



**Gustavson**  
School of Business  
University of Victoria

# APPLIED PORTFOLIO MANAGEMENT PROGRAM

**ANNUAL REPORT 2023**



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## MESSAGE FROM THE DEAN

It is with great pleasure that I write to you as the new dean of the Gustavson School of Business. I am honoured to introduce the sixth annual report of the Applied Portfolio Management Program (APMP) – Gustavson’s flagship student-managed investment fund.

Since APMP’s inception in 2016, this experiential program has provided more than 50 students with a unique opportunity to manage a portfolio of investments that now surpasses \$1.5 million. APMP encapsulates our goal of developing responsible leaders for a better world. This program integrates sustainability, international business, and innovation into the education of our students, while creating connections with finance professionals and employers in Victoria’s business community.

One of my first activities as the incoming dean was to attend the equity pitch day for the graduating class of the Applied Investment Management Course (AIMC), the pre-requisite course that teaches how to be a portfolio manager. I witnessed first-hand the connection between the AIMC students and their instructor, Saurabh Suryavanshi of Dixon Mitchell. Saurabh’s commitment and care for his students was clear to see, supporting and inspiring them as they delivered their equity pitches. Saurabh’s passion for teaching is now embodied in the new Annual Saurabh Suryavanshi Award, which is graciously funded by donations from APMP alumni and awarded to the AIMC graduate who demonstrates the greatest passion and perseverance during the course.

The challenging market environment over the last fiscal year ending August 31st, 2023, has presented a great learning opportunity for the student portfolio managers. The equity allocation of the fund is now 100% actively managed with holdings in 23 Canadian and US large cap stocks, while the fixed income allocation is invested in an exchange traded fund. With interest rates rising sharply over the past year in Canada and the US, both equity and bond markets have declined. The fund returned 5.2% against a custom benchmark return of 8.9%, representing an underperformance of 374 basis points. The carbon footprint of the portfolio decreased with the weighted average carbon intensity declining from 142 to 106 metric tonnes of carbon dioxide equivalent per million dollars of sales (tCO<sub>2</sub>e/\$1m).



The emphasis of the fund has turned to risk management and stock selection, with the PMs developing risk metrics and screening tools aligned with the fund’s environment, social, and governance (ESG) philosophy. The portfolio managers monitored ESG votes and controversies, which enabled them to develop industry-specific questions and metrics for screening potential investments. They also developed templates and automated data collection to increase the efficiency of the research process.

Many individuals donate their time to make APMP successful. In particular, I would like to thank program managers Jordie Hutchinson of Edward Jones Financial and Johann Kuntze of BCI, the members of the steering committee and investment advisory committee, and the APMP mentors for their invaluable contributions to the student experience. I also want to extend a special thanks to the following professionals: Andrew Coward, associate vice-president Financial Planning and Operations, UVic; Samir Ben Tekaya, BCI; Mark Stephenson, UVic Treasury; and Ke Xu of UVic Economics. We are truly grateful for your service over the years to APMP.

Anita Bhappu, PhD

Dean and Professor, Gustavson School of Business  
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# FOUNDERS LETTER

As the season turns from summer to fall, there are many moving parts to our Applied Portfolio Management Program (APMP). Just as September often brings excitement to the markets, this time of year brings excitement for Johann and I. For one, the fiscal year rolls over and this allows us to proudly state that we have now graduated six cohorts of portfolio managers! For those keeping track, the APMP now has 50 alumni in addition to our four founding students. We are often asked what has made our program successful and why we continue to dedicate countless volunteer hours towards the APMP? The answer largely lies within these 54 students as we have been fortunate to watch them grow as humans and investment professionals, move on to exciting careers and become friends and professionals in our networks.

We also launched another Applied Investment Management Course (AIMC) with the goal of delivering experiential learning to a new cohort of passionate and hard-working

students. This year we had a record 47 applicants, giving us confidence the future of the APMP is bright. The secret is out, and we believe a major part of that secret is our course instructor, Saurabh Suryavanshi. Every year Johann and I receive letters from former students saying the AIMC, and Saurabh's involvement, was the best experience of their university years and how they wouldn't be where they are without him. Every year we wholeheartedly agree and this year we were proud to commemorate that with an annual award in his honour. We sought to raise money to present a monetary award to one AIMC graduate who demonstrated passion and perseverance throughout the course. We were overwhelmed with the support of the alumni and the 90% participation rate we reached. Just another way to say how much we appreciate all the work you do Saurabh!

This is not a solo effort and we want to once again highlight our support network at the University of Victoria as we truly couldn't function without you. Mia Maki and Amanda

Taylor for all you do in the background on the funding and organizational side. Clare Harris for singlehandedly coordinating the events we run throughout the year and Sasha Milam for producing the annual report. UVic Treasury has been a tireless supporter since day one – Andrew Coward, Mark Stephenson and Steven Fan, your help is greatly appreciated. On the faculty side, we want to thank Ke Xu (Economics) and Michael King (Gustavson School of Business) for your work on the steering committee, the investment advisory committee (IAC) and being the day-to-day on-campus presence. We would like to welcome two new members to the APMP advisory team, Raymond Aoki, treasurer and Vasco Gabriel, economics chair – we look forward to working alongside you and thank you in advance for your contributions.

We once again want to acknowledge the support we receive from our IAC members (Page 4) and our industry mentors (Page 16). Each year, it humbles us to have such a busy, experienced and supportive group of volunteers give their precious time and resources to help our program and our students.

In the spirit of saving the best for last, Johann and I would like to congratulate our graduating portfolio managers and wish them success as they make the move from university life to real life. Carson Claridge, Evan Guildford, Ben Harfield, Aisha Hunter-Bellavia, Tiana Li, Coleton Smith and Andrew Streat – it has truly been a pleasure to work with you, learn from you, mentor you and get to know you as humans. We are excited to watch your success going forward and look forward to staying in touch!

Thank you for reading. We love hearing from you, so if you have any comments on our program, please reach out.

“An investment in knowledge pays the best interest.”

– Benjamin Franklin



Jordie Hutchinson, CFA



Johann Kuntze, CFA

# TIMELINE OF THE APMP PROGRAM

## o **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.

## o **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.

## o **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.

## o **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.

## o **Analyst Hiring** **Application Deadline and Interview Process: September**

All students who earn a grade of 80% 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 environmental, social and governance analysts.

## MESSAGE FROM CFA SOCIETY VICTORIA

As the committee chair of university relations for CFA Society Victoria board, I wish to congratulate the APMP on a successful sixth year. All participants of the program should be proud of the strong financial performance of the fund throughout its history on both an absolute and relative basis. We continue to be impressed with the career trajectories of graduates from the program.

The CFA Institute recognizes the value of student managed investment funds and CFA Society Victoria has been actively engaged with the APMP for many years. We remain proud supporters of the program and it is our goal to continue to find ways to strengthen the bond between the two organizations in the future.

On behalf of the society, we would like to thank the stakeholders who support the APMP, including the CFA Institute and CFA Society Victoria board, the University of Victoria and the Gustavson School of Business, as well as individual CFA charterholders and investment professionals.

*Sanjeet Dhari, CFA, University Relations,  
CFA Society Victoria*



## YEAR IN REVIEW

### Outgoing Portfolio managers/MEET THE TEAM

#### **Tiana Li**

Tiana is a recent graduate of the Gustavson School of Business, with a focus on finance and accounting. Over the course of her degree, Tiana has completed co-op terms with BMO in retail banking and KPMG in the audit division. In October 2023, Tiana will join the KPMG Victoria office full-time in the audit division. Looking forward, Tiana hopes to pursue a CPA designation and a career in the accounting and finance industry. During her spare time, Tiana likes to stay active, travel, and spend time with family and friends.



*Photo credit: Dilan Ilhan*

#### **Ben Harfield**

Ben is a recent graduate of the UVic BCom program. His interest in finance started in core year and was exemplified during his two co-ops at Palisade Capital and The Wealth Council. He was able to apply his learnings in the APMP as a portfolio manager and coordinated this year's annual report. Ben was also able to successfully pass the CFA Level 1 exam in May of 2023 and is beginning to study for the Level 2 exam in May 2024. Outside of school, Ben is an avid sports fan and was able to see his favorite team, the Pittsburgh Steelers, in his first NFL game in September. He has also dedicated eight years to music as a guitarist and singer, and is performing at a variety of local venues.



*Photo credit: Stephanie Harfield*

#### **Evan Guildford**

Evan is a recent BCom graduate from the Gustavson School of Business. Evan's three co-op terms ranged from wealth management to commercial banking and equity research. While at UVic, Evan was involved in several on- and off-campus organizations, including JDC West, the UVic Investment Group, the UVic Students Society, and the Delta Kappa Epsilon fraternity. This fall, Evan will be moving to Calgary to work as an analyst for SAF Group in the private credit area while also studying for CFA I. Outside of finance, Evan's passions are rooted in the outdoors: backcountry camping, hiking, recreational aviation and snowboarding.



*Photo credit: Acumen Capital*

### Andrew Stearn

Andrew is a recent graduate of the Gustavson School of Business, completing his Bachelor of Commerce degree with a focus on finance during the summer of 2023. Following his participation in the Applied Investment Management Course, Andrew held co-op roles on the private debt team at BCI and in investment banking at Raymond James. Andrew will be joining Raymond James' team in Toronto full-time in October 2023 as an investment banking analyst. In his spare time, Andrew enjoys snowboarding, surfing and travelling.



Photo credit: Dawson Wikkerink

### Aisha Hunter-Bellavia

Aisha is a recent BCom graduate from the Gustavson School of Business and is now working full-time at TD Securities as a Global Markets Associate in Toronto. Over the course of her degree, she completed multiple co-op terms including at TD Securities and TD Wealth. Aisha also travelled on an exchange term in Tokyo, Japan and was involved with student initiatives such as the Commerce Students' Society, Gustavson Mentorship Program and JDC West. She has now completed Level 1 of the CFA, the Conduct and Practices Handbook Course (CPH) and the Derivatives Fundamentals and Options Licensing Course (DFOL). Outside of work, Aisha plans on travelling, continuing her CFA studies and volunteering to help promote opportunities in finance for women and youth.



Photo credit: Mryn Morrison

### Carson Claridge

Carson recently completed his Bachelor of Commerce degree from the University of Victoria's Gustavson School of Business. Throughout the past year, he completed an internship with PenderFund Capital Management's fixed income team and completed an exchange semester at UC3M Business School (Madrid, Spain). Carson is currently pursuing his CFA designation and will be joining BCI's infrastructure and renewable resources team as an intern in Winter 2024. Outside of work, he spends his time in the mountains as an avid skier and on the couch cheering on his favourite NFL team.



Photo credit: Heather Claridge

### Coleton Smith

Coleton is a recent graduate of the Gustavson School of Business with a concentration in accounting and finance. He has completed internships in accounting and corporate finance at EY, BDO and Sampford Advisors. Upon graduation he is currently working full time at Raymond James on their investment banking team in Toronto. Outside of work he enjoys playing hockey, cooking and trying new restaurants.



Photo credit: Jill Bonneteau-Smith

## PERFORMANCE

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 US equities (39.0%), and underweight Canadian Equities (26.3%) and fixed income (32.4%), with a cash balance of 4.3%. 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.

Over the fiscal year ended August 31st, 2023, the fund returned 5.2% against a custom benchmark return of 8.9%, representing an underperformance of 374bps. The fund benefitted from its asset allocation strategy, overweighting equities and underweighting fixed income. In addition, within the APMP equity holdings, the bias towards the US market relative to the Canadian generated a positive allocation effect. During the portfolio managers' tenure, the S&P 500 returned 19.5%, the S&P/TSX returned 9.1% and the FTSE Canadian Bond Index returned 1.1%. Despite positive outcomes attributable to a positive allocation effect, within asset classes, the fund saw a negative selection effect across the board; based on selected investments in Canadian equities, US equities, and Canadian bonds, the APMP portfolio underperformed its respective asset-class specific benchmarks. The fund had 23 equity holdings at year-end. These holdings consisted of 10 Canadian equities and 13 US equities.

FIGURE 1: ASSET ALLOCATION (AUGUST 31ST)

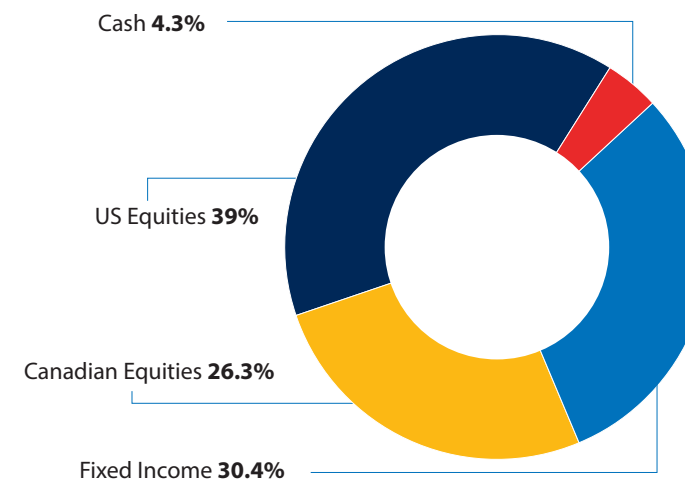
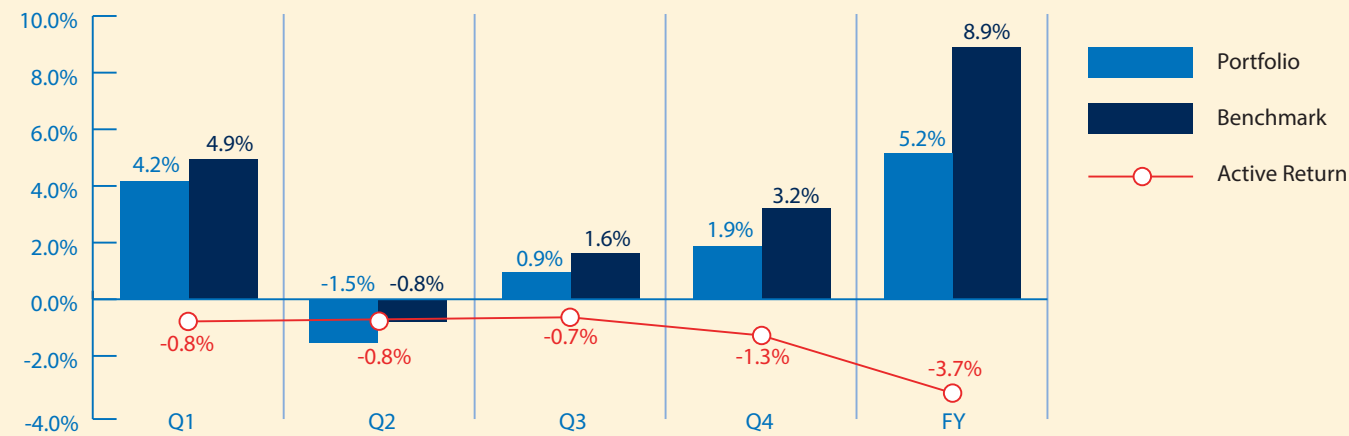


FIGURE 2: ACTIVE RETURNS (QUARTERLY)

September 1, 2022 - August 31, 2023



Over the course of the year, the BoC increased interest rates from 2.5% to 5.0%. Amidst the tightening cycle, the Canadian and US economies showed resilience prompting adjustments to the funds fixed income positioning as managers paid close attention to core economic indicators. As investors digested higher interest rates, the portfolio managers saw an opportunity to exit a short duration biased

fixed income strategy based on an assumption that the yield curve would normalize and no further surprise rate hikes would occur. In doing so, the funds fixed income strategy became neutral to the fixed income benchmark XBB where proceeds were reinvested after the sale of the shorter duration XSB.

FIGURE 3: PORTFOLIO VS. BENCHMARK (ITD RETURNS)

September 1, 2022 - August 31, 2023



The portfolio managers initiated positions in two equities over the fiscal year: Costco Wholesale (COST) and Service Corporation International (SCI). Between the time positions were initiated and the August 31 year end, Costco outperformed returning 10% while Service Corp traded roughly flat. Over the period, the market recovery seemed removed from economic fundamentals, which the fund managers felt had the potential to be much more disruptive to returns when compared to historical increases in yields. The period saw both Canadian and US economies accelerate in face of higher borrowing costs with economic analysts consistently revising when a “recession”

would occur. A notable driver of the upward momentum in markets throughout the year was the significant rally in technology names, particularly in a small handful of mega cap names which largely bolstered the rise in the S&P 500. In part, the funds underperformance can be attributed to the relative underrepresentation of these equities and the high growth technology sector as a whole in the portfolio. Going forwards the managers view the portfolio as well positioned for strong long-term performance through cycles with new positions in two resilient companies with strong fundamentals and attractive growth opportunities.

## NEW INVESTMENTS

### EQUITY INVESTMENT

Service Corporation International (“Service Corp”, or “SCI”) is the largest funeral and cemetery operator in North America, offering cremation, burial products, reception and catering services, and burial plot combinations in 44 states and 8 provinces. As of YE 2022, SCI has over 1,900 locations consisting of funeral homes and cemeteries across North America. SCI caught the eye of this year’s portfolio managers after having done an earlier analysis of a competitor in the deathcare industry, Park Lawn Corporation (“PLC”). With the industry’s long-term tailwinds arising from an aging demographic and scarcity of cemetery space in urban areas, it became a matter of which player was best positioned to benefit from them. While PLC had hitched their wagon to an acquisition-led strategy, the portfolio managers learned through consultation with IAC members that the feasibility of such a strategy may be overstated given the fragmentation and small scale of the majority of North American operators. Service Corp exhibited consistently higher ROIC and cash flow margins that showed their pricing power and scale as the largest company in North American deathcare was translating to shareholder value better than their competitors.

### EQUITY INVESTMENT

Costco Wholesale Corp. (“COST” or “the Company”) was selected by the portfolio managers this year as a company that would help the portfolio weather a macro environment mired in inflation and rising cost of debt. Our investment thesis for Costco is “We believe Costco... is the best discount wholesaler in North America and has unmatched member loyalty and cash flows. Their low-leveraged yet growth-focused model has demonstrated exponential value creation that has the potential to be replicated globally as they expand beyond North America”. Costco boasts a 92% retention rate among members and we believe this rock-solid loyalty would remain as inflation pushes consumers to cling to their trusted wholesaler for everyday goods. Costco, unlike its competitors Walmart and Target, is completely insulated from the rising cost of debt as their cash-positive position means they can focus on gross margins and have the capacity to borrow for international expansion. The portfolio managers believe their entry into global markets is an important growth catalyst that would unlock extraordinary shareholder value if they are able to replicate their North America success story. Renewal rates abroad are only one point lower than the US and Canada at 91% which instilled confidence in the portfolio managers in the attractiveness of Costco’s story.

### EQUITY DIVESTMENT

Nutrien Ltd. (“NTR” or “the Company”), one of the world’s largest producers of potash and other crop nutrients, was purchased by the APMP’s cohort five managers in December 2021. Since the initial purchase, the Russian invasion of Ukraine and subsequent sanctions on Russian and Belarusian potash massively reduced global supply, putting significant upward pressure on prices of potash and other crop nutrients. As such, Nutrien outperformed and the cohort five managers elected to trim the position by roughly half. During our tenure, we evaluated Nutrien and elected to sell the name completely based on a belief that:

- i) the future of the Company depended heavily on the unpredictable outcome of geopolitical conflict
- ii) capacity constraints would mean Nutrien could not fulfil gaps in supply to the extent previously thought
- iii) the Company was overvalued

### FIXED INCOME DIVESTMENT

When cohort six took over management of the APMP portfolio, the portfolio’s fixed income allocation was biased to shorter duration and higher credit quality relative to the benchmark. In entering this short-duration bias position, the APMP portfolio was protected from duration risk during periods of unprecedented monetary policy tightening undertaken by central banks eager to control inflation. By our third IAC meeting (February 2023), we elected to exit this short duration bias by selling XSB with proceeds to be reinvested in XBB to become benchmark neutral. This decision was based on managers:

- i) disinterest in making a bet that the Bank of Canada would surprise markets with future rate hikes in 2023
- ii) expectations that yields on shorter dated maturities would not drop more significantly than yields on medium and long-term maturities
- iii) expectations that rates would likely normalize higher than in the prior 10-15 years, in other words, managers anticipated that zero interest rate policy would no longer be considered the norm

# ACCOMPLISHMENTS AND NEW INITIATIVES

## TEMPLATES

Thanks to the previous cohort's work on delivering their goal of 100% active management in equity holdings and increasing the efficiency of the portfolio monitoring system, this cohort was able to spend more time focusing on research of new opportunities to add to the portfolio. As always, the goal is to improve efficiency and cohort six created a few templates to do just that. The first involved gathering data of companies more quickly. The portfolio managers put together a live database in Excel that derived the value of a variety of financial ratios and data for six companies, past and future, through the use of formulas with the Refinitiv Eikon platform. Once the portfolio managers select a company that looks attractive through our screener on Eikon or elsewhere, they are able to get a quick snapshot of the key financial data that is available for the past five years and next three years. Cohort six also created a standardized comparable template, utilizing the previously mentioned template's data, which overall has increased the efficiency in the research process of APMP. Lastly, the portfolio managers did some revamping of the presentation materials and created standardized templates for some key areas in the powerpoints and reports that took a lot of time from the portfolio managers. This should allow future cohorts to monitor existing holdings, search for new opportunities and spend less time doing back-end data work to increase efficiency.

## ESG ACCOMPLISHMENTS & INITIATIVES

The cohort six portfolio managers focused on making detailed updates to the APMP environmental, social and governance (ESG) philosophy. The cohort added specific questions, details and metrics to measure each component of ESG issues within the companies we screen and hold. Cohort six further monitored the companies' ESG news, reported on any notable events and assessed ESG scores based on any new material ESG news. Overall risk measures were added to the philosophy, such as extra screening being required for companies below a BB score on MSCI or Eikon which fail to meet the fund's initial ESG requirements. Additionally, cohort six continued the tracking of the portfolio's carbon footprint and the Weighted Average Carbon Intensity (WACI). The APMP portfolio WACI decreased from 142 CO2 E/\$M to 106 CO2 E/\$M as of the final meeting in July 2023. This decrease was attributed to managing the portfolio throughout the year in line with the philosophy of investing in companies that prioritize lowering carbon output.

## RISK

During the tenure of cohort six, portfolio managers focused on leveraging the existing tools inherited from prior cohorts, notably the VBA and Python risk models. Simultaneously, they placed strong emphasis on advancing the tools used to analyze the association between risk metrics and portfolio allocation. To provide portfolio managers with additional information on risk metrics, a Spot Value at Risk ("VaR") model was created to examine portfolio VaR by industry sector. The Spot VaR methodology functions by classifying portfolio holdings into their respective industry sectors and analyzing performance on the portfolio's worst day, specifically at the 95th percentile, over a five-year review period. This analysis equips portfolio managers with essential information regarding both positive and negative contributions to the overall VaR, thereby enhancing portfolio managers' decision-making capabilities through succinct risk management and asset allocation strategies. Cohort six envisions that future portfolio managers will continue to leverage the current tools at their disposal and that these tools will serve as a starting point for further development of how portfolio managers harness risk functions to steer the decision-making process.

## Looking Forward – Positioning for FY2023

Continuing with the precedent set by prior cohorts, the portfolio managers aided in the portfolio transition process by providing workshops on financial modelling, portfolio construction, performance attribution, ESG analysis and portfolio risk assessment. They also have provided the incoming portfolio managers a new investment opportunity that looked attractive but weren't able to pitch at the final IAC presentation. This portfolio transition should allow cohort seven to come into their first IAC with a solid foundation of their duties, companies and, hopefully, present their first pitch of a company right off the bat to get them on a roll early.

The cohort six portfolio managers were able to deliver on the previous cohorts focus by making new investment decisions and improving the efficiency of essential back-end systems and processes. We continue to hold the same focus for the 2024 cohort as the previous portfolio managers did last year which will be to:

- Monitor the existing equity theses while surveilling for attractive opportunities to substitute names in the equity portfolio
- 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 2023 cohort is greatly appreciative of everyone involved in helping make the APMP run for another successful year. We would like to thank Jordie and Johann for creating this program and remaining so involved by running it to this day. Saurabh also has played a crucial role in supporting the APMP over the past few years and we would like to thank him for developing the interest in finance of many students through his dedication and passion for teaching. In addition, 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. Their commentary is invaluable! Lastly, a big thank you to Michael King, UVic, BCI and CFA Society Victoria for their continued crucial participation in the APMP. Your time and effort is greatly appreciated and we are forever grateful!

# GUIDING PRINCIPLES

## 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 investors.
- 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.

- We share our stakeholder's deep beliefs in sustainability. We are committed to integrating ESG into our long-term investment decisions to address environmental, social and governance issues.

### ESG Principles

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

**Principle 1:** Our 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 skills. The APMP portfolio managers conduct thorough ESG screens before each new addition to the fund is presented as a pitch to the IAC 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 government-related 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:

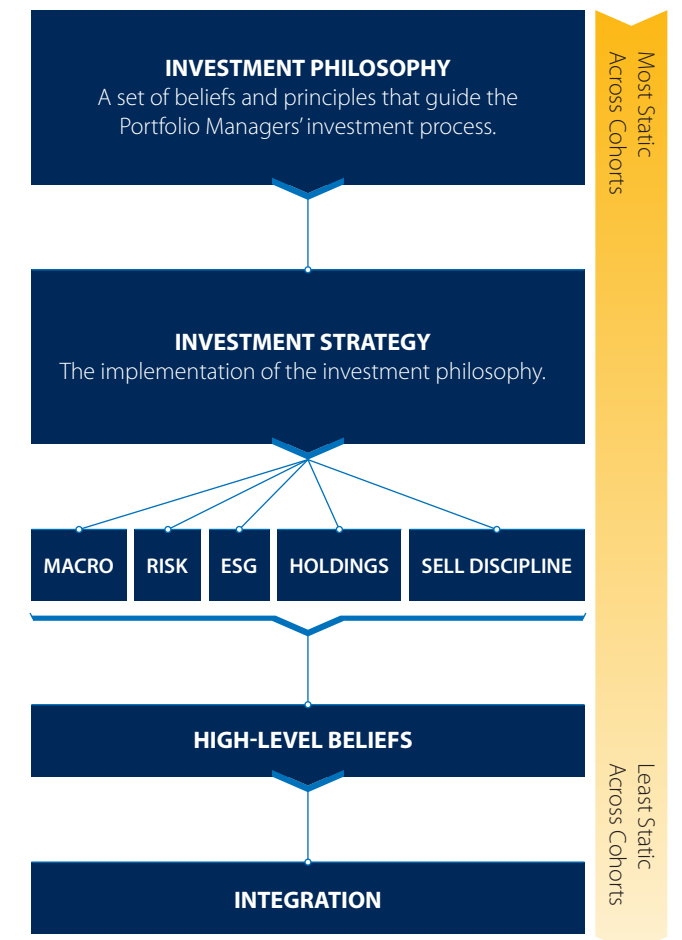
1. How our clients' objectives are embedded into our investment philosophy
2. Our beliefs about market efficiency, our investment horizon, ESG integration, market timing, and the best approach to achieve consistent performance

**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.
2. **Focusing 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.

3. **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

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
- 2) The processes and procedures that imbed their beliefs into the investment process

COMPONENT	BELIEFS	INTEGRATION
MACROECONOMICS	<p>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.</p> <p>Macroeconomics should serve as a 'layer' in our investment process but should not be the primary driver of an investment decision.</p>	<p>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":</p> <ol style="list-style-type: none"> <li>1. Where do we stand in the economic cycle?</li> <li>2. How have markets been performing?</li> <li>3. How have investors been behaving?</li> </ol>
RISK	<p>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.</p> <p>Within the constraints of the IPS, the primary determinant of overall portfolio risk is our asset mix.</p>	<p>The portfolio controls and measures risk through three primary channels:</p> <ol style="list-style-type: none"> <li>1. Macroeconomic risk,</li> <li>2. ESG risk and,</li> <li>3. Risk modelling.</li> </ol>
ESG	<p>As long-term investors, ESG integration is fundamental to our investment process; sustainable businesses will be best positioned for the long-term.</p> <p>Taking ESG factors into consideration improves our ability to understand the risk / reward profile of our investments.</p>	<p>We conduct an ESG review on each company we invest in and score the companies based on a proprietary scoring system.</p> <p>We participate in Proxy Voting each year for all our eligible investments.</p> <p>We actively calculate and monitor our portfolio's Carbon Footprint.</p>
HOLDINGS	<p>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.</p> <p>The primary purpose of fixed income in the portfolio is to: 1) Reduce portfolio volatility and, 2) Provide diversification.</p>	<p>We look for companies with the following characteristics:</p> <ol style="list-style-type: none"> <li>1. Profitable growth potential,</li> <li>2. Sustainable leverage,</li> <li>3. Robust ESG practices,</li> <li>4. Thematic tailwinds,</li> <li>5. Competitive advantages and,</li> <li>6. A history of effective capital allocation.</li> </ol>
SELL DISCIPLINE	<p>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.</p>	<p>Our sell discipline outlines several factors that would drive us to trim or exit a position.</p> <ol style="list-style-type: none"> <li>1. Deterioration of investment thesis,</li> <li>2. Change in long-term earnings power,</li> <li>3. Excessive valuation or,</li> <li>4. Opportunities to allocate capital to more compelling investment opportunities.</li> </ol>

## 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 & Global Head, 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; 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.

### 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.

### 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.

### Johann Kuntze

MA, CFA, Principal, ESG, 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.

### Rachel Vaughan

Senior Manager, Transactions & Total Portfolio Risk, BCI

Rachel joined BCI in 2008 and has had various roles throughout the organization. Currently, Rachel is the manager of transactions and total portfolio risk in the investment strategy and risk department. She has experience in conducting investment risk analysis, equity research, modelling, portfolio evaluation and transaction due diligence. In her current role, Rachel is responsible for leading a team of analysts to provide analysis and insight in the investment due diligence process which informs investment decision. Prior to joining BCI, Rachel worked in equity research area in Vancouver. Rachel holds a BSc of Economics degree from the University of Victoria and she holds the Financial Risk Manager (FRM) designation.



### 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.



### Doug Stadelman

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.



### Jordie Hutchinson

CFA, Financial Advisor, Edward Jones Investments

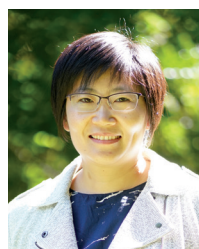
Jordie joined BCI in 2007 and held positions in the corporate and investor relations department and the public markets department, most recently as a portfolio manager on the Canadian equity team. In 2019, Jordie undertook a career shift and joined Edward Jones to become a financial advisor in his hometown 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.



### Dr. Ke Xu

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 innovations in finance, time-series analysis and China's financial market. She has a BA (Honours) from the University of Saskatchewan, an MA and a PhD from Queen's University. Her PhD thesis has won the C.A. Curtis Prize for the Best Doctoral Thesis. In 2018, she was awarded a SSHRC Insight Development grant.



### Morgan Ayres

Analyst, Vancity Investment Management

Morgan joined Vancity Investment Management (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.



## MENTORSHIP PROGRAM

Each year, portfolio managers and analysts are paired with industry professionals who will help guide them through the start of their careers. Portfolio managers and analysts meet regularly with their mentors to chat about career advice and for general guidance.

### Lincoln Webb

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

#### Mentor of Andrew Stearn

Lincoln Webb is the executive vice president, infrastructure and renewable resources at BCI. Lincoln leads the firm's infrastructure and 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, Viterro 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 Aisha Hunter-Bellavia

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 vice-president and director of the alternative investment strategy and proprietary trading 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.

### **Ian Cook**

Retired, Experienced Senior Finance Executive

#### **Mentor to Evan Guildford**

Ian 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, Ian 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. Ian stays involved with various organizations in the community in his retirement, including his role as a mentor to the APMP.

### **Riley Hunt**

Associate Investment Analyst, Vancity Investment Management

#### **Mentor to Coleton Smith**

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.

### **Kathy Marshall**

MBA, CFA, Senior Finance Executive

#### **Mentor to Coleton Smith**

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 Carson Claridge**

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 British Columbia. 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 (BA Econ), a CFA charterholder, and a past attendee of management programs at the Harvard and Sauder Business Schools.

### **Lauren Minogue**

CFA, Wealth Advisor, Connor, Clark & Lunn Private Capital

#### **Mentor to Tiana Li**

Lauren graduated from the University of Victoria in 2014 with a Bachelor of Commerce. Since she's become a CFA charterholder and is currently pursuing the CFP accreditation. Lauren has over eight years of experience in wealth management with a focus on private client relationships. Over the last six years, she has built a successful private wealth practice at Connor, Clark & Lunn Private Capital, one of Canada's largest, independent and privately held investment management firms. CC&L Private Capital constructs tailored, multi-asset class portfolios using a diverse range of traditional investments and direct ownership of alternative assets, all managed by investment teams that are part of CC&L Financial Group. Outside of her work with clients, Lauren is actively involved in the philanthropic community. She sits on the board of Social Venture Partners, a local Vancouver-based foundation and is the chair of the development committee. She is also an active participant with Junior Achievement of BC.

### **Alicia Armstrong**

Associate, US Small Cap, BCI

#### **Mentor to Ben Harfield**

An alumna of the APMP, Alicia has spent the last four years in BCI'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 BCI's financial literacy committee and mentoring students in UVic's APMP.



## APMP ALUMNI FEATURE – WHERE ARE THEY NOW?

### ALUMNI INTERVIEW WITH **AMY MCTAVISH**

Amy McTavish is an alumna of the APMP and managed the fund from September 2020 to August 2021. Amy graduated with a Bachelor of Commerce from the University of Victoria's Gustavson School of Business in December 2021. She first joined BCI's ESG team for a 12-month co-op term before joining the team full-time in January 2022. In her spare time, she enjoys reading, ocean swims and overnight backcountry hiking.



## APMP ALUMNI FEATURE – WHERE ARE THEY NOW?

### ALUMNI INTERVIEW WITH **JOHN FITZPATRICK**

John is an alumnus of the APMP and received an honours degree in economics with a minor in mathematics from the University of Victoria. During his tenure as a portfolio manager, John joined CIBC's investment banking team as a summer analyst before returning as a full-time analyst in the summer of 2022. In his first year in investment banking, his transaction experience has spanned advising Baytex Energy on their USD \$2.5 billion acquisition of Ranger Oil to helping various climate tech clients source growth equity.



#### **APMP: What has been in store for you since completing APMP?**

**Amy McTavish:** Throughout my APMP term, I also worked at BCI as a co-op on the ESG team in public markets. Working at BCI is where I developed my interest and passion for ESG. I was able to develop my ESG knowledge at work and apply it to my contributions to the APMP. Post-graduation, I joined BCI's ESG team full-time which is where I am still currently working. In my role, I get to do the ESG-specific due diligence for new public equity investment, engage with portfolio companies on ESG-specific topics, and participate in proxy voting. The ESG space is growing rapidly and there's an endless number of things to learn which is part of why I love what I do.

#### **APMP: In what ways has networking with fellow APMP alumni continued to benefit your career, and have any specific opportunities emerged from these connections?**

**AM:** Through this program, I was able to make connections with various BCI employees which I believe ultimately helped in securing my co-op role. Once I landed at BCI, I have been able to connect with many alumni over the years. This has translated into long-lasting friendships and professional connections. I've been able to seek mentorship and advice from alumni working at BCI which has greatly benefited my career.

#### **APMP: Reflecting on your time in the program, were there any critical lessons or insights that you initially underestimated but have since become more significant in your career?**

**AM:** Building a routine and a life that sustains you outside your work will ultimately benefit your career. When you are surrounded by highly successful peers, it can be easy to fall into patterns of overworking yourself. Sooner or later this leads to burnout and it is hard to perform your best when you're burnt out. Finding balance in my life post-graduation and learning to combat burnout has improved my performance at work and will ultimately benefit my career in the long run.

#### **APMP: As a successful professional in the finance industry, what advice would you give to recent graduates looking to establish themselves in the field, considering the evolving landscape of finance?**

**AM:** Genuine curiosity goes a long way. Particularly in networking, seek to understand people's story and why they do what they do. At the end of the day, you're talking to people not robots and people remember those that they connect with the most. Even if the immediate outcome isn't a job offer, you never know where those connections will lead down the road.

#### **APMP: Where has your journey taken you since APMP?**

**John Fitzpatrick:** After my term as a portfolio manager, I spent my final two semesters of university completing the honours program, which involves taking two additional courses in economic theory and writing a thesis. My thesis examined the cost and emissions impact of integrating wind turbines in northern Canada's diesel reliant communities. After graduation, I spent three months travelling in Southeast Asia before returning to CIBC as a full-time analyst.

#### **APMP: Can you describe a memorable investment opportunity or strategy that you learned or applied while in the program that had a significant impact on your career?**

**JF:** In our investment advisory committee meetings, my cohort emphasized establishing and adhering to a pre-defined investment philosophy. We often focused as much on articulating the alignment between our recommendation and philosophy as the analysis supporting the recommendation. One of our proudest moments as a cohort was revamping the fund's fixed income strategy. We grounded our recommendation of shortening the duration of the fund's fixed income positions by defining the purpose of fixed income in the portfolio – to reduce risk, not chase outsized returns.

This emphasis on taking a process-driven approach to work has had a significant impact on my career. The ability to establish a framework for a given task and adhere to it is key to delivering consistent results.

#### **APMP: Reflecting on your time in the program, were there any critical lessons or insights that you initially underestimated but have since become more significant in your career?**

**JF:** The style of teaching Saurabh adopts in the Applied Investment Management Course is the closest thing to the analysis conducted 'on the job' I experienced in university. He provides a framework to guide his students while leaving enough flexibility to encourage students to be creative in their approach. Even if you don't want to pursue a career in finance, participating in the AIMC is an excellent opportunity to develop your ability to think critically to address a problem.

#### **APMP: As a successful professional in the finance industry, what advice would you give to recent graduates looking to establish themselves in the field, considering the evolving landscape of finance?**

**JF:** Developing a strong foundation of technical skills while you are in school will pay dividends early in your career, especially if you enter the finance industry in a sell-side role. Client asks are often short notice, time-sensitive and demanding (my heart rate picked up a bit just writing that out). The stress involved with delivering accurate work in a timely manner will be diminished if you've ingrained the fundamentals in a low stress environment.

## APMP ALUMNI FEATURE – WHERE ARE THEY NOW?

### ALUMNI INTERVIEW WITH DYLAN LEUNG

Dylan is a 2022 BCom graduate from the fourth cohort of the APMP. Throughout his participation in APMP, Dylan completed co-op terms with BCI in both the global thematic equities and ESG strategy and risk along with Acumen Capital as a capital markets associate. Upon graduation, he accepted a contract position at the Ontario Teacher's Pension Plan in Toronto and now works full-time on the public fundamentals credit team. Dylan has also passed all 3 levels of the CFA and will soon be eligible for his charter



**APMP: In what ways has networking with fellow APMP alumni continued to benefit your career and have any specific opportunities emerged from these connections?**

**DL:** Maintaining a network with fellow APMP alumni has had both a personal and professional impact on me. From a career perspective, it has provided me a network of like-minded individuals at a similar career stage to reach out to for guidance, support, knowledge transfer, etc. On a personal level, I have made lifelong friends.

**APMP: Can you describe a memorable investment opportunity or strategy that you learned or applied while in the program that had a significant impact on your career?**

**DL:** There were many amazing learning opportunities, but two key concepts come to mind: understanding a business' competitive advantage and sell discipline.

In APMP, we are taught to do deep dives on companies to truly understand how a business operates and what it does better than its peers. You cannot correctly identify or appreciate threats/opportunities to a business model without this. Many poor investment returns have been the result of failing to anticipate these things.

Sell discipline is another concept that was introduced to us and something many cohorts struggled with. But this is common in even much more experienced investment teams. Having a framework laid out for how to evaluate when a thesis has played out, gone against you, or simply having more attractive investment opportunities available to you is a vital component of a successful investment strategy.

**APMP: Reflecting on your time in the program, were there any critical lessons or insights that you initially underestimated but have since become more significant in your career?**

**DL:** Simply put, the power of networking. This industry is very relationship based and many students underestimate the immense value a coffee chat with an employee of a firm or team you are interested in can have. It's about who you know just as much as what you know.

**APMP: What is your approach to staying informed about current financial markets and investment trends, and how has it evolved over the years since APMP?**

**DL:** Nowadays, I am fortunate enough to have Bloomberg Terminal. Prior to that, as an APMP student, I had access to the Thomson Reuters Eikon platform as that is a great news feed. But more broadly, I would recommend any student to visit free sources like investing.com, exploring the endless amount of market coverage podcasts or investing in an annual subscription to news outlets such as the WSJ.

**APMP: As a successful professional in the finance industry, what advice would you give to recent graduates looking to establish themselves in the field, considering the evolving landscape of finance?**

**DL:** Be open to all possibilities. Be open to moving to another city, maintain the continuous learning mindset and don't be afraid to apply to a role that you do not have all the required attributes. Hiring managers will take a chance on you if you display the right qualities and can be taught. I can say this from direct experience.

## INCOMING PORTFOLIO MANAGERS

### Jade Prezeau

Jade is a fourth-year Bachelor of Commerce student at the Gustavson School of Business. She has experience in management liability insurance underwriting and spent the past summer working with the private debt group at BCI. After an international exchange term at Bocconi University, she will be joining BCI's infrastructure and renewable resources group for the winter term. Upon graduation, Jade looks forward to pursuing a career in the capital markets, with a particular interest in the alternative assets. In her spare time, Jade loves to travel, read classic literature, and explore new restaurants and cuisines.



Photo credit: David Adams

### Justin Banmen

Justin is a fourth-year Bachelor of Commerce student at the Gustavson School of Business. From July until December of 2023, Justin will be studying at the University of Adolfo Ibanez in Vina del Mar, Chile. While in Chile, Justin hopes to gain a new perspective on emerging markets and gain cultural insights. After completing his degree, Justin intends to pursue a career in finance and achieve his goal of working in the finance sector in London, England. Justin has been managing his personal investment portfolios for over five years and aspires to apply key learnings to APMP. He will be starting a job at Acumen Capital as a capital markets associate in January. Justin's favourite activities include long-distance running, ice hockey and backpacking.



Photo credit: Nicolas Banmen

### William WarreLOW

William is a fourth-year Bachelor of Commerce student at the Gustavson School of Business, pursuing the non-specialized option. In the fall, he is attending Bocconi in Italy, where he is studying finance and accounting. William's past co-op experiences include digital consulting for Alacrity Canada, internal financial planning with Kingston Midstream, and, most recently, assisting the BC Ministry of Finance in issuing provincial bonds. Throughout his time at UVic, he has been an active team member in multiple clubs, including the UVic Formula Racing Team and UVic Student Consulting Club. After learning the fundamentals of long-term valuation and modelling through AIMC, he joined the APMP and hopes to further develop expertise in fixed income and risk management. He will be starting a job at Acumen Capital as a capital markets associate in January. In his free time, William enjoys hiking and snowboarding.



Photo credit: Jade Prezeau

### Mac Costigan

Mac is a fourth-year Bachelor of Commerce student at the Gustavson School of Business. After completing the Applied Investment Management Course, he spent the summer work term with the investments team at a single-family private office. During the fall semester, Mac will be studying finance abroad in Milan, Italy. Mac is excited to take on the role as a portfolio manager in the APMP fund and is eager to gain hands-on experience offered by the program. Upon graduation, Mac plans to pursue a career in capital markets. In his spare time, Mac enjoys skiing, fishing, and traveling with friends and family.



Photo credit: Jade Prezeau

### Peter Ochs

Peter is a fourth-year Bachelor of Commerce student at the Gustavson School of Business pursuing the entrepreneurship specialization. After completing the Applied Investment Management Course and presenting an investment thesis on ATS Corporation, he spent his summer work term in business development at TechPOS, a Vancouver based start-up where he helped the company to raise capital, establish partnerships and improve processes. Peter has a keen interest in both finance and entrepreneurship, and he aims to continue to explore how companies can create value in the public and private markets, especially within the technology sector, throughout the upcoming year. Peter has studied on exchange at IE University in Madrid. He also served as executive of corporate relations for the UVic Investment Group and he is excited to be working with the APMP as a portfolio manager. In his spare time, Peter enjoys travelling, photography, poker, and spending time with family and friends.



Photo credit: Greg Samborski Photography

### Jason Schriber

Jason is in his fourth year at UVic studying a Bachelor of Science in Economics, and a Business Minor. Currently, he is in Calgary working at Acumen Capital Partners, gaining exposure to equity research, institutional sales and investment banking. After his current internship, he hopes to complete one more work term prior to finishing his degree to gain more hands-on experience. While he isn't sure what area of finance he would like to focus in, he hopes to take as many opportunities as he can to continue developing his understanding of capital markets. Jason will be starting a job at Acumen Capital as a capital markets associate in January. Outside of finance, he loves travelling and trying new things and hopes that whatever adventures lie ahead will continue to help him learn and push his limits.



Photo credit: Jason Schriber

### Carter MacLean

Carter is a fourth-year Economics student minoring in business at the University of Victoria. He will be joining APMP as an analyst. Over the past year, he has been exploring his interest in finance through the Applied Investment Management Course, working as a wealth management assistant at Echelon Wealth Partners and pursuing his CSC designation. Upon completion of his degree, Carter aims to pursue his CFA designation and combine his experience and passion for helping people to pursue a career as an investment counsellor. In his spare time, Carter enjoys soccer, basketball and live music.



Photo credits: Alexander Bronson

## VALUE ADDED EXPERIENCE

### DCF VALUATION COURSE

Participating in the Marquee Group's Discounted Cash Flow (DCF) valuations course was a valuable and insightful experience for all those who had the opportunity to take part. Saurabh's industry knowledge is exceptional, and his instructional approach in the Applied Investment Management Course (AIMC) equipped us with a strong foundational understanding of modeling and DCF analysis. However, despite the valuable foundation provided by the AIMC, the knowledge and understanding we gained from it was fairly rudimentary. Our journey of development in this area is far from complete and the DCF Valuation Course was instrumental in supplying us with valuable information to further deepen our knowledge and skills. Participation in this course that was offered by a prominent financial modelling firm like Marquee Group proved to be a highly valuable experience. The instructor, an industry expert, facilitated an interactive learning environment that actively encouraged us to ask questions, engage in in-class activities and even make mistakes, all of which greatly enriched our learning process. The course covered a range of invaluable topics, with a particular highlight being the discussion of common DCF errors. This deep dive into the mechanics of a DCF and the potential pitfalls arising from incorrect inputs and assumptions greatly enhanced our understanding of the subject matter.

### COM 445

Michael King's COM 445 provides students with exposure to a case-based learning method, as well as fundamental valuation aspects of corporate finance. The learning approach in this class facilitates discussions with BCom peers, as well as develops students understanding of accounting, strategy and corporate finance. The course goes through different cases where students can analyze a business from a strategic, as well as financial perspective to understand where a company made the right decisions, how they could have made alternative decisions and even understand how the company steered off course. The course is not specifically intended for students only interest in finance, but the lessons you learn can be useful in any area of consulting, accounting and entrepreneurship.

### CAPITAL MARKETS DAY

The University of Victoria Capital Markets Day is a two-day excursion in which students in the Applied Investment Management Course travel to Vancouver and visit the offices of different investment firms. In 2023, the firms included Bentall Greenoak, Leith Wheeler, Dixon Mitchell, RBC Phillips Hager & North, Aquanow, Raymond James, and Connor Clark & Lunn.

At each firm, students had the valuable opportunity to engage in insightful discussions with industry professionals regarding their careers in finance. These discussions encompassed a wide range of topics including, but not limited to philosophies on valuation, quantitative finance, valuing crypto assets and networking advice.

Each firm was vastly different from each other and offered their own insight and unique perspective. For example, Dixon Mitchell provided exposure to wealth management and the retail side of banking. Bentall Greenoak offered insight into the operations of a real estate investment firm. Raymond James taught students about investment banking. Aquanow gave a close look at how up and coming software is being integrated into trading. CCL gave students an introduction to quantitative finance.

Overall, Capital Markets Day is an exciting and educational opportunity. By visiting the firms in person, students are able to take what they learn with Saurabh in AIMC and multiply their understanding by witnessing how it applies at a professional level. It compliments the class perfectly and anyone who is enrolled in AIMC should take the opportunity to participate in it.

## INSIGHTS FROM THE AIMC WITH SAURABH SURYAVANSHI

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.



### Saurabh's Impact on the AIMC Program Experience:

The most unique and useful aspect of the AIMC is that it offers students an opportunity to gain experience that is more similar to the experience one may gain at a co-op rather than in an academic setting. This significantly progresses AIMC students' abilities to manage projects and create deliverables relevant in the workplace and in turn, can make them more attractive candidates to employers in the industry.

This unique learning environment depends entirely on the involvement of the various professionals who support the program, not least program instructor Saurabh Suryavanshi who leads structured sessions throughout the course and works with students directly to offer feedback on projects. Unlike an academic course where students receive a grade, reflect and move on, AIMC students work on projects until they create a work product that meets Saurabh's expectations.

Saurabh's frequent use of the phrases "trust the process" and "figure it out" collectively encapsulate the environment he creates for students – one that requires students to dig in and learn, and to continue improving their work and understanding until it is ready to be presented to an audience of seasoned investors and industry professionals.

### What did the incoming portfolio managers takeaway from the guest lectures in AIMC?

One extremely valuable component of the course was the opportunity to attend lectures by guests from various relevant areas in the industry, which provided us with practical insights and differing perspectives on the course concepts, as well as context around and advice regarding a career in the capital markets. While Saurabh's class and teaching methods are invaluable in developing our theoretical and practical understanding of portfolio management concepts, the guest lecturers were able to provide interesting views derived from their extensive experience in their subject or asset class of focus, thereby providing us with a more multifaceted understanding of the practical applications of our class learnings. They also shared with us, directly and by example, the myriad possibilities in finance, differing career opportunities and trajectories that help us to discover our interests and broaden our view of the opportunity set, and shared a passion and excitement for a career in finance! The guests were very generous with their time and willingness to connect with the students inside or outside of class to chat, answer questions and support us in our careers, which is one of the greatest benefits of the AIMC/APMP program – the network of connections and valuable relationships it helps us to build. Finally, we would like to thank the guests, Adam Myles and Kenton Freitag from BCI who shared their knowledge about debt, as well as Susan Golyak from BCI and Keith Barr from Dixon Mitchell who shared insights on ESG.

## APMP ANALYST PROGRAM HIGHLIGHT

### What is the Analyst Program?

The APMP Analyst Program is another avenue to join the APMP program at UVic. If you were unable to join the AIMC course in third year, the analyst program provides a secondary path to join the APMP. There are some requirements to be considered an applicant for the analyst program. To qualify, students must complete two Business or Economics courses and achieve a minimum grade of 80%. The Business path course requirements to apply for analyst positions are to complete COM 371 Management Finance in third year followed by COM 445 Corporate Finance and Valuation in fourth year (summer semester). The Economics path course requirements are to complete ECON 305 Money and Banking followed by ECON 435 Financial Economics. Due to internship commitments or personal reasons, students may not have completed either COM 445 or ECON 435 by September of each year. In this case, exceptional candidates who are enrolled in one of these courses for the fall semester (September-December) may be invited to apply for analyst positions in September. Their participation in APMP is conditional on satisfactorily completing this course as a co-requisite.

### What are the different roles for analysts?

In September of their fourth year, students are invited to apply to become ESG analysts, equity analysts, fixed income analysts, economists or risk managers. The analysts support the portfolio managers throughout their 12-month term. They can specialize in specific areas such as ESG, risk management, equity analysis, fixed income analysis and macroeconomics. They report on these topics to the portfolio managers, who integrate this information into their decisions. If analysts show exceptional performance, they may be promoted to portfolio managers. Typically, the analysts come in and handle the macroeconomics section of the APMP as the current portfolio managers are assigned to the other sections and are grasping their roles and companies. As mentioned, with exceptional performance the analysts can become portfolio managers and cover companies like the other portfolio managers.

### Ben Harfield, Cohort Six Portfolio Manager's Commentary on Analyst Program

If you are like me and didn't realize your interest in finance until late in your third year at UVic, the analyst program is your opportunity to be a part of the best finance program UVic has to offer. As someone who didn't hear about AIMC, or the APMP for that matter, until my first finance course with Michael King in third year, I am extremely grateful for this program. It gave me the opportunity to put into practice what I had learned as a research analyst during my co-op as well as my learnings from UVic BCom even though I didn't get to do the AIMC course. It was also great to be a part of a team and work with like-minded individuals who I wouldn't have met without the APMP. I encourage anyone who wasn't able to be a part of the AIMC course that has an interest in finance to strongly consider being an analyst in the APMP as there is no other opportunity quite like this one.

### Coleton Smith, Cohort Six Portfolio Manager's Commentary on Analyst Program

To all prospective students who didn't have the chance to sign up for the AIMC, the APMP's analyst program provides members with great exposure to working directly in a client-facing role, handling real money and gaining a heightened level of responsibility compared to other student clubs on campus. As an analyst, you will gain the same level of exposure to managing a distinct set of companies and being responsible for interpreting the markets. You present your ideas to the fund's investment advisory committee, which consists of experienced professionals who have decades of experience in the financial industry. After joining as analysts in September, you will be given your own companies to cover, where you are responsible for valuation, investment insight, as well as re-evaluate how the company aligns with the fund's strategy. For anyone who may have had a late interest in finance at UVic, the APMP's analyst program is the best way to get your foot in the door and open a new network of alumni.

# 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 – Accounting  
 KPMG – Audit  
 MEG Energy – Strategic Planning  
 Owens MacFadyen Group – Wealth Management  
 Raymond James – Investment Banking  
 Scotiabank – Wealth Management  
 TD Securities – Global Counterparty Credit  
 TD Securities – Global Markets  
 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  
 Acumen Capital Partners – Equity Research  
 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 – Accounting  
 KPMG – Corporate Finance  
 Owens MacFadyen Group – Wealth Management  
 Palisade Capital – Equity Research  
 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

SAF – Analyst  
 Sampford Advisors Inc – Investment Banking  
 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 – Client Service  
 TD Securities – Global Counterparty Credit  
 TD Securities – Global Equity Derivatives  
 The Wealth Council – Accounting & Operations  
 University of Victoria – Treasury  
 Vancity Investment Management – Public Equities  
 Whitecap Resources – Operations Accounting  
 Workday – Product Management  
 Workday – Mobile Software Development





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