmental, social and governance (ESG risk analysis for portfolio companies; engages with companies to manage ESG risk; develops public policy submissions on ESG matters of broad relevance to the investment industry; and oversees the proxy voting program. Jennifer has an undergraduate degree in Environment & Resource Management from the University of Western Ontario as well as a Masters in Environmental Studies from York University. She has attained the Institute of Corporate Directors designation (ICD.D); chairs the Investor Group of the 30% Club of Canada; and is a member of the Board for the SDI Asset Owner Platform. Jennifer was recently recognized as one of BC's Most Influential Women in Finance by BC Business magazine.

Kenton Freitag

CFA, Senior Managing Director, Private Debt, BCI

Kenton is the senior managing director for private debt at BCI. Prior to joining BCI, Kenton worked as a corporate credit analyst for S&P in Toronto, a loan

officer for Export Development Canada in Ottawa and a policy analyst for the Department of Finance in Ottawa. Kenton holds a Bachelor of Commerce from Queen's University, a Master of Economics from UBC, and a Chartered Financial Analyst designation.

Andrew Coward

CFA, Acting Associate Vice-President Financial Planning and Operations, University of Victoria

Andrew is the chair of the investment committee on the University of Victoria Staff Pension Plan. He holds a Bachelor

of Commerce with a Finance and Risk Management concentration from the University of Calgary as well as the Canadian Risk Management Designation through the University of Toronto.

Johann Kuntze

MA, CFA, Associate, ESG Strategy & Risk, Investment Strategy & Risk (ISR), BCI

Prior to joining the ESG investment strategy & risk team, Johann was part of BCI's macro investment research team within ISR. Johann holds a Bachelor of

Science and Master of Arts degrees in Economics from the University of Victoria, as well as the Chartered Financial Analyst designation.



MBA, CFA, CPA-CMA, BBA, ICD.D

Doug has been a professional stock market investor for more than 30 years, with additional experience in credit and banking, corporate finance and real estate development. Now

retired, most recently Doug co-managed the Phillips Hager & North / RBC global asset management Canadian equities team in Vancouver. Prior to joining PH&N, Doug was a partner at Cypress Capital Management, a boutique investment firm serving private clients. Doug is a CFA, CPA-CMA, MBA (University of Toronto), BBA (University of New Brunswick) and completed his ICD.D designation. Doug is a member of the University of Victoria Foundation board of directors.



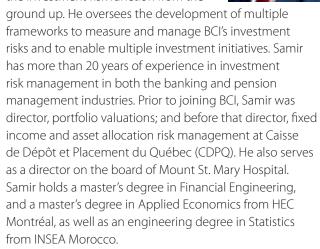




Samir Ben Tekaya

Vice President & Head of Investment Risk, BCI

Samir Ben Tekaya joined BCI in June 2016. As the head of investment risk at BCI, Samir was instrumental in building the investment risk function from the



Michael King

Lansdowne Chair in Finance, Gustavson School of Business, University of Victoria

Michael joined Gustavson in 2019 and teaches corporate finance and valuation. His research focuses on climate finance, sustainable finance, FinTech, banking

and corporate finance. Prior to joining UVic, he held the Tangerine Chair in Finance at Western University's Ivey Business School (2011-2019). Before joining academia, he worked in investment banking in Zurich, New York and London from 1990-1998 (Credit Suisse, RBC Dominion Securities) and central banking in Ottawa and Basel from 2001-2011 (Bank of Canada, Bank for International Settlements). Michael completed his PhD at the London School of Economics in 2001 and his CFA designation in 1999. He has taught finance to undergraduates, MBAs and executives.



CFA, Financial Advisor, Edward Jones Investments

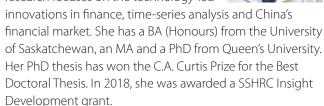
Jordie joined BCI in 2007 and held positions in the corporate & investor relations department and the public markets department, most recently as

a portfolio manager on the Canadian equity team. In 2019 Jordie undertook a career shift and joined Edward Jones to become a financial advisor in his hometown of Smithers, BC. Jordie graduated from the University of Calgary with a BCom in Finance and a BA in Economics and received his Chartered Financial Analyst designation in 2011. In his spare time Jordie enjoys hockey, surfing and cycling in addition to reading about, and following, the financial markets.



Assistant Professor, Economics, University of Victoria

Ke has been an assistant professor in the Department of Economics at the University of Victoria since 2017. Her research focuses on the technology-led



Morgan Ayres

Associate Investment Analyst, Vancity Investment Management

Morgan joined VCIM in July 2021 on the active equities team where she researches new investment ideas and supports portfolio construction

decisions across three independent portfolios. Prior to joining VCIM, Morgan began her career at BCI where she had the opportunity to learn in three different roles including macro investment research, ESG and global equities before joining as a full time employee on the partnership portfolio team. Morgan earned her degree in Economics and Business from the University in Victoria in 2019.





Lincoln Webb

Executive Vice President & Global Head, Infrastructure & Renewable Resources, BCI

Mentor of Heaven Sidhu

Lincoln Webb is the executive vice president, infrastructure & renewable resources at BCl. Lincoln leads the firm's infrastructure & renewable resources group, which manages a growing private market portfolio of \$22 billion—with investments across 30 countries and all major infrastructure sectors. Prior to this work, he was global head of the firm's private equity program—building a \$6 billion portfolio invested across developed and emerging markets. As a current member of the firm's executive management team, management investment committee and investment risk committee, Lincoln is also engaged in setting strategic direction and overall management of the firm.

Lincoln holds an MBA (International Business), MCP (Architecture), CFA, and an Advanced Management Designation from INSEAD. He is also a past attendee of management programs at HHL (Germany) and Harvard Business School. Currently, Lincoln serves on the presidential and supervisory boards of Open Grid Europe, Germany's largest gas transmission utility, and the boards of Czech Gas Networks, Viterra Limited, Mosaic Timberlands and Endeavour Energy in Australia. He is a past director of Global Container Terminals, Corix Utilities, Puget Sound Energy, DBCT Ports of Australia, Aquarian Water of Connecticut, Cleco Corporation, Thames Water, Teays River, and Transelec S.A., Chile's largest electric transmission utility.

Ann Glazier Rothwell

Principal, Co-Head of Client Portfolio Management, RPIA

Mentor of Elliott Dowd

Ann Glazier Rothwell has more than 30 years of experience in Canadian capital markets and alternative investment strategies. Prior to joining RPIA in 2012, Ann was the co-founder & Chief Investment Officer of Alpha Scout Capital Management, a Canadian-focused fund of hedge funds and the vice president & director of the alternative investment strategy and proprietary trading group at TD Newcrest. Ann began her career at RBC DS in fixed income, later moving to the institutional equities division in Toronto and New York with RBC DS, First Marathon/National Bank Financial and Newcrest Capital. Ann is a CFA® charter holder, a Leslie Wong Fellow of the UBC Portfolio Management Foundation and holds a Bachelor of Commerce from the UBC Sauder School of Business. In 2015. Ann was named one of 50 Leading Women in Hedge Funds by the Ernst & Young and Hedge Fund Journal's global survey. Currently a resident of BC, Ann is a board member of The University of Victoria Foundation, and the Sauder School of Business Faculty Advisory Board. She also serves on the Board of Governors of St. Michaels University School in Victoria.

Reed B. Kipp

Partner and CEO, Devon Properties

Mentor of Noor Sibat

As the CEO of Devon Properties, Reed Kipp is responsible for extending the company's service offerings to meet the needs of Devon Properties' growing clientele and broadening its business footprint into new markets. Reed joined Devon Properties as a managing partner in 2016 and has been responsible for successfully evolving the business into an institutional real estate services platform, overseeing the operations, execution and value creation across the broader organization. Prior to Devon Properties, Reed worked in investment banking (Barclays) and strategy consulting (Ernst & Young) for seven years, based in New York City. Reed graduated from Rensselaer Polytechnic Institute (RPI) with a Master of Science degree in Finance and a Bachelor of Science degree in Business Management. He attended RPI on an NCAA Division 1 ice hockey scholarship. In his spare time, Reed is active in professional and community circles. In 2017, Reed began as a board advisor to Certn, a real estate technology company providing screening services.

Malcolm Katz-Larson

Mentor to Jeremy Lacey

Malcolm Katz-Larson is an alumnus of the University of Victoria and graduated with his Bachelor of Arts in Political Science and Economics in 2015. Since graduating, Malcolm has worked in a variety of analyst roles from hedge funds to real estate investment, and venture capital. Malcolm has also held a CFA designation since August 2019.

Ian Cook

Retired, Experienced Senior Finance Executive

Mentor to William Castle

lan Cook has been a mentor to APMP students for the past two years. Now retired, he has held executive roles and board positions at some of Canada's largest financial institutions, including RBC Dominion Securities, Manulife Financial, FundServ, and UBS Global Asset Management. Following his BBA from the University of New Brunswick, lan started his career as a chartered accountant. Later on, he received a diploma from the Institute of Corporate Directors and began progressing into senior leadership positions. lan stays involved with various organizations in the community in his retirement, including his role as a mentor to the APMP.

Jason Lewis

Director, Capital Markets, Debt Management Branch, Provincial Treasury

Mentor to Nicholas Carson

Jason Lewis has over 25 years of experience in the Canadian capital markets, beginning his career at the Toronto-based bond dealer, Levesque Securities (later renamed National Bank Financial), after graduating from Dalhousie University with a Bachelor of Commerce (Co-op) degree in 1995. Jason's professional career on Bay Street spanned a breadth of roles over the years, including operations management, securities lending, repo trading, debt capital market syndication and public sector debt origination. Jason developed a focus in debt capital market coverage for Canadian provincial, crown and quasi-government issuers, as well as supranational and foreign sovereign and sub-sovereign issuers raising funds in Canada. In early 2016, Jason and his family relocated to Victoria, BC, where he joined the Ministry of Finance as the director of capital markets. In this role he leads a dedicated team of capital market professionals focusing on funding the province and related entities through domestic and international bond and money markets. Jason is currently on a temporary assignment as director of investment analysis with the Office of Municipal Pension Board of Trustees. Jason is a member of the Canadian Fixed Income Forum, an industrywide forum established by the Bank of Canada to discuss developments in fixed income market structure and function, market practices and related policy issues. Jason is also on the executive committee of the Victoria's Castaway-Wanderers Rugby Football Club where he has served as treasurer since 2017.

Kathy Marshall

MBA, CFA, Senior Finance Executive

Mentor to Sydney Lewis

Kathy has over 20 years of experience in asset management including senior client relations at two leading Canadian pension managers (BCI and AIMCo) with experience advising boards and investment committees on all aspects of strategic asset allocation, risk management and portfolio construction. Kathy also spent over a decade as the senior portfolio manager of external managers with extensive experience in domestic and international capital markets. She has effectively built, led and advised significant portfolios and diverse global managers in high-growth markets and complex finance activities. Included in this skill set is best-in-class analytical skills, manager screening, portfolio construction, monitoring, attribution and transition management.

Allen Gage

CFA, Principal, Camrose Investments Ltd.

Mentor to Samuel Foy

Allen Gage is principal and CEO of Camrose Investments, a Victoria-based investment management firm operating primarily as a family office but also providing portfolio management, investment advisory and other wealth management services to high-net-worth individuals and families. His over 20 years of experience in financial service roles include senior portfolio manager, portfolio manager, head trader and institutional sales trader at a number of organizations in BC. He currently serves on the boards of JEA, a pension administration software company, ALACS Foundation, a family foundation, and NCP Wear Solutions LP, an owner of several industrial wear parts companies. Allen is a graduate of the University of Victoria (B.A. Econ), a CFA charterholder, and a past attendee of management programs at the Harvard and Sauder Business Schools.

Riley Hunt

Associate Investment Analyst, Vancity Investment Management

Mentor to Oleg Moskvin

Riley is an alumnus of the APMP and graduated with a BCom from the University of Victoria in 2019. He began his investment career at BCI, where he supported the launch of a global equities fund focused on high-quality companies. During his time at BCI, Riley completed a 12-month internship before accepting a full-time analyst role in December 2019. In June 2021, Riley left BCI to join Vancity Investment Management, where he is currently researching new investment ideas across three independent portfolios. Outside of work, Riley loves spending time with his family in Victoria and is an avid reader across all disciplines.

Alicia Armstrong

Associate, Public Markets, BCI

Mentor to Tess Wei

An alumna of the APMP, Alicia has spent the last four years in BCl's public markets department. After having completed an eight-month co-op term with the Canadian small cap team, she joined the newly formed US small cap team to help launch the fund - covering healthcare, industrial, technology and consumer sectors. She is a very passionate and driven individual, with a particular love of learning. Having completed her BCom degree from UVic in 2019, Alicia spent the next few years studying for her CFA and received her CFA charter in 2022. Currently, Alicia spends her time volunteering with BC's Financial Literacy Committee and mentoring students in UVic's APMP.

External Factors – Adaption to Financial Uncertainty

Our cohort's term in the APMP was marked by high volatility and macroeconomic uncertainty—an environment which was difficult for investing but also an incredible first-hand learning opportunity. Global financial markets had an extremely turbulent year, with the VIX remaining elevated above historical norms. There was no shortage of seriously consequential macroeconomic events, which impacted both the portfolio and the benchmark's performance.

First, the impact of rising rates on both bond and equity markets cannot be understated. We began our term with the US overnight rate near 0%, and that value skyrocketed to 2.32% by the end of our term, driving multiple compression across all equities and severely impacting growth-focused names. Unprofitable technology stocks, which had seen extremely strong performance in a low-rate environment, now became the largest underperformers in the index. The outperformance of names such as Shopify had historically acted as a headwind to the APMP's performance, but that changed to a performance tailwind in 2022. Second, inflation increased significantly over our cohort's tenure, reaching the highest level seen in decades. The elevated inflation levels drove outperformance across materials and energy equities, in addition to increasing input costs across

High quality companies

(e.g. high ROIC)

our coverage universe. Being underweight energy, the fund was exposed to rapid movements in commodity prices. Finally, fears of a consumer-driven recession dominated discussions, as rising rates and increasing inflation ate away at discretionary income.

As the APMP portfolio's equity positioning is more heavily weighted towards quality and value, the portfolio was relatively resilient during the period. The fund's focus on consistent, growing cashflows in our equity selection helped provide downside protection for the fund. Our cohort frequently reviewed our holdings to ensure that our asset weightings aligned with our macroeconomic beliefs, personal convictions and valuation estimates. We maintained a focus on investing in high-quality names that are not excessively levered, had pricing power to combat rising inflation, and names that would be resilient in a downturn.

We anticipate that elevated market volatility will remain for years to come. As such, a portfolio of higher-quality companies will likely be more resilient, and we believe the current portfolio is well-positioned for future outperformance. The chart below illustrates our process.

Reasonable/low combat inflation

Reasonable/low leverage

Resilient earnings profile

INSIGHTS FROM THE INSTRUCTOR

Saurabh Suryavanshi earned a Bachelor of Business from Delhi University and later completed his MBA at Simon Fraser University. After gaining experience with a major bank in India and working his way up the ranks at a large pension fund, Saurabh is now on the Canadian equity team at Dixon Mitchell in Vancouver.

Saurabh has been the instructor of AIMC since the program's inception. His passion for the industry and his drive to deliver value to his students is evident through his teaching and is reflected in the AIMC alumni. Saurabh's contribution to the program is invaluable and has been a vital part of the success of the program over the last five years.



APMP: What is your goal in teaching AIMC?

Saurabh Suryavanshi: My overall goal for AIMC is for students to see a potential in finance through a course that is real-world in nature. The course structure for AIMC is specifically for the students where they can gain real-world finance experience in a classroom setting.

APMP: What have you learned over the years by teaching AIMC?

SS: I continue to be amazed by the creative minds of the students that take this course year after year as they outperform my expectations. Every cohort of AIMC students has been better than the previous one. Irrespective of student backgrounds who mostly have minimal finance experience/understanding before this course, students who do end up working hard and completing AIMC/APMP have had great jobs.

APMP: Why do you use the saying "trust the process" with your students taking AIMC?

SS: Over the long-term, for someone to be a great investor, they must have a great process and follow it during all good and bad times in markets. I believe if students put in the work and stick with it, they will come out on the other side feeling grateful for all their hard work and dedication with ample opportunities for careers in finance.

APMP: If there are any students looking to participate in AIMC in their third year, do you have any suggestions on what they can do to prepare themselves in first and second year?

SS: We have had students with no experience or knowledge who have done well. To make things easier:

- The students have a genuine interest in finance and have a basic understanding of various macro-economic drivers.
- Knowledge of financial statements will be very helpful.
- Excel experience is helpful as we build Excel models to forecast and value companies in the course.

APMP: What is your favourite part about AIMC?

SS: The long-lasting friendships with students that have come out from teaching this course. I have been able to make great relationships from every AIMC cohort that I have taught and am very grateful to cherish these relationships forever.



Outgoing Portfolio Managers

Heaven Sidhu

Heaven is a fourth-year Bachelor of Commerce student at the Gustavson School of Business. Over the last year, she has completed internships at AIMCo, in Private Investment Valuations, and at Scotiabank as an Investment Banking Analyst. Heaven is now going to be completing an internship in Winter 2023 with



Photo credit: Rose Creative Co

Ontario Teachers' Pension Plan in their private equity team. Outside of school and work, Heaven enjoys hiking, cycling and cooking.

Jeremy Lacey

Jeremy is a fourth-year Bachelor of Science Economics student with a concentration in finance. He is currently completing a second co-op with BCI on the global fundamental equities team. Jeremy has also previously worked at Acumen Capital Partners as a capital markets intern. Jeremy is planning to finish his courses in



Photo credit: David Adams

spring 2023, and will be returning to BCI for a summer co-op with the private debt group. He is looking forward to using his skills and experience from the APMP program to launch a career in investment management or financial research. In his spare time, Jeremy likes to read, hike, camp and spend time with his friends and family.

Samuel Foy

Samuel is a recent graduate of the Gustavson School of Business with a specialization in entrepreneurship. He has completed previous co-ops in corporate investor relations at BCI and as a business analyst at Genelle Capital. He is currently working in an internship position at BCI on the investment strategy and risk team focusing on ESG

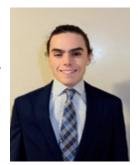


Photo credit: Noor Sibat

value creation and scenario modeling. Sam is planning on pursuing his CFA designation and a career combining his love for finance and ESG-related topics.

Sydney Lewis

Sydney is a recent graduate of the Gustavson School of Business, with a specialization in service management. She has completed co-ops in accounting and finance. This fall, Sydney will be returning to Connor, Clark & Lunn Financial Group as a retail portfolio operations specialist, one of her previous co-op positions. She has



Photo credit: Alex Lewis

completed the Canadian Securities Course, and will be pursuing her CIM and CFP designations. Outside of work, she enjoys running, photography and spending time with friends and family.

Noor Sibat

Noor is a recent graduate of the Gustavson School of Business, who completed his commerce degree with a focus in finance and accounting. Over the last few years, Noor has completed internships with BCI on their corporate & investor relations team and at Collier's International as a commercial real estate analyst. In



Photo credit: Jason Brar

addition to his participation in the APMP, Noor served as president of the UVic Commerce Students' Society by providing initiatives and extra-curricular activities to the BCom student body. Noor is currently studying for his CFA Level 1 and completing an internship with Vancity investment management as a public equity analyst. In his spare time, Noor enjoys lifting weights, playing basketball with friends and spending time with family.

Elliott Dowd

Elliott is a recent commerce graduate from the Gustavson School of Business. Over the course of his degree, he has completed three work terms in the areas of wealth management, private capital operations and equity research. Elliott plans to prepare for his CFA designation while he begins his career with Raymond



Photo credit: Acumen Capital

James as an investment banking analyst in Vancouver. Outside of the office, Elliott enjoys climbing, hiking, golfing, skiing and fishing.

William Castle

William is a graduating Bachelor of Commerce student at the Gustavson School of Business. Over the past year, he has completed a second internship with TD Securities (global counterparty credit team) and completed an exchange semester in the MSc. Financial Markets & Investments at SKEMA business school (Sophia



noto credit: Andrew Strean

Antipolis, France). He has now returned full-time to TD Securities in Toronto and will be pursuing a CFA designation. Outside of work, Will enjoys bouldering, reading and volunteering with JABC to teach financial literacy skills in schools.

Nicholas Carson

Nicholas is a fourth-year Bachelor of Commerce student at the Gustavson School of Business. Throughout the last year, he has completed two internships with KPMG Victoria in their audit and tax divisions. Nicholas will be joining the KPMG Victoria office full-time in October 2022 to continue his articling within their audit function.



Photo credit: Valerie Carson

Looking forward, he hopes to obtain both his CPA and CFA designations. In his spare time, Nicholas enjoys playing rugby, golfing and getting on the water to fish.

Oleg Moskvin

Oleg recently completed his Bachelor of Commerce degree at the Gustavson School of Business. Throughout his degree, he completed three work terms with Quantum Algorithms Institute as a business analyst. Currently, Oleg is interning with BCl's investment strategy and risk team as a transactions and total portfolio



Photo credit: Dariya Moskvina

risk analyst while studying for the Level I CFA. In the future, he plans to obtain the CFA designation and actively seek a career in the investment industry. In his free time, Oleg enjoys exploring Vancouver Island, reading Stoic philosophy, watching Formula 1 and staying active through weightlifting and cycling.

Tess Wei

Tess completed her BCom degree in 2022 and completed a semester at the Vienna University of Business and Economics in Austria. She is currently completing an internship at BCI, within the infrastructure & renewable resources department. Tess has previously completed two other co-ops in the investment strategy & risk and corporate &



Photo credit: David Adams

investor relations departments. During her spare time, she likes to hike, travel and listen to podcasts.



FIGURE 2: ACTIVE RETURNS (QUARTERLY)



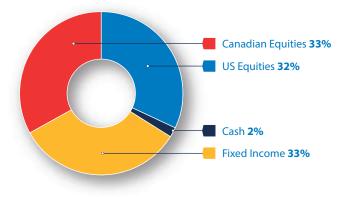
The APMP fund's assets under management decreased by about \$70,000 over the fiscal year to just under \$1.5M.

The fund's benchmark asset allocation is 40% Canadian fixed income, 30% Canadian equities and 30% US equities. The fund was tactically underweight fixed income throughout the entire fiscal year while being overweight equities.

At year-end, the fund was tactically overweight both Canadian equities (33%) and US equities (32.3%), and underweight fixed income (32.4%), with a cash balance of 2.2%.

The fund's performance is measured against a custom benchmark consisting of 40% FTSE TMX Canadian Universe Bond Index, 30% S&P/TSX Total Return Index and 30% S&P 500 Total Return Index.

FIGURE 1: ASSET ALLOCATION (AUGUST 31ST)



Over the fiscal year ended August 31st, 2022, the fund returned -4.9% against a custom benchmark return of -7.5%, representing an outperformance of 262bps.

The fund benefitted from its asset allocation strategy, overweighting equities and underweighting fixed income. The fund also benefited from its selection strategy, with both the fund's Canadian and US equities outperforming their respective benchmarks. Additionally, the selection of fixed income positions contributed to the fund's outperformance.

The fund had 21 holdings at year-end. These holdings consisted of ten Canadian equities and 11 US equities. Maintaining a key objective from the prior year, the fund worked to reallocate capital from passive ETFs into high-conviction positions in individual companies. During the year, the fund was able to exit its positions in two of these passive ETFs and use the proceeds to add to existing and initiate new positions in these high-conviction names. As of August 31, 2022, 100% of the capital allocated to equities was in these individual names.

The portfolio managers initiated positions in two companies over the fiscal year: Colgate-Palmolive Company (CL) and Nutrien Ltd. (NTR.TO). As of August 31, 2022, both holdings have shown incredibly strong relative performance since their addition.

During the year, the fund developed and maintained a fixed income strategy in which it overweighted its exposure to short-duration bonds through XSB.TO. The fund underweighted its exposure to the longer-duration bonds through XBB.TO, which doubles as the portfolio's fixed income benchmark. This strategy was predicated on the assumption that interest rates would rapidly rise in Canada

through the fiscal year, having an outsized impact on the pricing of longer-duration bonds relative to the shorter-duration bonds held in XSB.TO. Over the year, the Bank of Canada did in fact hike rates four separate times, increasing the overnight lending rate from 0.25% to 2.50% as of August 31, 2022. This increase in interest rates, driven by the need to tame the surge in inflation, led XSB.TO to return -5.6% while XBB.TO returned -11.7% over the fiscal year.

The portfolio managers have high conviction in the fund's current holdings and believe the portfolio is well-positioned to generate sustained outperformance over the long term, despite temporary geopolitical and macroeconomic headwinds.

FIGURE 3: PORTFOLIO VS. BENCHMARK RETURNS (1 YEAR RETURN, COHORT 5)



NEW INVESTMENTS

FIXED INCOME

Fixed income within the confines of the APMP investment strategy is largely viewed as a safeguard of capital and thus acts as a diversification tool with respect to the fund's asset allocation. During the term, the cohort did not initiate any new fixed income positions. The fund maintained a bias towards higher quality, shorter duration credit. The cohort added to the position in the iShares Core Canadian Short Term Bond Index ETF ('XSB') several times during the term. The cohort believed that with the high inflation environment, in addition to hawkish messaging from central banks globally, that the interest rate risk was disproportionately skewed towards the upside. With credit spreads remaining tight over the term, the fund's increased weight in XSB protected the portfolio from duration risk with a minimal impact on credit yields.

EQUITIES

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The 2022 cohort made new equity investments in the consumer staples and materials sectors. The portfolio managers continued to focus on equities with robust cash generation, strong competitive positioning, pricing power and appropriate use of leverage. The equity screening process was later refined to place a greater emphasis on business quality, searching for businesses with a high return on invested capital. The cohort's new selections also reflected the cohort's macro positioning, with materials names seeing inflationary tailwinds and consumer staples names being relatively protected from consumer demand destruction. Finally, the cohort reweighted the portfolio several times over the year to reflect both changing valuations and the level of PM conviction.

Over the 2021/2022 fiscal year, the fund made the following new investments:

Nutrien Ltd.

Nutrien Ltd. ('NTR' or 'the company') is one of the largest fertilizer companies in the world, which was formed by the merger between PotashCorp and Agrium in 2018. The company's integrated business model provides a diversified earnings base, underpinned by stable growth in Nutrien Ag Solutions and earnings torque from Potash, Nitrogen and Phosphate sales. Since the merger, NTR has seen EBITDA margins and free cash flow trend upwards, while the firm's net debt/EBITDA has trended downwards. The increasing profitability, favourable macroeconomic backdrop, and strong credit profile of the company underpinned the cohort's thesis. Subsequent to the purchase of Nutrien for the portfolio, the company significantly outperformed the benchmark due to Russian & Belarusian potash sanctions stemming from the Russia-Ukraine conflict.

Colgate-Palmolive Company

Colgate-Palmolive ('CL or 'the company') is a global leader in consumer packaged goods with product offerings primarily in the oral healthcare and pet nutrition markets. As a consumer staples company, CL's earnings are more defensive than cyclical or discretionary names in the APMP investable universe. Furthermore, the company's endmarket exposures to healthcare and pet nutrition are likely to be particularly resilient sub-categories, as consumers are reluctant to trade down to cheaper alternatives when it may risk the well-being of their health or their pet's health. The cohort believed that the relative safety of Colgate presented an opportunity for outperformance in a period of deteriorating macroeconomic conditions. The company's strong brand and favourable competitive positioning in the industry contributed to CL's steady growth and strong free cash flow generation. Colgate's ROIC has been extremely strong over the past five years, remaining well above 30% and significantly above the firm's weighted average cost of capital, further illustrating the high business quality of CL.

ACCOMPLISHMENTS AND NEW INITIATIVES

STRONGEST OUTPERFORMANCE TO DATE

One key accomplishment that the cohort would like to highlight is the fund's performance over the fiscal year. Cohort five delivered the strongest outperformance of the benchmark in APMP history, delivering 262 bps of outperformance relative to the blended benchmark. The fund's outperformance, while largely driven by selection and allocation decisions by cohort five, was anchored by the strong performance of equities and fixed income assets selected by prior cohorts.

PORTFOLIO MONITORING SYSTEM

Since the program's inception, the APMP's portfolio has become increasingly active as each successive cohort makes additions to the fund's holdings and diversifies from the fund's benchmark. This year, the cohort achieved the goal of 100% active management in equities holdings, with the remaining positions in XIC.TO and IVV being exited throughout the year. With the fund now in a fully active state, the role of the portfolio managers has expanded from just selecting the best equities to add to the portfolio, to additionally monitoring the portfolio to ensure that the fund's current holdings are aligned with the team's conviction.

Cohort five was eager to build on the previous cohort's portfolio monitoring system. To ensure that the fund's holdings and weightings reflected the portfolio managers' views and convictions towards their respective holdings, the cohort developed a new trade-suggestion tool. The tool used both qualitative and quantitative inputs from the PMs to rank current holdings by conviction. Conviction levels were ranked by quartile, and each quartile rank had a suggested range of weights for assets to ensure that the fund's equity weights reflected the portfolio managers' convictions. From there, the tool presented potential trades to increase weights in low-weight, high-conviction assets, and to trim weight from higher-weight, lowerconviction assets. The cohort believes that this tool will help future portfolio managers generate alpha through better alignment of their research and their asset weightings.

ESG

During cohort five's tenure, the portfolio managers were able to leverage the great work done by previous cohorts to track metrics associated with the portfolio's carbon footprint such as Carbon Intensity, Weighted Average Carbon Intensity (WACI), and carbon footprint. Furthermore, the cohort performed attribution analysis to better understand the portfolio's exposure to climate change risk on a holding-by-holding basis, and to help identify the steps portfolio managers can take to mitigate that risk while respecting the clients' climate commitments. Due to the cohort's focus on reducing the portfolio's carbon intensity and WACI, the portfolio's carbon intensity fell from 179 to 139 CO₂E/\$M. Similarly, WACI fell from 185 to 130 CO₂E/\$M.

Additionally, in order to better understand the portfolio's exposure to climate risk, the cohort implemented carbon benchmarking for both the TSX and S&P 500 benchmarks. Carbon benchmarking allows the portfolio managers to see not only how the portfolio compares to the benchmark, but how allocation and weighting decisions add or mitigate risks and contribute to the fund's carbon footprint.

RISK

This year's cohort of portfolio managers prioritized revamping the fund's key risk activities and after a careful review of the standing model, shifted to rebuild the risk management model. The new model was coded in VBA and Python and has greatly reduced the manual effort and time required to prepare data. Greater data capabilities of the new model allow for scaling for more comprehensive metrics and scenario analysis. The model also has streamlined output functions which pull a correlation matrix showing diversification benefits, and key risk metrics such as active share and value at risk. With these metrics, they placed an emphasis on analysis and commentary of the risks associated with active positions, and this data has already been put to use to inform rebalancing decisions. After discussion with the investment advisory committee, the cohort elected to omit less material metrics such as stressed VaR and other risk ratios, although these metrics are still collected for internal use. Cohort five expects future cohorts of portfolio managers to use their efforts as a launchpad for further integration of risk into allocation decisions. Moving forward, the portfolio managers would like to incorporate an analysis on the sensitivities of the fund's holdings to economic variables such as oil prices and interest rates using a correlation matrix.

Looking Forward – Positioning for FY2023 Continuing with the precedent set by prior cohorts, the The portfolio managers were able to successfully execute one portfolio managers aided in the portfolio transition process of the key long-term objectives of the portfolio: becoming by providing workshops on financial modeling, portfolio entirely active in our equity positions. This being the case, construction, performance attribution, ESG analysis and the focus of the 2023 cohort will be to: portfolio risk assessment. The purpose of the transition 1. Monitor the existing equity theses while surveilling process was to establish a solid foundation upon which for attractive opportunities to substitute names in the the incoming portfolio managers could build a stronger equity portfolio. portfolio and deliver greater risk-adjusted returns to our clients. 2. Continue to develop and improve upon essential back-end systems and processes, such as risk modeling, performance attribution, ESG scoring and portfolio monitoring.

SPECIAL THANKS

The 2022 cohort would like to thank everyone who helped create, develop and maintain the Applied Portfolio Management Program. Through your combined efforts, we have been given an incredible opportunity over the past two years to gain hands-on experience and learn from some of the brightest minds in the industry. Your contributions have helped our cohort get started in our career journeys, and we cannot thank you enough for that. In particular, we would like to thank Jordie and Johann for creating this program and remaining so involved by running it to this day. Furthermore, we would like to thank Saurabh for his enthusiasm for teaching and helping our cohort develop our own passions for finance. In addition, we would like to thank Michael King and James Alder for their mentorship during the CFA Institute Research Challenge competition. We would like to thank each IAC member for their contributions to our investment decisions, our research process, and the time they have invested in our cohort and the program. Finally, a big thank you to UVic, BCI and CFA Society Victoria for their continued crucial participation in the APMP. Thank you so much for all your help and guidance!



CLIENTS AND PURPOSE

The APMP was established to provide students with investment education, hands-on experience and industry exposure. In 2017, the University of Victoria became the first client of APMP. UVic operates under the authority of the University Act and is governed by a Board of Governors and a Senate. All investments will be made in accordance with Section 57 of the University Act and will be investments that a prudent person would make. In 2018, with the support of one of its clients, BCI partnered with UVic and allocated additional funds for the students to manage within BCI's client's investment policy statement guidelines. The primary goal of APMP is to maximize experiential learning for all participating students. As a secondary goal, the APMP portfolio is expected to match or exceed the performance of its respective benchmark, based on predetermined asset allocation laid out by our investment policy statement, while maintaining our ESG philosophy and overall investment philosophy and strategy.

RESPONSIBLE INVESTING AND NEW ESG PHILOSOPHY

ESG and responsible investing have been core elements of the APMP mandate since its inception. The core elements of the ESG philosophy are the APMP's ESG beliefs and principles. The following beliefs and principles listed below are derived from the ESG/responsible investment principles of our two clients: the British Columbia Investment Management Corporation (BCI) and the University of Victoria (UVic).

ESG Beliefs

We believe ESG integration adds value to our investment process because:

- We are long-term investors. By nature, companies strive for a business that is sustainable in the long term.
 Therefore, companies with robust ESG practices are well-positioned to generate long-term value for investors¹.
- The rise of ESG is apparent in the marketplace. Taking ESG factors into consideration helps us better understand the risk/reward we are taking on through our investments.



1 "BCI ESG Strategy" page 3

ESG Principles

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The following principles guide us through the implementation of our ESG beliefs:

Principle 1: Our fiduciary responsibility to our clients is always at the forefront of our ESG activities. As the ESG landscape evolves, it is our duty as asset managers to capitalize on the opportunity and manage the risks in the space on behalf of our clients.

Principle 2: We manage ESG risks and seek opportunities for our clients based on our own materiality assessments and the materiality assessments put out by BCI and/or UVic.

Principle 3: Our ESG philosophy and implementation will continue to evolve based on our experiences and responsible investing standards in the market.

Principle 4: We will actively engage with companies through proxy voting and company or collaborative engagements where the opportunity presents itself.

Principle 5: We encourage comprehensive ESG disclosure and transparent ESG communication in the market, which is evident in our equity selection, ESG scoring and proxy voting. We will further promote these practices as opportunities arise.

In summary, the APMP strives to implement and instill ESG best practices for the performance of the fund and for the portfolio managers' investment analysis skillsets. Each new addition to the fund is assessed and scored with respect to ESG performance. Portfolio managers aim to actively engage on key ESG matters with companies held in the fund, primarily through proxy voting. Furthermore, this ESG competency enables alumni to influence positive ESG change in future roles and will differentiate our alumni as they progress through their careers.

RISK MANAGEMENT

The portfolio has a robust risk management framework to avoid the permanent loss of capital and to ensure that future cohorts of portfolio managers can grow the portfolio. This framework includes the collection and analysis of risk metrics, a predefined investable universe, and guidelines governing asset allocation and holding concentration limits. The fund's benchmark allocation is 60% equity and 40% fixed income securities; portfolio managers can tactically adjust this allocation but must never exceed 70% equity or 50% fixed income allocations. The investable equity universe is limited to Canadian and US equity securities that are members of the S&P/TSX Composite Index or the S&P 500 Index. The investable fixed income universe is limited to investment-grade issues from Canadian-listed companies, governments and governmentrelated entities. In addition, portfolio managers are allowed to purchase Exchange Traded Funds (ETFs) that are composed of securities in the investable universe.



INVESTMENT PHILOSOPHY

The investment philosophy is a set of beliefs and principles that inform the portfolio manager's decision-making processes. It outlines the following: 1) How our clients' objectives are embedded into our investment philosophy and, 2) Our beliefs about market efficiency, our investment horizon, ESG integration, market timing and the best approach to achieve consistent performance.

Our Clients: The primary objective of the program's clients; the British Columbia Investment Management Corporation (BCI) and the University of Victoria (UVic), is to meet their long-term return requirements. As such, the fund invests for the long-term, holding assets that both provide reliable cash flows, and we believe will appreciate over time.

Our Beliefs: The program operates on the following fundamental beliefs about markets and investing.

1. Short-term asset prices can be driven by investor behaviour; in the long term, asset values are driven by earnings. We believe investor behaviour can drive short-term discrepancies between price and value. In the long term, we believe this gap converges.

- Focussing on the long-term can improve performance.
 Holding compounding assets for long periods can
 generate excess returns. As the program faces no capital
 outflow obligations, we can exercise the patience and
 discipline required for these returns to be realized.
- ESG integration is critical to both risk management and identifying attractive investment opportunities.
 Companies that employ robust ESG practices are best positioned to generate long-term value for investors.
- 4. Market timing is not part of our investment process. We do not believe we possess the predictive ability required to consistently time market movements. Our asset allocation and selection decisions are informed by our interpretation of where we stand in the economic cycle, but we invest for the long term and do not attempt to anticipate fluctuations in asset prices.
- 5. Consistent performance is best achieved through a bottom-up approach. We believe basing investment decisions primarily on our analysis of individual companies is the best way to achieve consistent performance. Asset or sector-based allocation decisions are used as a defensive tool rather than a driver of returns.



INVESTMENT STRATEGY

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The investment strategy is the portfolio managers' plan to implement the investment philosophy. Each section of the investment strategy; macro, risk, ESG, holdings and the sell discipline, consists of two components: 1) An outline of the

portfolio managers' high-level beliefs about the topic and, 2) The processes and procedures that imbed their beliefs into the investment process.

COMPONENT	BELIEFS	INTEGRATION
MACROECONOMICS	The primary role of macroeconomic analysis in our investment process is to develop an understanding of where we stand in the economic cycle, and what implications that has on the investment environment. Macroeconomics should serve as a 'layer' in our investment process but should not be the primary driver of an investment decision.	Our analysis focusses on developing an understanding of the current investment environment. Our high-level framework for assessing the investment environment consists of three questions inspired by Howard Marks' 2006 memo, "It Is What It Is": 1. Where do we stand in the economic cycle? 2. How have markets been performing? 3. How have investors been behaving?
RISK	The primary framework for risk management is the Investment Policy Statement, which sets limits on the portfolio's asset allocation, concentration in single positions and sector weightings. Within the constraints of the IPS, the primary determinant of overall portfolio risk is our asset mix.	The portfolio controls and measures risk through three primary channels: 1. Macroeconomic risk, 2. ESG risk and, 3. Risk modelling.
ESG	As long-term investors, ESG integration is fundamental to our investment process; sustainable businesses will be best positioned for the long-term. Taking ESG factors into consideration improves our ability to understand the risk / reward profile of our investments.	We conduct an ESG review on each company we invest in and score the companies based on a proprietary scoring system. We participate in Proxy Voting each year for all our eligible investments. We actively calculate and monitor our portfolio's Carbon Footprint.
HOLDINGS	Long-term investments in compounding assets are likely to generate excess returns; our intention is to hold positions in companies with a proven track record of value creation. The primary purpose of fixed income in the portfolio is to: 1) Reduce portfolio volatility and, 2) Provide diversification.	We look for companies with the following characteristics: 1. Profitable growth potential, 2. Sustainable leverage, 3. Robust ESG practices, 4. Thematic tailwinds, 5. Competitive advantages and, 6. A history of effective capital allocation.
SELL DISCIPLINE	While we recognize that holding high-conviction positions in quality companies over a multi-year investment horizon can generate excess returns, there are rational reasons to trim or exit a position.	Our sell discipline outlines several factors that would drive us to trim or exit a position. 1. Deterioration of investment thesis, 2. Change in long-term earnings power, 3. Excessive valuation or, 4. Opportunities to allocate capital to more compelling investment opportunities.

INCOMING PORTFOLIO MANAGERS

Andrew Strean

Andrew is a fourth-year Bachelor of Commerce at the Gustavson School of Business. Once he completed the Applied Investment Management course, he spent the summer work term with the private debt group at BCI. After completing a semester abroad in fall 2022, Andrew will be spending his winter work term on the



Photo credit: Dawson Wikkerink

investment banking team at Raymond James. Through these experiences, Andrew hopes to continue to develop an understanding of capital markets employment opportunities. Andrew enjoys snowboarding, surfing and travelling in his spare time.

Carson Claridge

Carson is a fourth-year Bachelor of Commerce student in the Gustavson School of Business. This summer he worked as a retail associate with Odlum Brown Limited, a full-service investment management firm. Carson has been interested in finance and investing from a young age and the opportunity to participate in



Photo credit: Heather Claridge

Applied Investment Management course and the Applied Portfolio Management Program was a great opportunity to expand his learning and experience in investment management. Carson is excited for his new role as portfolio manager in the APMP fund and the experiential learning opportunities to come. Upon graduation, he plans on launching a career in capital markets. In his spare time, Carson enjoys time out on the water with friends and family, biking and skiing as many days as possible.

Aisha Hunter-Bellavia

Aisha is a fourth-year Bachelor of Commerce Student at the Gustavson School of Business pursuing the non-specialized option and studying for the CFA level 1 exam. Her interest in finance began through various mentorship programs such as the Gustavson Executive Mentorship Program and Women in Capital Markets.



Photo credit: Mryn Morrison

She then became the executive of finance for the University of Victoria Commerce Students' Society in her third year. Recently, Aisha completed a co-op at TD Securities Toronto working in global markets, global equity derivatives, specifically in structured notes sales. Post-grad, Aisha is excited to join TD Securities as a full-time associate in the global markets sales and trading rotational program and volunteer on the Women in Leadership committee. In her free time, Aisha loves travelling, trying out new restaurants, staying active and spending time with friends and family. She is currently studying on exchange in Tokyo, Japan.

Tiana Li

Tiana is a fourth-year Bachelor of Commerce student at the Gustavson School of Business, with a career focus in accounting and finance. Previously, she completed a co-op with the Bank of Montreal as a personal banking associate. During the past summer, she completed her accounting co-op with KPMG LLP in Victoria as an



Photo credit: Anika Li

audit intern, and she will be returning in January 2023 for her last work term with the firm. For her last year, Tiana will be taking courses to satisfy CPA prerequisites and taking part in the Commerce Student Society as an executive of finance. Upon graduation, Tiana hopes to pursue a career in either the finance or accounting industry. In her spare time, Tiana enjoys running, hiking and spending time with family and friends.

Evan Guildford

Evan Guildford is a fourth-year Bachelor of Commerce student pursuing a non-specialized option with his degree. Evan considers himself a Victoria native but has lived in Hong Kong and Halifax as a child. During the fall he will be on exchange in Morocco at the ESCA École de Management where Photo credit: Tom Howard he will be studying international



business. In the spring, he will return to Canada to start a co-op as a capital markets associate at Acumen Capital Partners in Calgary. Evan's past co-ops include the Business Development Bank of Canada (commercial lending) and Scotiabank (wealth management). Evan tries to choose a diverse range of co-op roles to expose him to multiple industries within the finance world. He has yet to settle on any particular area of finance after graduation but thinks he would like to explore the private markets in more detail. Prior to the APMP, Evan completed the AIMC and presented an investment thesis on Andlauer Healthcare Group. Through the APMP, Evan aims to bolster his modelling skills and expand his understanding of portfolio risk monitoring. Evan's favourite pastimes include camping, basketball and flying, as well as travelling.

Coleton Smith

Coleton is a fourth-year Bachelor of Commerce at the Gustavson School of Business. During his semester abroad at Copenhagen Business School he developed a strong interest in finance, which led to him joining BDO's M&A and capital markets team in Toronto for a fall co-op term. He is looking forward to working with the APMP Jill Bonneteau-Smith



Photo credit:

as an equity analyst to continue to learn more about the financial markets. Upon finishing his degree, he plans to pursue a career in the capital markets industry. In his spare time, Coleton enjoys watching premier league football, playing hockey and golfing.

Ben Harfield

Ben is a fourth-year Bachelor of Commerce student focused on the finance industry with the intention to graduate from the BCom program in August of 2023. He is a quick learner with strong attention to detail and an aptitude for formulating practical solutions. Ben has completed two co-ops with The Wealth Council (financial



Photo credit: James Harfield

planning) and Palisade Capital (investments) and will be doing his final co-op with them from January-April 2023. They are separate entities but share many clients and their work often overlaps. They both operate out of the same office and have a small team of 14 in total. Ben splits his time with both firms being a research analyst with Palisade and doing accounting/financial planning work with the Wealth Council. Ben is registered to take his CFA level 1 exam in May of 2023. In his spare time, Ben plays electric and acoustic guitar and he has been performing at various bars and clubs.

APMP ALUMNI FEATURE - WHERE ARE THEY NOW?

ALUMNI INTERVIEW WITH MORGAN AYRES

Morgan is a former APMP portfolio manager, who has gone on to work in the investment management industry after completing the program. Morgan joined VCIM in July 2021 on the active equities team where she researches new investment ideas and supports portfolio construction decisions across three independent portfolios. Prior to joining VCIM, Morgan began her career at BCI where she had the opportunity to learn in three different roles including macro investment research, ESG, and global equities before joining as a full-time employee on the partnership portfolio team. Morgan earned her degree in Economics and Business from the University of Victoria in 2019.



APMP: How has your professional career developed since the APMP?

Morgan Ayres: It has definitely come a long way since the APMP. My program was halfway through when COVID-19 started. It was a unique experience being half in person and half online. Throughout the APMP, I interned at BCI for four terms across the macro investment research, public markets ESG, and global fundamental equities teams. I joined BCI as a full-time analyst upon graduation on the partnership portfolio team. I gained exposure to equity strategies and direct deals, while giving me a holistic view of how that side of the finance world worked. A little over a year ago, I had the opportunity to move over to Vancity Investment Management (VCIM). I feel incredibly lucky to work with such an incredible team where every day is a new learning opportunity and a new chance to put your hand up.

APMP: What was the most valuable part of the program for you?

MA: Getting to build and be a part of the community involved with APMP. It can be challenging to find your way into the finance industry and finding people to support you through your career—the APMP really gives you that. People genuinely care about your success, not just within the program, but your career and life afterward. From sitting down with people to prepare questions, tackle professional weaknesses, it helped me create many opportunities down the road. I don't know where I would be without the APMP community.

APMP: How would you describe your experience to come full circle as an IAC member?

MA: I remember my first meeting as an IAC member and the first thing I thought of was how nervous the students may have been on the other side of the investment

committee. I introduced that perspective to the committee members who have been in their careers for a long time, reminding them what it was like being a student pitching a stock. I am happy to be able to help support the students in that setting while providing insights on how we may better help students as the committee.

APMP: In hindsight, what would be your most significant piece of advice for either the graduating portfolio managers or the incoming cohort?

MA: For those leaving the program and looking for jobs, as long as you put in the hard work, things will come together. Always remember the work and effort you've put in to show yourself as a high-quality candidate. It is only a matter of time before things work out. Don't be afraid to ask questions and reach out to the investment committee for help, especially being new to the industry. You don't have to worry about having all the answers, it is a learning process, and having help along the way paves a faster route to your success.

APMP: How do you keep learning?

MA: Podcasts are always a great way to learn, whether about investing, a specific business sector or just everyday things. Learning about anything in life will help with investing—you never know where a good idea may stem from. Continuous learning and adding value to your growth is so crucial. Our team at Vancity has an ongoing book club. We have discussions on the books we are reading, and it is interesting to see each other's perspectives, being able to pull different ideas and learn from each other. One of my favorite books is Thinking in Bets: Making Better Decisions When You Don't Have All the Facts. In either a professional or personal regard, it is key to be able to make decisions in stressful situations, learn how to make better decisions over time, and be able to learn from past mistakes.

APMP EMPLOYER FEATURE - BCI

EMPLOYER INTERVIEW WITH **JENNIFER COULSON**– VICE PRESIDENT OF ESG

Jennifer Coulson has worked in the financial services industry for more than 20 years. She began her career in the mutual fund business working for a national firm that specializes in responsible investing solutions. As a senior member of the public markets department at BCI she now oversees Environmental, Social and Governance (ESG) risk analysis for portfolio companies; engages with companies to manage ESG risk; develops public policy submissions on ESG matters of broad relevance to the investment industry; and oversees the proxy voting program. Jennifer has an undergraduate degree in Environment & Resource Management from the University of Western Ontario as well as a Masters in Environmental Studies from York University. She has attained the Institute of Corporate Directors designation (ICD.D); chairs the Investor Group of the 30% Club of Canada; serves on the Investment Advisory Committee for the University of Victoria Student Investment Fund; and is a member of the Board for the SDI Asset Owner Platform. Jennifer was recently recognized as one of BC's Most Influential Women in Finance by BC Business magazine.



APMP EMPLOYER FEATURE - BCI

EMPLOYER INTERVIEW WITH **KENTON FREITAG**- SENIOR MANAGING DIRECTOR OF PRIVATE DEBT

Kenton is the senior managing director for private debt at BCI. Prior to joining BCI, Kenton worked as a corporate credit analyst for S&P in Toronto, a loan officer for Export Development Canada in Ottawa and a policy analyst for the Department of Finance in Ottawa. Kenton holds a Bachelor of Commerce from Queen's University, a Master of Economics from UBC, and a Chartered Financial Analyst designation.



APMP: What qualities do APMP students have?

Jennifer Coulson: If someone has made the commitment to APMP, you know that they are very passionate about finance and markets which is exactly what we're looking for. APMP also teaches students how to navigate diverse team dynamics, work under tight deadlines and build technical skills required for capital markets.

APMP: What advice would you give to students wanting to join BCI for a co-op term?

JC: Be curious. I've seen a lot of co-op students come and go, but the best ones are super curious about not only their job but also about the organization in general. Having that curiosity really shows that someone is passionate. I know as a young person it can be hard to ask a lot of questions, but we really try to emphasize the opposite since students are here to learn after all.

APMP: What type of work would students do during a co-op term with ESG's team?

JC: Data collection and analysis is probably the easiest way to describe it. ESG data is not as structured as traditional financial data so we're in the middle of automating some processes while also doing a lot of manual manipulation. Co-ops would typically get to different points in their term. Some may take on more responsibility than others based on their skill development.

APMP: What qualities do APMP students have?

Kenton Freitag: To put it simply, passion. Something we look for in all candidates is a desire to be in finance so if they get into APMP, it likely indicates that they have a strong interest in the financial field as there is a bit of screening to get into the program.

APMP: What advice would you give to students wanting to join BCI for a co-op term?

KF: Most importantly, have a strong interest in the pension management field with a deep understanding of the business because that's what BCI is all about. Secondly, have a great work ethic, bring a lot of enthusiasm along with a positive attitude and be willing to learn.

APMP: Have you noticed any missing skill sets from co-op students?

KF: No, I've been very impressed right across the board. Students come well prepared, curious, with great work habits, basically all the things that I would hope to see in a co-op student with the private debt department. This shows the quality of the candidates along with our competitive selection process. Credit is such a specialized skill that you could never expect someone to come out of university and have it all figured out. We look for soft skills since technical skills can always be taught.

FULL-TIME CAREERS AND INTERNSHIP LIST

FULL-TIME CAREERS LIST

Alberta Investment Management Corporation – Public Equities

Bank of Canada – Financial Markets

BCI – ESG (Public Markets)

BCI – Public Markets

BCI - Private Debt

BCI – Investment Operations

CIBC Capital Markets – Equity Research

CIBC Capital Markets – Institutional Structuring

CIBC Capital Markets – Investment Banking

Connor, Clark & Lunn – Retail Portfolio Operations

Dixon Mitchell Investment Counsel Inc. – Portfolio Research

ECO Canada – Administration

Gibson Energy – Corporate Finance

KPMG - Audit

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MEG Energy – Strategic Planning

Owens MacFadyen Group – Wealth Management

Raymond James – Investment Banking

Scotiabank – Wealth Management

TD Securities – Global Counterparty Credit

Vancity Investment Management – Public Equities

Workday – Product Management

Workday – Software Engineering

CO-OP AND INTERNSHIP LIST

Alberta Investment Management Corporation – Public Equities

Alberta Investment Management Corporation – Private Investment Valuations

Acumen Capital Partners – Capital Markets

Bank of America Merrill Lynch – Wealth Management

Bank of Montreal – Commercial Banking

Basin Trust – Delivery of Benefits

BC Government – Investment Capital Branch

BC Government – Debt Capital Markets

BCI – Consulting & Client Services

BCI – Client Partnerships

BCI – Derivatives Operations

BCI – Economics

BCI – ESG (Investment Strategy and Risk)

BCI – ESG (Public Markets)

BCI – Investment Strategy & Risk

BCI – Partnership

BCI – Private Debt

BCI – Private Equity

BCI – Public Markets

BCI – Relationship Management

BCI – Strategic Investment Research Columbia

BDC – Commercial Lending

BDO - M&A and Capital Markets

CIBC Capital Markets – Sales & Trading

CIBC Capital Markets – Institutional Structuring

CIBC Capital Markets – Investment Banking

Colliers – Data Research

Connor, Clark & Lunn – Retail Portfolio Operations

Devon Properties – Asset Management and Leasing

Dixon Mitchell Investment Counsel Inc. – Portfolio Research

Fieldhouse Capital Management – Public Equities

Gibson Energy – Corporate Finance

Goldcorp – Finance

ECO Canada – Administration

EncoreFX – Treasury Trading

Fidelity Investments – Advisor Sales

Fidelity Investments – Corporate Accounting & Financial

Analysis

Global Alpha Capital Management – Equity Research

Martian Holdings – Public Equities

Ontario Teachers' Pension Plan – Equity Research

Ontario Teachers' Pension Plan – Private Equity

Oriental Harbour Investment Management – Public Equities

KPMG – Corporate Finance

Owens MacFadyen Group – Wealth Management

PenderFund Capital Management – Credit Markets

PGIM – Equity Research

PETRONAS Energy Canada – Governance, Risk, and Control

Group

PSP Investments – Private Equity

QualReal Property Group – Development and Investments

Raymond James – Investment Banking

RBC Dominion Securities – Wealth Management

RBC Capital Markets – Capital Markets Credit Risk

Roynat Capital – Leverage Finance

RS Energy Group – Research

Scotiabank – Wealth Management

Scotiabank – Investment Banking

Suncor Energy – Supply Trading and Optimization

Suncor Energy – Finance and Accounting

Suncor Energy – Finance Technology and Governance

TC Energy – Treasury

TD Securities – Global Counterparty Credit

TD Securities – Global Equity Derivatives

University of Victoria – Treasury

Vancity Investment Management – Public Equities

Whitecap Resources – Operations Accounting

Workday – Product Management

Workday – Mobile Software Development







