



# Student Investment Advisory Service (SIAS)

*One of the largest student-run green investment funds in North America*

**Q3 2023 Presentation**

**Thursday, November 23, 2023**

# Agenda

1. Macro Outlook & Fund Strategy
2. SIAS Fund Performance
3. Compliance / Operations / IPS Update
4. Canadian Equity
5. Global Equity
6. Canadian Fixed Income
7. ESG
8. Risk
9. Q & A





# Presenters



**Nazia Tabassum**  
Macro & Fund Strategy



**Vishakha Singh**  
Canadian Equity



**Shreya Janjua**  
Global Equity



**Cedric Ho**  
Global Equity



**Winner Waka**  
Canadian Fixed Income



**Shiyang (Alicia) Li**  
ESG



**Sampada Kapur**  
Risk



**Harshit Shetty**  
Compliance

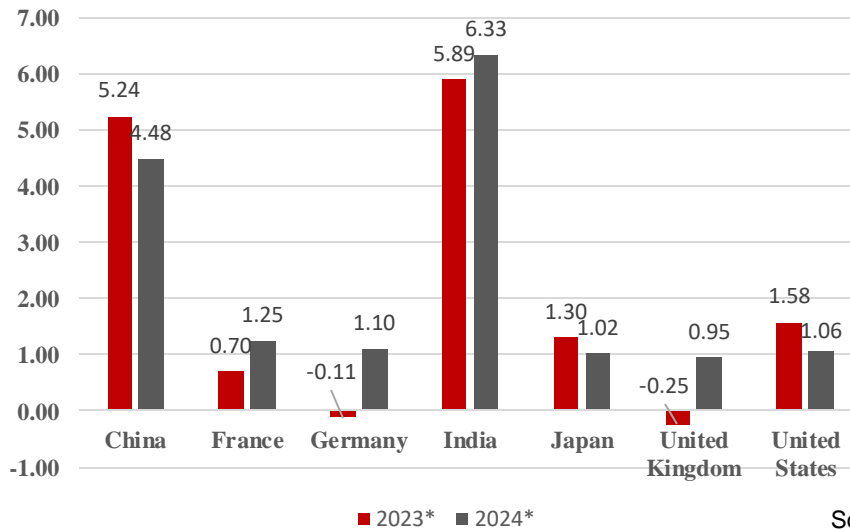
# Macro Outlook & Fund Strategy

*Presented by Portfolio Manager:*

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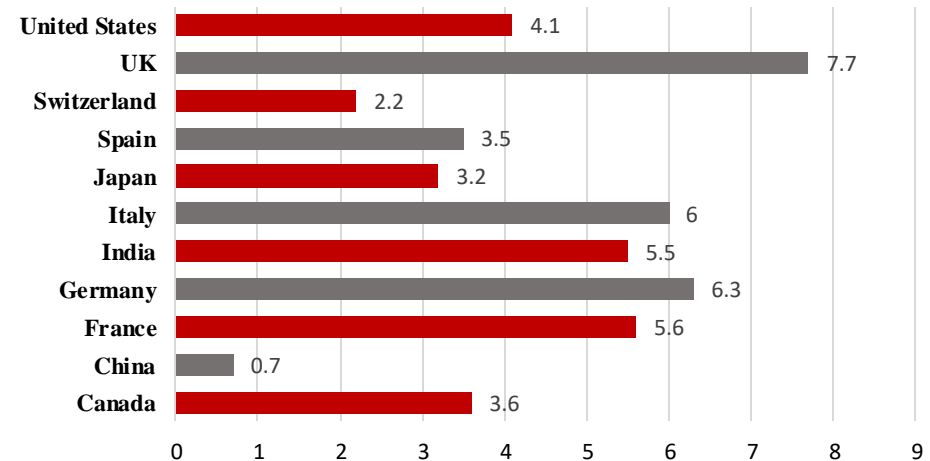
# Global Macro – Interest Rates Higher for Longer, Geopolitical conflicts may restrict oil supply

GDP Growth forecast



Source: IMF

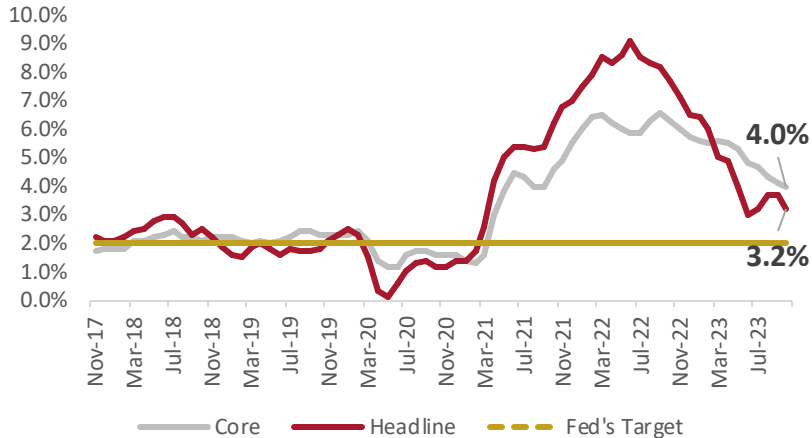
Global Inflation Rates



- Expect global inflation to remain above target till 2025. Interest rates may stay higher for longer.
- Fed maintains rates, but keeps the option for further rate hike open as inflation remains above target.
- The US dollar rebounded against major currencies after a period of decline in late summer and early fall
- According to Fitch's September GEO, a scenario with average oil prices of \$75 per barrel in 2024 and \$70 per barrel in 2025 could be upended if oil prices spike to \$120 per barrel in 2024 and \$100 per barrel in 2025 due to the supply restrictions arising from the Israel-Hamas conflict and Middle-East tensions.

# US Economy – Markets Think Fed is Done on Rising Interest

## Core inflation still running at 2x Fed's target (1)



## Where are we now? (1)

Effective Fed Funds Rate	↕	5.33% (Oct 23: 5.33%)
Headline inflation (YoY)	↓	3.2%
Target Inflation	↕	2.0%
Money Supply (M1) (YoY)	↕	(10.4%)
Money Supply (M2) (YoY)	↓	(3.6%)
Output Gap	↓	(0.5%)

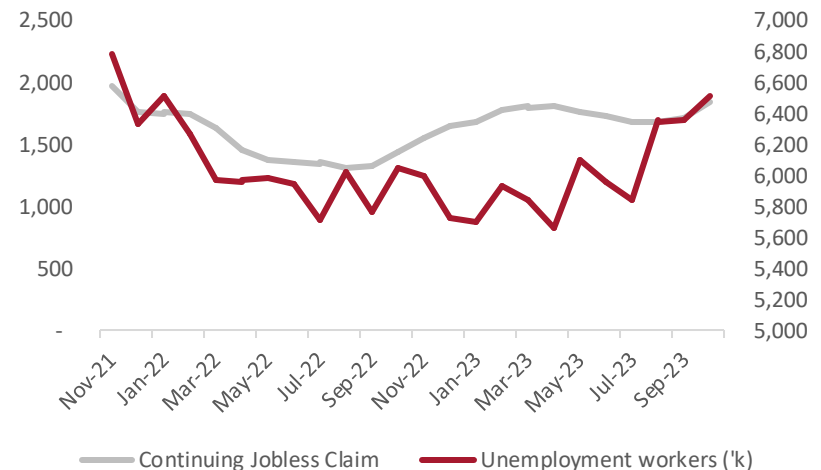
## What's our view

- Momentum for disinflation would likely remain bumpy.
- Energy price drops created 20 bps drag on the headline CPI growth – Escalation of geopolitical risk may revert the trend.
- Factors in relation to US Presidential Election would likely draw more attention from investors in the coming quarters.

(1) Source: Bloomberg Finance L.P.

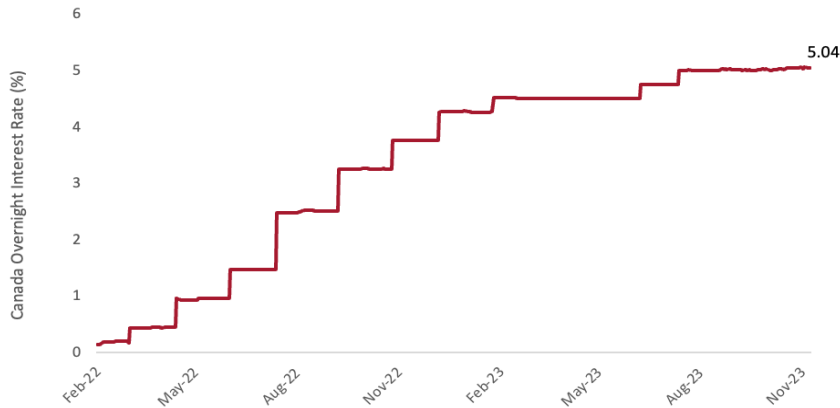
(2) Source: U.S. Department of Labor

## Continuing Jobless Claim Persists (2)

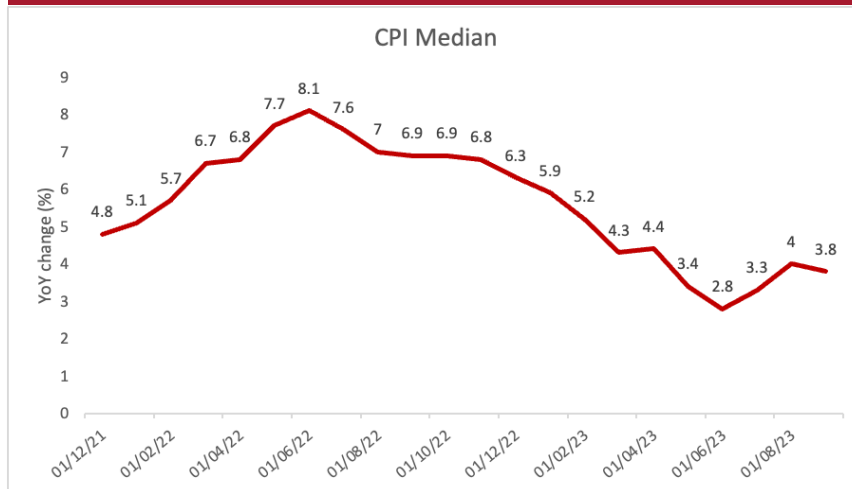


# Canadian Macro – Overall economy heavily reliant on energy and merchandise export, Recession may be nearing

## Canada Overnight Interest Rate



## CPI Trend of Canada



Source: (1) <https://www.bankofcanada.ca/rates/interest-rates/corra/>  
(2) <https://www.bankofcanada.ca/rates/price-indexes/cpi/#cpi-median>

## Macro Results

- As of Nov 2023, BoC main Core inflation measures remained elevated, influencing the decision to keep the rate steady and continue with Quantitative Tightening.
- Canada's merchandise trade surplus widened significantly, from \$949 million in August to \$2.0 billion in September.
- Notable decline in the exports of metal and non-metallic mineral products, including unwrought gold, silver, and platinum, which fell by 21.7%. Additionally, imports of industrial machinery, equipment, and parts decreased by 3.6%.
- For 2023Q4, Canada still faces the risk of mild recession. As seen earlier, the economic developments in the US will continue to affect the economic conditions in Canada.

# Strategy for 4Q23 – 70/27/3 equity/bond/cash mix proposed

## Canadian Equity: IPS: 15-25%

31 Dec 22	31 Mar 23	30 Jun 23	30 Sep 23	31 Dec 23 (P)
21.4%	20.9%	20.8%	20.2%	20%

## Global Equity: IPS: 45-55%

31 Dec 22	31 Mar 23	30 Jun 23	30 Sep 23	31 Dec 23 (P)
51.4%	49.5%	51.2%	50.7%	50%

## Fixed Income: IPS: 20-40%

31 Dec 22	31 Mar 23	30 Jun 23	30 Sep 23	31 Dec 23 (P)
20.1%	24.9%	26.5%	26.1%	28%

## Cash: <2%

31 Dec 22	31 Mar 23	30 Jun 23	30 Sep 23	31 Dec 23 (P)
7.1%	4.7%	1.5%	2.9%	2%

**100%**

- No strong macro views at this point.
- We will hold CE at ~20% and GE at ~50%, neutral vs IPS.
- We will aim to increase our Fixed Income to 28% (neutral) from the UW position we held from 1Q23. We are going from UW to Neutral in duration too.
- Our focus will be how to find replacements for the remaining 2 ETFs under GE portfolio.



# SIAS Fund Performance & Compliance

*Presented by Portfolio Managers:*

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# Q3 2023: SIAS performance on par with BM

<b>SIAS Total Portfolio</b>	
Begin Value: \$23,714,897	
End Value: \$23,195,481	
<b>Portfolio</b>	<b>Benchmark</b>
<b>Return: -2.19%</b>	<b>Return: -2.24%</b>
Active Return: 0.05%	
Active Risk*: 2.47%	

<b>Global Equity</b>	
Begin Value: \$12,142,266	
End Value: \$11,771,614	
<b>Portfolio</b>	<b>Benchmark</b>
Return: -0.42%	Return: -1.18%
Active Return: 0.76%	
Active Risk: 3.28%	

<b>Canadian Equity</b>	
Begin Value: \$4,929,031	
End Value: \$4,695,097	
<b>Portfolio</b>	<b>Benchmark</b>
Return: -5.85%	Return: -2.19%
Active Return: -3.66%	
Active Risk: 4.84%	

<b>Canadian Fixed Income</b>	
Begin Value: \$6,286,440	
End Value: \$6,062,937	
<b>Portfolio</b>	<b>Benchmark</b>
Return: -3.63%	Return: -3.77%
OAD: 6.57	OAD: 6.86
Active Return: 0.15%	
Active Risk: 0.35%	

- Active risk is annualized
- Cash changed from \$357,161 to \$665,833

## Q3 2023 – Moving towards a neutral asset allocation position

Asset Class	Benchmark Weight	Portfolio Weight (30-Jun-23)	Portfolio Weight (29-Sep-23)	Q3 Allocation changes	Portfolio - Benchmark Allocation
Canadian Equity	20.00%	20.78%	20.24%	-0.54%	<b>0.24%</b>
Global Equity	50.00%	51.20%	50.75%	-0.45%	<b>0.75%</b>
Fixed Income	28.00%	26.51%	26.14%	<b>-0.37%</b>	<b>-1.86%</b>
Cash	2.00%	1.51%	2.87%	<b>1.36%</b>	<b>0.87%</b>

- Cash position increased by 1.36% over Q3 2023

# Compliance Updates: Fully Compliant with IPS

IPS Requirements	IPS Constraints	SIAS Portfolio	In Compliance
<b>Canadian Equity</b>			
Asset Allocation Range	15% - 25%	20.24%	✓
No. of Holdings	20 - 40	40	✓
Single Security Active Weight	<5%	TRI CN 4.33% CNQ CN -3.42%	✓
Region Constraint	All Non-ETF Holdings in BM	Yes	✓
Sectors	Min. 7 Sectors with 50% Weight Relative to the BM	Yes, 9 sectors	✓
<b>Global Equity</b>			
Asset Allocation Range	45% - 55%	50.75%	✓
No. of Holdings	20 - 40	37	✓
Single Security Active Weight	<4%	GOOGL US 3.72% NVIDIA US -1.75%	✓
Region Constraints	All Non-ETF Holdings in BM	Yes	✓
Americas	Active Weight <5%	1.40%	✓
Europe and the Middle East	Active Weight <5%	1.70%	✓
Pacific	Active Weight <5%	-0.60%	✓
Emerging Markets	Active Weight <5%	-2.08%	✓
Sectors	For US: Min. 7 Sectors with 50% Weight Relative to the BM	Yes, 10 sectors	✓

- Portfolio Compliance report as of September 29, 2023

# Compliance Updates: Fully Compliant with IPS

IPS Requirements		IPS Constraints	SIAS Portfolio	In Compliance
<b>Fixed income</b>				
Asset Allocation Range	20% - 40%		26.14%	✓
No. of Holdings	Min. 20		44	✓
Region Constraints	Qualifies for Inclusion in BM		Yes	✓
Rated A or Above	>50%		90.96%	✓
Rated BBB or BBB -	Active Weight Max. 5%		-4.60%	✓
Non-Federal / Provincial Single Issuer	Max. 10%		1.81%	✓
Modified Duration	±1 Year of BM		0.30	✓
<b>Cash</b>				
Cash Balance	Positive in both accounts		Yes	✓

- Portfolio Compliance report as of September 29, 2023



# IPS Update

*Presented by Portfolio Manager:*

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# Proposal: Increase Risk Budget for CE and GE

**Proposal:** Increase Risk Budget for CE from **3.5% to 5.0%** and increase Risk Budget for GE from **3.0% to 3.5%**.

**Rationale:** The decision to increase the risk budget for both Canadian and Global Equity is primarily driven by our commitment to adhere to the fund's F3 guidelines.

For Canadian Equity, the divestment from energy stocks, while aligned with F3 guidelines, poses a risk due to the substantial energy stock presence in the benchmark (~**17.48% as of Q3 2023**). This necessitates a higher risk budget.

Concurrently, Global Equity's transition from semi-active to active management is not only in adherence to F3 guidelines but also fosters holistic industry analysis and informed investment decisions. This shift, especially away from passive fossil fuel investments through ETFs, warrants adjustments in the risk budget while ensuring that risk levels are maintained within historical norms.

# Canadian Equity

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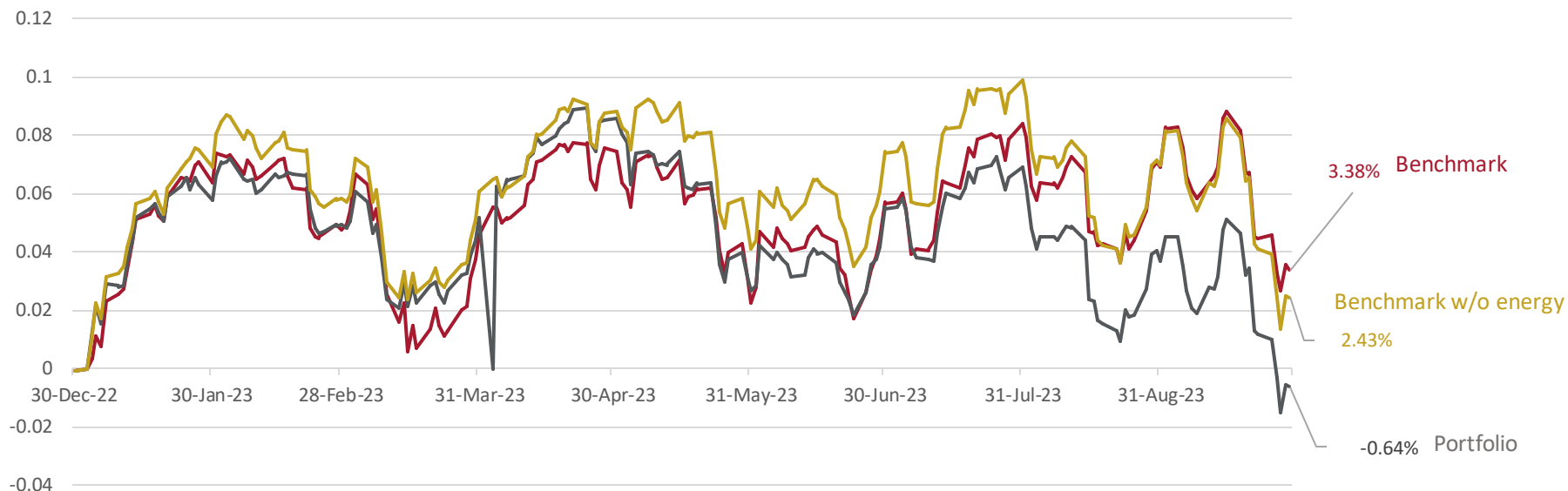
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# CE – YTD 2023 Performance Overview

## Last 9-Month Portfolio vs. Benchmark Total Return<sup>(1)(2)</sup>



(1) Performance Benchmark: iShares Core S&P/TSX Capped Composite Index ETF

(2) Performance Period: Dec 30, 2022 to Sep 29, 2023

## Year-To-Date Active Return Attribution Summary (%)

<b>Active Return</b>	<b>-4.03%</b>
Allocation	-1.82%
Selection	-2.20%
Currency Effect	+0.01%
<b>Active Risk</b>	<b>4.84% (3.37% excluding Energy GICS)</b>

# CE – What we learned in first three quarters of 2023

## WORKED OUT

- **Consumer Discretionary Sector – Dollar stores and Concessionary pricing worked**

While it accounts for 5% of our portfolio and <4% of the benchmark, this sector generated highest total attribution of 22 bps. Holding Dollarama & Canadian Tire combined with not holding Aritzia helped.

- **Financials sector – Insurance saved the day**

We had 19 bps outperformance in Financials sector. CI Financial Corp (IM) generated highest return followed by Sunlife and Manulife.

- **Materials sector – Copper is in play!**

Although we returned negative 15 bps from this sector, we are happy to have increased our exposure in Teck, a major copper producer and generated 12 bps. Wheaton Precious Metals also did well with 28 bps outperformance. Their copper production helped.

## DIDN'T WORK OUT

- **Energy Sector - Too big to ignore?**

Makes up 17.2% of benchmark; Delivered 7.72% attribution return; Cost us 86 bps in total attribution. Second most performing sector after IT contributing 39% of total return in benchmark.

- **IT Sector – Shopify dominated despite volatility**

IT sector generated 57% of the total benchmark return, of which Shopify contributed 33%. Shopify cost us 29 bps in total but it's a cyclical play. OW position in CGI cost us 46 bps. Overall, IT cost us 123 bps.

- **Utilities Sector – Macro environment remained weak causing hard times for the interest rate sensitive sector**

Utilities underperformed as a sector. Given our F3 stance, we are OW on the rest of the sectors. So the underperformance got amplified through holding 3 stocks only. Only ~1% OW positions in NPI and Boralex, contributed to 69 bps underperformance and 81 bps from the sector as a whole.



# CE – 2023 Strategy vs Decisions & Q4 Progress/Plan

Industry	Outlook	Q1 & Q2 Decisions	Q3 Decisions	Q4 Progress/Plan
Communication Services	Neutral	Bought more Telus.	-	Hold positions.
Consumer Discretionary	Neutral	Bought Gildan Activewear	Bought more Dollarama.	Hold positions.
Consumer Staples	Positive	Bought Premium Brand Holdings(PBH)	Bought more PBH. Bought Loblaw.	Hold positions.
Financials	Negative	Sold goEasy Ltd. Bought Great West Lifeco Insurance.	-	Still undergoing review.
Industrials	Neutral	-	Bought Finning International Inc.	Hold positions.
Information Technology	Neutral	-	Bought more Open Text.	Hold positions.
Materials	Neutral	Bought more CCL Industries.	Bought WFG and more Teck	Hold positions.
Real Estate	Negative	Sold Choice Properties REIT	Reviewed other residential REITs. No viable options.	No viable options.
Utilities	Neutral	Bought more Northland Power Inc.	Reviewed Algonquin (not a buy).	Hold positions.
ETFs	Neutral	Sold: 1) iShares S&P/TSX Capped IT 2) iShares S&P/TSX Completion	Sold: iShares Core S&P/TSX Capped.	No exposure.

With 16% underweight on Energy, we plan to continue keeping similar exposure even for sectors with a negative outlook to remain within the risk budget.

# Global Equity

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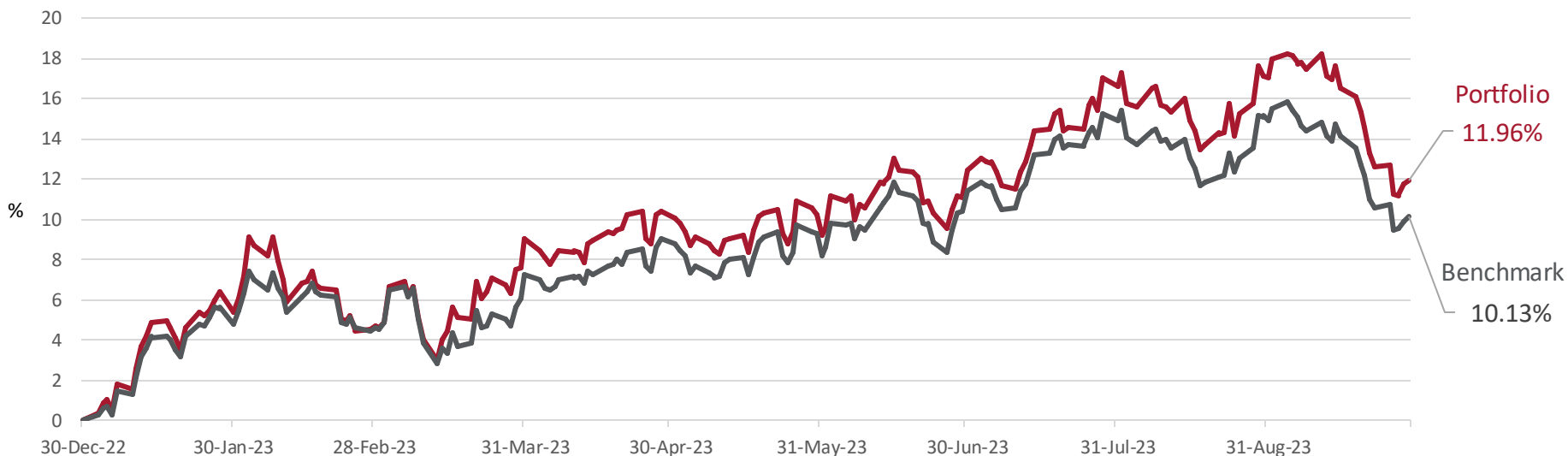
## *Presented by Portfolio Manager and Analyst:*

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# GE – Overperformed by 183 bps

## Last 9-Month Portfolio vs. Benchmark Total Return<sup>(1)(2)</sup>



(1) Performance Benchmark: iShares MSCI All Countries World Index ETF

(2) Performance Period: Dec 30, 2022 to Sep 29, 2023

### Year-To-Date Active Return Attribution Summary (%)

<b>Active Return</b>	<b>+1.83%</b>
Allocation	-0.49%
Selection	+1.84%
Currency Effect	+0.48%
<b>Tracking error (Annualized)</b>	<b>3.16%</b>

# GE – What we learned in first three quarters of 2023

## WORKED OUT

### ▪ Our Macro Expectations were largely spot on

Back in 2022 market was pessimistic on the very likely recession in 2023. We however concluded that a soft-landing case would be more likely, with a sluggish disinflation pattern. Our OW in Costco was accounted for an active return of 53 bps (out of total 183bps from 1Q – 3Q 2023).

### ▪ We overweighted 6 out of the Magnificent 7 stocks (AMZN, AAPL, GOOGL, META, MSFT and TSLA)

Combined active return from these 6 stocks were 385 bps. Meta generated highest return followed by Alphabet and Amazon.

### ▪ Took positions in Global Healthcare top picks

We invested in Sanofi and Novo Nordisk from Global Healthcare sector, both of which did exceptionally well in 2023 due to their novelty product lines.

### ▪ Banking crisis (SVB, Signature, Credit Swiss)

Our analysis on the banking crisis led to a pause in divesting the financial sector. Financial sector picked up since then. Active return from financials were 8 bps.

## DIDN'T WORK OUT

### ▪ We missed out on NVDA

The largest miss in the portfolio, accounted for -128 bps of active return. Instead, we increased our weight in its nearest competitor AMD and another generative AI contributor MSFT (Open AI). We believe it would take time to materialize the potential.

### ▪ Our analysis on Industrials did not play through

Timing was off. While supply chain challenges were easing along with inflation costs, consumer-exposed companies were still facing compressing operating margins. Our OW in 3M led to an active return of -32 bps.

### ▪ A difficult year for specialty chemicals

Our early optimism across speciality chemicals on the positive price-cost inflection and normalization of COVID affected end market did not materialize. Active return from IFF was -70 bps.

# 2023 Investment Strategy vs Decisions & Q4 Progress/Plan

Industry	Outlook	1H Decisions	Q3 Decisions	Q4 Progress/Plan
Communication Services	Positive	Sold Walt Disney	-	Reviewing Deutsche Telekom for a buy. Reviewing Meta
Consumer Discretionary	Neutral	-	-	
Consumer Staples	Positive	Bought Nestle Bought Seven & I Holdings	Bought Loreal S.A.	-
Financials	Negative	Sold Intercontinental Exchange	-	Reduce exposure by selling PYPL and Visa Shares
Health Care	Positive	Bought Sanofi Sold GSK PLC Bought Novo-Nordisk	Sold AbbVie Inc	Review Abbott Laboratories for a buy.
Industrials	Neutral	Sold Caterpillar Inc Bought 3M Bought Mitsubishi	-	Bought Siemens AG
Information Technology	Positive	Bought Infosys Ltd Bought Microsoft Bought AMD	-	Reviewing ASML for a buy.
Materials	Positive; FFF constraints	Bought Glencore PLC	Sold Glencore PLC Bought Air Liquide	Review Intl Flavors & Fragrances
Real Estate	Neutral / Positive	-	-	Reviewing Prologis Inc
Utilities	Neutral	Bought Iberdrola	-	Bought Veolia
ETFs	Neutral	Sold: 1) MSCI Europe ETF 2) MSCI SG ETF 3) MSCI DE ETF 4) MSCI Sweden ETF 5) MSCI Australia ETF 6) MSCI World ETF	Sold: 1) MSCI China ETF	Sold: 1) MSCI Denmark ETF 2) MSCI Switzerland ETF  Plan to sell: 1) ESG MSCI EM Leaders ETF 2) MSCI Japan ETF



# Canadian Fixed Income

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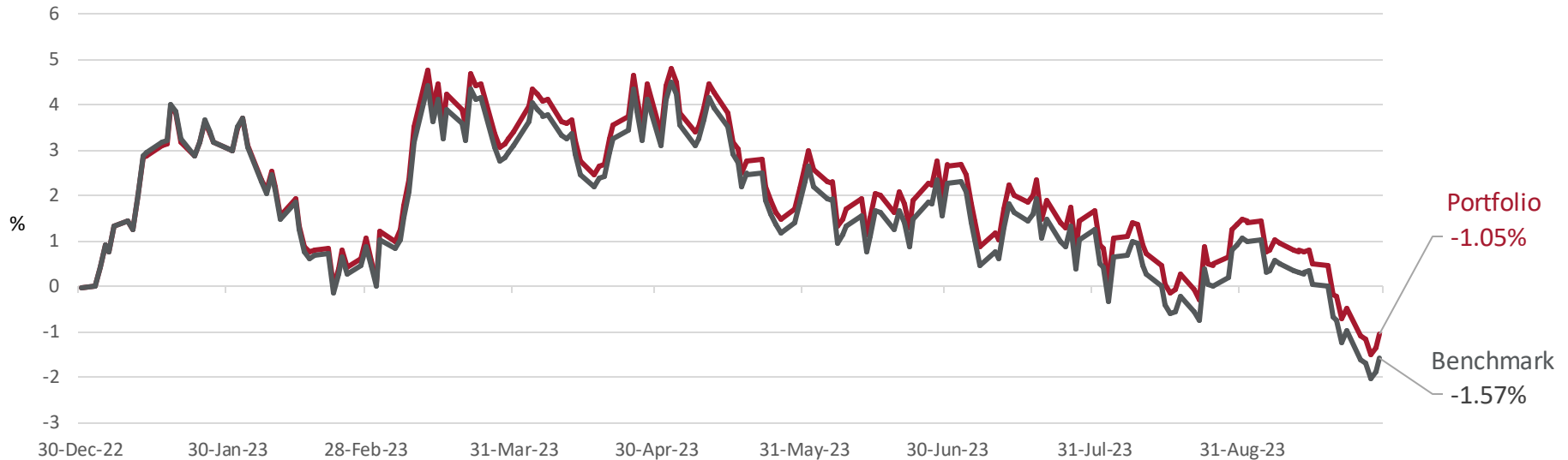
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# FI – Overperformed by 52 bps

## Last 9-Month Portfolio vs. Benchmark Total Return<sup>(1)(2)</sup>



(1) Performance Benchmark: iShares Core Canadian Universe Bond Index ETF

(2) Performance Period: Dec 30, 2022 to Sep 29, 2023

## Year-To-Date Active Return Attribution Summary (%)

<b>Active Return</b>	<b>+0.52%</b>
Allocation	+0.18%
Selection	+0.35%
Currency Effect	0.00%
<b>Tracking error (Annualized)</b>	<b>0.29%</b>

# FI – What we learned in first three quarters of 2023

## Duration

	Dec 30, 2022	Sep 29, 2023
Portfolio	7.06	6.57
Benchmark	7.30	6.86
<b>Difference</b>	<b>(0.24)</b>	<b>(0.29)</b>

## Spread

	Dec 30, 2022	Sep 29, 2023
Portfolio	88.82	56.37
Benchmark	73.95	69.38
<b>Difference</b>	<b>14.87</b>	<b>(13.01)</b>

## WORKED OUT

### ▪ The hawkish rhetoric of BoC on inflation

BOC increased policy interest rate from 4.25% to 5.00% since beginning of 2023 to cool down the momentum in core inflation. UW in active duration contributed 40 bps to the active return (out of total 52 bps from 1Q – 3Q 2023).

### ▪ Compelling risk/ reward for Treasury

We significantly OW Treasury as we believed the debt markets priced in the soft-landing scenario. UW in active spread contributed 12 bps to the active return.

## DIDN'T WORK OUT

### ▪ Underutilised risk budget (Tracking error 0.29% vs 1% as per IPS)

Some corporate spreads for Canada IG (A / BBB) fell over 9M – presenting opportunities to improve the portfolio return.

## Our Views

- Canada's inflation shows signs of a slowdown but not at a satisfactory rate.
- BoC may maintain the policy rate until inflation shows further signs of a slowdown .



## Portfolio Strategy

- Decrease the underweight of fixed income
- Overweight duration
- Maintain underweight in Credit

# ESG

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# Fossil-Free Goal: Exposure Cut via One ETF Sale

## Global Equities

A

**Portfolio**  
6.92

A

**Benchmark**  
6.78

- Portfolio rating is stable compared to Q2(6.98).
- Exposure to fossil fuels remains stable at 0.63% compared to Q2(0.67%).
- Total carbon emissions (Scope 1 and 2) have remained stable at 49 compared to Q2(46).

## Canadian Equities

AA

**Portfolio**  
7.50

AA

**Benchmark**  
7.32

- Portfolio rating is stable compared to Q2(7.35)
- Through the strategic sale of 1 ETF, we **reduced our exposure to fossil fuels to 0%** from 0.83% at the close of Q2.
- Total carbon emissions, covering both Scope 1 and Scope 2, have remained stable at 67 compared to Q2(66).

Source: MSCI ESG Manager

# Proxy Voting Guideline updated, lean proxy voting period in Q3

**Revised Proxy Voting Guidelines has been approved by client (SFU Treasury) on 19 October 2023.**

In updating the proxy voting guidelines, we drew upon our past experience in evaluating proxy ballots, benchmarked against industry standards through a review of other companies' proxy voting guidelines such as BCI to stay abreast of the latest ESG practices. Our efforts included close collaboration with BEAM and incorporating insights from faculty expert Stephanie Bertels, as well as integrating feedback from Glenn Powers.

**In the third quarter of 2023, we cast votes on 2 companies only.**

Company	Shareholder Proposals	Management Proposals
Empire Company Limited (Sep 2023)	Nil	<ul style="list-style-type: none"><li>• 1 (we hold Class A shares).</li><li>• Executive compensation was found to be in line with industry standards.</li></ul>
Open Text Corporation (Sep 2023)	Nil	<ul style="list-style-type: none"><li>• 11 Director Nominations; No adverse findings for any. Only 2/11 were non-independent directors.</li><li>• We supported the continuation of appointment of KPMG as the auditor</li><li>• We supported the company's Say-on-Pay policy for executive compensation.</li></ul>

# Risk

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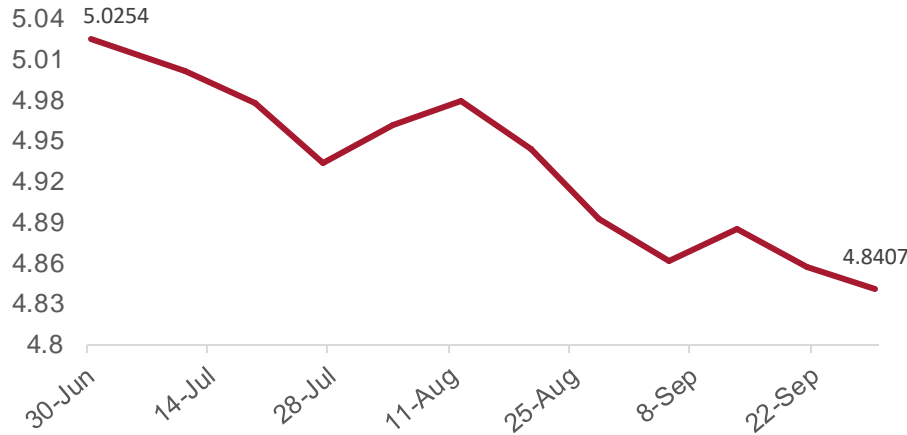
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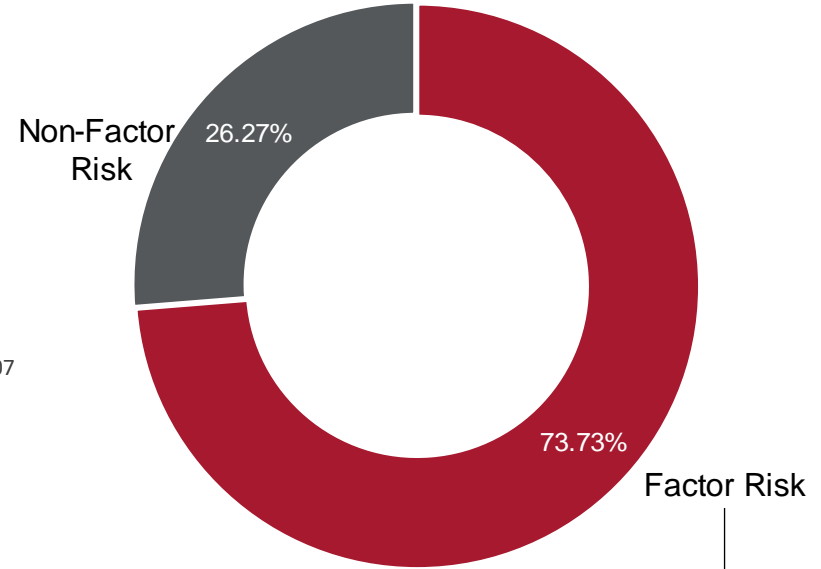
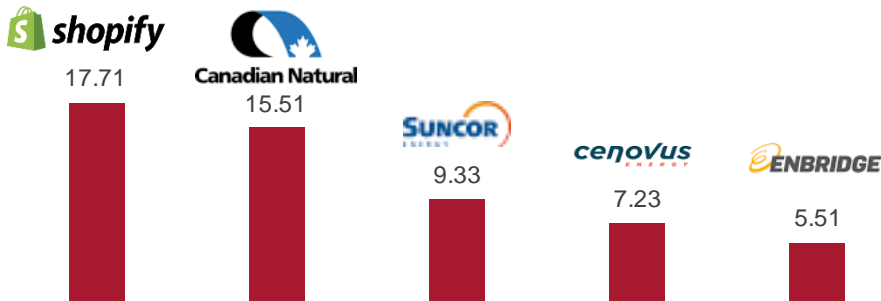
# Canadian Equity: Active risk decreased from 5.02 to 4.84 in 2023 Q3, with energy sector contributing the most (64.45%)

## Active Risk Trend Q3 2023

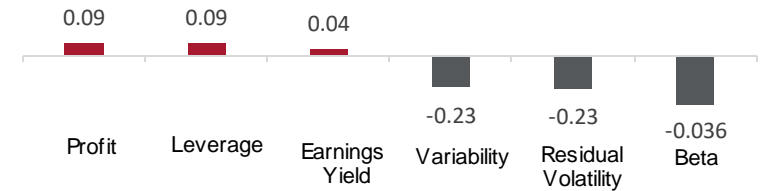


	Active Risk	Contribution(%)
Energy	4.2	64.45%
IT	1.84	19.25%
Financials	1.04	-3.57%

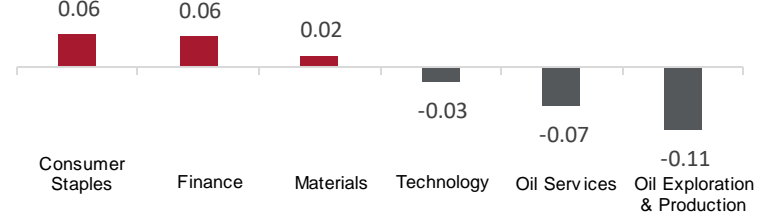
## Top 5 Contribution to Active Risk (MAC3 Model)



## Style Risk Exposure (38.78%)

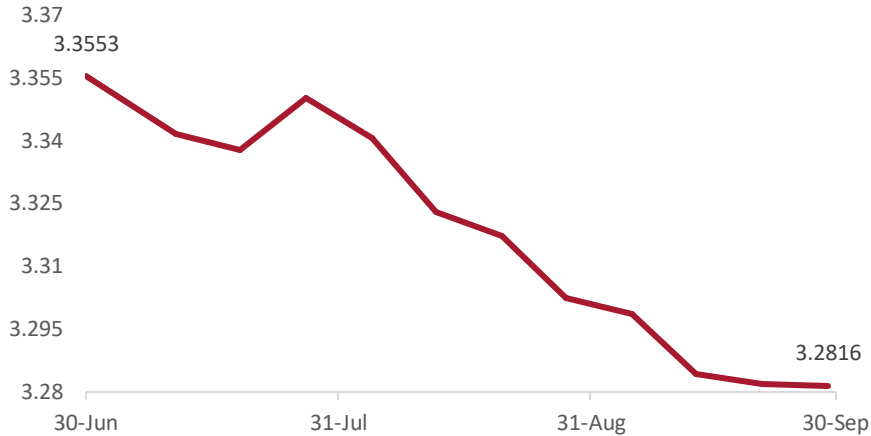


## Industry Risk Exposure (35.51%)



# Global Equity: 4 ETFs left and 3 new stocks in the portfolio

## Active Risk Trend Q3 2023



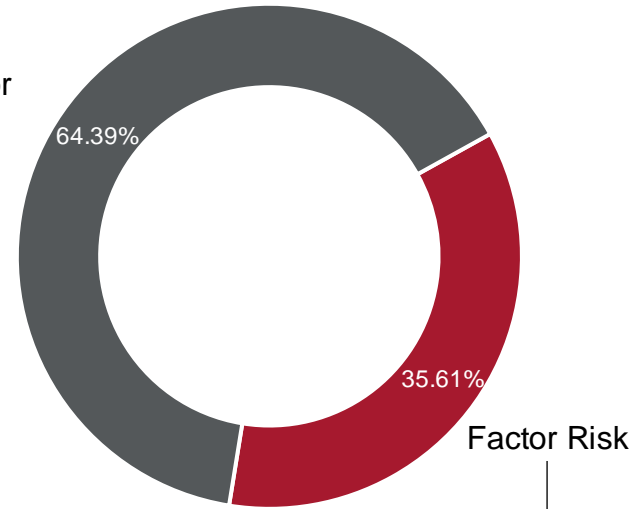
	Active Risk	Contribution(%)
US	3.1	75.48%
Western Europe	1.09	11.14%
Asia Pacific	0.91	9.11%

## Top 5 Contribution to Active Risk (MAC3 Model)

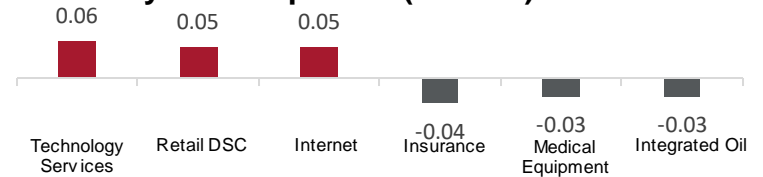
**AMD**



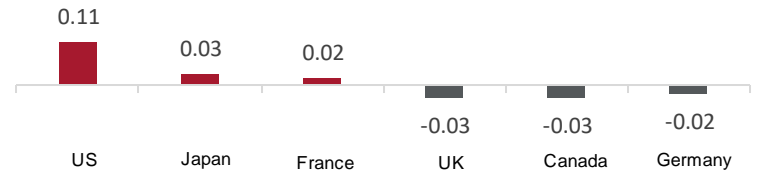
## Non-Factor Risk



## Industry Risk Exposure (20.55%)

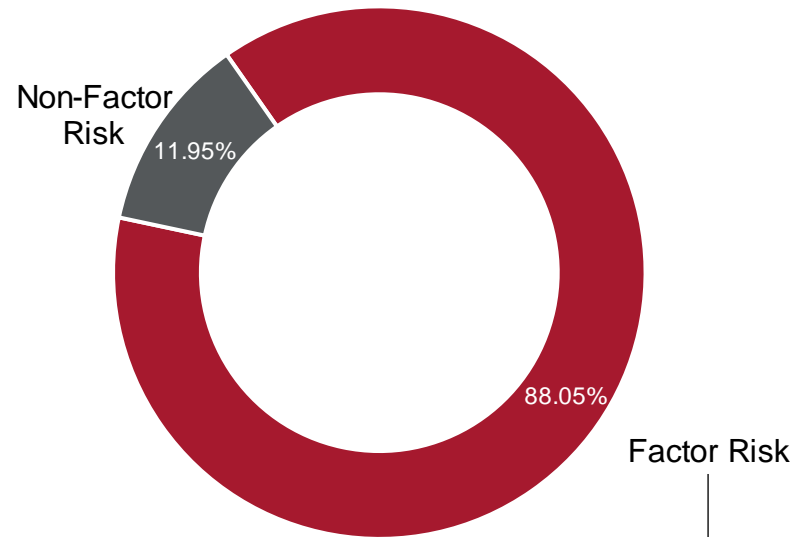
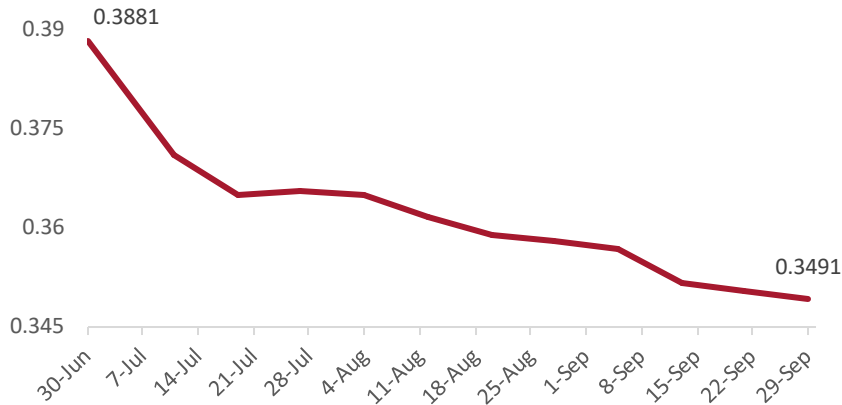


## Country Risk Exposure (5.17%)



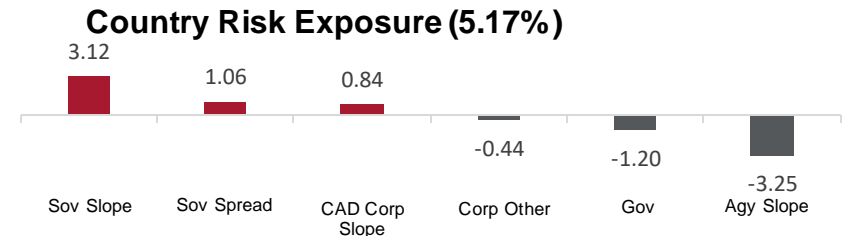
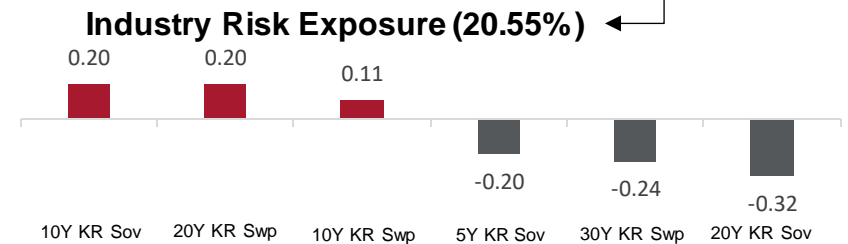
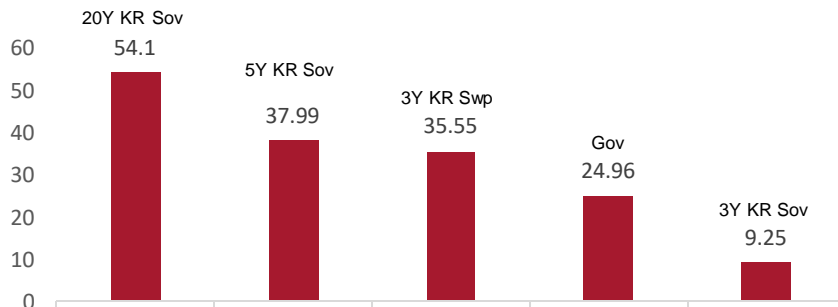
# Fixed Income: More Room for Risk Appetite

## Active Risk Trend Q3 2023



OAD		Active Risk Contribution(%)	
Portfolio	6.57	Agency	0.34
Benchmark	6.86	Industrial	0.26
		Supernational	0.04
			42.37%
			54.52%
			9.11%

## Top 5 Contribution to Active Risk (MAC2 Model)



# Q&A



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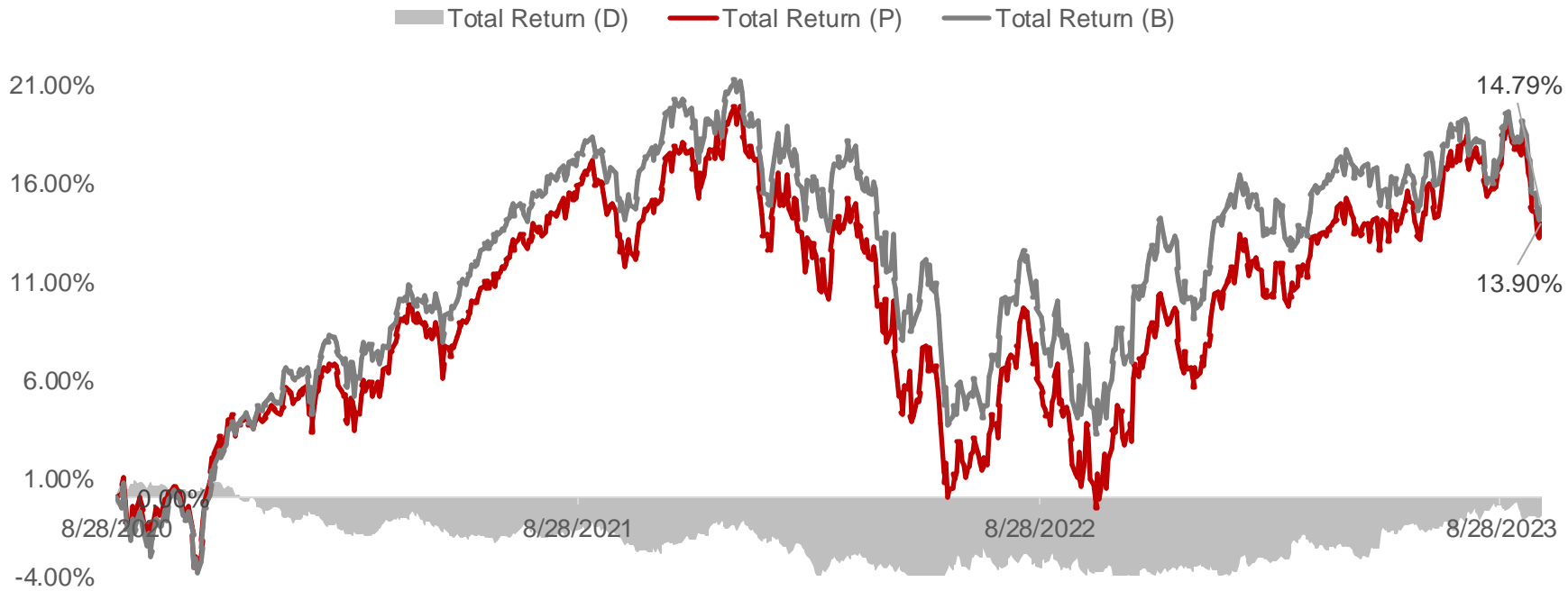
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# Appendix: Fund Performance

# To Date: SIAS Underperformed by 0.90%

Data: 28<sup>th</sup> Aug 2020 to 29<sup>th</sup> September 2023

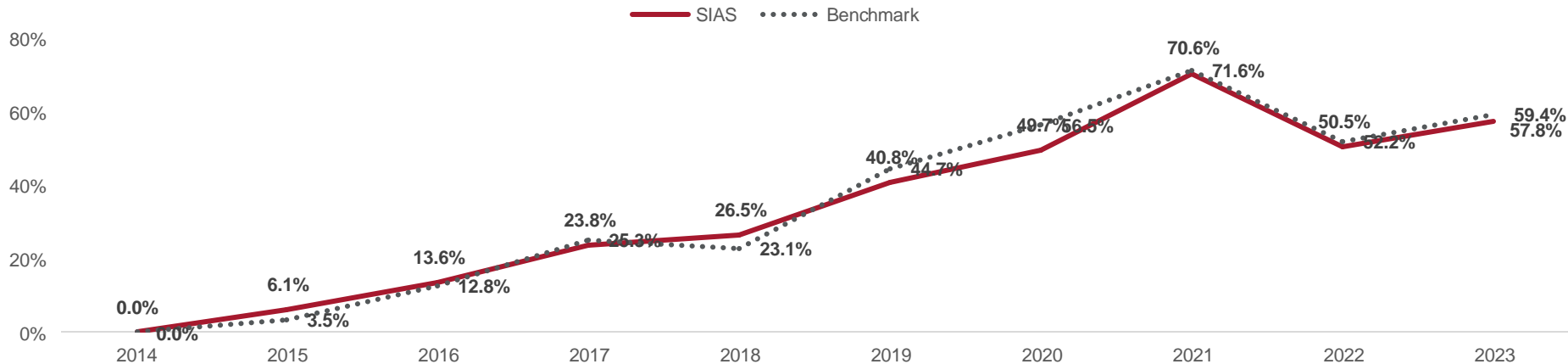
## SIAS Cumulative Return vs. Benchmark



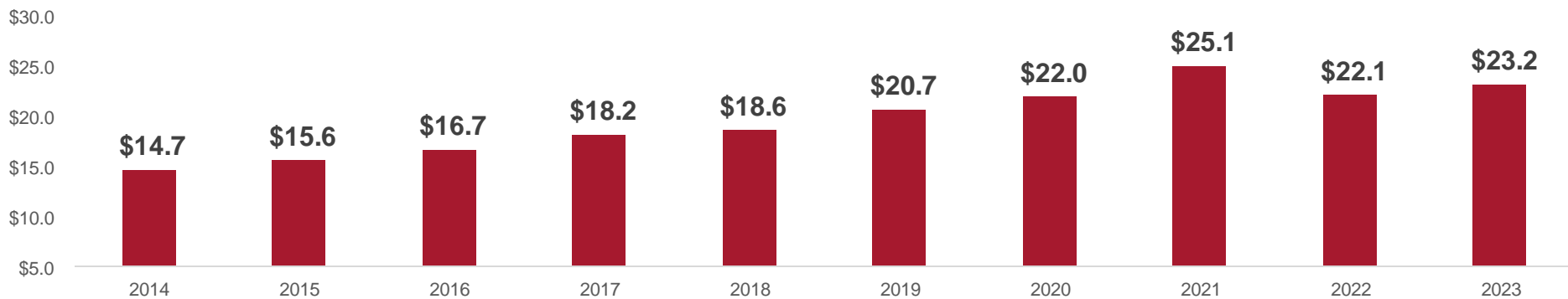
# 10-Year Cumulative: SIAS Underperformed by 1.62%

Based on Year-End Values

## 10-Year Cumulative Return



## Year End Market Value (in millions)



\* Units of figures presented are in \$CAD millions. 2023 data as of September 29, 2023.

# Appendix: Canadian Equity



# Portfolio Holdings – Canadian Equities (1/2)

As on September 29<sup>th</sup> 2023

Name	% Of Total	Market Value(\$)	Price(\$)
<b>Communication Services</b>			
BCE INC	3.58	47,302	51.85
TELUS CORP	2.25	32,259	22.18
<b>Consumer Discretionary</b>			
CANADIAN TIRE CORP-CLASS A	2.58	8,562	146.05
DOLLARAMA INC	2.34	26,452	93.58
GILDAN ACTIVEWEAR INC	1.27	6,651	38.07
<b>Consumer Staples</b>			
EMPIRE CO LTD 'A'	1.48	9,287	36.95
METRO INC/CN	3.34	16,163	70.54
LOBLAW COMPANIES LTD	1.27	36,379	115.40
PREMIUM BRANDS HOLDINGS CORP	2.16	4,244	95.10
<b>Financials</b>			
BANK OF MONTREAL	3.36	82,597	114.58
BANK OF NOVA SCOTIA	1.34	73,381	60.88
BROOKFIELD CORP	2.15	69,575	42.47
CAN IMPERIAL BK OF COMMERCE	1.33	48,461	52.43
CI FINANCIAL CORP	1.78	2,618	15.46
GREAT-WEST LIFECO INC	1.49	36,243	38.86
IGM FINANCIAL INC	0.52	8,203	34.45
MANULIFE FINANCIAL CORP	3.70	45,250	24.82
ROYAL BANK OF CANADA	7.24	166,457	118.70
SUN LIFE FINANCIAL INC	5.04	38,889	66.27
TORONTO-DOMINION BANK	6.43	1,48,253	81.83
<b>Industrials</b>			
CANADIAN NATL RAILWAY CO	6.49	96,138	147.09
CANADIAN PACIFIC KANSAS CITY	3.81	94,051	100.96
FINNING INTERNATIONAL INC	1.26	5,832	40.06
THOMSON REUTERS CORP	5.22	75,660	166.16

# Portfolio Holdings – Canadian Equities (2/2)

As on September 29<sup>th</sup> 2023

Name	% Of Total	Market Value(\$)	Price(\$)
<b>Information Technology</b>			
CGI INC	3.49	154,675	134.50
OPEN TEXT CORP	4.07	180,280	46.44
<b>Materials</b>			
AGNICO EAGLE MINES LTD	1.81	30,579	61.72
BARRICK GOLD CORP	0.74	34,635	19.73
CCL INDUSTRIES INC - CL B	2.50	10,131	57.01
NUTRIEN LTD	1.25	41,481	83.88
SANDSTORM GOLD LTD	2.11	1,881	6.35
TECK RESOURCES LTD-CLS B	2.22	30,385	58.46
WEST FRASER TIMBER CO LTD	0.74	8,239	98.61
WHEATON PRECIOUS METALS CORP	4.13	24,960	55.12
<b>Real Estate</b>			
GRANITE REAL ESTATE INVESTME	0.72	4,595	72.08
SMARTCENTRES REAL ESTATE INV	0.60	3,894	22.76
<b>Utilities</b>			
BORALEX INC -A	1.03	2,999	29.18
EMERA INC	2.16	13,007	47.42
NORTHLAND POWER INC	1.05	5,606	22.12

# Annex A: Canadian Equity Trades Q3 2023

Type	Trade Date	Security Description	Quantity	Amount (C\$)	Reason
Sell	07/10/2023	ISHARES CORE S&P/TSXCAPPED	8,500	267,570.00	Divest from FF/ETF.
Buy	07/10/2023	DOLLARAMA INC	335	29,464.20	Good outlook
Buy	07/10/2023	OPEN TEXT CORP	2,597	137,865.03	Good outlook
Buy	07/10/2023	PREMIUM BRANDS HLDGS CORP	95	10,183.90	Good outlook
Buy	07/25/2023	TECK RESOURCES LIMITED	574	33,434.26	Good outlook
Buy	08/04/2023	WEST FRASER TIMBER	339	35,924.67	Diversification
Buy	09/07/2023	LOBLAW COMPANIES LTD	500	59,305.00	Good outlook
Buy	9/21/2023	FINNING INTL INC	1,424	58,380.38	Good outlook

# CE – Maintaining value/quality tilt

*As of Sep 2023*

Portfolio Characteristics	Portfolio	Benchmark
Dividend Yield	3.51%	3.62%
Price/Book	1.83x	1.76x
Price/Earnings (trailing)	14.32x	14.86x
Debt/Equity	155.09%	156.47%
Return on Equity	11.46%	10.68%
# of Holdings	40	229*

\*Was 232 in last quarter.

- *Highest Dividend Yields are in Energy Sector*
- *Highest D/E is in Financials Sector*

# CE – FFF Helped, Underperformance from CS and Industrials

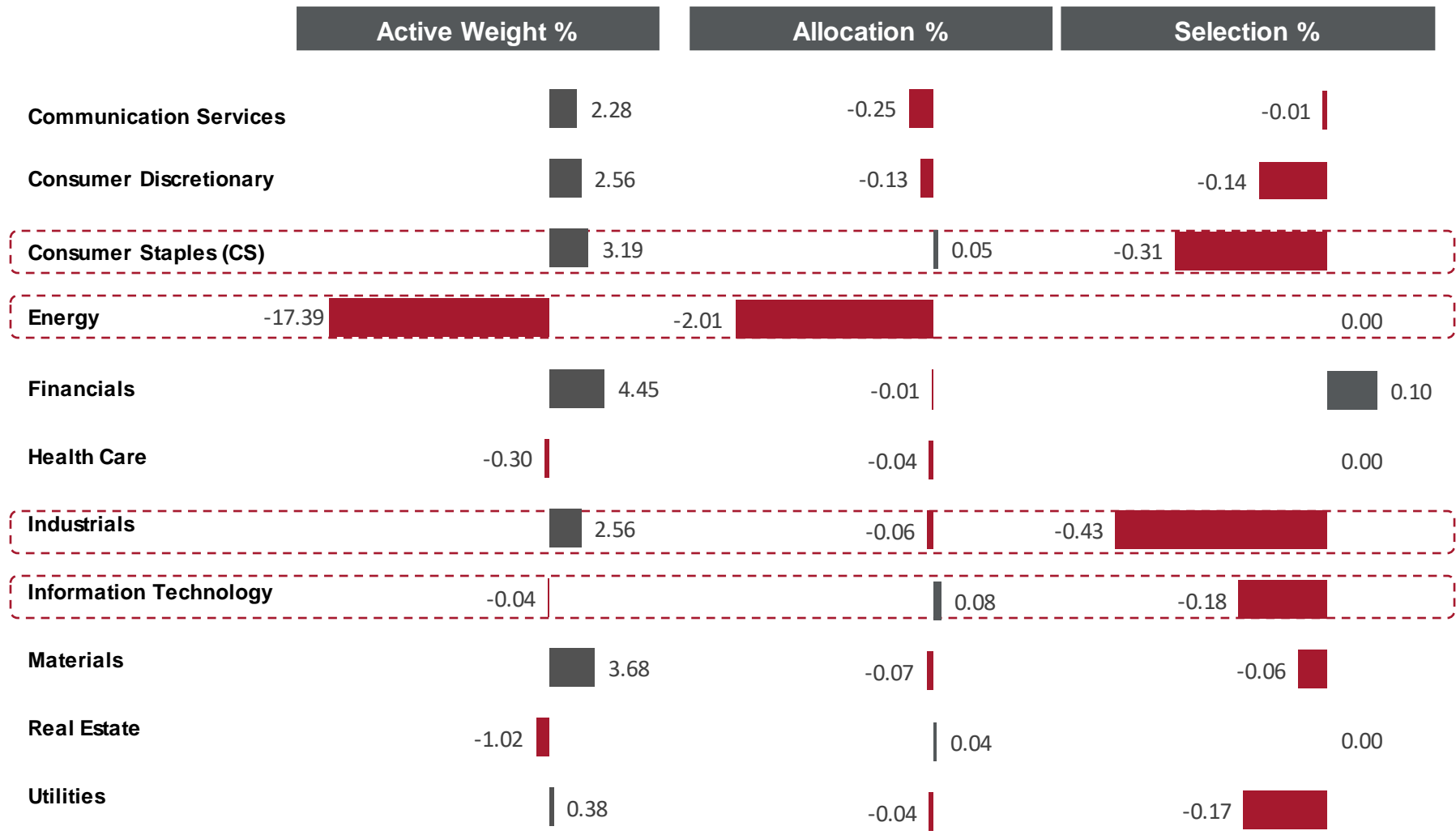


Figure is for the period Jun 30, 2023 to Sep 30, 2023  
 Benchmark: iShares Core S&P/TSX Capped Composite Index ETF

# CE – Insurance, IT, Consumer Discretionary Picks worked, FFF helped, Utility and Materials underperformed

	Overweight	Underweight
Outperformed	<p><b>Dollarama Inc (+7 bps)</b>            CI Financial Corp (+6 bps)            TECK Resources Ltd-Cl B (+4 bps)            Great-West Lifeco Inc (+2 bps)</p>	<p><b>Canadian Natural Resources (-13 bps)</b>            Suncor Energy Inc (-37 bps)            Cenovus Energy Inc (-27 bps)            Cameco Corp (-18 bps)</p>
Underperformed	<p><b>Canadian Tire Corp-Class A (-49 bps)</b>            Open Text Corp (-38 bps)            Thomson Reuters Corp (-30 bps)            CCL Industries Inc – CL B (-15 bps)</p>	<p><b>Shopify Inc – Class A (+43 bps)</b>            Enbridge Inc (+22 bps)            TC Energy Corp (+20 bps)            Brookfield Infrastructure PA (+12 bps)</p>

The value shown in brackets is the contribution to active return of the stock for the period covering Jun 30, 2023 to Sep 30, 2023

# Appendix: Global Equity

# Portfolio Holdings – Global Equities (1/2)

As on September 29<sup>th</sup> 2023

Name	% Of Total	Market Value (\$)	Closing Price
<b>Communication Services</b>			
ALPHABET INC-CL A	4.99	580,307	130.86
META PLATFORMS INC-CLASS A	3.42	398,578	300.21
VERIZON COMMUNICATIONS INC	0.71	82,203	32.41
<b>Consumer Discretionary</b>			
AMAZON.COM INC	3.87	450,290	127.12
HOME DEPOT INC	2.57	298,628	302.16
LULULEMON ATHLETICA INC	2.49	289,346	385.61
TESLA INC	1.37	159,338	250.22
<b>Consumer Staples</b>			
COSTCO WHOLESALE CORP	2.84	330,737	564.96
L'OREAL-UNSPONSORED ADR	1.68	196,047	82.86
NESTLE SA-SPONS ADR	3.15	367,214	113.17
PROCTER & GAMBLE CO/THE	2.87	334,259	145.86
SEVEN & I HOLDINGS-UNSPN ADR	1.25	145,523	19.57
<b>Financials</b>			
BANK OF AMERICA CORP	2.11	245,465	27.38
JPMORGAN CHASE & CO	3.21	373,704	145.02
MSCI INC	3.00	348,923	513.08
PAYPAL HOLDINGS INC	0.89	103,777	58.46
VISA INC-CLASS A SHARES	3.36	391,205	230.01
<b>Health Care</b>			
NOVO-NORDISK A/S-SPONS ADR	1.10	128,238	90.94
PFIZER INC	0.68	78,884	33.17
SANOFI-ADR	2.87	333,598	53.64
<b>Industrials</b>			
3M CO	3.22	374,660	93.62
EMERSON ELECTRIC CO	2.43	282,668	96.57
mitsubishi corp - ADR	2.28	265,488	48.20



# Portfolio Holdings – Global Equities (2/2)

As on September 29<sup>th</sup> 2023

Name	% Of Total	Market Value (\$)	Closing Price
<b>Information Technology</b>			
ADOBE INC	1.78	206,815	509.90
ADVANCED MICRO DEVICES	3.51	408,697	102.82
APPLE INC	5.66	658,780	171.21
INFOSYS LTD-SP ADR	0.60	69,398	17.11
MICROSOFT CORP	7.33	853,788	315.75
TAIWAN SEMICONDUCTOR-SP ADR	1.45	168,949	86.90
<b>Materials</b>			
GLENCORE PLC -UNSP ADR	2.57	298,987	33.67
INTL FLAVORS & FRAGRANCES	1.36	158,064	68.17
<b>Real Estate</b>			
VICI PROPERTIES INC	1.37	159,143	29.10
<b>Utilities</b>			
IBERDROLA SA-SPONSORED ADR	3.53	410,414	44.74
<b>ETF</b>			
ISHARES ESG MSCI EM LEADERS	6.51	758,349	42.78
ISHARES MSCI DENMARK ETF	1.47	171,085	100.51
ISHARES MSCI JAPAN ETF	4.30	500,158	60.29
ISHARES MSCI SWITZERLAND ETF	2.23	259,248	43.57

Note: There was a reconciliation lag for sell of AbbVie and hence the % of Total had to be manually recalculated based on the MV of our actual holding position.

# Annex A: Global Equity Trades Q3 2023

Type	Trade Date	Security Description	Quantity	Amount (\$)	Reason
Buy	07/25/2023	AIR LIQUIDE-ADR	6,568	232,237.18	Good outlook
Sell	07/25/2023	GLENCORE PLC	20,000	246,824.90	Divestment from FF
Sell	08/04/2023	ABBVIE INC	1,203	177,191.08	Poor outlook
Sell	09/01/2023	ISHARES MSCI CHINA ETF	3,336	152,666.07	Divestment from ETF/FF
Buy	09/21/2023	L OREAL S A EUR 0.2 ADR	1,750	150,078.14	Positive Outlook

# Global Equity – Portfolio Characteristics

Portfolio Characteristics	Portfolio	Benchmark	Interpret as
Dividend Yield	2.26%	2.41%	Similar position
Price/Book	3.61x	2.64x	Weak position
Price/Earnings (trailing)	19.63x	18.45x	Slightly pricey
Debt/Equity	120.23%	131.42%	Good position
Return on Equity	16.63%	13.46%	Good position
# of Holdings	38	2,324	

## Active Return Attribution Summary (%)

Active Return	-0.80
Allocation	-0.18
Selection	-0.58
Currency Effect	-0.04
Active Risk	+3.17

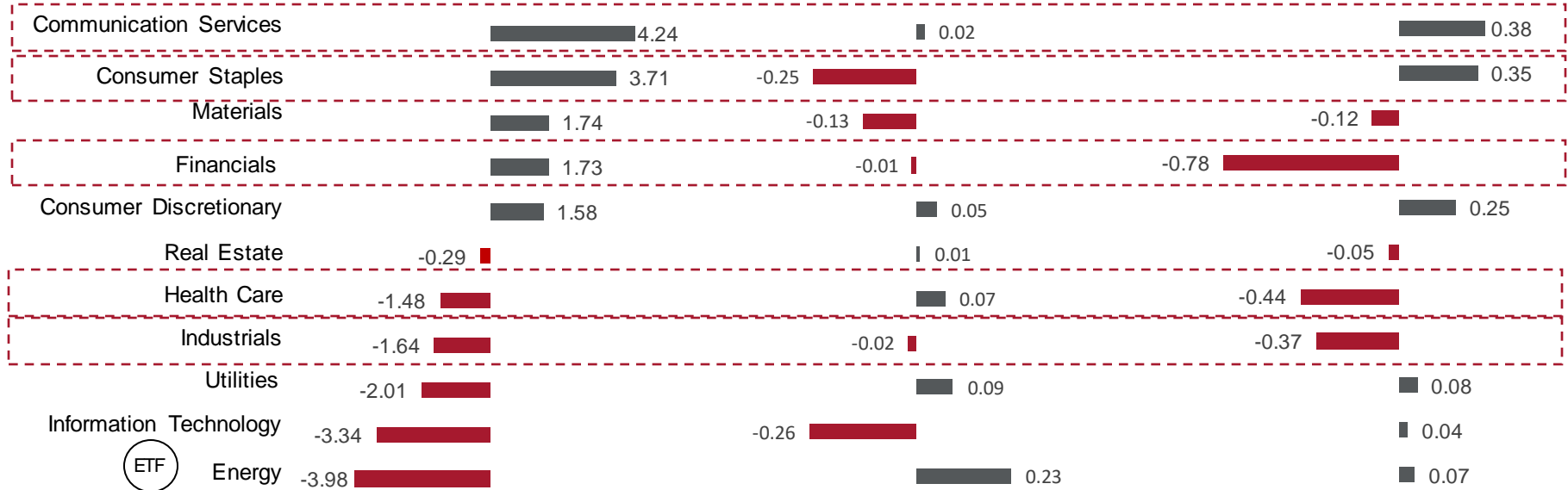
# Communication Services - Largest Contributor by Sector

## Active Weights Difference

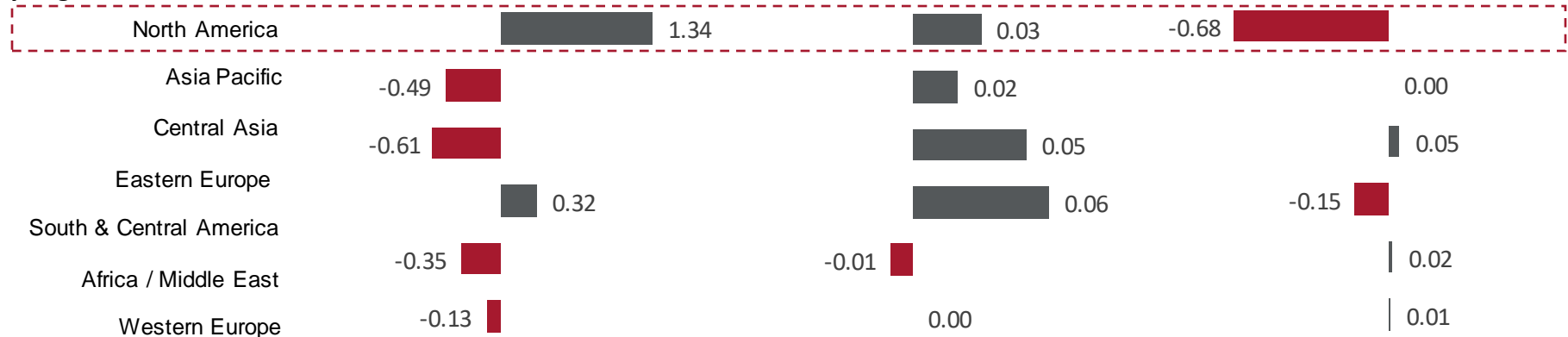
## Allocation Attribution

## Selection Attribution

### By Sector



### By Region



# Global Equity – Selection Breakdown for Q3, 2023

	Overweight	Underweight
Outperformed	<p><b>MSCI INC (29 bps)</b>                      Novo-Nordisk A/S (28 bps)                      Alphabet Inc (25 bps)                      Glencore PLC(23 bps)                      Emerson Electric CO (19 bps)</p>	<p><b>ASML Holdings NV (7 bps)</b>                      LVMH (7 bps)                      Nextera Energy Inc (5 bps)                      RTX Corp (5 bps)                      Merck &amp; co. Inc (4 bps)</p>
Underperformed	<p><b>IBERDROLA (-36bps)</b>                      Advanced Micro Devices (-25bps)                      Microsoft Corp (-18bps)                      INTL Flavors &amp; Fragrance (-16bps)                      Taiwan Semiconductor (-13bps)</p>	<p><b>Eli Lilly &amp; Co (-10bps)</b>                      Exxon Mobil Corp (-9 bps)                      NVIDIA Corp (-5 bps)                      Chevron Corp (-5 bps)                      UnitedHealth Group Inc (-5bps)</p>

The value shown in brackets is the contribution to active return of the stock for the period covering Jun 30, 2023 to Sep 30, 2023

# Appendix: Canadian Fixed Income

# Canadian Fixed Income - Overperformed by 15 bps

Ending Value<sup>(1)</sup>

\$6,104,755

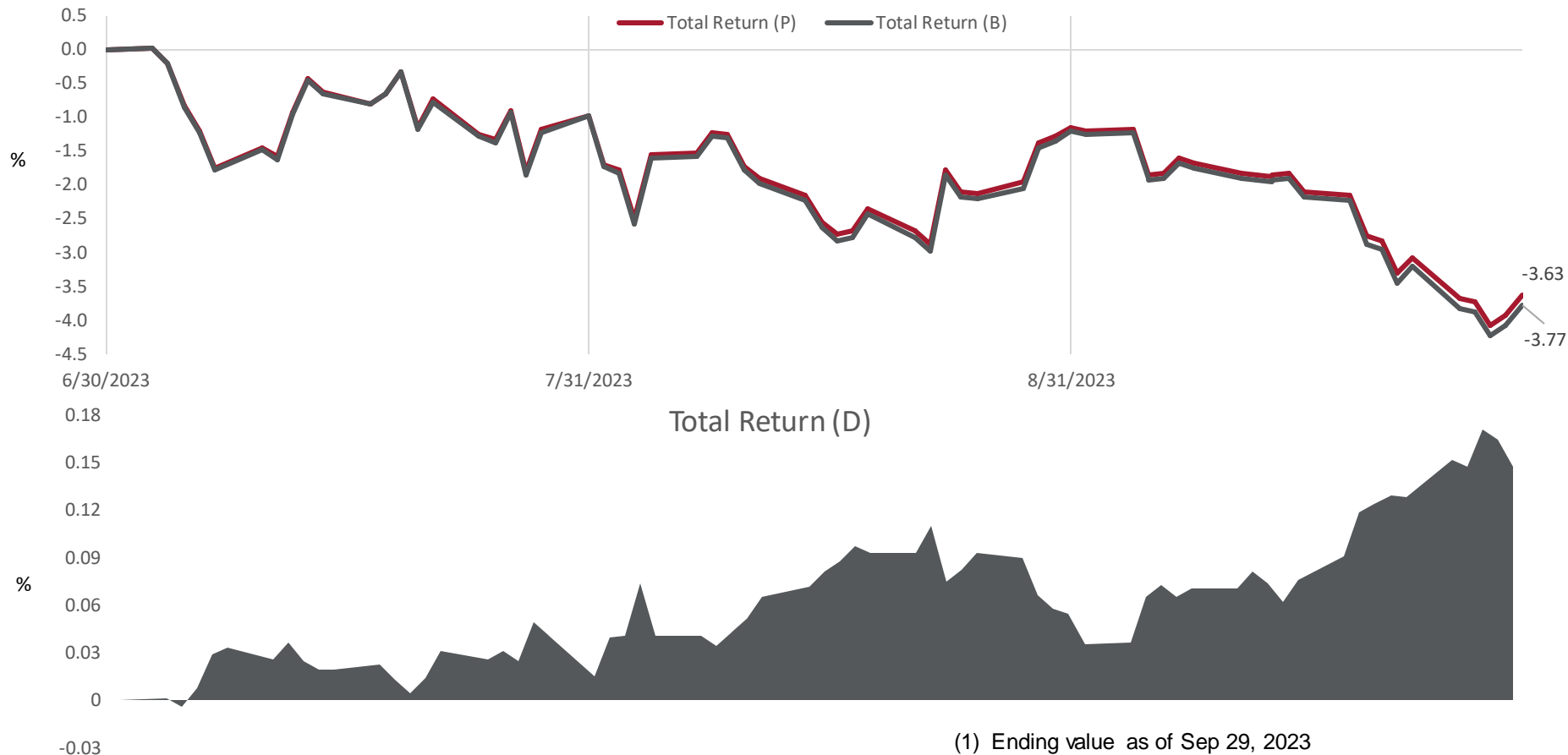
Active Return

0.15%

Tracking error

0.24

## Portfolio vs. Benchmark Total Return<sup>(2)</sup>



(1) Ending value as of Sep 29, 2023

(2) iShares Core Canadian Universe Bond Index ETF

# Breakdown of Active Return

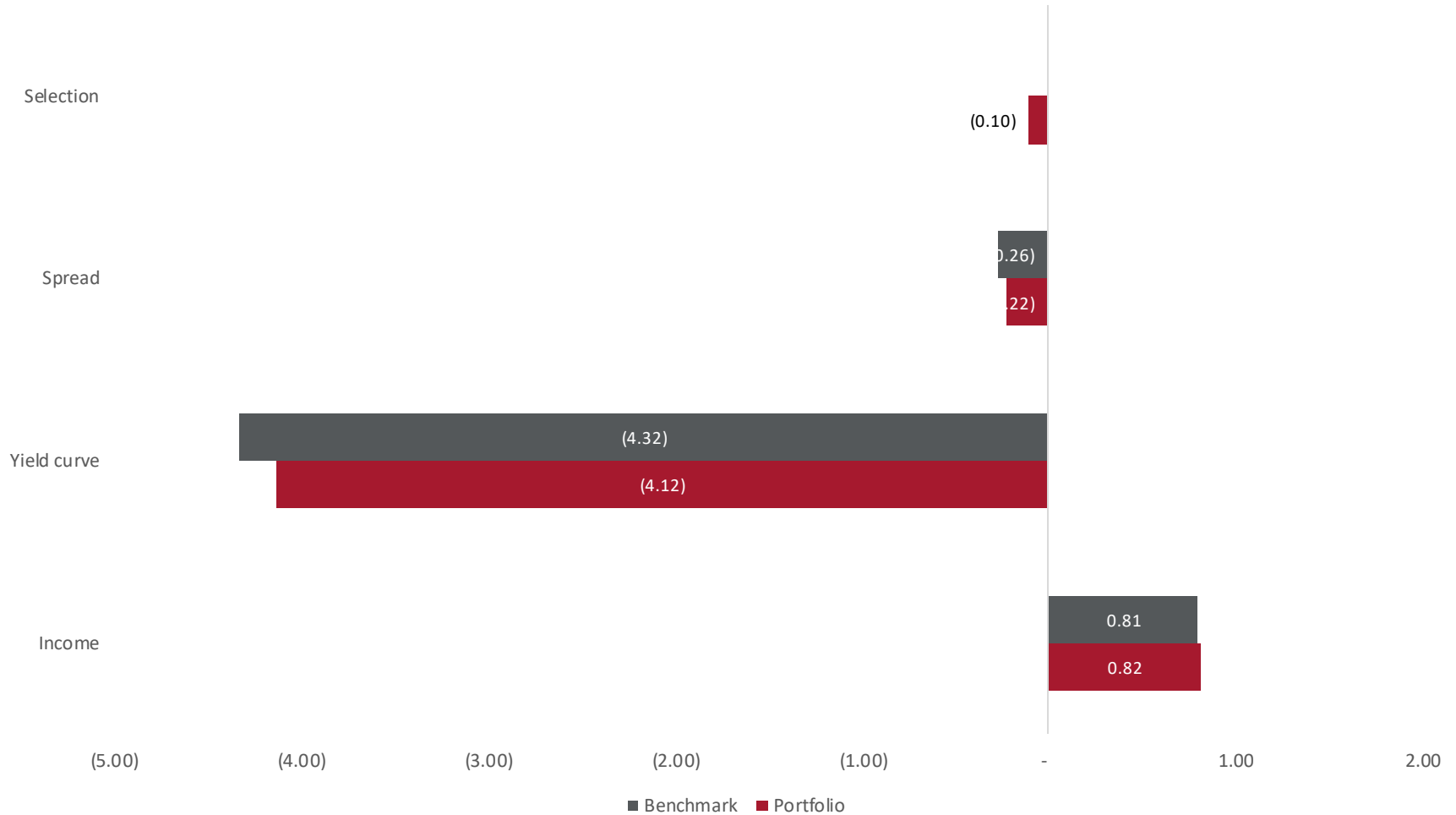
Active Return Attribution Summary (%)			
	Portfolio	Benchmark	Return
Income	0.82	0.81	0.01
Yield curve	(4.12)	(4.32)	0.19
Spread	(0.22)	(0.26)	0.04
Selection	(0.10)	-	(0.10)
<b>Total</b>	<b>(3.63)</b>	<b>(3.77)</b>	<b>0.15</b>

Active Return by Sector (%)				
	Income	Curve	Spread	Selection
Treasury & Agency	(0.00)	(0.58)	(0.02)	(0.13)
Provincials	0.01	0.58	0.05	0.01
Corporates	0.01	0.17	0.00	0.01
Others	(0.01)	0.01	0.00	0.01
<b>Total</b>	<b>0.01</b>	<b>0.19</b>	<b>0.04</b>	<b>(0.10)</b>



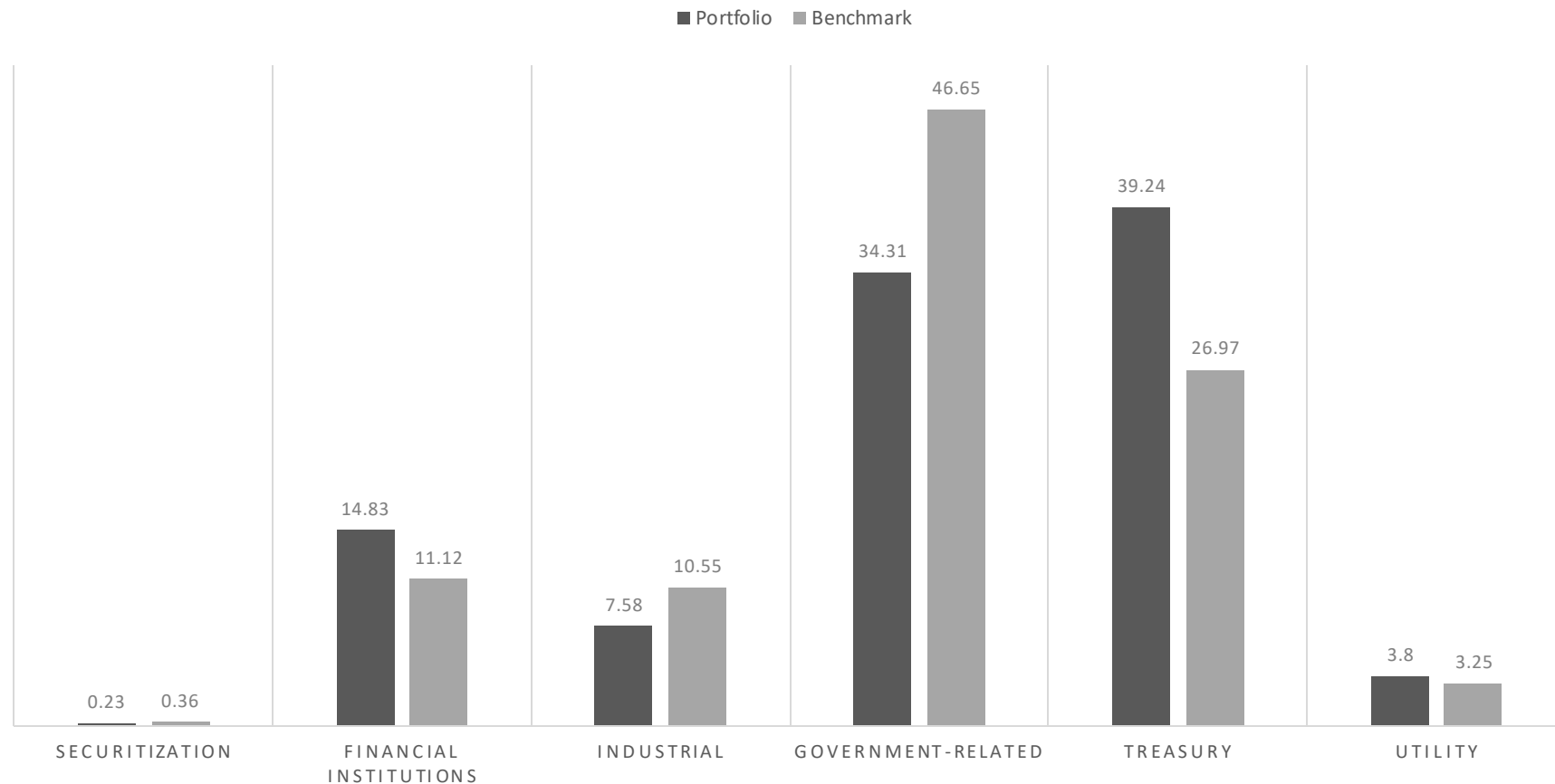
# Total Return Breakdown

Performance Breakdown (in %)



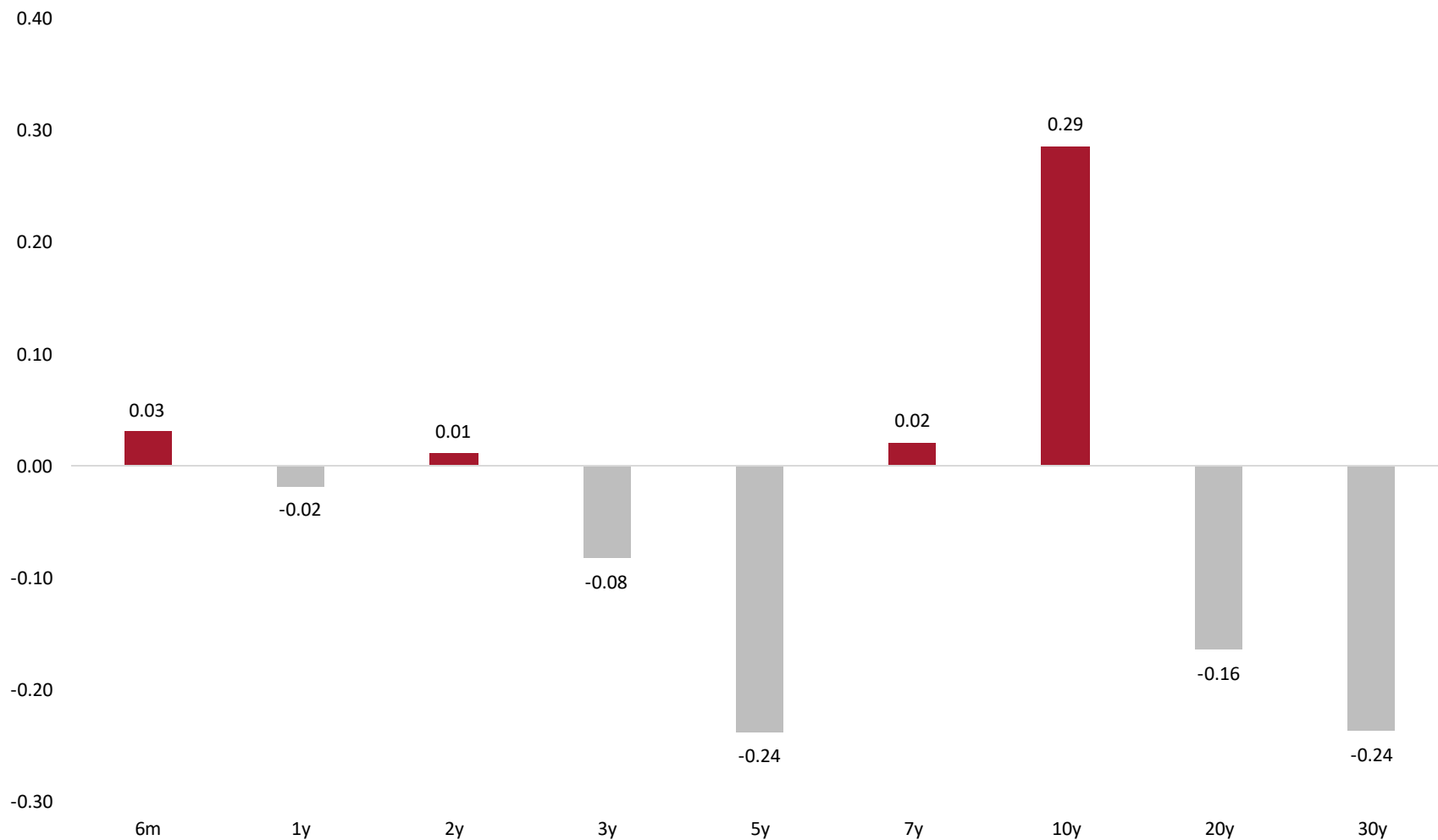
# Allocation Breakdown

## Sector Allocation (%)



# Key rates duration

Key Rate Duration (Portfolio - Benchmark)



# Portfolio Holdings – Canadian Fixed Income (1/3)

As on September 29<sup>th</sup> 2023

Name	% of Total	Market value (\$)	Position	Price (\$)
<b>Agency</b>	<b>2.8</b>	<b>171,024</b>		
OPBFIN 3.89 07/04/42	2.8	171,024	200,000	84.56
<b>ETF</b>	<b>6.18</b>	<b>377,189</b>		
BMO HIGH QUALITY CORPORATE B	6.18	377,189	14,048	26.85
<b>Financial Institutions</b>	<b>10.24</b>	<b>624,830</b>		
BMO 2.28 07/29/24	1.17	71,331	73,000	97.31
CM 1.1 01/19/26	1.44	87,763	97,000	90.25
CRTUCN 2.371 01/06/31	1.04	63,213	82,000	76.52
IGMCN 6.65 12/13/27	1.37	83,605	80,000	102.5
RY 2.74 07/25/29	1.6	97,833	100,000	97.32
RY 4.93 07/16/25	1.08	66,130	66,000	99.16
TD 1.888 03/08/28	1.73	105,434	123,000	85.6
TD 2.85 03/08/24	0.81	49,520	50,000	98.86
<b>Industrial</b>	<b>6.75</b>	<b>412,321</b>		
ETRHWHY 5.96 12/03/35	1.76	107,257	100,000	105.3
LCN 5.9 01/18/36	0.33	20,188	20,000	99.73
PPLCN 3.71 08/11/26	1.56	95,138	100,000	94.62
SAPCN 2.827 11/21/23	1.65	100,660	100,000	99.63
TCN 5.15 11/26/43	1.46	89,077	100,000	87.27

# Portfolio Holdings – Canadian Fixed Income (2/3)

As on September 29<sup>th</sup> 2023

Name	% of Total	Market value (\$)	Position	Price (\$)
<b>Local Authority</b>	<b>31.37</b>	<b>1,915,205</b>		
ALTA 1.65 06/01/31	1.45	88,326	109,000	80.48
ALTA 2.95 06/01/52	1.46	88,858	123,000	71.26
ALTA 3.4 12/01/23	0.93	56,485	56,000	99.73
BCMFA 2 ½ 04/19/26	0.86	52,400	55,000	94.14
BRCOL 5.4 06/18/35	1.74	106,447	100,000	104.89
BRCOL 5.7 06/18/29	3.15	192,544	180,000	105.33
BRCOL 6.35 06/18/31	1.84	112,238	100,000	110.41
MNTRL 3.15 09/01/28	0.98	59,693	64,000	93.01
MP 2.45 06/02/25	2.37	144,905	150,000	95.79
MP 6.3 03/05/31	0.9	54,985	50,000	109.52
NS 5.8 06/01/33	0.7	42,614	39,000	107.33
ONT 2.65 12/02/50	1.19	72,362	106,000	67.39
ONT 5.85 03/08/33	3.54	216,190	200,000	107.73
QHEL 2.1 02/15/60	0.58	35,343	64,000	54.95
SCDA 2.8 12/02/52	0.8	48,798	70,000	68.78
SCDA 3.2 06/03/24	3.27	199,529	200,000	98.71
SOUCOA 4.65 06/20/41	3.88	236,695	250,000	93.37
TRNT 2.9 04/29/51	1.24	75,861	109,000	68.37
YORKDS 5.3 06/03/25	0.51	30,932	210,000	99.63

# Portfolio Holdings – Canadian Fixed Income (3/3)

As on September 29<sup>th</sup> 2023

Name	% of Total	Market value (\$)	Position	Price (\$)
<b>Treasury</b>	<b>39.24</b>	<b>2,395,639</b>		
CAN 0 ¼ 03/01/26	7.09	432,566	480,000	90.1
CAN 1 ¼ 03/01/27	4.42	270,127	300,000	89.94
CAN 1 ¼ 06/01/30	6.71	409,460	488,000	83.49
CAN 1 ¾ 12/01/53	3.65	223,060	350,000	63.15
CAN 2 ½ 12/01/32	6.27	382,848	430,000	88.2
CAN 3 ½ 08/01/25	4.33	264,138	269,000	97.61
CAN 3 ½ 12/01/45	3.11	189,767	200,000	93.71
CAN 5 ¾ 06/01/33	3.66	223,673	194,000	113.37
<b>Utility</b>	<b>3.42</b>	<b>208,549</b>		
ALTALK 5.249 09/22/36	1.79	109,546	111,000	98.56
BRUPOW 4 06/21/30	1.07	65,318	71,000	90.88
HYDONE 2.16 02/28/30	0.55	33,684	40,000	84.01