

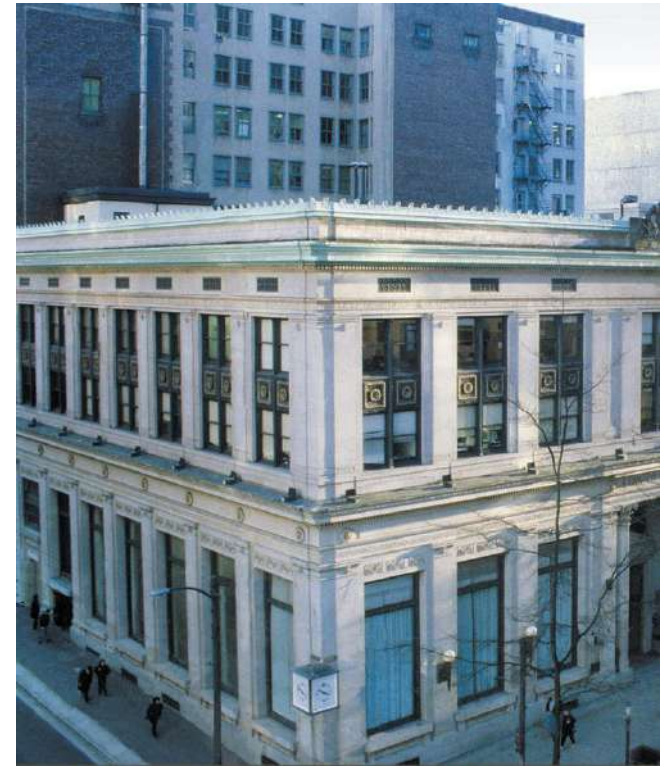


# Q1

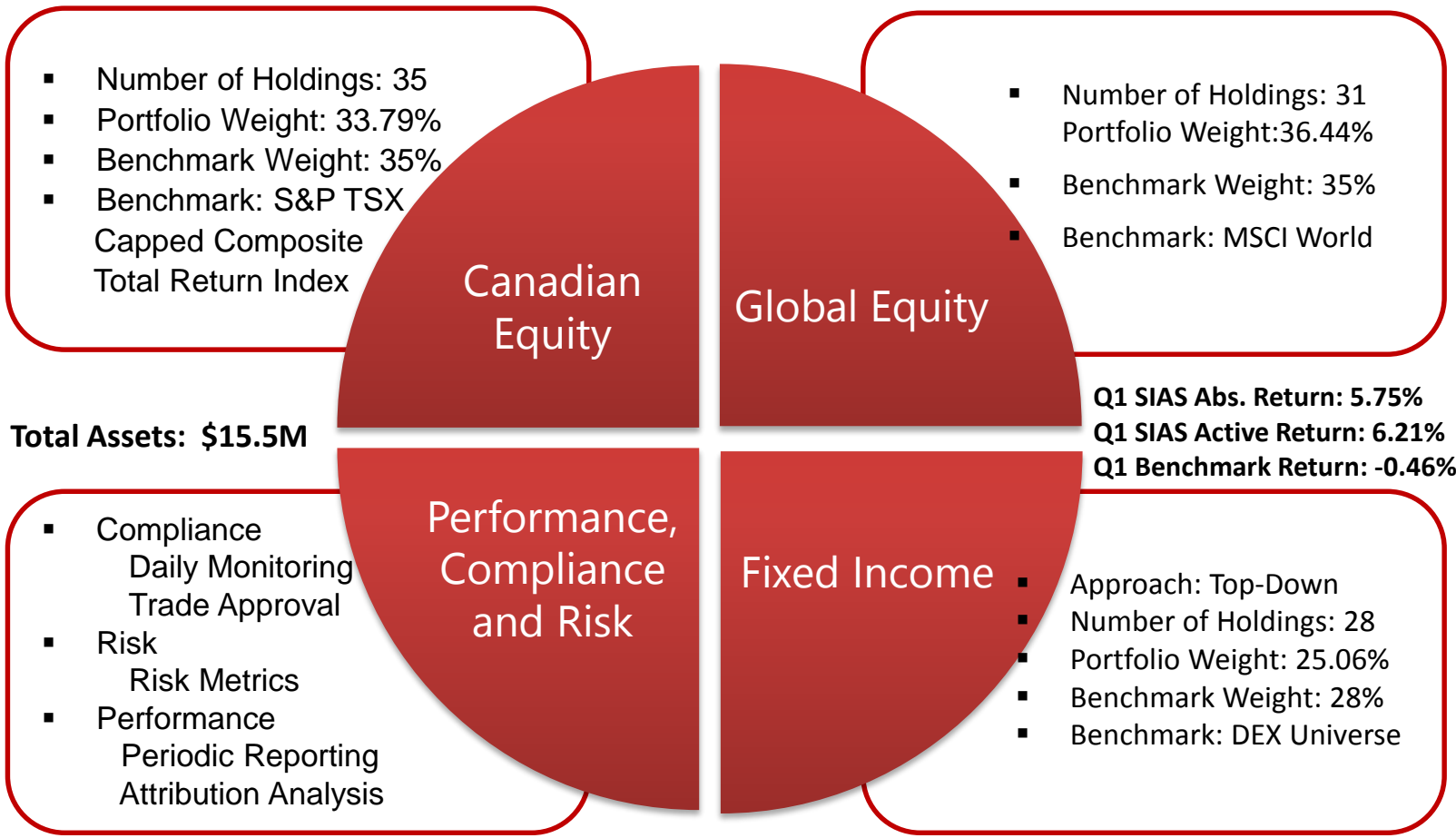
Performance Review  
June 22, 2015

# Agenda

Presentation and Q&A  
Intermission  
Feedback Session  
Reception



# SIAS Overview



**\*As of March 31, 2015**

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

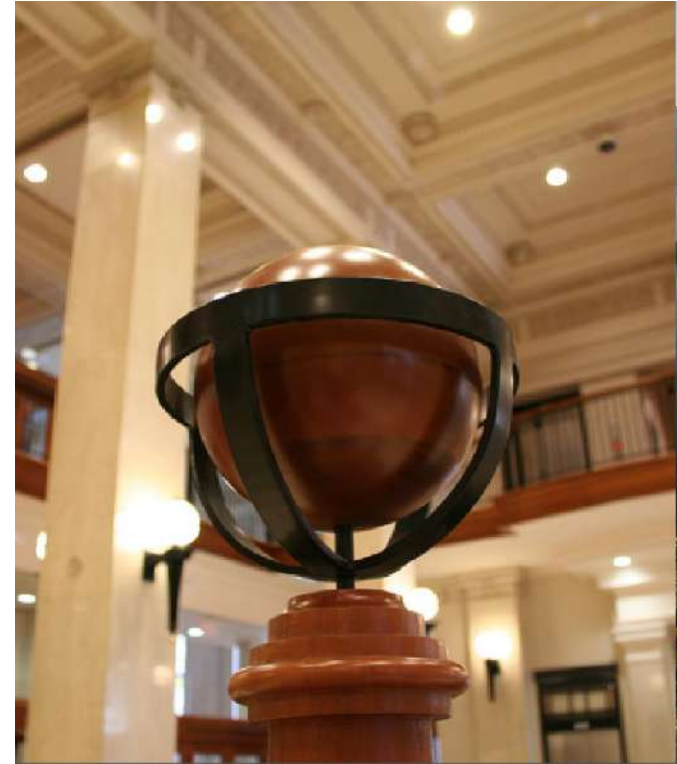
Fixed Income

<i>Canadian Equity</i>			
Asset Allocation Range	30%-40%	33.79%	Yes
Number of Holdings	Min 25	35	Yes
15 Largest Holdings	<70%	64.64%	Yes
Sectors	Min 7 with ≥ 50%Weight Relative to Benchmark	8	Yes
Single Holdings	Max 10%	6.49%	Yes
Proposed new holdings	Large Max BM+1.5%; Small Max 5%	No New	Yes
>\$900M:	Min 95%	98.64%	Yes
\$100M-\$900M(Single Issuer)	Max 2%	1.36%	Yes
\$100M-\$900M(Total)	Max 5%	1.36%	Yes
<\$100M	0	0	Yes
<i>Global Equity</i>			
Asset Allocation Range	30%-40%	38.12%	Yes
Number of Holdings	Min 20	31	Yes
Single Holdings	Max 10%	5.07%	Yes
US Proposed new holdings	Max 5%	No New	Yes
US Holdings	Min 10 Securities (non-ETF)	19	Yes
Market Cap(US Securities) >\$900M	100%	100%	Yes
US Weight	Max 70% of GE with ± 15% Active Weight	54.44%	Yes
RoW Holdings	ETFs Only (Min6)	11	Yes
RoW Europe	Active Weight ± 15%, Single Country ± 5%	24.34%/Max Single 4.57%	Yes
RoW Japan	Max Active Weight +10%	5.07%	Yes
RoW Asia Pacific Ex-Japan	Active Weight ± 5%, Single Country ± 5%	11.42%/Max Single 2.77%	Yes
RoW Emerging Markets	Total ≤15%; Single Country Max 5% of GE	4.9%/Max Single 2.39%	Yes
ETFs	Not utilize leverage/short selling	No	Yes
<i>Fixed Income</i>			
Asset Allocation Range:	20%-40%	25.06%	Yes
Non-Federal/Provincial single issuer	New holding <5%	No New	Yes
Below A (single issuer)	<1%	0.48%	Yes
Below BBB	0%	0%	Yes
BBB	0-10%	0.48%	Yes
A or below	0-50%	27.19%	Yes
Above A	50%-100%	72.81%	Yes
Duration	Within ± 1 year of DEX	0.63 yr shorter than DEX	Yes
Non-Federal/Provincial single issuer	Total<10%	Max Single 8.54%	Yes
Fixed Income ETF	Allowed	No ETF	Yes

Portfolio In Compliance

# Performance and Risk

Presented by  
Yaqiong Wen  
Risk Analyst  
yaqiongw@sfu.ca



# Portfolio Overview

Fund Size: \$15.54 Million CAD | Inception Date: Dec 2003 | as of Mar 31, 2015

Introduction

Compliance

Performance and Risk

CME

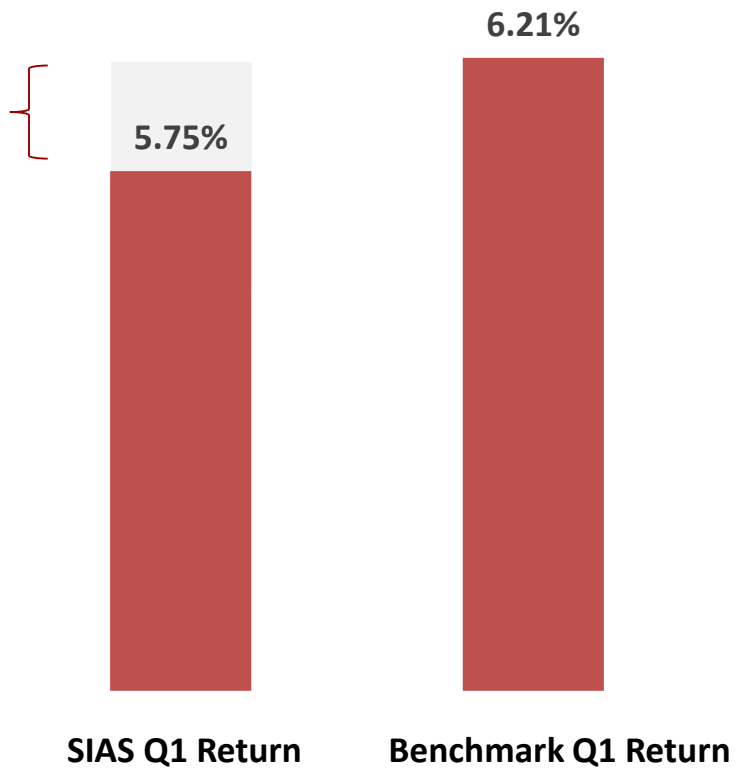
Asset Allocation

Canadian Equity

Global Equity

Fixed Income

**-0.46%**  
Active Return



## Total Assets (CAD)

Q1 Beginning	Q1 Ending
\$14.70 M	\$15.54 M

## Absolute Return

# SIAS Q1 Portfolio Attribution

SIAS Asset Class	Asset Allocation	Selection	Value Added
CE	0bps	-49ps	-49bps
GE	27bps	3bps	30bps
Fixed Income	-20bps	-7bps	-27bps
Cash	0bps	0bps	0bps
<b>Total</b>	<b>7bps</b>	<b>-53bps</b>	<b>-46bps</b>

\*These numbers are quarterly calculated.

# Q1 Risk Metrics Summary

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

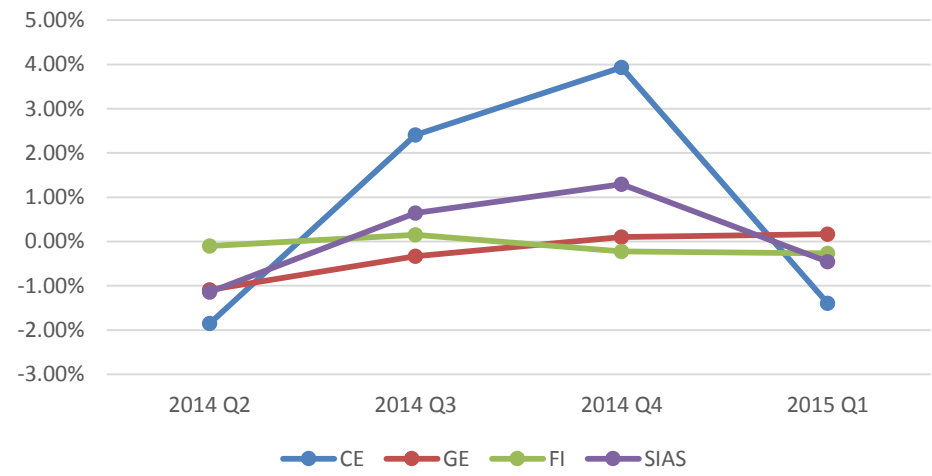
Fixed Income

		Canadian Equity	Global Equity	Fixed Income	SIAS Fund
Active Return	Portfolio	-1.39%	0.16%	-0.27%	-0.46%
	Benchmark				
Volatility	Portfolio	6.10%	7.17%	2.58%	4.42%
	Benchmark	6.08%	6.30%	2.62%	3.98%
Sharpe Ratio	Portfolio	0.16	1.66	1.38	1.25
	Benchmark	0.39	1.86	1.46	1.50
Tracking Error	Portfolio	1.79%	2.27%	0.45%	1.12%
Information Ratio		-0.78	0.07	-0.59	-0.41

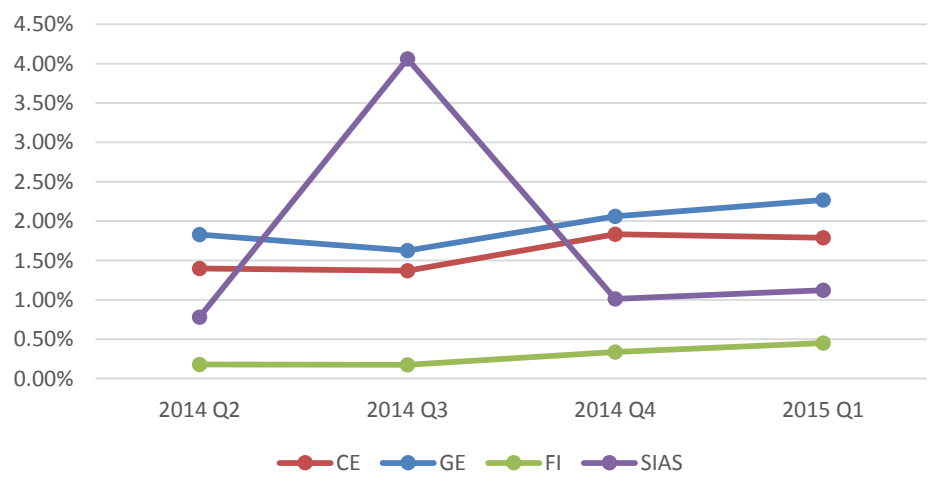


# Active Return and Tracking Error

SIAS Active Return



SIAS Tracking error



# IPS Risk Metrics Objectives

Category	IPS Objective	SIAS Performance	Expectation Achieved
Absolute Return (CPI+4% per year)	4.79%	9.54%	Yes
CE Active Return	1.40%	3.48%	Yes
GE Active Return	0.29%	-1.50%	No
FI Active Return	0.10%	-0.33%	No

\* Performances are annualized  
 \*\*Objective from SIAS IPS (2014 version)

# Historical Performance

Introduction

Compliance

Performance and Risk

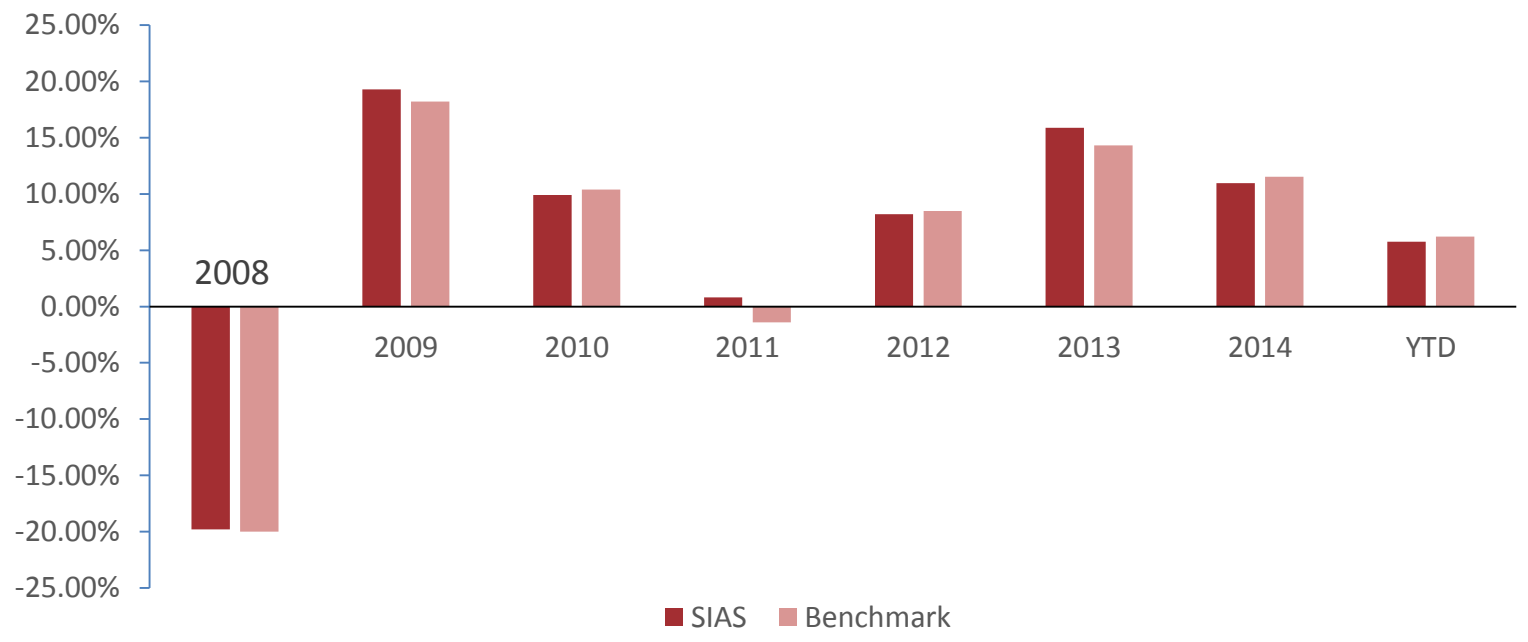
CME

Asset Allocation

Canadian Equity

Global Equity

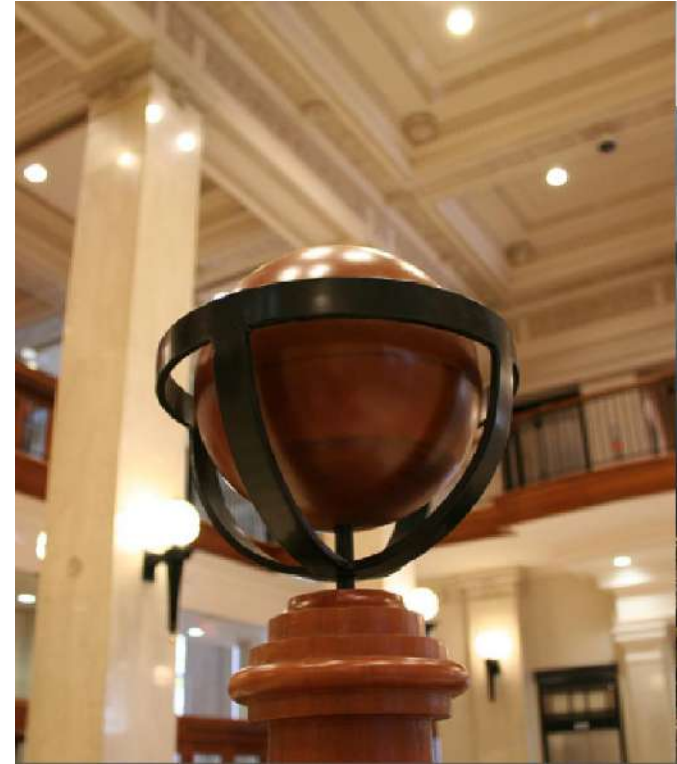
Fixed Income



	2008	2009	2010	2011	2012	2013	2014	YTD
SIAS Return	-19.80%	19.30%	9.90%	0.80%	8.20%	15.88%	10.97%	5.75%
Benchmark Return	-20.00%	18.20%	10.40%	-1.40%	8.50%	14.31%	11.52%	6.21%

# Asset Allocation and Capital Market Expectations

Presented by  
**Peter Grypma**  
Chief Investment Officer  
[pgrypma@sfu.ca](mailto:pgrypma@sfu.ca)



# Macro-economic Overview

- Canadian economy shrank in Q1 by 0.1%
  - Canadian interest rate to remain low for foreseeable future
  - Oil prices remain low, continued negative impact for Canada
  - Prolonged suppressed oil prices could cut into Canadian Bank earnings by 6-7%
- 
- Strong American outlook with increased consumer spending, which comprises more than two thirds of GDP
  - Jobless rate consistent around 5.5%, with jobless claims consistently remaining below 300,000
  - Main risk: potential for US Fed rate hike, potential for consumer pullback
  - Mixed impact of interest rate hikes across different countries and regions

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

Fixed Income

# Returns and correlations

Introduction

Compliance

Performance and Risk

CME

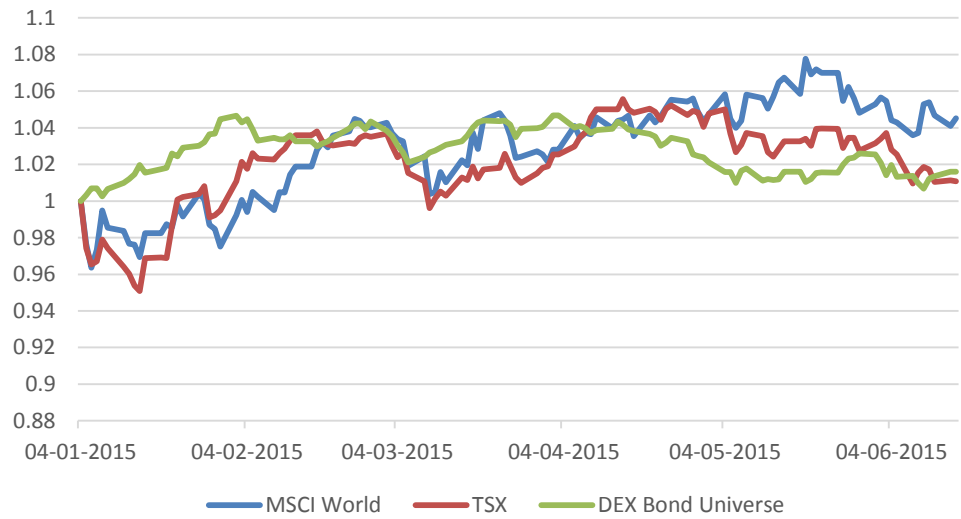
Asset Allocation

Canadian Equity

Global Equity

Fixed Income

SIAS Benchmark performance



- Global benchmark greatly outperformed rest of benchmarks
- Macro conditions make the US/Global portfolio more attractive
- Fixed income outperformed Canadian Equity, with negative correlation to portfolio

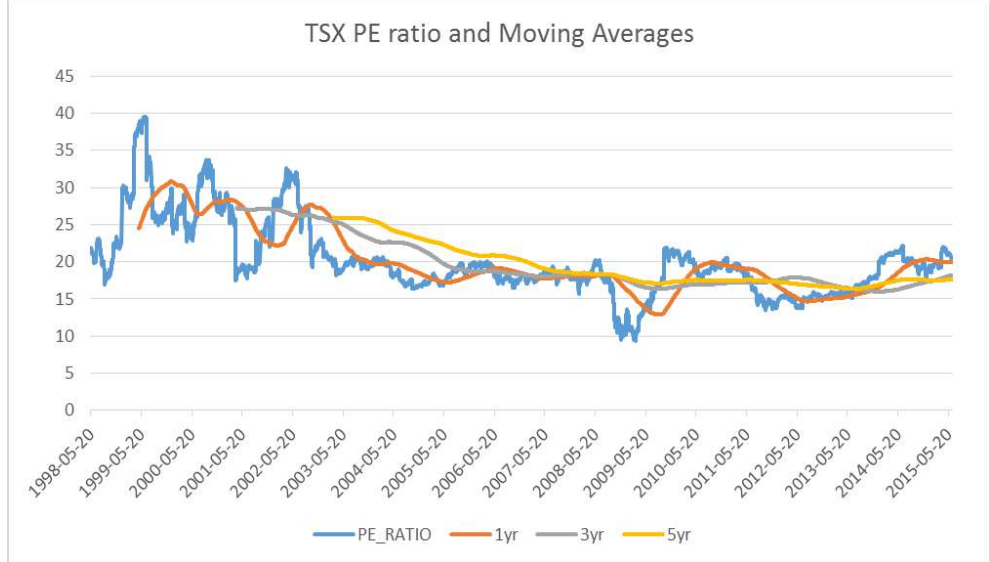
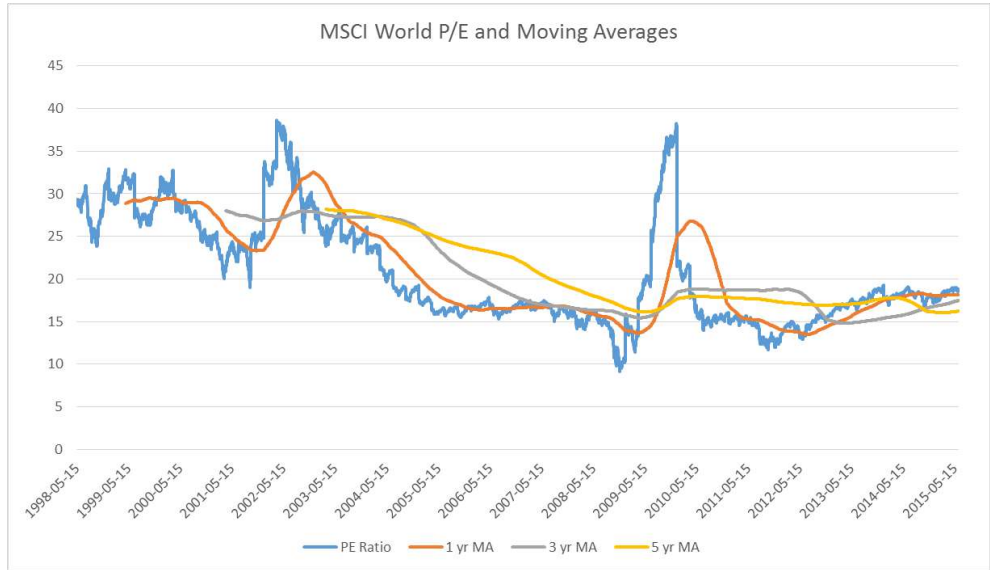
Correlations of Benchmarks 2000-Present

	MSCI World	DEX Universe	TSX
MSCI World	1.00		
DEX Universe	-0.25	1.00	
TSX	0.76	-0.20	1.00

Correlations to SIAS 2014

	SIAS
MSCI World	0.77
DEX Universe	-0.05
TSX	0.86

# Benchmark Price Levels



- Prices are currently high for our global benchmark, but the P/E ratio is not significantly higher than moving averages or close to the highest level since the recovery
- Canadian benchmark is overvalued as well, with PE above moving averages

# Asset Allocation

Introduction

Compliance

Performance and Risk

CME

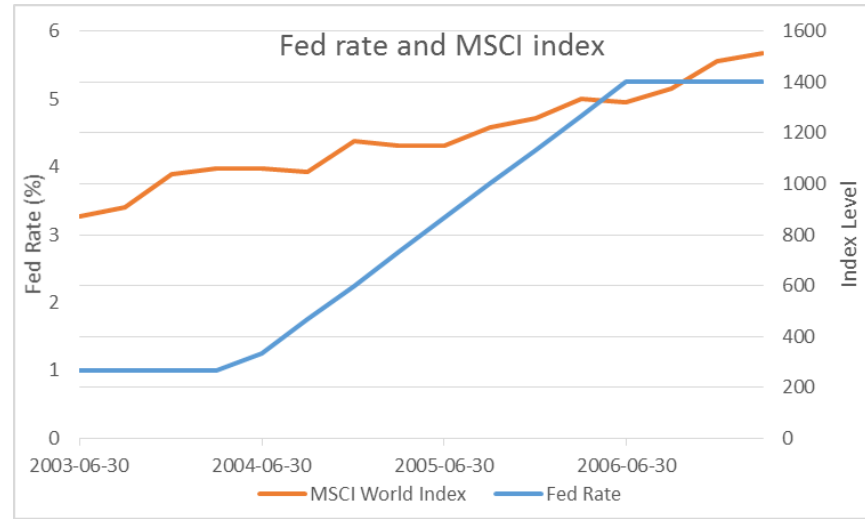
Asset Allocation

Canadian Equity

Global Equity

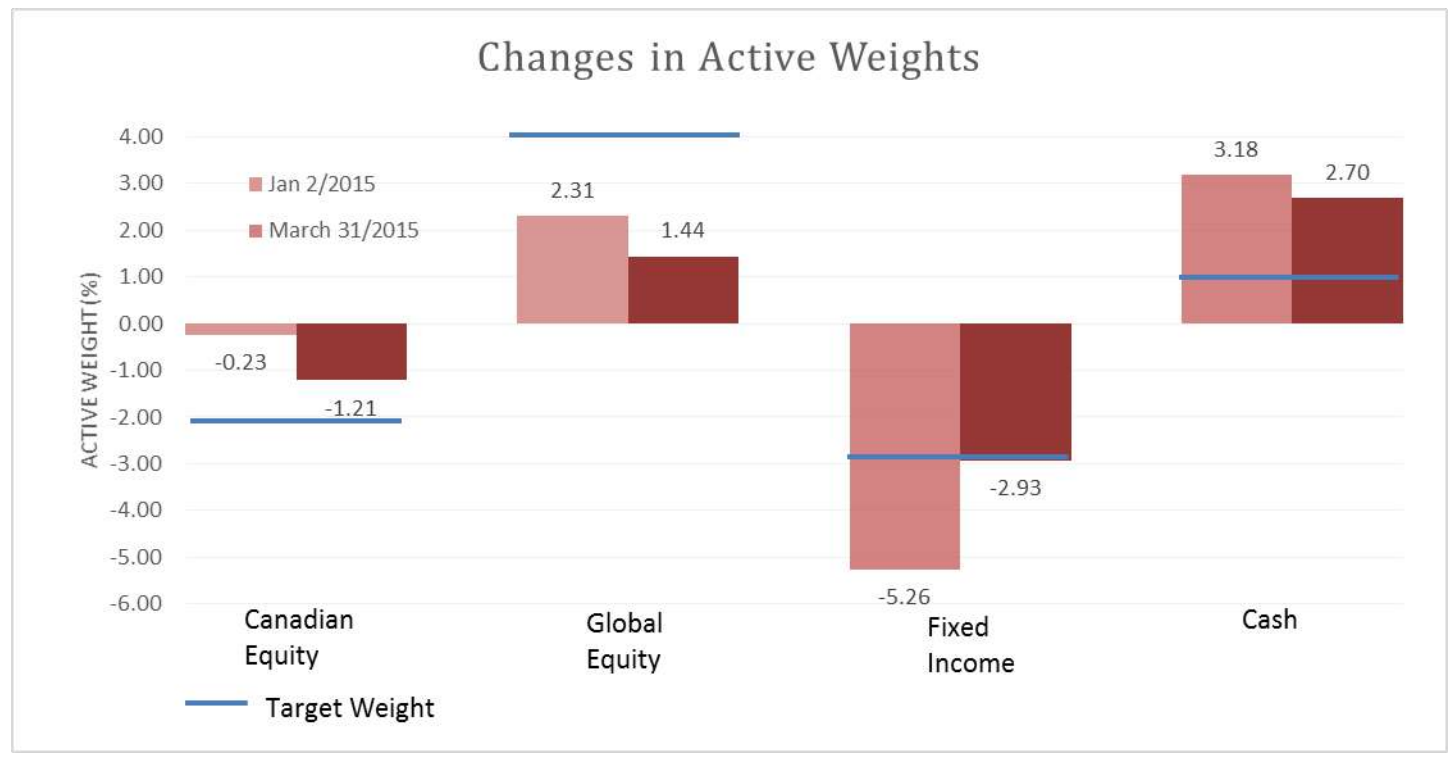
Fixed Income

- Allocation strategy based on Monte Carlo simulation to give optimal asset allocation based on range of possible future outcomes
- Not enough reason to refrain from opportunities in certain sectors in Global sector due to possibility of interest rate increase
- Last 30 years of data suggests a quarter with a Fed rate hike has mixed relationship with markets (American, Global and Canadian) with a variety of results occurring





# Asset Allocation relative to benchmark



# Canadian Equity

Presented by  
Deepanshu Chitkara  
Head Trader & Canadian Equity  
Analyst  
dchitkar@sfu.ca



- Introduction
- Compliance
- Performance and Risk
- CME
- Asset Allocation
- Canadian Equity
- Global Equity
- Fixed Income

Holding	Sector	Action	Trade Date	Price of Stock on Trade Date	Last Price (June 12, 2015)	Percentage of Canadian Portfolio on Trade Date
Slate Office REIT (formerly FAM REIT)	Financials	Buy	Feb 26, 2015	\$8.3	\$7.21	1.34%
Brookfield Renewable Energy Partners	Diversified - Utilities	Buy	Feb 26, 2015	\$38.62	\$36.25	1.84%
Agrium	Materials	Sell	Feb 26, 2015	\$143.73	\$128.13	1.09%

## Rationale for Buying Slate Office REIT & Brookfield Renewable Energy Partners

- We expect a low return and volatile environment for Canadian Equity Market in 2015. Economy negatively impacted by low oil prices. Seek consistent returns in yields. Exit Price for Slate REIT: \$7.00

## Rationale for Selling Agrium

- We held two potash stocks. Sold Agrium to capture gains and decrease weight in materials. Buyback price: \$100

# Canadian Equity Q1 Portfolio Attribution

Sector	Asset Allocation	Selection	Value Added
Financials	-8 bps	31bps	23 bps
Energy	13 bps	-35 bps	-22 bps
Materials	-2 bps	-86 bps	-84 bps
Diversified	-7 bps	-50 bps	-57 bps
<b>Total</b>	<b>1 bps</b>	<b>-140 bps</b>	<b>-139 bps</b>

## Financials Q1 Performance

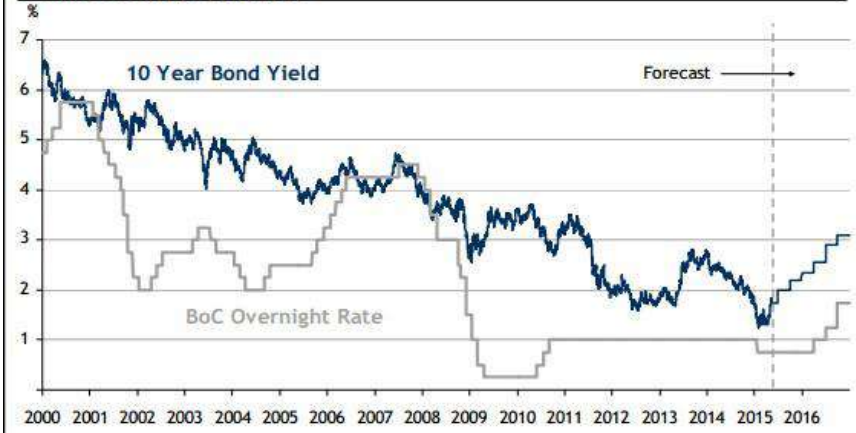
### Winners in portfolio:

- Brookfield Asset Management (+13.73%), Great West Life (+16%)

### Losers in portfolio:

- Slate Office REIT (-0.615%)

Canada: Interest Rates



Source: Bank of Canada, RBC Economics

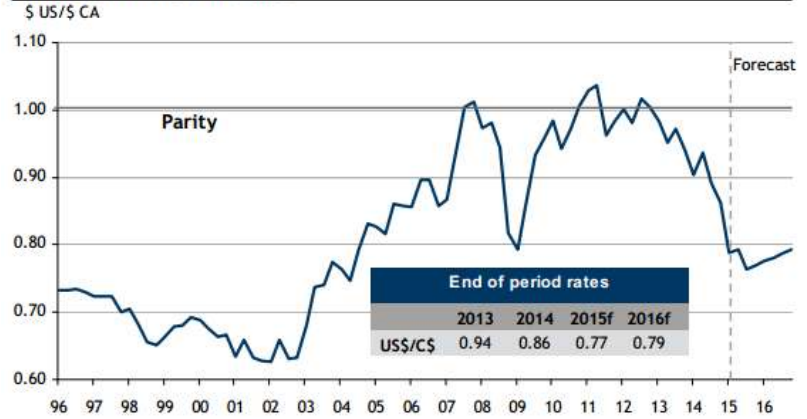
## Financials Q2 Expectation – Overweight

1. Canadian interest rate to remain stable
2. US interest increase
3. Low Canadian dollar CAD/USD Exchange rate decreased by 7.6% in Q1. Low exchange rate positive for financials

### Sector Valuation:

Financials: 10-year historical P/E 14.4, Current P/E is 12.8. Slightly undervalued.

Canadian Dollar Forecast



Source: Bank of Canada, RBC Economics Research

# Canadian Equity

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

Fixed Income

## Materials Q1 Performance

### Winners in portfolio:

- Cameco Corp (+18%), increase in world energy demand, room for energy capacity

### Losers in portfolio:

- Goldcorp Inc. (-12%), drop in gold price to \$1185 per ounce at the end of Q1
- Silver Wheaton (-12%), downward movement in silver prices since Jan, 2015
- Canfor Corp (-12%), weather-related slowdown in the US housing market

## Materials Q2 Expectation - Underweight

- Gold price is expected to remain low because of the potential US Fed rate hike
- Base metal prices are expected to remain depressed due to China's plummeting demand
- Lumber markets face strong demand in US market but softer demand in China

	5 yr Ave P/Es	10 yr Ave P/Es	Current P/Es(FY 2014)
SPTSMT	30.1x	27.5x	45.2x
Goldcorp	68.8x	54.4x	135.1x
Silver Wheaton	36.3x	46.2x	29.3x
Teck Resources	21.0x	15.4x	20.5x
Cameco Corp	24.0x	34.6x	31.2x
Canfor Corp	28.1x	22.7x	21.0x
Potash Corp	21.4x	23.4x	18.8x

Introduction

Compliance

Performance  
and Risk

CME

Asset  
Allocation

Canadian  
Equity

Global Equity

Fixed Income

## Energy Q1 Performance

### Winners in Portfolio:

- Canadian Natural Resource (8.7%)

### Losers in Portfolio:

- ARC Resource (-13%), Encana (-12%), Cenovus (-10.37%)

## Energy Q2 Expectation – Underweight

- Low energy price & weak demand still a problem
- High risk on government policy in Alberta
- US interest rate hike: stronger US dollar, US/CAD ex. Rate higher, increases revenue (in\$ CAD) but also increases debt (in \$CAD)

### Sector Valuation

- 5-year historical P/E ratio of 20, energy sector is overvalued at 40

### Action

- under weigh unconventional energy companies

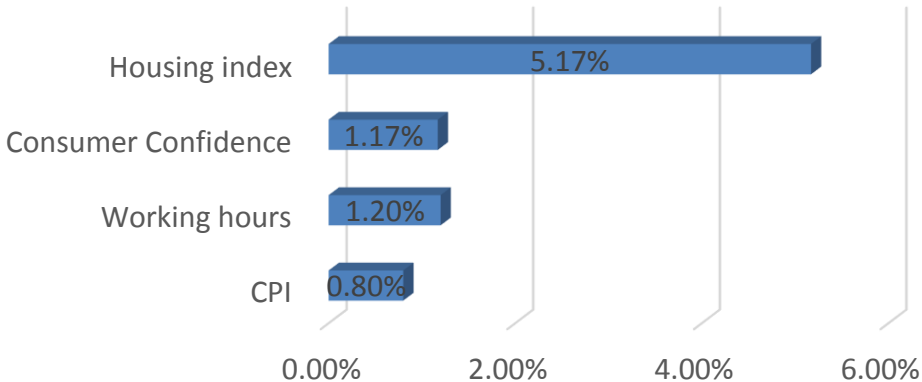
## Consumer sectors Q1/15 Performance

### Winners in portfolio:

- Cineplex Inc (+12.21%), Thomson Reuters Corp(10.85%), Metro Inc (+10.83%)

**Losers in Portfolio:** Saputo Inc (-0.32%)

## Consumer sectors Expectation - Overweight



### Sector valuation

**Consumer sectors is modestly positive, however, consumer stocks are overvalued**

- Consumer Staples: Current P/E of 27 higher than 10-year historical P/E of 19
- Consumer Discretionary: Current P/E of 22 higher than 10-year historical P/E 18

### Action:

- Sell overvalued securities and look for undervalued securities

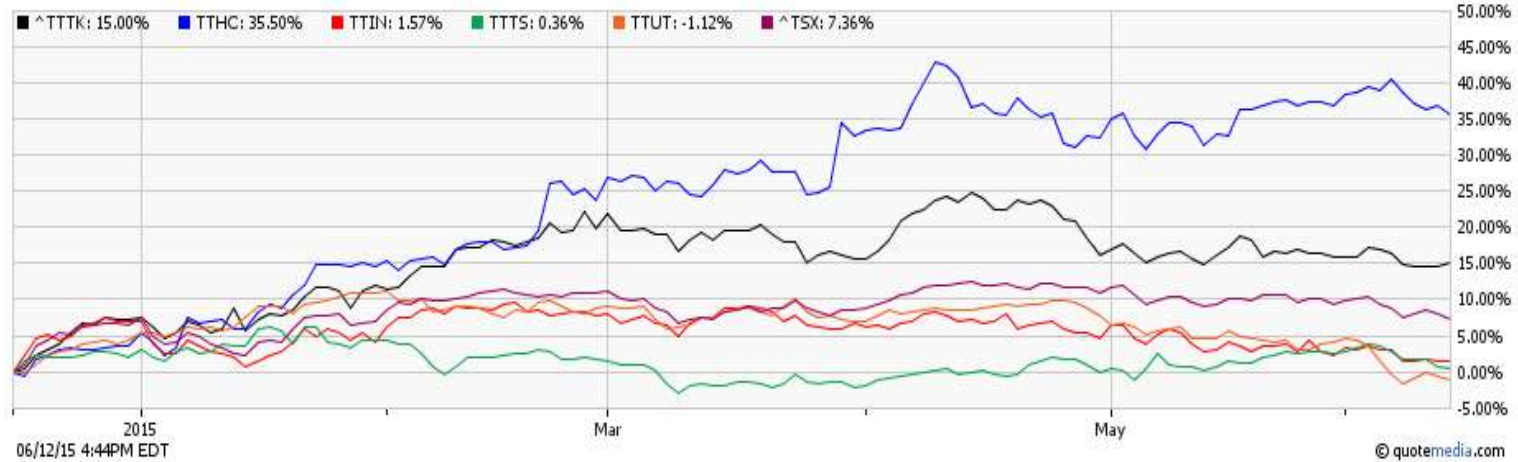


## Diversified Q1 Performance

### Winners in portfolio:

- Utilities: Brookfield Renewable Energy (+5%)
- Industrials: Canadian National Railway (+6%)

\*\*Black line is IT, Blue line is Healthcare, Purple line is TSX



## Diversified Q2 Expectation - Overweight

- Healthcare sector in TSX up more than 40% in Q1 due to Valeant alone
- Funds could continue to flow out of Consumers, Energy into IT & Health

### Sector Valuation

Industrials: 10-yr historical P/E 17.8, current P/E 22.6

Utilities: 10-yr historical P/E 30.9, current P/E 27.0

**Action:** Increase holdings in Healthcare and IT because they are likely to continue to outperform Materials, Energy and Financials

## Stock On Radar

### OPEN TEXT



### HIGHLIGHTS

1. Largest software firm of Canada providing portal solutions to organizations that want to leverage their information and resources through intranets
2. Low P/E (20) than industry average (31.9)
3. Transition
  - Subscription based services to strengthen recurring revenues (85% of total revenues)
  - Cloud based EIM Market (cloud revenues up from 0 to 30% of total rev. in 3 yrs)
3. Good buying opportunity
  - Stock has fallen over the past month: 14 period RSI below 30, stock is oversold

# Global Equity: US Equity

Presented by  
Rupinder Jakhar  
US Equity Analyst  
rjakhar@sfu.ca

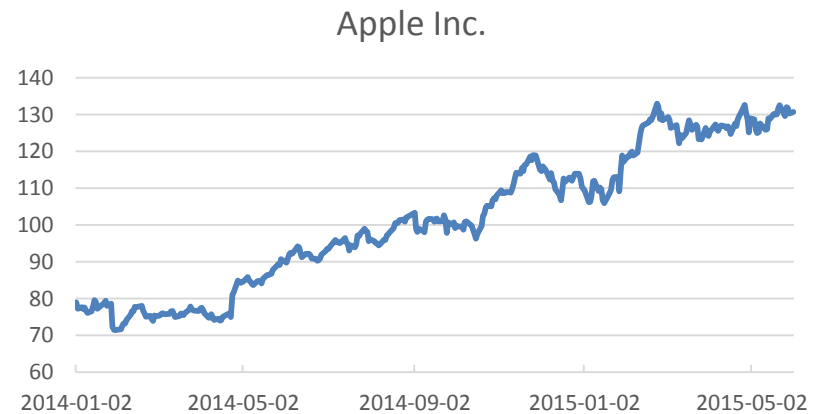


# Recent Transactions

Transaction	Date	Company (Ticker)	Shares	Price	Position Value	% of GE Port	Return
<b>Sell (Q1)</b>	2015/02/12	Apple Inc. (AAPL)	700	\$119.78 (USD)	\$83,846.07 (USD)	1.82%	36.53%
<b>Sell (Q1)</b>	2015/03/27	Altria Group Inc. (MO)	5000	\$52.21 (USD)	\$256,025.28 (USD)	5.30%	111.22%

## Apple Inc. – Sell Rationale

- Realize high return and diversify out of IT
- iPhone 6 plus has shifted sales from iPads (Less diverse)
- Expected appreciation of USD expected to make revenue targets more unlikely



## Altria Group Inc. – Sell Rationale

- Realize high return
- Client’s focus on ESG has supported the divestiture from harmful products such as Altria’s (Tobacco/Cigarettes)



Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

Fixed Income

## Macro Economic Factors

### Federal Reserve Rate Increase

Rate Policy Time Period ~Change (bps)	Geo-Average Annual Return over Period				Expected Avg Annual Ret		
	Increasing 1999-2000	Decreasing 2000-2004	Increasing 2004-2007	Decreasing 2007-2014	Increasing 2015-2017E		
	130	-489	367	-492	100	200	300
<b>Avg Effective Rate</b>	5.61%	2.85%	3.72%	0.97%			
<b>S&amp;P 500</b>	3.6%	-3.8%	7.2%	4.8%	5.0%	6.0%	7.0%
<b>Agg Bond Index</b>	2.6%	7.8%	4.6%	5.0%	4%	3%	2%
<b>Financials</b>	12.4%	5.0%	0.8%	-4.8%	6.0%	6%	4.5%
<b>Energy</b>	14.6%	6.3%	28.1%	3.2%	4.0%	4.0%	5.0%
<b>Avg GDP growth</b>	4.40%	2.70%	2.90%	1.21%	2.42%	2.42%	2.42%
<b>Avg Inflation (CPI)</b>	3.05%	2.52%	3.33%	1.93%	1.11%	1.11%	1.11%
<b>Avg Oil Price</b>	26.20	30.76	65.38	81.71	60	60	60

Forecasts	Federal Funds Overnight Rate					
	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16
Wgt Avg	0.25	0.45	0.7	0.85	1.2	1.5
High	0.5	0.75	1	1.5	2.25	3
Low	0.25	0.25	0.25	0.25	0.25	0.25

- Rate Increase is expected in the next 6-18 months
- Historically markets have done well through periods of rate increases
- During periods of **tightening** policy assets that performed **well**:
  - Financials, Energy

## Macro Economic Factors

### Sector Implications

- We believe there will be opportunities in both the Financials and Energy sectors
- Current allocations allow for positions to be added

Company (Ticker)	Shares	Price	Position Value	% of GE Equity	Return
Visa (V)	2800	\$69.64 (USD)	\$194,992 (USD)	4.13%	275%
Financial Select ETF (XLF)	6100	\$25.15(USD)	\$153,415.00 (USD)	3.25%	53%
Schlumberger (SLB)	2000	\$98.51 (USD)	\$197,028 (USD)	3.84%	-8%

#### Financials - 12.8% of US Portion

- Proper asset-liability (maturity) matching will make a rate hike a minimal risk
- Benefit from increase margins
  - Higher interest payments on loans
  - Still offer minimal rate for deposits
- Balance sheet stress testing has made banks financially more stable

#### Energy - 6.7% US Portion

- Likely to see an increase in M&A activity
- Companies that may need financing moving forward in a low oil price environment might find securing financing more difficult (easy targets)
- Weak companies face another factor that may contribute to consolidation of firms, thus providing opportunities for large more vertically integrated firms

Introduction

Compliance

Performance  
and Risk

CME

Asset  
Allocation

Canadian  
Equity

Global  
Equity

Fixed Income

# Market Pricing and Allocation

Introduction

Compliance

Performance and Risk

CME

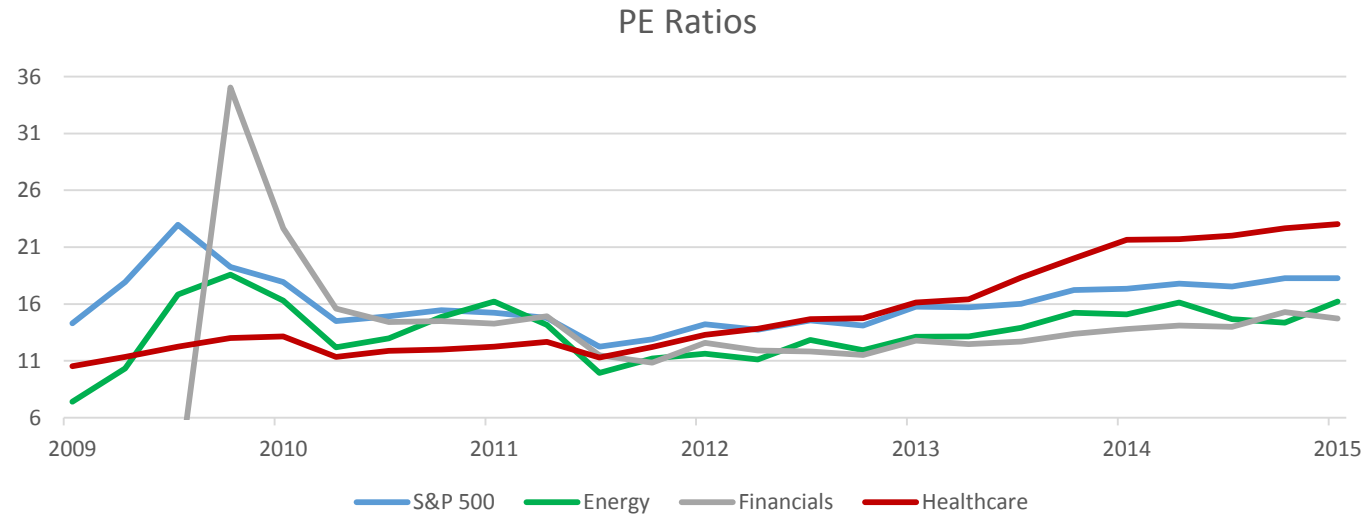
Asset Allocation

Canadian Equity

Global Equity

Fixed Income

	Price to Earnings Ratio							
	2008	2009	2010	2011	2012	2013	2014	Q1 2015
S&P 500	16.8	18.6	15.7	13.8	14.2	16.2	17.7	18.3
Healthcare Index	13.5	11.8	12.1	12.1	14.1	17.7	22.0	23.0
Cons Stap Index	15.9	13.6	15.1	15.5	16.8	18.1	19.3	20.1
Utilities Index	14.5	11.9	12.0	13.0	14.1	16.0	16.8	30.4
Energy Index	10.1	13.3	14.1	12.9	11.9	13.8	15.1	16.2
Financials Index	44.0	35.1	16.8	12.9	12.0	12.8	14.3	14.7



- PE ratios are relatively expensive across most sectors. High pricing predominating in healthcare and utilities sectors; healthcare specifically is overextended over the S&P 500
- Value in financials and energy sectors could provide for opportunities; slight divergence in these sectors from the S&P 500

## JOYGLOBAL

*Currently Held*

- Near 5 year lows and has been significantly underperforming the portfolio
- YoY Sales growth at -24% < industry average -4.5%
- However Joy Global maintains an operating margin of 14% > industry median of 5.7%

## citibank

*Initiating Coverage*

- PE ratio: 10.74, far below global average of 43.02
- Credit card co-branding deal with Costco with large capital return potential
- Strong 2015 Q1 performance

## NIKE

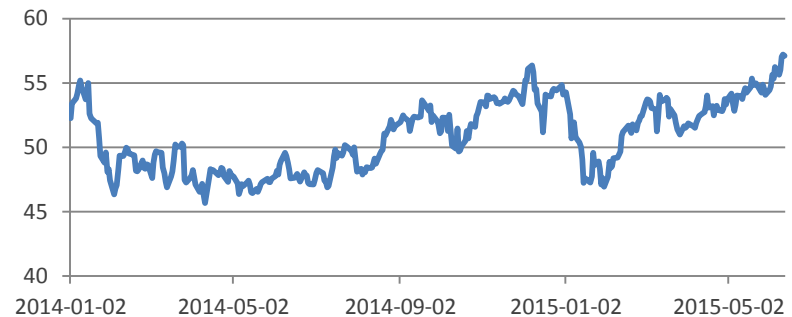
*Initiating Coverage*

- Higher than average ROE with low D/E
- Technological innovation driving market share in basketball and running footwear
- Deal Potential: signed an 8 year deal with the NBA to supply apparel, shoes etc.

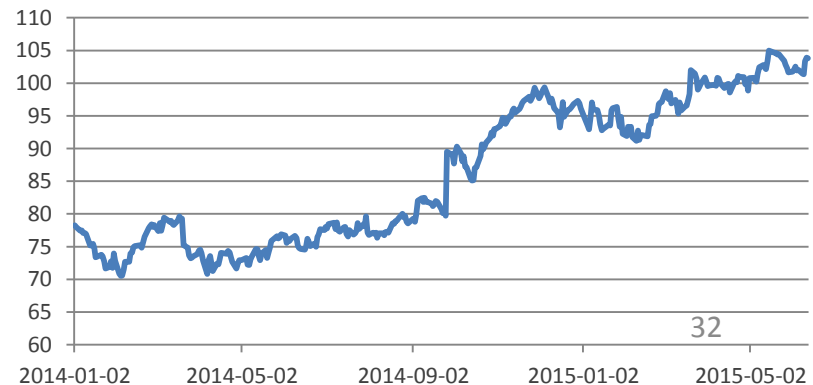
Joy Global



CITI



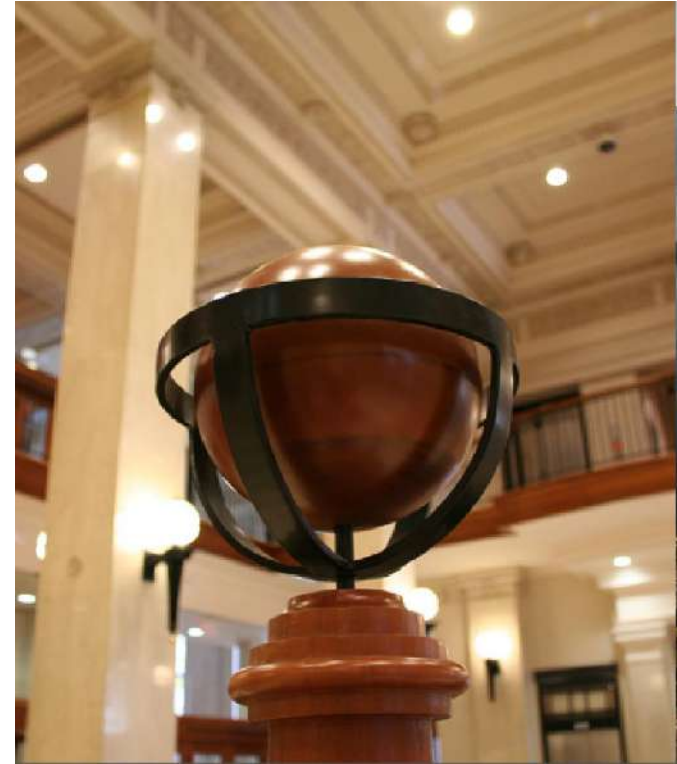
NIKE





# Global Equity: Rest of World Equity

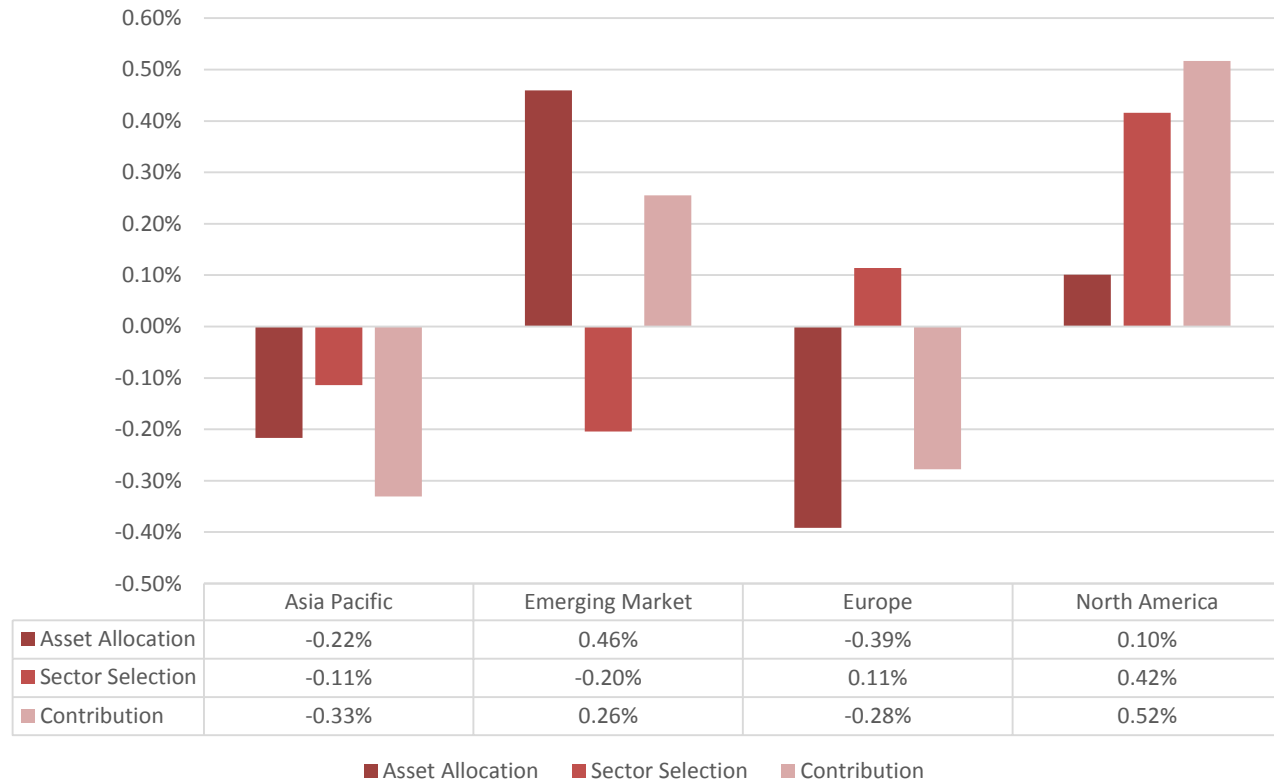
Presented by  
**Yulin Li**  
Rest of World Analyst  
yulinl@sfu.ca



## 2015 Q1 RoW Equity Trades

Holding	Action	Number of Shares	Date	Transaction Price	Jun 3 <sup>rd</sup> Price	Resulting Portfolio Weight
iShares India Index Fund	BUY	1700	March 11 <sup>th</sup>	\$32.36	\$29.38	1.07%

# Global Equity Q1 Portfolio Attribution



*\*These number are quarterly calculated.*

# 2015 Q2 SIAS Global Equity Sector Expectation: Asia Pacific

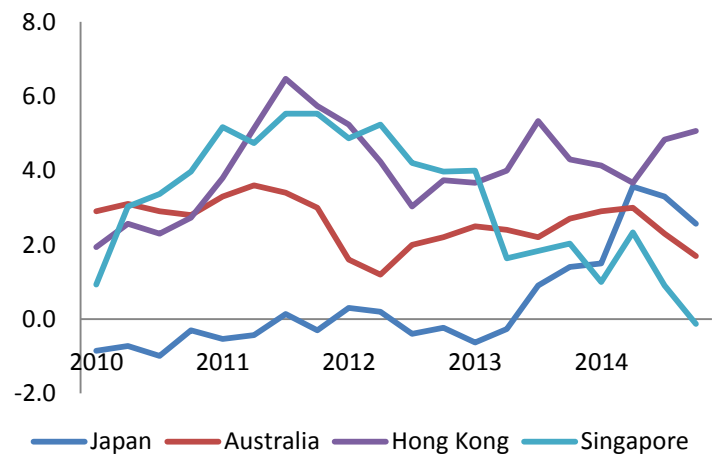
## Q1 Performance

- Best performers: Japan (+11.28%), Hong Kong (6.87%)
- Worst performers: Singapore (-1.31%)

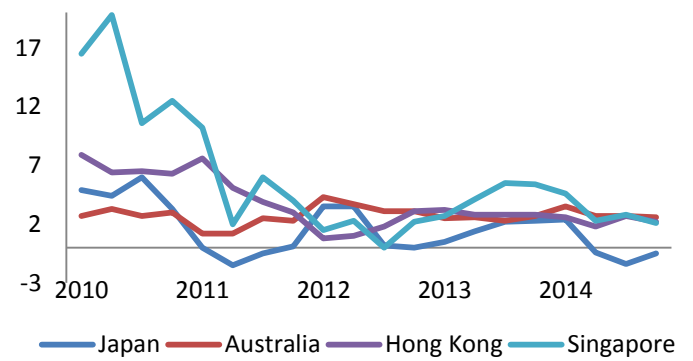
## Q2 Expectation

- Japanese companies are growing fast. Valuations are still cheap despite the strong outperformance
- IPO offering and trading turnover is increasing in Hong Kong stock Exchange
- Singapore growth is expected to remain less than robust in the next few quarters

## Inflation Rate



## GDP Growth Rate



Source Bloomberg & IEconomics

# 2015 Q2 Global Equity Sector Expectation: Europe

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

Global Equity

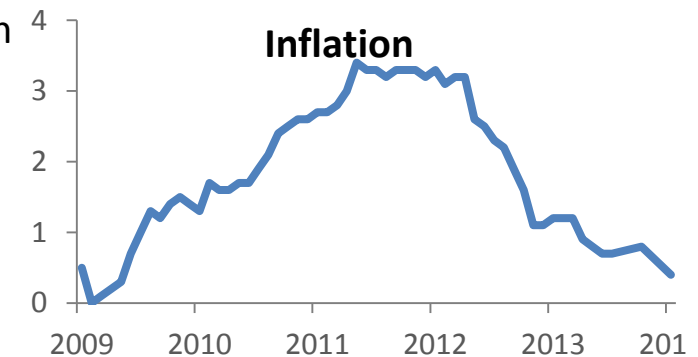
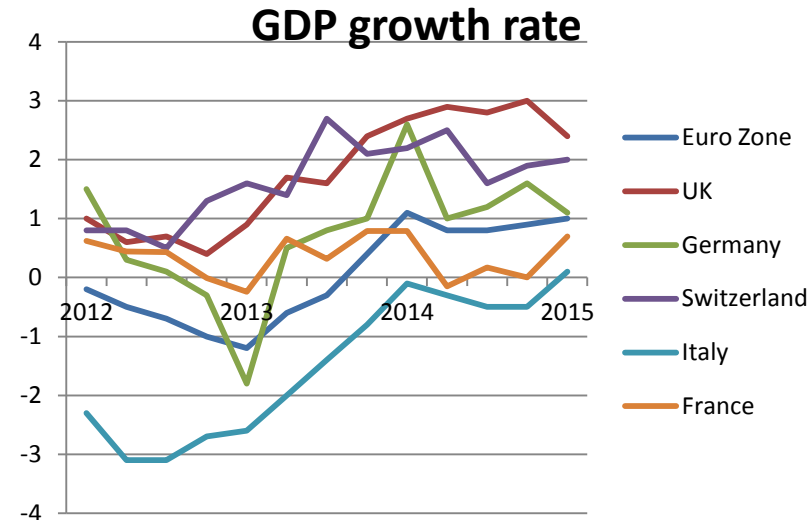
Fixed Income

## Q1 Performance

- Best performers: Germany (+9.38%), Switzerland(5.33%)
- Worst performers: United Kingdom (0.84%)

## Q2 Expectation

- Europe slow recovery continues
- Germany's economy grew by less than expected while France grew faster than forecast.
- The Italian economy is expected to rebound to growth in 2015 after three years of contraction.
- The effect of Fed interest rate hike on developed economies like Europe and Japan is positive



# 2015 Q2 SIAS Global Equity

## Sector Expectation: Emerging Markets

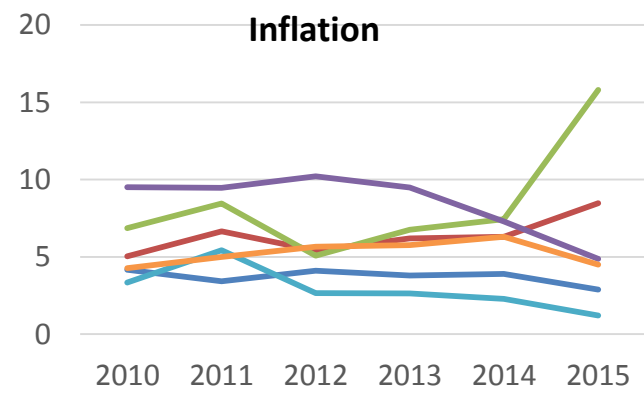
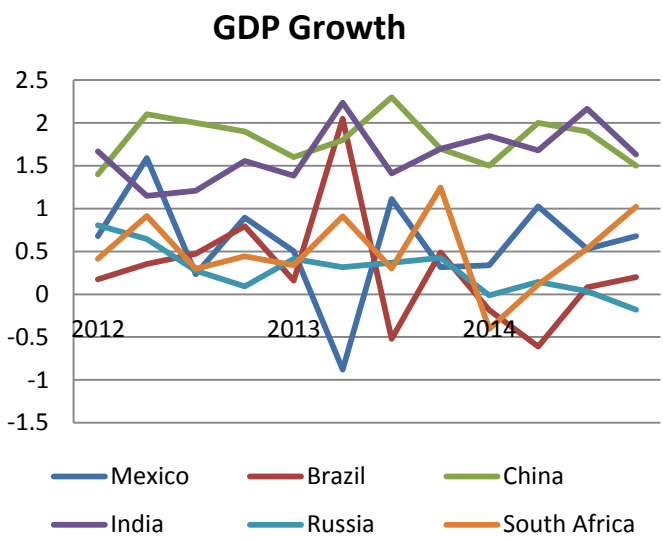
- Introduction
- Compliance
- Performance and Risk
- CME
- Asset Allocation
- Canadian Equity
- Global Equity
- Fixed Income

### Q1 Performance

- Best performer: South Korea (+4.62%)
- Worst performer: India (-1.00%)

### Q2 Expectation

- Slower growth rate is predicted for Latin America, which produces a wide range of commodities
- Chinese economic growth will continue to moderate but supportive government policies should limit the downside risks
- The expected increase in U.S. interest rates makes the dollar-denominated debt of emerging markets a source of concern



# Active Sectors in the Rest of the World Portfolio

Introduction

Compliance

Performance and Risk

CME

Asset Allocation

Canadian Equity

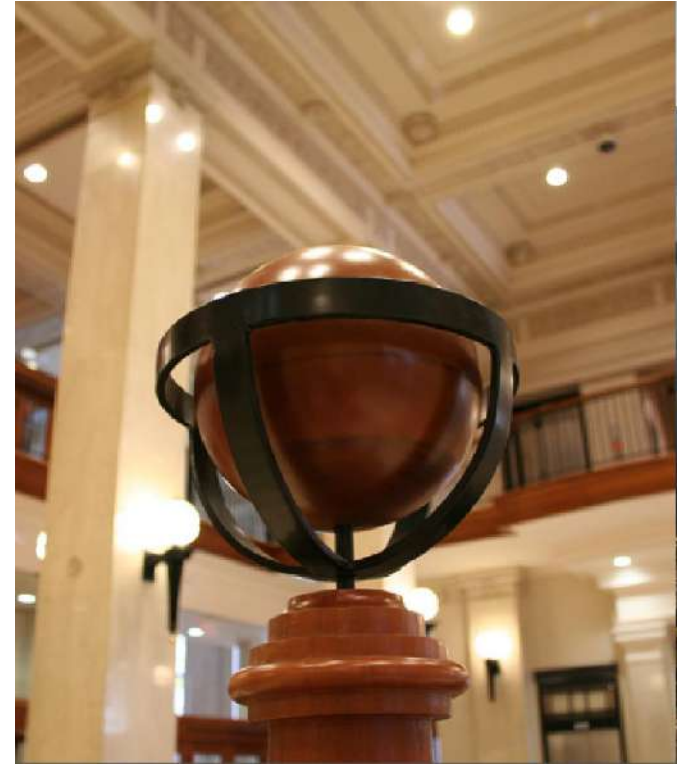
Global Equity

Fixed Income

Sector	Current active position	Q2 Active Target
Emerging Market	3.17%	↓
Asia Pacific	-1.26%	↑
Europe	-2.90%	→

# Fixed Income

Presented by  
Ran Duan  
FI ANALYST  
rand@sfu.ca





## Q1 Fixed Income Trades

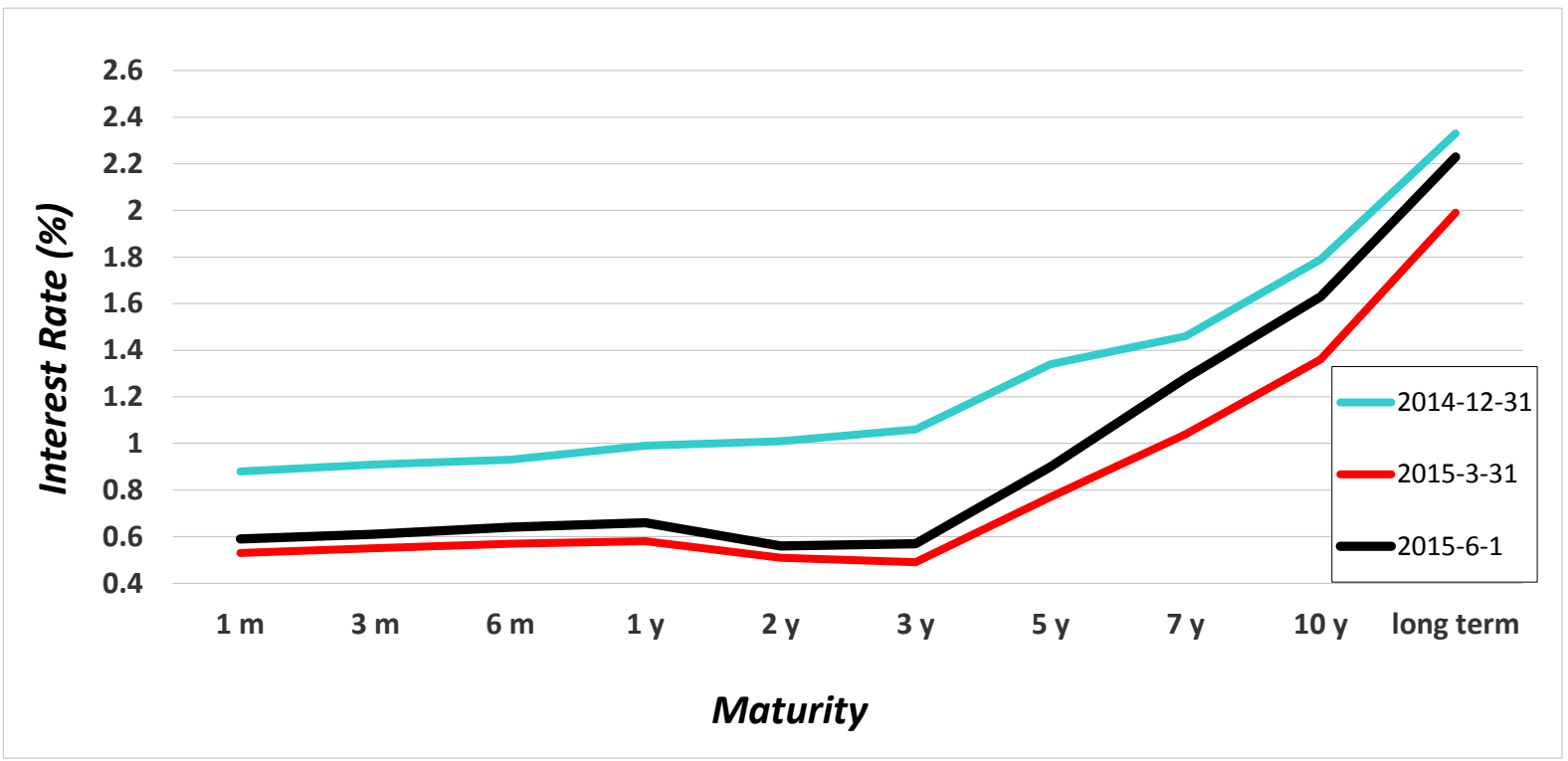
Holding	Action	Principal payment	Maturity Date	Trade Date	Price of Bond on Trade Date	Percentage of FI Portfolio on Trade Date	Coupon Rate	Yield
Province of Saskatchewan	Buy	\$165,000	Jun 03, 2024	Jan 22, 2015	\$109.16	4.97%	3.20%	2.12%
Province of British Columbia	Buy	\$180,000	Jun 18, 2029	Feb 26, 2015	\$140.98	6.38%	5.70%	2.32%
IGM Financial Corps	Buy	\$80,000	Dec 13, 2027	Feb 26, 2015	\$130.98	2.73%	6.65%	3.39%
Province of Ontario	Matured	\$100,000	Mar 8, 2015					

# Fixed Income Attribution

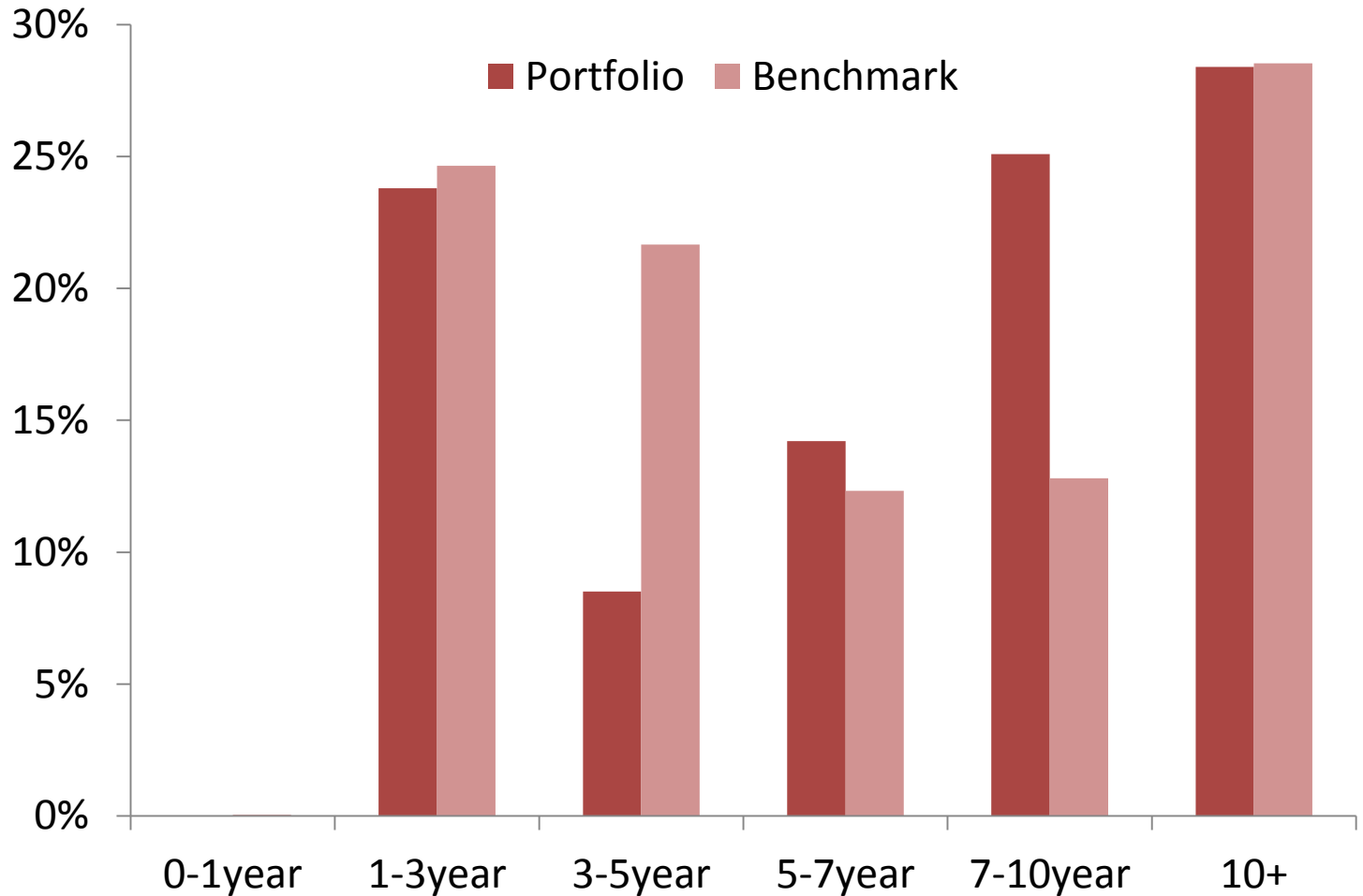
	Income	Treasury Return	Spread	Selection	Total
Portfolio	1 bp	294 bps	150 bps	-65 bps	380 bps
Benchmark	1 bp	284 bps	120 bps	0 bp	405 bps
Active	0 bp	10 bps	30 bps	-65 bps	-25 bps

# Yield Curve Movement

## Canadian Treasury Bill/Bond Yield



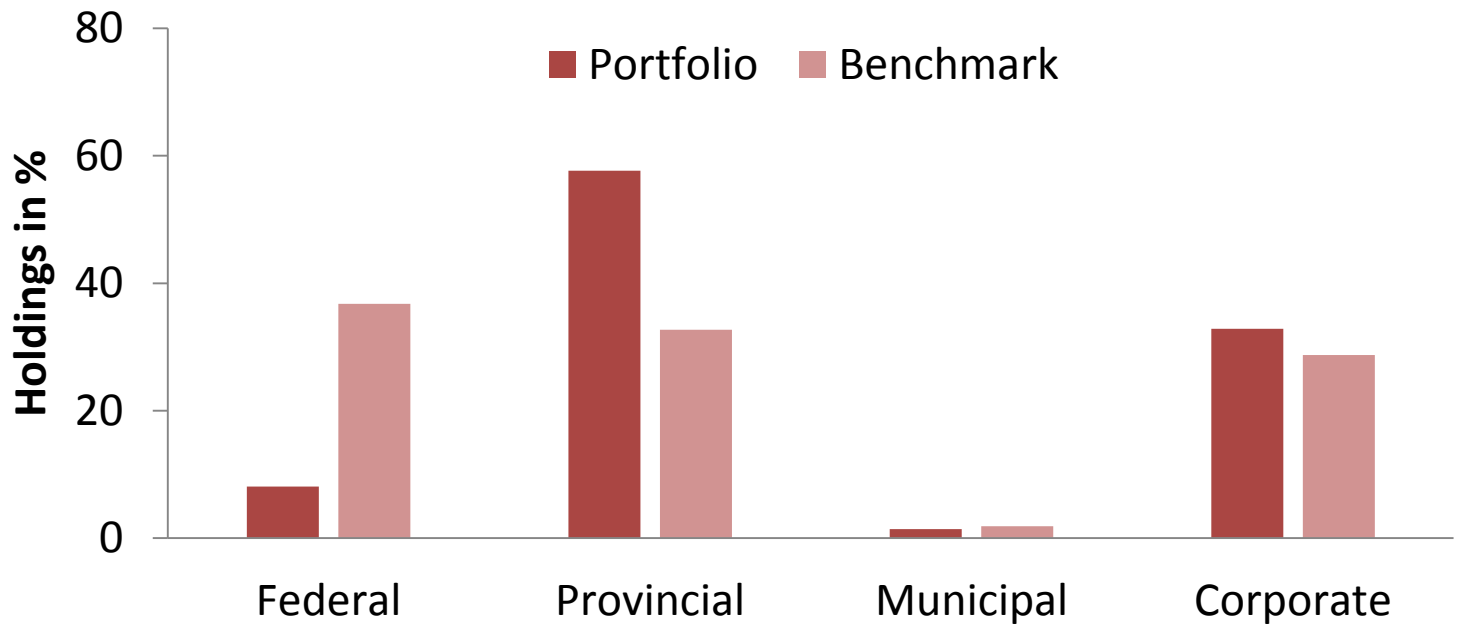
# Duration Structure for Q1



Portfolio Duration: 6.99      Benchmark Duration: 7.63

- Introduction
- Compliance
- Performance and Risk
- CME
- Asset Allocation
- Canadian Equity
- Global Equity
- Fixed Income

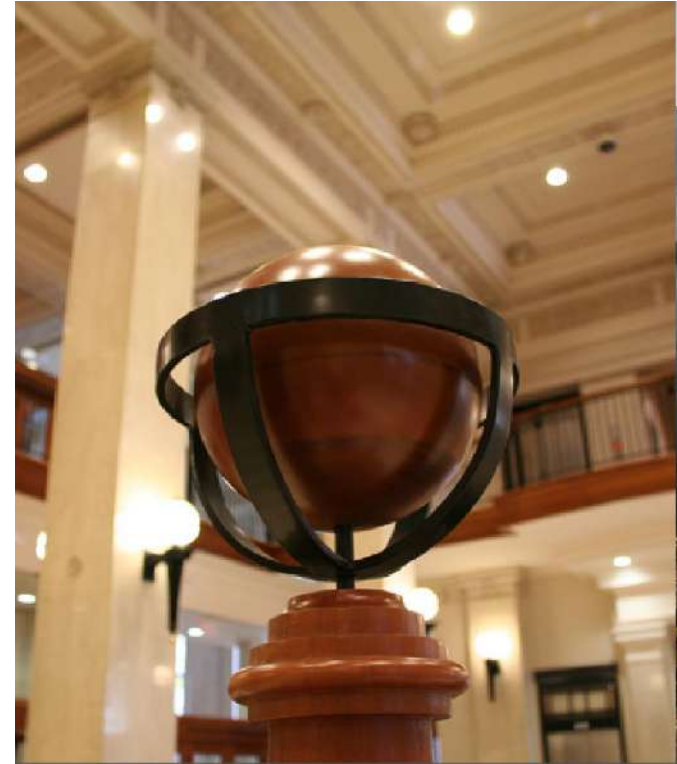
# Fixed Income Sector Allocation for Q1



Sector	Federal	Provincial	Municipal	Corporate
Portfolio	8.08%	57.68%	1.42%	32.83%
Benchmark	36.76%	32.68%	1.85%	28.71%
Active Weight	-28.68%	25.00%	-0.43%	4.12%

# Updates

Presented by  
Fiona Wu  
Compliance Analyst



- **SIAS awarded 1st Place of ENGAGE 2015 Student-Managed Investment Portfolio Competition (Overall Risk-Adjusted Return for 2014)**

ENGAGE International Investment Education Symposium

Detroit, March 27, 2015



Elham, Robert, Sabrina and Tina

- Transition to Team 2015 in September
  - ❖ **Training Preparation and Team Structure Improvement**
  - ❖ **File retention process implemented**
- **ESG update**
  1. **Modify IPS/IMA to include ESG Integration** (In Progress)
  2. **Collect ESG Data for Canadian Equities and US Equities** (Completed)
  3. **Rank securities in Canadian & US portfolios based on ESG ratings**  
(Completed)
  4. **Security valuation methodology with ESG factor** (changed to a qualitative process - Completed)
  5. **Implement new IMA with ESG Integration**
    - Execute trades (by Q3, 2015)



# Thank You



# Appendix

## Canadian Equity (CE)



Canadian Equity(March 31st, 2013)	Shares	Price(CAD)	GICS Sector	Market Value(CAD)	Weights in CE	Total Market Value(CAD)	Total Weight
TORONTO-DOMINION BANK	5160	55.27	FINANCIALS	285193.2	5.53%	1931168.2	37.47%
ROYAL BANK OF CANADA	3800	80.05	FINANCIALS	304190	5.90%		
NATIONAL BANK OF CANADA	2000	51.03	FINANCIALS	102060	1.98%		
BANK OF NOVA SCOTIA	3200	69.27	FINANCIALS	221664	4.30%		
CANADIAN IMPERIAL BK OF COMM	1500	100.59	FINANCIALS	150885	2.93%		
ONEX CORP	1900	62.36	FINANCIALS	118484	2.30%		
IGM FINANCIAL INC	1200	48.3	FINANCIALS	57960	1.12%		
SUN LIFE FINANCIAL INC	6000	40.6	FINANCIALS	243600	4.73%		
GREAT WEST LIFECO INC	6600	32.21	FINANCIALS	212586	4.13%		
CANADIAN REIT	1000	48.51	FINANCIALS	48510	0.94%		
BROOKFIELD ASSET MGMT INC	3700	50.28	FINANCIALS	186036	3.61%		
TRANSCANADA CORP	2900	57.68	ENERGY	167272	3.25%	1072411.6	20.81%
SUNCOR ENERGY INC	5720	40.53	ENERGY	231831.6	4.50%		
HUSKY ENERGY INC	5800	30.74	ENERGY	178292	3.46%		
ENCANA CORP	3300	23.78	ENERGY	78474	1.52%		
CENOVUS ENERGY INC	3300	30.13	ENERGY	99429	1.93%		
CANADIAN NATURAL RESOURCES LTD	4300	43.51	ENERGY	187093	3.63%		
ARC RESOURCES LTD	4400	29.55	ENERGY	130020	2.52%		
TECK RESOURCES LTD	2000	21.21	MATERIALS	42420	0.82%	629486	12.20%
SILVER WHEATON CORP	2500	22.34	MATERIALS	55850	1.08%		
POTASH CORP OF SASKATCHEWAN	2400	38.78	MATERIALS	93072	1.81%		
GOLDCORP INC	3600	25.82	MATERIALS	92952	1.80%		
CANFOR CORPORATION NEW	8000	25.08	MATERIALS	200640	3.89%		
AGRIUM INC	400	99.56	MATERIALS	39824	0.77%		
CAMECO CORP	5300	19.76	MATERIALS	104728	2.03%		
TIM HORTONS INC	1950	88.19	Consumer Discretionary	171970.5	3.34%	471889.5	9.16%
THOMSON REUTERS CORP	4000	40.8	Consumer Discretionary	163200	3.17%		
CINEPLEX INC	3300	41.43	Consumer Discretionary	136719	2.65%		
CANADIAN NATIONAL RAILWAY CO	4020	79.51	INDUSTRIAL	319630.2	6.20%	319630.2	6.20%
ROGERS COMMUNICATIONS INC	2800	41.92	TELECOM	117376	2.28%	308936	6.00%
BCE INC	4000	47.89	TELECOM	191560	3.72%		
METRO INC	2250	74.9	CONSUMER STAPLES	168525	3.27%	293845	5.70%
SAPUTO INC	4000	31.33	CONSUMER STAPLES	125320	2.43%		
EMERA INC	3600	35.03	UTILITY	126108	2.45%	126108	2.45%

# Appendix

## Global Equity (GE)

US Equity (September 30th, 2014)	Shares	Price (CAD)	Sector	Market Value(CAD)	Weights in GE
3M CO	1225	208.9092	Consumer Discretionary	255913.74	4.52%
MCDONALD'S CORP	1600	123.4078	Consumer Discretionary	197452.42	3.49%
HOME DEPOT INC/THE	1250	143.8871	Consumer Discretionary	179858.83	3.18%
WAL-MART STORES INC	800	104.1696	Consumer Discretionary	83335.7	1.47%
COCA-COLA CO/THE	3600	51.3566	Consumer Staples	184883.67	3.26%
WHOLE FOODS MARKET INC	2000	65.9593	Consumer Staples	131918.64	2.33%
VISA INC	2800	82.8418	Financials	231956.94	4.10%
FINANCIAL SELECT SECTOR SPDR	6100	30.5353	Financials	186265.42	3.29%
JOHNSON & JOHNSON	1500	127.4099	Healthcare	191114.85	3.37%
VARIAN MEDICAL SYSTEMS INC	1650	119.165	Healthcare	196622.23	3.47%
GENERAL ELECTRIC CO	5000	31.4219	Industrials	157109.33	2.77%
EMERSON ELECTRIC CO	1800	71.7092	Industrials	129076.61	2.28%
JOY GLOBAL INC	1000	49.6215	Industrials	49621.47	0.88%
QUALCOMM INC	2550	87.8191	Information Technology	223938.73	3.95%
CISCO SYSTEMS INC	5800	34.8604	Information Technology	202190.39	3.57%
GOOGLE INC	100	702.5276	Information Technology	70252.76	1.24%
GOOGLE INC	100	694.042	Information Technology	69404.2	1.23%
MENTOR GRAPHICS CORP	6500	30.434	Information Technology	197820.97	3.49%
AT&T INC	3500	41.3512	Telecommunications	144729.29	2.56%

# Appendix

## Global Equity (GE)

RoW Equity (Sep 30th, 2014)	Shares	Price (CAD)	Region	Market Value(CAD)	Weights in GE
ISHARES MSCI AUSTRALIA ETF	5420	28.9522	Asia Pacific	156920.87	2.77%
ISHARES MSCI JAPAN ETF	18085	15.8692	Asia Pacific	286995.3	5.07%
ISHARES MSCI HONG KONG ETF	5608	27.7743	Asia Pacific	155758.53	2.75%
ISHARES MSCI SINGAPORE ETF	6997	16.2112	Asia Pacific	113429.77	2.00%
ISHARES MSCI SOUTH KOREA CAP	1864	72.4945	Emerging Markets	135129.67	2.39%
ISHARES MSCI MEXICO CAPPED	1000	73.4063	Emerging Markets	73406.34	1.30%
ISHARES EUROPE ETF	14130	56.068	Europe	792240.2	13.99%
ISHARES MSCI SWITZERLAND CAP	3115	42.0605	Europe	131018.35	2.31%
ISHARES MSCI UNITED KINGDOM	11350	22.8097	Europe	258889.7	4.57%
ISHARES MSCI GERMANY ETF	5200	37.7924	Europe	196520.27	3.47%

Rest of World Holdings

# Appendix

## Fixed Income (FI)

Fixed Income (December 31st, 2014)	Maturity Date	Coupon Rate (%)	Par Value (CAD)	Market Value (CAD)	Est. Annual Income (CAD)	Industry Group	Bond Rating	Weights in FI
PROV OF MANITOBA	2031/3/5	6.3	150000	211868.22	9450	Provincial	A(High)	5.68%
PROV OF NEW BRUNSWICK	2023/6/2	2.85	100000	102663.48	2850	Provincial	A(High)	2.74%
PROV OF NOVA SCOTIA	2033/6/1	5.8	39000	52986.72	2262	Provincial	A(High)	1.42%
PROV OF BRITISH COLUMBIA	2029/6/18	5.7	100000	246896.66	10260	Provincial	AA(High)	6.44%
PROV OF BRITISH COLUMBIA	2035/6/18	5.4	100000	134698.04	5400	Provincial	AA(High)	3.64%
PROV OF SASKATCHEWAN	2024/6/3	3.2	165000	179796	5280	Provincial	AA(High)	4.69%
PROV OF ONTARIO	2019/6/2	5.35	170000	196348.41	9095	Provincial	AA(Low)	5.15%
PROV OF ONTARIO	2033/3/8	5.85	200000	274152.64	11700	Provincial	AA(Low)	7.38%
YORK REGION DIST SCH BRD	2025/6/3	5.3	178562	191659.57	8847.73	Provincial	AA(Low)	5.06%
OMERS REALTY CTT HLDGS INC	2016/5/5	4.75	320000	333813.13	15200	Provincial	AAA	8.64%
PROV OF ALBERTA	2019/12/1	4	100000	110776.26	4000	Provincial	AAA	2.91%
PROV OF ALBERTA	2022/12/15	2.55	100000	102316.47	2550	Provincial	AAA	2.73%
PROV OF ALBERTA	2023/12/1	3.4	212000	229645.88	7208	Provincial	AAA	6.12%
LONDON ONTARIO	2017/8/6	5.88	50000	55199.31	2937.5	Municipal	AAA	1.43%
FARM CREDIT CORP	2021/6/1	4.6	99000	114788.65	4554	Federal	AAA	3.03%
407 INTERNATIONAL INC	2035/12/3	5.96	100000	132889.92	5960	Corporate	A	3.56%
TORONTO HYDRO CORP	2021/11/18	3.54	100000	107153.12	3540	Corporate	A	2.86%
GREATER TORONTO AIRPORTS AUTH	2018/4/17	5.26	100000	111163.09	5260	Corporate	A	2.91%
HYDRO ONE INC	2022/1/13	3.2	100000	105313.86	3200	Corporate	A(High)	2.82%
BROOKFIELD ASSET MGMT INC	2016/9/8	5.2	90000	94609.05	4680	Corporate	A(Low)	2.46%
INVESTORS GROUP INC	2027/12/13	6.65	80000	102400.66	5320	Corporate	A	2.67%
BANK OF MONTREAL	2023/3/28	6.17	100000	112432.89	6170	Corporate	AA	2.94%
BANK OF NOVA SCOTIA	2021/1/11	3.27	100000	106934.02	3270	Corporate	AA	2.79%
CADILLAC FAIRVIEW FIN TR	2018/5/9	3.64	100000	106513.18	3640	Corporate	AAA	2.80%
GE CAPITAL CANADA FUNDING CO	2017/8/17	5.53	100000	109492.36	5530	Corporate	AA	2.86%
ROYAL BANK OF CANADA	2025/7/16	4.93	120000	141263.26	5916	Corporate	AA	3.77%
SHAW COMMUNICATIONS INC	2020/12/7	5.5	16000	18289.86	880	Corporate	BBB	0.48%

# Appendix

## CE Q1 Performance

Security Description	Sector Name	Market Value at Quarter Start	Market Value at Quarter end	Dividend Received	HPR
BROOKFIELD ASSET MGMT INC	REAL ESTATE (CANADIAN)	215414	250638	1066.55	16.85%
TECK RESOURCES LTD	MATERIALS (CANADIAN)	31760	34760	1340.01	13.67%
CINEPLEX INC	MEDIA (CANADIAN)	147939	164604	1395	12.21%
THOMSON REUTERS CORP	MEDIA (CANADIAN)	187480	205400	2425.2	10.85%
METRO INC	FOOD & DRUG RETAILING (CANADIAN)	209925	231660	1000	10.83%
ONEX CORP	DIVERSIFIED FINANCIALS (CANADIAN)	128174	139745	1002.29	9.81%
GREAT WEST LIFECO INC	INSURANCE (CANADIAN)	221694	241692	1740	9.81%
GOLDCORP INC	MATERIALS (CANADIAN)	77436	82512	2151.6	9.33%
RESTAURANT BRANDS INTL INC	HOTELS RESTAURANTS & LEISURE (CANADIAN)	71162	75947.84	1281	8.53%
CANADIAN NATURAL RESOURCES LTD	ENERGY (CANADIAN)	154456	166926	437.4	8.36%
EMERA INC	UTILITIES (CANADIAN)	139104	148320	295.75	6.84%
CANADIAN NATIONAL RAILWAY CO	TRANSPORTATION (CANADIAN)	321680.4	340976.4	967.5	6.30%
BROOKFIELD RENEWABLE ENERGY	LIMITED PARTNERSHIP - PUBLIC EQUITY	0	102800	530	5.15%*
SILVER WHEATON CORP	MATERIALS (CANADIAN)	59075	60150	543.13	2.74%
CANADIAN REIT	REAL ESTATE - TRUSTS (CANADIAN)	45790	46510	0	1.57%
BCE INC	COMMUNICATION SERVICES (CANADIAN)	213120	214480	786.75	1.01%
SUNCOR ENERGY INC	ENERGY (CANADIAN)	211068	211697.2	900	0.72%

\* Quaterlized newly purchased equity HPR with # of held trading dates

# Appendix

## CE Q1 Performance

Security Description	Sector Name	Market Value at Quarter Start	Market Value at Quarter end	Dividend Received	HPR
SAPUTO INC	FOOD BEVERAGE & TOBACCO (CANADIAN)	139680	139240	0	-0.32%
POTASH CORP OF SASKATCHEWAN	MATERIALS (CANADIAN)	98568	97992	0	-0.58%
IGM FINANCIAL INC	DIVERSIFIED FINANCIALS (CANADIAN)	55572	54012	787.5	-1.39%
TORONTO DOMINION BANK	BANKS (CANADIAN)	286431.6	279723.6	1392	-1.86%
BANK OF NOVA SCOTIA	BANKS (CANADIAN)	212192	203328	2470	-3.01%
ROGERS COMMUNICATIONS INC	COMMUNICATION SERVICES (CANADIAN)	126476	118720	2850	-3.88%
TRANSCANADA CORP	ENERGY (CANADIAN)	165590	157064	1255.63	-4.39%
ROYAL BANK OF CANADA	BANKS (CANADIAN)	304912	289712	520	-4.81%
HUSKY ENERGY INC	ENERGY (CANADIAN)	159500	149930	675	-5.58%
CAMECO CORP	MATERIALS (CANADIAN)	100965	93545	1545	-5.82%
SUN LIFE FINANCIAL INC	INSURANCE (CANADIAN)	251520	234180	1601.6	-6.26%
NATIONAL BANK OF CANADA	BANKS (CANADIAN)	98880	92480	95	-6.38%
CANADIAN IMPERIAL BK OF COMM	BANKS (CANADIAN)	149760	137730	1256.25	-7.19%
SLATE OFFICE REIT	REAL ESTATE - TRUSTS (CANADIAN)	0	69563.45	2160	-9.01%*
CENOVUS ENERGY INC	ENERGY (CANADIAN)	79101	70455	1237.5	-9.37%
ENCANA CORPORATION	ENERGY (CANADIAN)	53361	46662	540	-11.54%

\* Quaterlized newly purchased equity HPR with # of held trading dates

# Appendix

## GE Q1 Performance

Security Description	Sector Name	Market Value at Quarter Start	Market Value at Quarter end	Dividend Received	HPR
ISHARES MSCI JAPAN ETF	US EQUITY INDEX ETF (US REGULATED)	203275.4	226605.05	0	11.48%
MENTOR GRAPHICS CORP	COMPUTERS	142480	156195	0	9.63%
VARIAN MEDICAL SYSTEMS INC	HEALTH CARE	142741.5	155248.5	260	8.94%
ISHARES MSCI GERMANY ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	142532	155168	0	8.87%
HOME DEPOT INC/THE	RETAIL	131212.5	142012.5	0	8.23%
ISHARES MSCI HONG KONG ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	115188.32	122983.44	0	6.77%
GOOGLE INC	INTERNET	53066	55470	737.5	5.92%
ISHARES MSCI SWITZERLAND	GLOBAL EQUITY INDEX ETF (US REGULATED)	98714.35	103449.15	1050	5.86%
MCDONALD'S CORP	RETAIL	149920	155904	800	4.53%
GOOGLE INC	INTERNET	52640	54800	0	4.10%
ISHARES MSCI SOUTH KOREA	GLOBAL EQUITY INDEX ETF (US REGULATED)	103060.56	106695.36	0	3.53%
ISHARES MSCI AUSTRALIA ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	120161.4	123901.2	0	3.11%
3M CO	MISC MANUFACTURER	201292	202063.75	2600	1.68%

\* Quaterlized newly purchased equity HPR with # of held trading dates



# Appendix

## GE Q1 Performance

Security Description	Sector Name	Market Value at Quarter Start	Market Value at Quarter end	Dividend Received	HPR
ISHARES MSCI UNITED KINGDOM TR	US EQUITY ETF (US REGISTERED)	204640.5	204413.5	200	-0.01%
CISCO SYSTEMS INC	TELECOMMUNICATIONS	161327	159645	846	-0.52%
GENERAL ELECTRIC CO	MISC MANUFACTURER	126350	124050	0	-1.82%
SCHLUMBERGER LTD	OIL & GAS SERVICES	170820	166880	384	-2.08%
ISHARES MSCI SINGAPORE ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	91520.76	89561.6	0	-2.14%
ISHARES MSCI MEXICO CAPPED ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	59390	57960	0	-2.41%
FINANCIAL SELECT SECTOR F	US EQUITY INDEX ETF (US REGULATED)	150853	147071	0	-2.51%
AT&T INC	TELECOMMUNICATIONS	117565	114275	0	-2.80%
JOHNSON & JOHNSON	PHARMACEUTICALS	156855	150900	682.5	-3.36%
COCA-COLA CO/THE	BEVERAGES	151992	145980	553.39	-3.59%
ISHARES MSCI INDIA ETF	US EQUITY ETF (US REGISTERED)	0	54374.5	0	-6.02%*
QUALCOMM INC	SEMICONDUCTORS	189541.5	176817	336	-6.54%
EMERSON ELECTRIC CO	ELECTRICAL COMPO & EQUIP	111114	101916	1150	-7.24%
JOY GLOBAL INC	MACHINERY - CONSTR & MINING	46520	39180	1071	-13.48%
ISHARES EUROPE ETF	GLOBAL EQUITY INDEX ETF (US REGULATED)	0	625535.1	0	-28.55%*

\* Quaterlized newly purchased equity HPR with # of held trading dates

# Appendix

## Fixed Income Q1 Performance



BEEDIE SCHOOL OF BUSINESS  
SIMON FRASER UNIVERSITY

Security Name	Security Description	MV at Quarter Start	MV at Quarter end	Dividend Received	HPY
PROV OF ONTARIO	5.850% 08-MAR-2033	274,152.64	290,388.93	5850	8.06%
PROV OF MANITOBA	6.300% 05-MAR-2031 MTN	211,868.22	223,034.22	4725	7.50%
PROV OF BRITISH COLUMBIA	5.400% 18-JUN-2035	134,698.04	143,487.16	0	6.53%
ROYAL BANK OF CANADA	4.930% 16-JUL-2025 SR DEP NT	141,263.26	147,017.29	2958	6.17%
407 INTERNATIONAL INC	5.960% 03-DEC-2035	132,889.92	140,618.88	0	5.82%
PROV OF NOVA SCOTIA	5.800% 01-JUN-2033	52,986.72	56,006.62	0	5.70%
HYDRO ONE INC	3.200% 13-JAN-2022 MTN	105,313.86	109,703.01	1600	5.69%
BANK OF NOVA SCOTIA	3.270% 11-JAN-2021 SR DEP NTS	104,796.17	108,189.05	1635	4.80%
PROV OF NEW BRUNSWICK	2.850% 02-JUN-2023 SINKING FD	102,663.48	106,962.69	0	4.19%
PROV OF ALBERTA	3.400% 01-DEC-2023 DEBS	229,645.88	238,978.27	0	4.06%
PROV OF ALBERTA	2.550% 15-DEC-2022 BD	102,316.47	106,350.84	0	3.94%
TORONTO HYDRO CORP	3.540% 18-NOV-2021	107,153.12	111,330.29	0	3.90%
BANK OF MONTREAL	VAR RT 28-MAR-2023 SER F MTN	112,432.89	113,405.24	3085	3.61%
GE CAPITAL CANADA FUNDING CO	5.530% 17-AUG-2017	109,492.36	109,966.10	2765	2.96%*
<b>PROV OF SASKATCHEWAN</b>	<b>3.200% 03-JUN-2024 DEBS</b>		<b>183,219.75</b>	0	<b>2.92%</b>
LONDON ONTARIO	5.875% 06-AUG-2017	55,199.31	55,338.02	1468.75	2.91%
FARM CREDIT CORP	4.600% 01-JUN-2021 MTN	114,788.65	117,926.00	0	2.73%
YORK REGION DIST SCH BRD	5.300% 03-JUN-2025	191,659.57	196,730.52	0	2.65%
SHAW COMMUNICATIONS INC	5.500% 07-DEC-2020	18,289.86	18,753.98	0	2.54%
BROOKFIELD ASSET MGMT INC	5.200% 08-SEPT-2016 MTN	94,609.05	94,560.77	2340	2.42%
PROV OF ALBERTA	4.000% 01-DEC-2019	110,776.26	113,077.55	0	2.08%
PROV OF ONTARIO	5.350% 02-JUN-2019	196,348.41	199,496.39	0	1.60%
CADILLAC FAIRVIEW FIN TR	3.640% 09-MAY-2018 RESTRICTED	106,513.18	108,064.96	0	1.46%
GREATER TORONTO AIRPORTS AUTH	5.260% 17-APR-2018 MTN	111,163.09	112,540.80	0	1.24%
OMERS REALTY CTT HLDGS INC	4.750% 05-MAY-2016 SER A	333,813.13	332,748.74	0	-0.32%
<b>PROV OF BRITISH COLUMBIA</b>	<b>5.700% 18-JUN-2029</b>		<b>252,651.01</b>	0	<b>-2.97%*</b>
<b>INVESTORS GROUP INC</b>	<b>6.650% 13-DEC-2027</b>		<b>104,376.48</b>	0	<b>-11.94%*</b>

\* Quaterlized newly purchased bond HPY with # of held trading dates