

THE KENNETH WOODS
PORTFOLIO MANAGEMENT PROGRAM

ANNUAL REPORT



2012



John Molson School of Business (JMSB) at Concordia University is among the largest English language business schools in Canada, with over 9,000 students enrolled at all levels. At JMSB, we aim to prepare graduates for long and successful futures in business and administration.

John Molson School of Business Mission Statement

We educate students to enable them to become business leaders and responsible global citizens. We place strong emphasis on teaching, research and scholarship, and we strive for an intellectual climate in which excellence, innovation and imagination flourish. As an urban business school, we welcome Concordia's multilingual and multicultural constituency. Our international faculty, diverse student body, strong links to the local business community and relationships with international partners provide a learning environment that responds to the demands of a global economy and recognizes the realities of the contemporary world to achieve a better future.

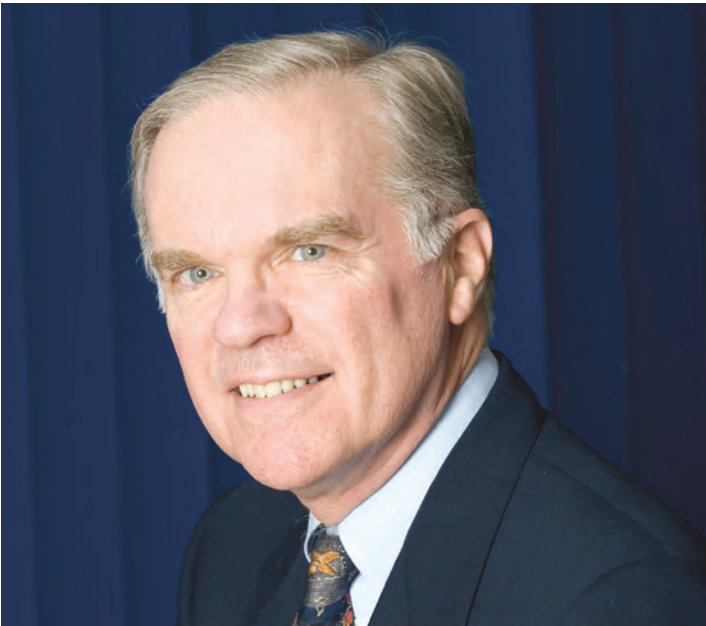
Excellence in Business Education

For over seventy years, we have been educating professionals at all levels of administration and management, preparing them for roles as innovators, entrepreneurs, and leaders in their field. We are widely recognized for the high quality of our specialized programs: specifically, we put on the table a commerce and administration education that is accessible, flexible, and highly relevant to the needs of today's students.

Our Mark of Distinction

Key to our graduates' success is JMSB's commitment to quality education and career support. Our fully-accredited programs focus on the development of real-world management skills in addition to fundamental administrative theory, emphasizing cooperative excellence, solid communication, and cutting-edge technical literacy. And we have the resources to back that up.

The Kenneth Woods Portfolio Management Program truly illustrates the high level of excellence in education across the boards offered by the John Molson School of Business.



Congratulations to our graduating Class of 2013. Once again, we had an outstanding group of students who worked exceedingly hard to manage the program's real money portfolio. As we now know, this past year has been one of continued turmoil in the world with many surprises. The recovery from 2008 has been a slow one although this past year the markets seemed to discount an improving trend. The economic statistics were generally still weak but improving trends were evident in several key areas including housing and energy. Corporate earnings were good, in some cases excellent. The markets were quick to appreciate the news and anticipate even better results ahead.

Each year many new and different challenges present themselves to investors and this past year was no exception. Our students were challenged to identify the precise time when investor confidence would return and when the great rotation out of fixed income and back into equities would occur. Those managers whose portfolios were structured defensively did not fare as well as those who positioned their portfolios for a strong recovery. Our students and portfolio were on the risk averse side of the market and accordingly the portfolio underperformed. It doesn't detract at all from the learning experience or the fact that the portfolio still increased above its value last year.

During the year the students undoubtedly worked very hard. Although the investment returns weren't as good as they had hoped, their successes outside the program were remarkable. The many achievements deserve to be highlighted and reported separately as they certainly reflect on the training they received at the university, in this program and from their coaches. In addition to the students' significant role, the case competition coaches included two alumni, Amr Ezzat and Thomas Horvath, as well as Reena Atanasiadis, the newly appointed co-director of the KWPM Program. Head Coach Mark Haber has done a wonderful job and is a key reason for the success of Concordia's teams.

We have reflected in the past about the reasons for the success of the program, now in its 14th year. I think we have to acknowledge the experience the students receive in the program through contact with the Client Committee (including practicing presentation skills), the wise input of their Mentors, seminar leaders and professors. All have contributed to their success. Once again, we note that several of our successful alumni are now participating in the programs as mentors, case study coaches, client committee members or academic teachers. Professor Abraham Brodt, the program director, continued to provide the leadership and guidance that has made this program such a success. His work in finding work internships in the industry has been so valuable to the total learning experience and has led to students graduating with very desirable resumes. Clearly, the program would never have been as successful as it has been without Professor Brodt's personal interest and dedication.


It is also important to remind ourselves that the student's mandate is to get a great education. The program is about much more than just investment returns, as important as they are given a live money portfolio. The students learn to work together in an environment very similar to that in a buy side firm. They have access to investment technology and information, as well as strong relations with the "street". Many buy side and sell side firms and individuals have been instrumental in mentoring the students: helping them with investment ideas, and providing job and career opportunities. I wish to express my sincere thanks to all of the program's Mentors.

The regular Client Committee meetings are a forum where students must present their investment actions and thoughts before the equivalent of an investment or pension fund committee. We are very fortunate to have an incredible group of experienced individuals who have committed their time and personal interest in the students and the program.

2012 was our 13th year of operation. Including the graduating Class of 2013, we will have 99 Calvin Potter Fellow graduates with 17 students remaining in the two-year program.

Significant changes and challenges lie ahead. Most importantly Professor Abraham Brodt, the program director; and most important reason for its success, has announced his retirement from the program at the end of 2013. Just as Professor Calvin Potter was an important mentor to me, Professor Brodt has been an important mentor to all the students and alumni. He has also become a wonderful friend to me and all fellow client committee members and mentors. Fortunately his eventual replacement is excellently qualified and in 2013 is acting in a co-director capacity. We are very pleased to welcome Reena Atanasiadis to this very important position and wish her lots of success and enjoyment.

Each year is different and offers new challenges and opportunities to the students. This year's class is an excellent one but in many ways different from those of the past years. Congratulations to each of you for your hard work and enthusiasm during a continuing challenging investment time. You are very fortunate to have had the opportunity to learn people skills as well as investments skills and to know that a positive attitude is an important attribute to have in life. Congratulations to all for your accomplishments and good luck in all future endeavors.


Kenneth W. Woods



It is with great pleasure that I present the 2012 Kenneth Woods Portfolio Management Program (KWPM) Annual Report.

This unique program is a great example of the kind of experiential learning opportunities that JMSB prides itself on providing its students. The practical, hands-on investment management training that participants in the program benefit from complements the financial theory they are exposed to through our curriculum.

On behalf of the business school, I would like to thank Kenneth Woods, whose generous gift in honour of the late Professor Calvin C. Potter, established the program in 2000. I am heartened by the degree to which he continues to support the program.

I would like to acknowledge and thank our supporters in the business community. The insight and guidance our Client Committee and Mentors provide are important ingredients in the success of the KWPM program. Their generous commitments of time, energy and encouragement leave an indelible mark on the experience of our students.

The outstanding quality of the students in this program is in large part due to the recruitment efforts of our Program Director, Dr. Abraham Brodt. Under his leadership, the KWPM fund has outperformed its benchmark in most years, and the high-achieving students he has so ably recruited to the program have enjoyed an unparalleled learning experience. Indeed, the business community has been unequivocal in recognizing the high quality of the program that Abraham has helped grow. As Abraham prepares to take on new challenges, I would like to thank him for his many years of dedication to the program.

I would like to offer my sincerest congratulations to the Class of 2013 Fund Managers, as well as the Class of 2014 Research Associates. I wish them the very best in their future endeavours.

Steve Harvey, PhD
Dean, John Molson School of Business



I am very pleased to present the 2012 Annual Report of the Kenneth Woods Portfolio Management Program (KWPM) at Concordia University's John Molson School of Business (JMSB).

In 2012, the KWPM Fund was managed by our 12th set of Fund Managers – the Class of 2013. Eight new Calvin Potter Fellows graduated this year; joining the 91 Calvin Potter Fellows who graduated in our first eleven years. There are 17 students currently in the Program – 7 Fund Managers and 10 Research Associates.

The primary objective of the KWPM is to provide a select group of JMSB undergraduate students with practical training in Investment Management in addition to the regular JMSB academic program. New students are chosen each January to join the KWPM for a two-year and two-month period. First year KWPM students are 'Research Associates'. They acquire the basic skills of Investment Management and assist the second year students who are the 'Fund Managers'. Research Associates become the new Fund Managers in their second January in the program.

KWPM students learn how to analyze economic and capital market conditions to determine the Fund's asset allocation and sector rotation strategy. They also learn how to conduct fundamental analysis to determine the securities to purchase, hold and sell. The KWPM Statement of Investment Policy provides the guidelines for asset allocation and the permitted investment securities.

The Class of 2013 started as Research Associates in January 2011. Wall Street strategists in January 2011 were expecting a very good year for stocks due to an economic recovery and strong corporate profits. The year quickly turned negative and the markets became more volatile than they had been in years. 2011 ended with an S&P TSX Total Return of -8.7%, the S&P 500 flat and only 4 out of 65 Dow Jones Global Indices reporting positive returns.

Tom Lauricella in his article "World's Woes Leave Lasting Scars" in the Wall Street Journal Year End Review January 3, 2012 noted that, despite some positive signals in the U.S. and Europe at the beginning of 2012, investors were not expecting too much in 2012, given their experience in 2011. Derek Young, head of the global asset-allocation division at Fidelity Investments was quoted as saying "We have to work our way through a lot of volatility, a lot of uncertainty". Marc Harris, director of U.S. equity research at RBC Capital Markets was quoted as saying "It's just a tough market for stock pickers".

The Class of 2013 Fund Managers adopted a top-down approach for the year. Given the mixed economic signals, they decided to position the Fund defensively. As such, with the markets doing unexpectedly well in 2012, their total return was 3.82% while the Investment Policy composite benchmark returned 7.74% in 2012. The Fund Managers' value added was thus –3.93% in 2012.

We are pleased that we have outperformed our benchmark in 7 out the last 11 years. The KWPM Fund Managers have been able to grow assets under management to \$1,506,685 through interest income, dividends, and capital appreciation over the past 11 years. Although the KWPM Fund has witnessed two major economic downturns since its inception, the KWPM Fund Managers have been able to achieve a geometric mean return of 3.80% on an annualized basis in the past 11 years. The KWPM students learn a great deal from the experience of managing a real portfolio, when they make money and even more when they lose money.

The KWPM continues to attract some of Concordia's best students. Two of our students graduated with the highest undergraduate GPA in JMSB and a third student graduated with the highest undergraduate GPA in Concordia in the past four years. Three of the five members of this year's Case Competition Finance Team are in the KWPM - Fund Managers Michel Berger and Ludovic Jacques and Research Associate Dinos Papoulas. Their teams won Gold medals this year at the Battle on Bay Street Competition at Ryerson University, the Inter-Collegiate Business Competition (ICBC) at Queens University, the Jeux du Commerce (JDC) at HEC Montréal and the TD Bank Financial Group Case Competition at the University of Ottawa's Telfer School of Management. They were coached by Professor Reena Atanasiadis and KWPM Alumni Amr Ezzat [CPF 2008] and Thomas Horvath [CPF 2008].

We are also very proud of all the KWPM Alumni listed on the final page of this Annual Report. Most of our alumni are working in investment management or investment banking in Canada and the U.S. while some are in Europe and Asia. Many of them have already achieved prominent positions at their firms. Three of the top-fifteen Canadian hedge funds in 2012 were managed or co-managed by our Alumni at Formula Growth, Nelson Cheung [CPF 2002], Cameron Fortin [CPF 2005], Michael Gentile [CPF 2002] and Charles Haggart [CPF 2003]. Philippe Hynes [CPF 2002] started the investment firm Tonus Capital in 2007. The Tonus Composite return since inception is 9.19% while the return for its benchmark is 1.65% for the same period. Fred Westra [CPF 2005] has been ranked by Reuters Starmine as a top 10 stock picker in Canada for two consecutive years (2011, 7th place) and (2012, 5th place).

On behalf of the students, I would like to express our deep gratitude to Ken Woods (MBA 75) who established this special program in 2000. I also want to express my personal appreciation to Ken for his friendship and support over the past 13 years. Even though he is actively involved as a Director of the BC Investment Management Corporation, as well as in various community and charitable organizations, Ken still devotes considerable time and energy to the KWPM. He comes in from Vancouver to attend all our special events and Client Committee meetings and always has excellent advice and creative ideas for our program.

The KWPM students benefit immensely from their meetings and interactions with the Client Committee, their Mentors and the Special Seminar speakers. We welcome three new Mentors – Gabriel Bouchard-Phillips, CA, CFA, Andrey I. Omelchak, CFA, FRM, CIM, MSc and Lorne Steinberg, MBA, CFA. Four Mentors - Jay Aizman, CFA, Nicolas Katsiyianis, Heather C. Kirk, CFA and Constantine Kostarakis - have retired after many years with the KWPM. We are grateful to all of these very busy professionals for volunteering to spend time and share some of their expertise and experience with our students. Many of these individuals have supported the KWPM since 2000.

An Advisory Council consisting of ten distinguished professionals was established in 2011. Their mandate is to review the operations of the KWPM and to report to the KWPM Board of Directors whether the KWPM is meeting its objectives and to recommend how the program can be improved. The members of the Advisory Council are listed later in the report. Their support is greatly appreciated.



Work Internships are a vital part of the training received by the KWPMP students and we aim to ensure a minimum of two Work Internships per student. Work Internships not only provide students with excellent practical experience but also often result in employers hiring interns for full-time positions after graduation. We are very grateful to all the employers mentioned in the students' biographies for the excellent experience they provided to our students.

We want to thank David L. Abramson, Managing Editor, BCA Research, Wayne Deans, Deans Knight Capital Management and Ron Meisels, President of Phases & Cycles Inc., for donating funds for scholarships and bursaries to encourage and support outstanding KWPMP students each year. Our goal is to obtain enough scholarship and bursary funds to support every KWPMP student.

We want to thank La Caisse de dépôt et placement du Québec for giving us a special Research Grant in 2012 to support the "Implementation of ESG Analysis in a Mainstream Portfolio". With the help of this grant 6 of our students enrolled in the David O'Brien Centre for Sustainable Enterprise at JMSB and 4 of them received the Sustainable Investment Professional Certificate. Two of these students – Michel Berger and Pierre Cosquer - presented a paper "Intégration des facteurs ESG dans le Portefeuille Kenneth Woods" at a Special Conference on "Facteurs ESG - Recherche et tendances au Québec" at La Caisse de dépôt et placement du Québec on September 21, 2012.

It has been my privilege to be the Director of the Kenneth Woods Portfolio Management Program since it was founded 13 years ago. It has been a great pleasure to work with and have the support of Ken Woods, the members of the Client Committee, the Mentors, Special Seminar Speakers, Employers and all the supporters of our program all this time. My biggest satisfaction comes from seeing the success of all the excellent students who have gone through the program. Not only are they doing well professionally, they are also actively involved in helping others the same way people in the program helped them.

I am very pleased to welcome my colleague Professor Reena Atanasiadis who will become the new Director of the KWPMP. Reena has over 2 decades of experience in wealth management. She has held multi-provincial licenses as Investment Counsel / Portfolio Manager and managed on a discretionary basis global assets valued at several hundred millions of dollars. Reena has taught Finance at JMSB and in the Goodman Institute for Investment Management since 2004. She received the Dean's Award for Teaching Excellence in 2012. She is also the head coach for the Finance teams for Case Competitions.

Finally, the following people played a significant role behind the scenes and we thank them for their help and support:

- Jennifer Beasley, CIPM
- Jean Michel Beaulieu
- Jerry Evarts
- Amr Ezzat
- Ryan Fan
- Michael Gentile
- Ned Goodman
- Niall Henry
- Philippe Hynes
- Mark Haber
- Jesse Janzen
- George Kanaan
- Stephen Kibsey
- Filip Papich
- Vishal Patel
- Chris Stuart
- Kevin Trotter

Dr. Abraham I. Brodt
Professor of Finance and
Director, The Kenneth Woods Portfolio Management Program



David Abramson

David Abramson has been with the Bank Credit Analyst Research Group (www.bcaresearch.com) since 1987. He originated and is the managing editor of the firm's Commodity and Energy service. Before that, he ran the China Investment Strategy service. From 2000 to mid-2005, he originated and managed a European institutional service. For most of the 1990s, he was managing editor of the ForexCast, the currency advisory service of the Group, and also frequently contributed to the emerging market asset allocation service. Previously, Mr. Abramson worked in the international department of the Bank of Canada for three years modeling exchange rate and trade flows. He holds an MBA and MA in international relations from the University of Chicago, as well as a MA degree in economics from Carleton University.



Frank Belvedere, CFA, FCIA

Frank Belvedere is a partner with Mercer Consulting. He has over 30 years experience in the Canadian and global pension and investment industries, where he has advised a variety of private and public pension, endowments and sovereign wealth funds on funding and investment issues. He leads Mercer's alternative investments consulting in Canada, in addition to his broader consulting responsibilities. He currently advises clients on a broad spectrum of traditional and alternative investments including real estate, commodities, infrastructure, currency, hedge funds and private equity.

He has served on the Canadian Institute of Actuaries' Committee on Pension Plan Financial Reporting, and lectured at Concordia University in Montréal. He is a board member of several educational foundations. He has authored articles on hedge funds and other investment topics and spoken at a variety of investment conferences. Frank is a native of Montreal, Canada where he attended McGill University, receiving a Bachelor of Science, major in mathematics. He is a Fellow of the Canadian Institute of Actuaries and has attained the CFA designation.



Russell Hiscock, CFA

Russell Hiscock is president and chief executive officer of the CN Investment Division, which manages one of the largest corporate pension funds in Canada. Mr. Hiscock joined CN Investment Division in 1987 as manager – investments. He was subsequently appointed manager – common stocks and general manager. He has many years of equity portfolio management experience, in both the Canadian and International stock markets, with particular emphasis on the oil and gas sector. Mr. Hiscock is past chairman of the Pension Investment Association of Canada (PIAC).

Mr. Hiscock holds a Bachelor of Mathematics degree from University of Waterloo, a Master of Arts degree in economics from University of Western Ontario and an MBA from University of Toronto. He is a Certified Chartered Financial Analyst, a Certified Management Accountant and a Certified Corporate Director.



Judith Kavanagh

Judith Kavanagh has worked in the financial services industry for more than 35 years. Ms. Kavanagh is a consultant to mutual fund companies, securities firms, banks and government agencies. Mrs. Kavanagh served as a director on the boards of Concordia University, Dundee Wealth Management Inc., CCF (Canada), Club M.A.A., the Royal Canadian Mint, The Canadian Human Rights Foundation, Fondation Richelieu Montreal and l'Agence des Partenariats Public-Privé Québec. Mrs. Kavanagh currently serves on the board of Les Amis de la Montagne.



Randall Kelly, CA, CFA

Mr. Kelly received his Bachelor of Commerce degree from Concordia University in 1978, graduating with honours in accountancy. Mr. Kelly joined Deloitte Touche in 1978 and in 1980 he earned his Chartered Accountant designation after graduating from McGill University with a Diploma in Public Accounting. He is a Certified Chartered Financial Analyst, obtaining that designation in 1987. In 1984, Mr. Kelly joined the investment firm Formula Growth Limited and is currently chief executive officer of the firm.



Michael Onwood

Michael Onwood is the former President of Onwood Management Advisors Inc. He has over forty years of financial experience in external audit, management consulting, as well as a complete range of treasury, controllership and CFO functions. He has worked for Price Waterhouse, McKinsey & Company Inc., the SNC Group, Dominion Textile Inc. and Air Liquide Canada Inc. At Air Liquide, as Vice President Finance from 1985 to 1997, Mr. Onwood's responsibilities included overseeing the pension fund investment activities as well as the complex pension accounting rules for defined benefit plans. He was instrumental in introducing a SERP for senior management. Mr. Onwood is an active member and past President of the Montréal chapter of Financial Executives International (currently known as FEI Québec).



Christine Lengvari, CA, CBV, CLU, EPC

Christine Lengvari trained as a Chartered Accountant specializing in business valuations and mergers and acquisitions. Ms. Lengvari has taught financial accounting at both McGill University in Montreal and the University of Natal in Durban. She is the president & CEO of Lengvari Financial Inc, a life insurance brokerage specializing in retirement and estate planning. She is a Chartered Life Underwriter. Ms. Lengvari is actively involved in the community: Concordia University, McGill University, St. Mary's Hospital Center, the Canadian-Hungarian Artists' Collective and International Women's Forum.



Donald Walcot

Donald Walcot sits on a number of pension investment committees and boards. He is a graduate of McGill University, and has a Master's degree in Business Administration from the University of Western Ontario. From 1968 to 1987 he held several investment positions at Ontario Hydro, culminating in the position of Assistant Treasurer; Pension Fund Investments. In 1987, he joined Sun Life Investment Management Ltd as President. In 1992, he returned to Montreal as Chief Investment Officer of Bimcor, from which position he retired in 2004.



Fred Westra

Fred Westra is the Director of Research at Industrial Alliance Securities, a full service Canadian investment dealer and has been with the firm since 2007. He has been instrumental in growing the Research Department from the start-up phase and in the firm's expansion into Toronto. He has acted as an analyst covering Non-Bank Financials in the Canadian small cap sector. Previously he worked in the Research Department of Dundee Securities, covering Canadian Banks and Mutual Fund Companies. He has also worked in a high net worth group at RBC DS and with a Montreal based mining VC firm. Mr. Westra graduated with Great Distinction from the John Molson School of Business and is a Calvin Potter Fellow [KWPMP Class of 2005].



Kenneth Woods, CA

During the past fourteen years Ken has devoted the majority of his energies to numerous Investment, Community and charitable organizations in Vancouver and Montreal, including the KWPMP program at Concordia University. He continues to be very active in investment organizations, children's arts programs and hospital foundations. Both Ken and his wife Anne are firm believers in giving back to the community and feel fortunate that they have been given the opportunity to do so.

Academically, after obtaining his BSc degree from the University of British Columbia, Mr. Woods went on to complete his MBA in 1975 at Concordia University and his Diploma in Accountancy at McGill University. He obtained his CA designation in 1977 and was awarded the Fellowship CA designation in 2006. He has been involved in investment management for over 25 years.

KWPMP Advisory Council

KWPMP Alumnus

Mike Gentile
Vice-President & Portfolio Manager
Formula Growth

KWPMP Client Committee

Russell Hiscock
President and CEO
CN Investment Division

KWPMP Employer

Michael McHugh
Vice-President and Portfolio Manager
GCIC Ltd.

KWPMP Mentor

Stephen Kibsey
Vice-President, Equity Risk Management
Caisse de dépôt et placement du Québec

JMSB Faculty

Dr. Sandra Betton, CFA
Associate Professor of Finance
JMSB

External to the KWPMP Program

Luc Bertrand
Vice-Chairman
National Bank Financial Group

Steve Foley
Head of Canadian Sales
RBC Capital Markets

Norman Raschkowan
Executive Vice-President, Investments
Mackenzie Investments

Ex-Officio

Bram Freedman
VP, External Relations and Secretary-General
Concordia University

Ken Woods
Founder, KWPMP

- Bank of America Merrill Lynch
- BMO Capital Markets
- BMO Nesbitt Burns
- British Columbia Investment Management Corporation
- Business Development Bank of Canada
- Caisse de dépôt et placement du Québec
- Castle Hall Alternatives
- CIBC Wood Gundy
- CIBC World Markets
- CN Investment Division
- Dundee Securities Corporation
- Export Development Canada
- Global Alpha Capital Management Ltd.
- Goldman & Company, Investment Counsel
- Healthcare of Ontario Pension Plan
- Industrial Alliance Securities
- Interinvest Consulting Corporation
- Jarislowsky, Fraser Limited
- KPMG LLP
- Mackenzie Investments
- Manulife Investments
- Mercer Consulting
- Mirabaud Canada Inc.
- Morgan Stanley
- National Bank Financial
- Natcan Investment Management
- Novacap Management
- Phases & Cycles, Inc.
- Pratt & Whitney Canada
- Presima
- PSP Investments
- RBC Capital Markets
- RBC Dominion Securities
- Scotia Capital
- Scotia McLeod
- Standard Life Investments
- State Street Global Advisors
- TD Asset Management
- TD Waterhouse Private Investment Counsel
- UBS Global Asset Management



Since the program's start, a large number of investment professionals have given special seminars to our students. We are grateful to the following professionals for taking the time to meet with our students and for sharing with them some of their knowledge and insights on the investment world this past year:

FALL 2012

Justin Aylward, ACA, CFA
Portfolio Manager
bcIMC
Institutional Fixed Income Portfolio Management

Jacques Boucher
Managing Director, Debt Capital Markets
CIBC World Markets Inc.
Debt Capital Market Update

Charles Jenkins, CFA
Senior Vice-President, Canadian Equities
Standard Life Investments Inc.
Valuation of Gold Mining Companies

Stephen Kibsey, CFA
Vice-President, Equity Risk
Caisse de dépôt et placement du Québec
Current Trends and Issues in the Risk Management of Investments in the Resource Sectors

Ahson Mirza
Research Associate
Formula Growth
Rules of the Game: What Drives Stock Prices?

Justin Nightingale, CFA
Senior Portfolio Manager, Global Equities
Caisse de dépôt et placement du Québec
Quality – What it is and Why it Matters

Emiliano Rabinovich, MA Econ., CFA
Vice-President & Senior Portfolio Manager
State Street Global Advisors
The Case for Passive and Advanced Beta Strategies

Douglas Rowat, CFA, MBA
Senior Portfolio Manager
TD Waterhouse Private Investment Counsel Inc.
The Defensive Portfolio Manager: Tales from the Trenches

Johann Tritthardt, CFA
Associate, Institutional Equity Sales
Morgan Stanley, Toronto
Themes and Debates for 2013

Fred Westra
Director of Research
Industrial Alliance Securities
The Canadian Housing Market: Are We in a Bubble?

WINTER 2013

Jennifer Beasley, CIPM
Vice President, Performance & Risk Analytics
BNY Mellon Asset Servicing
Performance & Risk Analytics

Nelson Cheung, CFA
Vice President & Senior Portfolio Manager
Formula Growth Limited, Montreal
China, Hedge Funds, and Quant Models

Nancy Clarke
Career Advisor, Career Management Services
John Molson School of Business
Preparing for Interviews
Preparing for Careers in Capital Markets

Joseph Clement
VP, Institutional Equities, Raymond James Ltd.
Jean-André Gbarssin
Analyst, Tandem Expansion
Michael Ghaleb
Analyst, CIBC World Markets Inc.
Michael Marcotte, CFA
Senior VP, Institutional Equity Sales, Macquarie Capital Markets
Demystifying the sell-side

Benoît Durand, CFA
Partner, Vice-President and Senior Portfolio Manager
Van Berkom and Associates Inc.
Investing in Canadian Small Cap and Outlook 2013

Stephen Hui, CFA
Partner
Pembroke Management Ltd.
Growth Investing – A Long Term Approach

Jamie Hynes, CGA, CFA
Sales Director
S&P Capital IQ Canada
Using Capital IQ for Portfolio Management

Rajiv Johal
Finance and Economics Librarian
Concordia University Libraries
Library Resources for KWPMP Students

Pierre Laroche, PhD
Managing Director - R&D - Derivatives Products
National Bank Financial Markets
The Case for Alternative Beta

Ken Lester, MA
President and CEO
Lester Asset Management
Reflections of a Discretionary Portfolio Manager

Maxime Paris, PhD
Executive Director, Institutional Equity Sales
CIBC World Markets Inc.
Stock Pitching 101

Michael Rosenfeld
Director, Infrastructure Investments
PSP Investments
Investing in Infrastructure

Bruno Roy, CFA
Manager, Infrastructure Investments
CN Investment Division
Investing in Private Markets

Lorne Steinberg, MBA CFA
President
Lorne Steinberg Wealth Management Inc.
Investing in Japan - Opportunities and Consequences

José Zamora
Client Manager, Client Integration Solutions
CIBC Mellon
An Introduction to CIBC Mellon's Workbench



- David Abramson
Managing Editor, Commodity & Energy Strategy
Bank Credit Analyst

Joseph Abramson, CFA
Senior Editor
Bank Credit Analyst

Noah Blackstein, CFA
Vice-President
Dynamic Funds

Frédéric Blondeau, CFA, FRM, FCS
VP and Senior Analyst, Real Estate
Dundee Securities

Gabriel Bouchard-Phillips, CA, CFA
Senior Analyst
Van Berkom and Associates

Michel Brutti, CFA
Senior Partner and Head of International Equities
Jarislowsky, Fraser

Raquel Castiel, CFA
Senior Portfolio Manager
Caisse de dépôt et placement du Québec

Susan Da Sie, CFA
Senior Vice-President, Equity Portfolio Management
Standard Life Investments

Martin Gagné, CFA
Portfolio Manager, North American Equities
Mirabaud Canada

Peter Harrison, CFA
Manager, Oil and Gas Investments
CN Investment Division

William G. Healy, M.Sc., CFA
Managing Director and Chief Investment Officer
Patrimonica Asset Management

Stephen Hui, CFA
Partner
Pembroke Management

Clifton Isings, CFA
Manager, International Equities
CN Investment Division

- Charles Jenkins, CFA
Senior Vice-President, Canadian Equities
Standard Life Investments

Stephen Kibsey, CFA
Vice-President, Equity Risk
Caisse de dépôt et placement du Québec

Andrew F. Kost, CFA
Vice-President and Chief Strategist
Lombard Odier Darier Hentsch & Cie

Ron Meisels
President
Phases & Cycles Inc.

Todd Morris, CFA
Vice-President, Fixed Income Group
Desjardins Securities Canada

Benoît Murphy CFA, FRM
Manager, Investment Strategy
CN Investment Division

Justin Nightingale, CFA
Senior Portfolio Manager
Caisse de dépôt et placement du Québec

Marc A. Novakoff, CFA
Senior Partner
Jarislowsky, Fraser

Andrey I. Omelchak, CFA, FRM, CIM, MSc
Portfolio Manager
Montrusco Bolton Investments Inc.

Bruno Roy, CFA
Manager, Infrastructure Investments
CN Investment Division

Harold Scheer, CFA
President and Chief Investment Officer
Baker Gilmore & Associates

Tony Staples, CFA
Portfolio Manager
Formula Growth

Johann Tritthardt, CFA, CPF 2007
Associate, Institutional Equities Sales
Morgan Stanley

KWPMP Research Associates
January 1 – December 31, 2011 and

KWPMP Fund Managers
January 1, 2012 – January 31, 2013



Michel Berger

Michel will be graduating with a Bachelor of Commerce degree in finance at Concordia University's John Molson School of Business (JMSB) in June 2013. He is a recipient of the Deans Knight Capital Management Scholarship and has completed the Sustainable Investment Professional Certification program as well as the Level 1 Exam of the CFA program. Michel was also regularly on teams that represented JMSB in case competitions across Canada. He reached the podium in eight out of nine competitions, including when the team won gold at Ryerson University's Battle on Bay Street and at the Finance Event at Queen's University's Inter-Collegiate Business Competition.

From Fall 2010 to Spring 2011, Michel interned at Pfizer as a financial analyst. He then spent Summer 2011 in Toronto completing a work internship as a research associate covering Canadian equities for UBS Global Asset Management. In Summer 2012, he completed a second work internship at Novacap, a private equity firm. Upon graduation, he will be working full-time at BMO Capital Markets in Toronto as an investment banking analyst.

As a KWPMP Fund Manager, Michel was responsible for the healthcare and utilities sectors as well Canadian economics. He was also co-responsible for asset allocation and sector rotation.



Estevan Carvajal

Estevan graduated from Vanier College [Honours List] with a DEC in commerce. He is currently pursuing his Bachelor of Commerce degree with a major in finance at the John Molson School of Business. Estevan is a member of the Institute of Co-operative education and the Golden Key Honour International Society. He is on the Dean's Honour List and a recipient of the 2009-2010 Concordia University Alumni Association Entrance Scholarship. Estevan also received certification for the Canadian Securities Course. He intends to pursue his CFA designation and is registered for the Level I Exam in Summer 2013.

In Winter of 2010, Estevan completed his first Co-op work internship at Pratt & Whitney Canada as a corporate finance intern within the treasury department. During Summer 2011, he completed a work internship in the equity research department at Industrial Alliance Securities as a research associate covering the technology sector. During Winter 2012, Estevan he did a Work internship at GE Capital as a risk analyst covering the Canadian real estate market. During Fall 2012, Estevan did a work internship as a financial analyst of North American equities at Mirabaud Canada. In his spare time, Estevan enjoys playing competitive soccer, fitness training, travelling, and writing short stories.

As a KWPMP Fund Manager, Estevan was responsible for the information technology and media sectors and co-responsible for performance analytics.

Novacap is proud to support the Kenneth Woods Portfolio Management Program via internships and over the past four years, we have had 10 interns. This program provides its students with a winning toolkit which allows them to be prepared for the rigors of working in Finance. We have consistently observed a clear knowledge and competence edge in the students we have employed. The program provides students the opportunity to bridge the gap between theory and practice which makes them ready for the job market. Recently, we have hired Samuel Nasso, a former intern, as a full-time analyst. As a JMSB alumnus, I am pleased to support the program and Novacap expects to be able to continue to draw on KWPMP students as a source for future hires.

Antoine Casimir, CPA, CMA, CBV
Manager – Private Equity, Novacap Investments and
KWPMP Employer



Pierre Cosquer

Pierre graduated with a Baccalauréat Economique et Social from the Lycée Brest Rive Droite in Brest, France. He is now in his fourth and last year at the John Molson School of Business, pursuing a Bachelor of Commerce degree with honours in finance and a double major in economics. He is on the Dean's Honour List and is a member of the Golden Key International Honour Society and the Beta Gamma Sigma International Honour Society. He is a recipient of the David Abramson Scholarship, the 2013 CFA Scholarship and the 2011 Graduating Class In-Course Bursary. Pierre recently completed the Sustainable Investment Professional Certification program.

Pierre was on a work internship during Summer 2011 at TD Waterhouse Private Investment Counsel in Montreal, where he assisted senior portfolio managers in the management of private portfolios. Pierre completed his second work internship during Summer 2012 at BCA Research Inc, one of the world's leading independent providers of global investment research. During Fall 2012, he was a volunteer management consultant for the Accent On The Community initiative at Accenture. Upon graduation Pierre will pursue an MSc in Management at the ESSEC Business School. In his spare time he enjoys running, reading, spending time with his family and friends and travelling.

As a KWPMF Fund Manager, Pierre was responsible for the Industrials sector and co-responsible for the fixed income portfolio.



Paul Kantorovich

Paul is currently in the final year of his Bachelor of Commerce degree with a major in finance at the John Molson School of Business. He is on the Dean's List and is a member of the Beta Gamma Sigma international Honour Society. Paul did a work internship during Summer 2011 in the high yield bond group at TD Asset Management in Toronto, assisting the manager of the high-yield bond fund in analyzing highly leveraged companies. Paul did a second work internship during Winter 2012 at Standard Life Investments in Montreal, assisting several portfolio managers in analyzing companies in the energy and materials sectors. After the completion of his Bachelor of Commerce degree, Paul intends to pursue the CFA and FRM designations. His interests and hobbies include traveling, fitness, skiing, and reading.

As a KWPMF Fund Manager, Paul was responsible for the telecom sector and co-responsible for the technology sector. In addition, he was co-responsible for risk and performance analytics.



Ludovic Jacques

Ludovic graduated with a DEC in administration from André-Grasset College where he was the finance VP of the students' association. He is currently pursuing his Bachelor of Commerce degree with a major in finance at the John Molson School of Business. Upon completion of his Bachelor of Commerce degree, Ludovic intends to earn the CFA designation.

Ludovic is on the Dean's Honour List. He also won honours as a member of the finance teams that represented JMSB in case competitions across Canada. His teams won Gold at Ryerson University's Battle on Bay Street, at Jeux de commerce at HEC Montréal and at the TD Bank Financial Group Case Competition, at the University of Ottawa's Telfer School of Management.

Ludovic completed a work internship in Summer 2011 as a global equities analyst at La Caisse de dépôt et placement du Québec, Canada's largest pension fund. He completed a work internship in Summer 2012 at CIBC World Markets in Montreal. Currently, Ludovic works part-time at La Caisse de dépôt et placement du Québec as a consumer analyst. In his spare time, he plays football, basketball and hockey.

Ludovic was the KWPMF Fund Manager responsible for the consumer staples sector and international economics and co-responsible for materials and asset allocation.



Mathieu Milliard

Mathieu is currently in his fourth year at the John Molson School of Business working towards his Bachelor of Commerce degree in finance. He is on the Dean's Honour List. Mathieu is a member of the Institute of Co-operative Education, Beta Gamma Sigma and the Golden Key International Honour Society. Mathieu participated in case competitions, and was a member of the market finance team that placed second at the Financial Open in Montreal, and a member of the finance team for the TD Financial competition in Ottawa, where his team place third. As well, he was a member of the ethics team at the Inter-Collegiate Business Competition (ICBC) in Kingston where his team made it to the final round.

Mathieu completed a work internship during Summer 2011 at Phases and Cycles, where he conducted research on historical U.S. financial crises. His second work internship during Winter 2012 was at Novacap, the largest private equity firm in Quebec and one of the largest in Canada. Mathieu completed the Canadian Securities Course in 2011. Two of his future goals are to earn a CFA designation and an MBA. Mathieu enjoys going to the gym, playing sports, and reading.

As a KWPMF Fund Manager, Mathieu was responsible for the financial sector and co-responsible for portfolio analytics.



Anthony Sutton

Anthony is currently pursuing his Bachelor of Commerce degree at Concordia University's John Molson School of Business with a major in finance. He is a member of the Golden Key International Honour Society, the Beta Gamma Sigma International Honour Society, and was on the Dean's Honour List for the 2009-2010 and 2010-2011 academic years. He was awarded a 2010-2011 New Millennium Student Contribution Scholarship, the Centre Desjardins Scholarship in Corporate Finance Management, and the Deans Knight Capital Management Scholarship for outstanding academic achievement. Anthony participates in intra-university stock simulations.

Anthony did a work internship during Summer 2011 as a Portfolio Analyst Intern for Goodman and Company Investment Counsel in Toronto. He did a second work internship during Summer 2012 as a Research Associate intern covering fertilizer and agribusiness companies for Dundee Securities in Montreal. Upon graduation, he intends to pursue his CFA designation and work in investment research or portfolio management. In his spare time, Anthony enjoys playing golf, tennis, traveling and visiting family and friends back in England.

As a KWPMF Fund Manager, Anthony was responsible for the consumer discretionary sector and U.S. economics and co-responsible for asset allocation and sector rotation.



Julian Tsang

Julian graduated from College Jean-de-Brébeuf with a DEC in pure and applied science and went on to complete a Certificate in Chinese Language at Fudan University in Shanghai. He is currently completing a Bachelor of Science degree at Concordia University, specializing in mathematical and computational finance. Julian has received the Vincent, Olga and Denis Nicolas-Diniacopoulos Scholarship, the Deans Knight Capital Management Scholarship, as well as the Ron Meisels Scholarship.

Julian was actively involved in student life at Concordia. He served as president of the John Molson Investment Society and founded the John Molson Trading League. In 2010, he designed the software used for the inaugural John Molson Stock Exchange National Stock Simulation Competition.

While studying in Shanghai, Julian completed a work internship at Standard Chartered Bank (China), working in front office support in the Global Markets department. Julian completed two work internships with CIBC World Markets as summer analyst in Capital Markets Trading (Montréal), on a rotational program through fixed income, currencies and derivatives. He will be returning to CIBC World Markets on a full time basis in Summer 2013. Julian is enrolled in the CFA program as a level 2 Candidate. In his leisure time, Julian enjoys judo, sailing and reading.

As a KWPMF Fund Manager, Julian was responsible for the energy sector; the materials sector as well as the fixed income portfolio.

2012 Fund Managers



Anthony Sutton

Ludovic Jacques

Pierre Cosquer

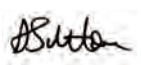
Julian Tsang

Paul Kantorovich

Michel Berger

Estevan Carvajal

Mathieu Milliard



KWPMP Research Associates

January 1 – December 31, 2012 and

KWPMP Fund Managers

January 1, 2013 – January 31, 2014



Fui Gbedemah

Fui Gbedemah graduated from Columbia International College in Hamilton, Ontario in 2009 with an Ontario Secondary School Diploma. He graduated as an Ontario Scholar and received the Chan Kotecha Memorial scholarship. He has completed the third year of the four-year, 120-credit Bachelor of Commerce Program, majoring in finance and minoring in financial reporting. Fui is a member of the Golden Key International Honour Society and the John Molson Investment Society. He participated in the 2010 and 2012 John Molson Stock Exchange. He successfully passed the CFA Level 1 Exam in December 2012. Upon completion of his Bachelor of Commerce degree he plans to further his studies in accounting and attain the CFA designation. In his spare time, Fui enjoys reading, soccer, and music.

Fui is the KWPMP Fund Manager responsible for the consumer staples sector and is co-responsible for performance analytics.



Joshua P. Ghoddoussi

Joshua is currently pursuing a Bachelor of Commerce degree at the John Molson School of Business with a major in finance and a minor in financial accounting. He is on the Dean's Honour List and a recipient of the Centre Desjardins Scholarship in Corporate Finance. Joshua is a member of the Institute for Co-operative Education, the Golden Key International Honour Society and the John Molson Trading League. He is an executive of the Finance and Investments Students' Association (FISA) and the John Molson Investment Society (JMIS). He completed the Financial Industry Modeling Seminar in 2011 and is now a CFA Level 1 Candidate.

Joshua is currently on a work internship at TD Wealth Private Investment Counsel. He did a work internship during Winter 2012 as a junior private equity analyst intern at Novacap Investments Inc., the largest private equity firm in Quebec. Upon graduation, he intends to pursue graduate studies in Finance, complete the CFA designation, and work in security analysis or portfolio management. During his spare time, Joshua enjoys travelling, playing sports, and reading books on value investing.

As a KWPMP Fund Manager, Joshua is responsible for the media and telecommunications sectors and co-responsible for the technology sector and performance measurement.



David Hemmings

David graduated from the Collège international des Marcellines in human sciences in 2010. He is currently pursuing his Bachelor of Commerce degree at the John Molson School of Business. David is on the Dean's Honour List for 2012 and was awarded the New Millennium Student Contribution Scholarship for 2011-2012. He is a member of the Golden Key International Honour Society. He has completed the Canadian Securities Course and the Derivatives Fundamentals Course.

David did a work internship during Summer 2012 with the Investment Strategy Group at CIBC Wood Gundy in Toronto, where he covered Canadian and U.S. equity news for the Market Beat. He is conducting sell-side equity research at Industrial Alliance Securities in Montreal during his second work internship in Winter 2013. David is interested in pursuing a master's degree in finance and in obtaining his CFA. He wants to work in equity research. In his spare time, David enjoys the theatre, reading, cooking, and food and wine tasting. He has extensive travel experience.

As a KWPMP Fund Manager, David is responsible for financials, utilities and Canadian economics.



Samuel Nasso

Samuel graduated with a Bachelor of Commerce degree (honours in finance) in June 2012 and is currently working towards a second Bachelor of Commerce degree with a major in accountancy. Samuel is a member of the Beta Gamma Sigma International Honour Society, the Golden Key International Honour Society, and is on the Dean's List. Samuel successfully completed the CFA Level 1 examination in June 2011.

Samuel is the President of the John Molson Investment Society. He has participated in various case competitions representing JMISB on the finance team. Samuel and his team won silver medals at the Jeux du Commerce and at the Financial Open, and a bronze medal at the Battle on Bay Street. Samuel's first work internship during Summer 2012 was at Dynamic Funds in Toronto researching potential investments in public equities. His second Work internship during Fall 2012 was at Novacap, where he worked on various private equity deals in both the industrial and technology sectors. In his spare time, Samuel enjoys reading, cooking, watching movies, and playing video games.

Samuel is the KWPMP Fund Manager responsible for the healthcare and technology sectors and for managing the fixed income portion of the portfolio.



David Malboeuf

David graduated from Concordia University in 2009 with a Bachelor of Fine Arts degree and is currently working towards his Bachelor of Commerce degree with a major in Finance at the John Molson School of Business. He is a member of the Golden Key International Honour Society, the Beta Gamma Sigma International Honour Society and is on the Dean's Honour List. He is certified by Wall Street Prep in Financial and Valuation Modeling and has successfully completed the CFA Level 1 examination. David was selected for the Capital Markets Mini-Boot Camp held in Summer 2011 and received complementary training in Business Launching and Sales.

David completed a work internship during Summer 2012 at CN Investment Division where he worked as a financial analyst intern for the Canadian Equities Portfolio team. He will be on his second work internship during Summer 2013 at The Boston Consulting Group in Montreal as a summer associate. Upon graduation, he intends to complete his CFA designation and pursue a career in finance. In his spare time, David enjoys painting, playing music and reading.

David is the KWPMP Fund Manager responsible for the energy sector and co-responsible for the materials sector and asset allocation.

Our firm has been mentoring KWPMP students over the years, and it has been a great experience for the students as well as for the investment firms who have been participating in the program. Throughout the program, students initially learn how to analyze companies and provide recommendations to portfolio managers with a real live portfolio. Students also learn, as portfolio managers and with the help of their mentors, how to make investment decisions, and then see the impact of their decisions with a real live portfolio. In association with KWPMP, our firm has over the years hired many KWPMP students, either for summer jobs, or for full time employment. The invaluable experience that the students get during the program clearly differentiates them from their peers. We definitely want to continue working with KWPMP and hire more students over time.

Michel Brutti, CFA
Senior Partner, Jarislowsky, Fraser Limited and KWPMP Mentor



Dinos Papoulias

Dinos graduated with a Bachelor of Science degree in athletic therapy from Concordia University in 2009 and is currently pursuing his Bachelor of Commerce degree with a major in finance at the John Molson School of Business. He is a member of the Institute of Co-operative Education and the Golden Key International Honour Society.

Dinos was on the Dean's Honour List during the 2011-2012 academic year. He also won honours as a member of the finance teams that represented JMSB in case competitions across Canada. His teams won gold at Ryerson University's Battle on Bay Street, at Jeux de commerce at HEC Montréal and at the TD Bank Financial Group Case Competition, at the University of Ottawa's Telfer School of Management.

Dinos completed his first Work internship during Summer 2012 at Pembroke Asset Management as a research intern, working directly with portfolio managers in every aspect of equity screening and selection. He is completing his second Work internship during Winter 2013 at Novacap Private Equity as a junior analyst. He plans to obtain the CFA designation after graduation and to pursue a career in portfolio management. In his spare time, Dinos enjoys reading, watching movies, and running.

As a KWPMP Fund Manager, Dinos is responsible for the industrials sector as well as international economics.

2013 Fund Managers



Fui Gbedemah

David Malboeuf

Martin Tzakov

Dinos Papoulias

Samuel Nasso

David Hemmings

Joshua P. Ghoddoussi



Martin Tzakov

Martin graduated from College Jean-de-Brébeuf in Montreal with a degree in pure and applied science. He is currently pursuing his Bachelor of Commerce degree with a major in finance at the John Molson School of Business. As vice-president of the John Molson Stock Exchange, Martin redesigned the software used in the inter-university open outcry futures trading competition. He is a member of the Institute for Co-operative Education, the John Molson Investment Society, the John Molson Trading League and was on the Dean's Honour List during the 2011-2012 academic year.

Martin completed a work internship during Summer 2012 at DundeeWealth - Dynamic Funds in Toronto, where he worked as an analyst intern on a rotational program with the growth, value and equity income teams. He is completing his second Work internship during Winter 2013 at Standard Life Investments in Montreal. Upon graduation, he plans to obtain his CFA designation and pursue a career in asset management. In his leisure time, Martin enjoys running, swimming and reading.

As a KWPMP Fund Manager, Martin is responsible for the consumer discretionary sector and co-responsible for the materials sector, asset allocation and U.S. economics.



Introduction

2012 was yet another challenging year for the KWPMP Fund Managers. Turmoil rocked global markets as politics and markets intersected in the Eurozone. Weakening economic fundamentals were met with unprecedented unconventional monetary stimuli in developed nations, causing equities to roar, as risk assets priced in zero real interest rates. We witnessed a changing of the guard in the world's two largest economies, the U.S. and China, a hurricane that shut down Wall Street, a recession in the E.U. and further strife in the Middle East and North Africa.

We adopted a top-down approach for the year, which, given the mixed economic signals, led us to position ourselves more defensively. As such, our total return was 3.82% while our composite benchmark returned 7.74% and we underperformed our benchmark by 3.93%. This underperformance was mainly due to losses on several of our larger equity positions, which offset much of the gains realized by the rest of the portfolio.

The Fund Managers' report reviewing our economic analysis, asset allocation, sector rotation, security selection, fixed income strategy and performance for the year ended December 31, 2012 is presented in the following sections.

We would like to thank Dr. Abraham I. Brodt for his dedication to the program. Unfortunately for the program, 2012 will be his final year as director of the KWPMP, and we wish him well in his future endeavors. Additionally, we would also like to thank Mr. Kenneth Woods, without whom there would be no program, the Client Committee and all of our Mentors for their support and kind words of wisdom over the course of our mandate.

Canadian Economics

Our outlook on the Canadian economy was predominantly influenced by our analysis of the three key sectors that make up most of the market capitalization of the TSX: energy, materials and financials. Over the course of the year, we increased our weight in Canadian equities slightly but remained underweight relative to our benchmark due to the challenges the major industries were facing.

During the first quarter, we wanted to mitigate the key risk affecting equity valuations in the energy sector: the spread in the price of the barrel of oil between Edmonton Par and West Texas Intermediate (WTI). This growing spread was due to an oversupply of oil in Alberta and a lack of infrastructure to export production to other regions. In order to remedy the problem, there were a number of pipeline projects that were ready to be built pending regulatory approval. However, due to the negative public image of the oil sands and the downstream markets, we expected these projects to continue to be delayed during our mandate. Since we also believed the oversupply of natural gas would keep prices low, we sold Encana and increased our weight in Talisman Energy in order to shift our exposure in Canadian energy away from natural gas.

The second quarter was characterized by encouraging economic data as the unemployment rate stabilized and Canadian annualized GDP growth reached 1.8%, the largest of any country in the G7. In response to these bullish developments, we increased our weighting in Canadian equities to move closer to the benchmark by purchasing the iShares S&P/TSX Index tracking ETF.

In the third quarter, the main concern was the materials sector where there was a lot of uncertainty regarding the Chinese economy and whether it would experience a "hard" or "soft" landing. The Fund Managers decided to take a cautious approach and reduced the exposure to the sector and hold a position that was underweight to the benchmark.

In the fourth quarter, our attention was drawn to overleveraged Canadian consumers facing an overpriced housing market. At worst, Canadian real estate could have experienced a bubble burst similar to what had been seen in the United States. At best, loan growth was at risk of a severe slowdown. However, following a KWPMP special seminar, our outlook became somewhat more contrarian. By regarding the 160% debt-to-income ratio that regularly makes the headlines as a somewhat misleading indicator, we focused instead on the debt-to-assets, which at the end of 2012 stood at a robust 20%, in order to gauge the financial health of Canadian consumers. As such, we resisted the temptation to reduce our holdings in the financials sector. This proved to be a wise decision as financials stocks rallied strongly in the final months of the year.

U.S. Economics

We started the year cautiously optimistic on the U.S. economy, and hence U.S. equities. We saw the U.S. economy as a more resilient environment to invest in equities than the Canadian and the global economies. Our overweight position in U.S. equities was ultimately seen as the right call as the S&P 500 finished the year at 1426 points, an impressive 13.4% yearly return. But the journey to get this return was somewhat of a roller coaster ride.

The first quarter of 2012 carried over some of the momentum of the end of 2011 and, although some economic indicators were mixed, corporate profits were solid, IPOs were strong and M&A activity was expected to pick up. U.S. GDP grew at 1.9%, a slight decrease from Q4 of 2011, yet the positive momentum was continuing all the same.

As the year moved into the second quarter, the U.S. economy was showing signs of deceleration. GDP growth declined to 1.3% and the manufacturing sector indicated a contraction after 34 consecutive months of expansion. On the employment front, there were more mixed indicators. The unemployment rate fell to 8.1%, its lowest point since January 2009, but this was more due to people exiting the labor force than to people finding employment. This was shown in the nonfarm payroll numbers which disappointed throughout the quarter, adding a paltry 108,000 jobs per month on average. A large percentage of the unemployed (42% of 12.7 million) were out of work for more than six months which made it even harder for them to get back into the workforce. This is a long-term problem facing the U.S. government.

In response to the sluggish performance of the U.S. economy, we witnessed the announcement of the extension of “Operation Twist” by the Federal Reserve. This is the Fed’s program of purchasing long-term treasuries while simultaneously selling short-term Treasuries in an attempt to bring down long-term interest rates. This action, combined with a general “risk-off” sentiment generated by the weak economic data, led to a flight to safety and the U.S. 10-year treasury notes closed at an all-time low of 1.47% on June 1st. One bright spot on the horizon was the housing market, where the average existing home selling price was increasing and the inventory of unsold homes was decreasing. The housing market was finally contributing towards GDP growth and stopped being the drag that it had been since the financial crisis.

The third quarter of 2012 was marked by a third round of quantitative easing – “Quantitative Easing Infinity” – so called because the Fed committed itself to buying up to \$85 billion worth of assets on an open-ended basis. Indeed, the Fed would continue the policy “for a considerable time after the economic recovery strengthens.” It was also stated that the Fed would keep short-term interest rates low until mid-2015. To the surprise of most economists, the U.S. economy rebounded well in the third quarter, with GDP growing at an annualized rate of 3.1%. The manufacturing sector saw a return to economic expansion, and the housing sector continued to be a bright spot as low mortgage rates pushed mortgage financing up 46% year over year and existing home sales had their largest increase in 27 months. The unemployment situation showed some improvements but remained strained. The unemployment rate continued to edge down and nonfarm payrolls grew at a rate of 145,000 jobs per month over the quarter, though the problem of the long-term unemployed persisted. The American consumers continued to show their resiliency as they were surprisingly optimistic, with their financial situation improving as a result of debt reduction and a more favorable outlook on job creation.

In the fourth quarter GDP decreased by 0.1%, reflecting a decline in inventory investment by the manufacturing industries and a significant decrease in Federal government spending. For the full year, GDP increased by 2.2% after increasing by 1.8% in 2011. In December, the Fed promised to keep rates low until the unemployment rate decreases to 6.5%. The annual adjusted inflation rate for the year was 1.8%, below the 2.0% target used by the Fed. The unemployment rate began the year at 8.5% and ended it at 7.7%, again mainly due to people giving up looking for work, taking them out of the data pool. The nonfarm payroll numbers continued in the same trend as the previous quarter, adding approximately 157,000 jobs per month on average throughout the quarter.

Consumers were more confident about economic prospects in the beginning of the fourth quarter than at any other time during the past five years. Anticipated gains in the economy meant that consumers held much more favorable job expectations and the most favorable outlook for the unemployment rate since 1984. More households reported gains in their personal finances in the November survey than at any other time since March of 2008. But as the quarter continued, consumers confronted the rising likelihood that political gridlock would push the country over the fiscal cliff. Consumers were more pessimistic about their future finances (which fell to their lowest level in a year), the outlook for the overall economy and job prospects. The uncertainty over the fiscal cliff sent jitters into the equity markets leading the S&P 500 to return -0.4% for the fourth quarter. It also meant businesses were holding back on investments and hiring which contributed to the disappointing GDP and nonfarm payroll data.

The fourth quarter also saw the re-election of President Obama and although the equity markets did not react kindly – the S&P 500 lost 2.3% the day after re-election – it did confirm one trend that we were looking for when we took over the portfolio. In election years, Democrats had on average returned 14% with the overall average being 10.9%. As mentioned earlier, the S&P 500 returned 13.4% which meant Obama’s administration confirmed the trend.

International Economics

We started the year with an optimistic view on emerging markets, given their strong fundamentals, and with a bearish view on the European market, given the high volatility and sluggish growth in the region. However, as Sino-Forest showed in the previous year, emerging markets companies do not always follow the same reporting standards as North American companies and we wanted to avoid unnecessary country and company specific risks associated with emerging markets. Therefore, we decided to focus on large global companies based in developed markets that would have a large and growing percentage of their sales in emerging markets. A typical example of a company that we already owned and fits these criteria is Diageo, the largest distiller in the world, which has almost 50% of its sales in emerging markets.

In 2012, the Eurozone saw the continuation of the debt crisis that plagued it in 2011. Concerns over financial stability threatened the Euro all the way into Q2, and brought fears of contagion to the forefront once again. Austerity in many European countries caused social unrest, which led to a shakeup of the political make up in Greece and France. However, the European Central Bank’s decision to provide large amounts of long-term financing to banks and Mario Draghi’s pledge to “do whatever it takes” helped change the tide and drive a remarkable return for the European stock market in the second half of the year. Despite a deepening recession in the Eurozone at the end of Q4, the MSCI Europe Index finished up 17.35% on the year. However, given our conservative approach and our slightly underweight position in that region, we were not able to fully benefit from that recovery.

After a strong Q1, the MSCI Emerging Markets Index tumbled and lagged both the MSCI World Index and the S&P 500 until mid-December. Policy makers in emerging markets were more concerned with addressing the risk of weak growth in the OECD and of financial market volatility, while attenuating inflationary pressures. The Brazilian government struggled with this balancing act and slashed its economic growth forecast for 2012 as well as its interest rate to 7.25%, while signaling that the central bank was unlikely to further cut interest rates because of rising inflation fears. GDP grew a meager 1.4%, due to the slower than expected growth of one of its main trading partners, China. The growth was further hampered by local problems such as a strong local currency and high taxes impacting its competitiveness.

Asset Allocation

Asset Allocation & Policy Guidelines

The KWPMMP Investment Policy Statement (or “IPS”) provides the guidelines on the proportion of the Fund that should be invested in each asset class. The guidelines provide long-term targets, as well as the minimum and maximum weights permitted, for each asset class. In the event that the position of a specific asset class moves outside the permitted limits, the Fund Managers are required to rebalance the portfolio in order to comply with the IPS. The IPS was amended by the Client Committee in Q1. The previous IPS target weights for U.S. and Canadian Equities of 30% and 20% respectively were changed to 25% and 25%. The new IPS Guidelines are given in Table 1 below:

INVESTMENT POLICY GUIDELINES

	Min	Target	Max
Cash & Equivalents	0%	0%	15%
Fixed Income	25%	40%	45%
Canadian Equity	15%	25%	35%
U.S. Equity	15%	25%	35%
International Equity	5%	10%	20%

Effective Date March 1, 2012

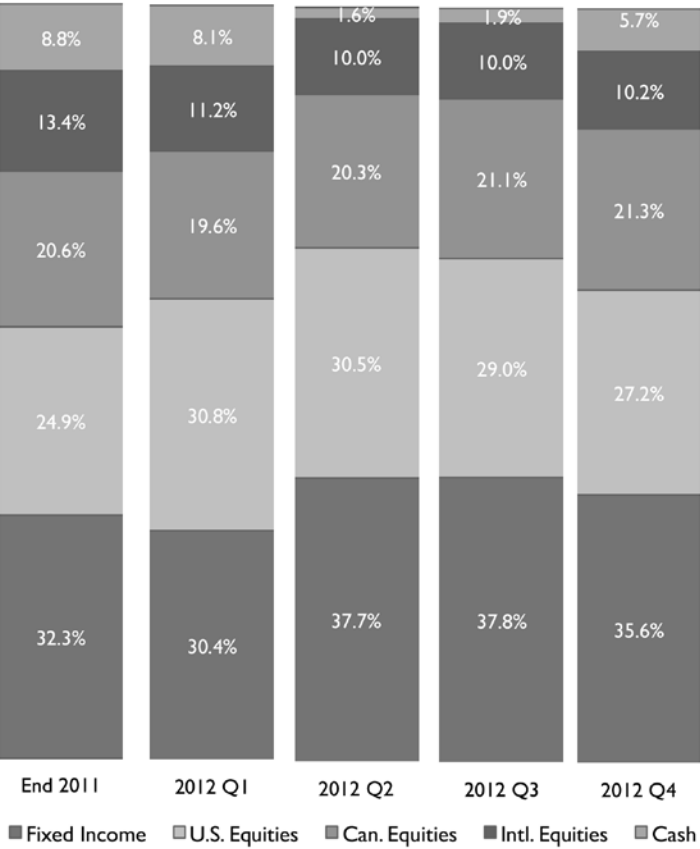
Asset Allocation Over the Course of the Year

We started our mandate with the intention of allocating the excess cash (8.8%) of the Fund into equities in order to maximize the equity allocation and increase our expected return. Given the low interest rate environment and the prospect of further monetary easing, the Fund Managers preferred equities over fixed income. Following our top-down strategy, we decided to re-allocate assets from the Canadian markets to the U.S. markets to align our portfolio with our macro-economic outlook. In terms of geographic regions, we started the year bullish on the U.S. and emerging markets, neutral on Canada and bearish on Europe.

As the year progressed into the second quarter and the economic data coming out of the U.S. was becoming shakier, we decided that we would remain overweight in U.S. equities but by a smaller margin than before. The cash received from the rebalancing was allocated to the Fixed Income portfolio. This move was made to increase our expected return and reduce our active risk by almost entirely deploying our excess cash.

The third quarter of the year was a quiet time for the Fund. As some of the uncertainty in the economic data was hard to read, we preferred to hold our positions rather than make a significant bet either way. As our mandate was coming to its end, trades were made with a concerted effort to move the asset classes and sectors closer to their benchmarks.

ASSET ALLOCATION IN 2012



Sector Rotation and Security Selection

We decided at the start of our mandate that we would favour defensive sectors over more cyclical sectors. We preferred sectors that were likely to perform well regardless of the state of the economy, meaning an increased weight in Consumer Staples, Telecoms, Healthcare and the introduction of a Utility stock into the portfolio. For individual stocks, the strategy was to buy blue chip companies that were exposed to emerging markets and could benefit from growing consumer demand and “premiumization”¹. This strategy was implemented over the first quarter, with the addition of the first Utility holding in the Fund, Exelon Corp.

The rotation away from the cyclical sectors was also executed as the position in Astral Media was liquidated when the initial bid from Bell came in. This turned out to be a wise call as the Canadian Radio-television and Telecommunications Commission ruled that the merger would place too much control over Canadian television and radio airwaves in the hands of one company, thereby blocking the takeover. We trimmed our position in Fortress Paper near its high of the year, and we closed our position in Seaspans Corp. in favour of General Electric, a blue chip Industrial.

In the second quarter, our trimming of U.S. Equities began when we reduced our exposure to the U.S. Consumer Discretionary sector by divesting three of our positions. These securities were replaced with a Consumer Staples name and an increase to our Fixed Income position. Guess? Inc. was sold at a loss and finished the year slightly lower than our selling price. It was sold due to its unfavourable exposure to southern Europe at a time when all of the news coming from Spain and Italy was negative. Crocs Inc. was sold due to its slowing growth profile, while Honda was sold as it was one of the automakers underperforming in an otherwise good year for auto sales. These positions were replaced by a position in a very defensive Consumer Staples company, Church & Dwight.

Changes were made to the Fixed Income Portfolio in the second quarter with two trades. The first trade saw the purchase of Canada Housing Trust Floating Rate Notes as part of our cash management strategy. The second trade was due to the uncertainty in the equity markets and a conscious decision to bring the Fund closer to its asset allocation target weights. Two highly liquid Government of Canada bonds were added to the portfolio, while holding our duration constant.

In the third quarter we decided to close our position in Barrick Gold Corp. as operational issues, cost inflation and a change in strategy by the new management team meant it no longer reflected our investment thesis. The proceeds were temporarily placed into the iShares S&P/TSX Global Gold Index Fund as a way to obtain exposure to gold while diversifying away operational risks.

As the fourth quarter started, we added a position in Franco-Nevada Corp., a gold-focused royalty and streaming company, as it was considered to be a relatively safe way to increase our exposure to gold without the operational risks of individual gold producers. Positions in Rogers Communications and Allergan were trimmed because their respective sectors in the Fund had grown larger than what was allowed by the IPS, and we wanted to have the sectors closer to their respective benchmarks.

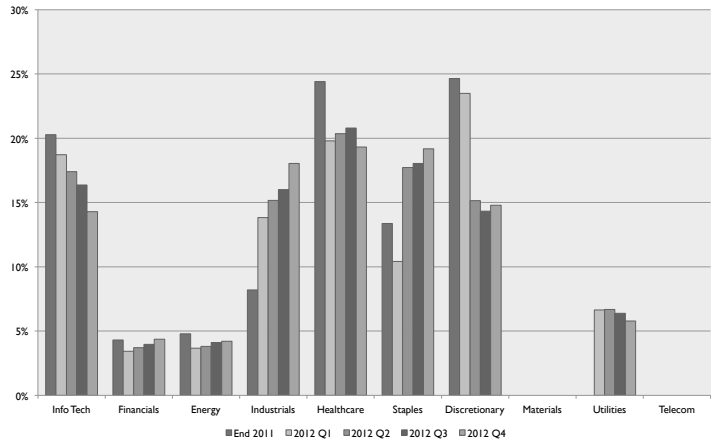
¹“Premiumization” refers to the marketing strategy of introducing or repackaging a brand as a luxury that could be sold at a premium.

2012 STARS AND DOGS

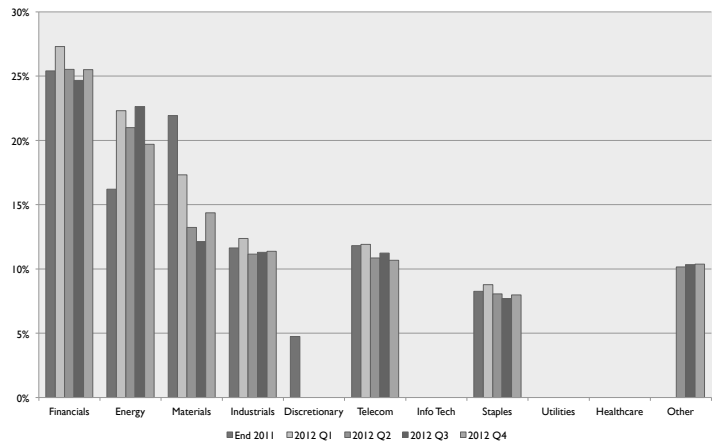
Stars		Dogs	
Astral Media	36%	Coach	-11%
Equifax	36%	Barrick Gold	-11%
Shawcor	35%	Vodafone	-12%
Walt Disney	30%	Guess	-16%
Diageo	30%	Exelon	-31%
Reed Elsevier	27%	Fortress Paper	-42%
Crocs	15%	Quality Systems	-53%

Source: Bloomberg

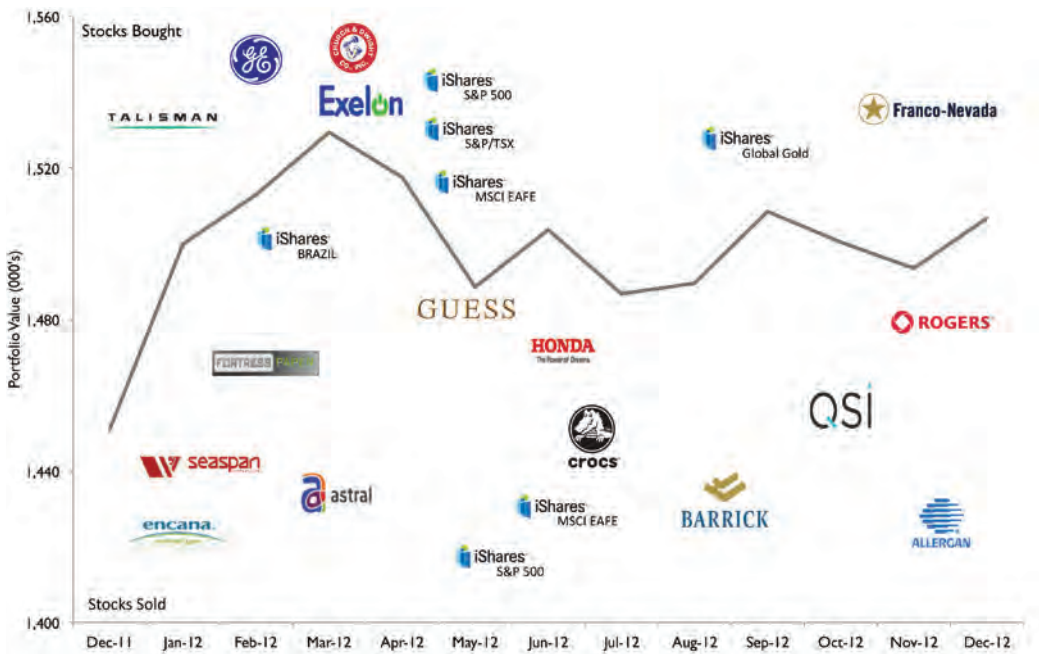
U.S. EQUITIES SECTOR ALLOCATION IN 2012



CANADIAN EQUITIES SECTOR ALLOCATION IN 2012



BUYS AND SELLS IN 2012



Fixed Income

We began our mandate with the belief that inflation in Canada would not be a problem in 2012. Our analysis of the macroeconomic environment led us to conclude that core inflation would remain around 2% until Q3 2012 before decreasing until the beginning of 2013 as a consequence of deflationary pressures coming from Europe. Statements from the U.S. Federal Reserve and the Bank of Canada regarding the necessity of low interest rates to promote investment and consumption led us to adjust our view and doubt that we would see a rate hike by year end. Our portfolio was positioned as a barbell, where we were overweight the short and long ends, while underweight the middle. Our portfolio was positioned in line with our view that the curve would flatten. Last but not least, we had a strong conviction that provincial and municipal spreads were cheap and that the balance of probabilities would see spreads tightening.

In order to hold cash in the Fund, without it dragging our performance down due to a lack of cash benchmark, we examined Floating Rate Notes. Since these notes yield more than cash, yet have very little interest rate risk, they represented an interesting investment opportunity. As such we purchased some Canada Housing Trust Floating Rate Notes with June 2013 maturity. While reducing our duration, we remained slightly long duration, and maintained a healthy 27 bps carry over the benchmark. Shortly after our rebalancing, Ontario's long term debt was downgraded by Moody's from Aa1 stable to Aa2 with negative outlook. This caused spreads in Ontario and Quebec to drift wider while western provinces such as British Columbia and Alberta spreads narrowed, negatively impacting our portfolio, due to our provincial debt mix. The widening spread offset our excess return due to our underweight of the sovereign sector which increased 15 bps across the curve.

The KWPMP has certainly been a pivotal experience in the development of my career. It has equipped me with the necessary tools to apply various academic concepts in a practical context, a unique opportunity when entering the industry. More than that, the internships I have done as part of the program allowed me to see different aspects of investment management and focus on my career objectives. I had the opportunity to develop not only financial analysis expertise, but also critical thinking and communication skills, an important advantage upon entering the workforce. At the same time, I have learned a lot from my peers during the rigorous two-year program. I take great pride in being a Calvin Potter Fellow, a designation that speaks to unparalleled training in investment management.

Raluca Petrescu, CFA
Principal and Portfolio Manager, Global Equity Beta Solutions
State Street Global Advisors and Calvin Potter Fellow, 2004

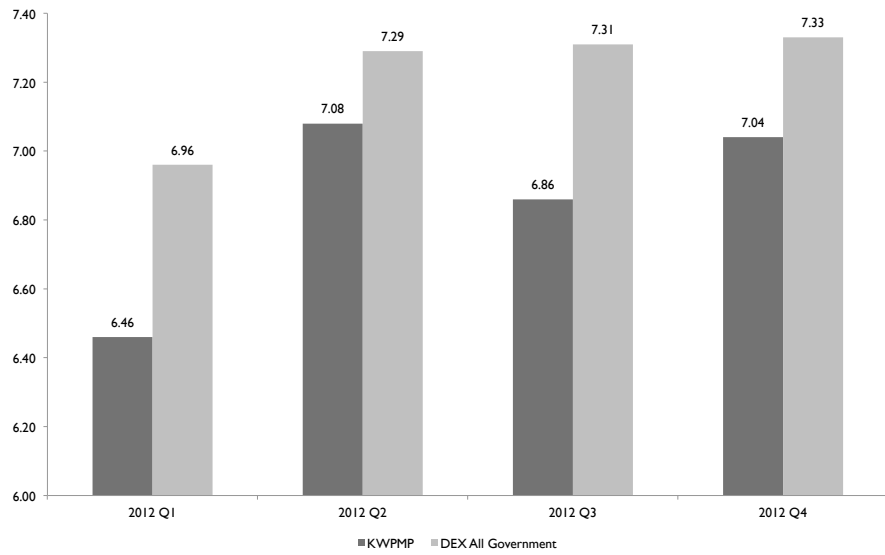
As we approached the middle of the year, we became increasingly concerned about the European debt crisis and the consequences it could have on the U.S. and Canada. Global markets experienced a flight to quality towards the safest assets such as U.S. Treasuries, the Swiss Franc, and German Bunds. Peripheral European countries such as Greece, Portugal, Spain, and Italy were increasingly targeted by the market and credit rating agencies because of their anemic economic growth, their high level of government debt, their rising rate of unemployment, and their slow pace in implementing structural reforms. In addition, on May 6, Greeks failed to form a new government and Greece was then on the brink of bankruptcy, with many analysts speculating it would leave the European Union and the Euro Zone shortly thereafter. It was in this climate of extreme anxiety that one week before the critical June 17 Greek legislative election we agreed to reduce our significant underweight in Fixed Income.

We saw Federal debt as cheap relative to other safe haven assets such as German Bunds and, with the hypothesis that we would see more foreign buying, we purchased the 10 year Government of Canada benchmark and added to our position in the Government of Canada 5% bonds with 2037 maturity as a proxy for the benchmark long bond. This had little impact on our duration, yet reduced our short federal positioning while voluntarily remaining overweight provincial bonds, and maintained a carry yield of 24 bps over the benchmark. The long end of the curve led the short end down, decreasing 30 bps vs. 15 bps, benefiting our longer dated holdings.

In the third quarter we experienced the effects of a Quebec election on a portfolio heavily overweight Quebec credit. In the months leading into the elections, Quebec spreads grew wider by the day. However, the markets liked the minority status of the Parti Québécois, tightening spreads as the results came in.

By year-end our calls on flat interest rates and on slower core inflation had proven to be correct with the target overnight rate still at 1% and the year-over-year core inflation growing at only 0.8% in December, according to the Bank of Canada. Demand for duration helped the issuance of longer dated paper, bringing the benchmark duration higher, effectively positioning us as short duration relative to the benchmark's duration by year end, a situation we were entirely comfortable with.

FIXED INCOME PORTFOLIO DURATION VS. BENCHMARK DURATION IN 2012



CANADIAN PROVINCIAL SPREADS IN 2012



Risk Analysis

We used tracking error, which measures the volatility of the Fund's performance relative to the benchmark's performance, to assess the risk of positions taken by the portfolio. We used the tracking error to gauge our deviation from the benchmark. The adjoining graph summarizes the Fund's tracking error relative to the composite benchmark for each quarter of 2012. For the full year, the tracking error was 2.35%.

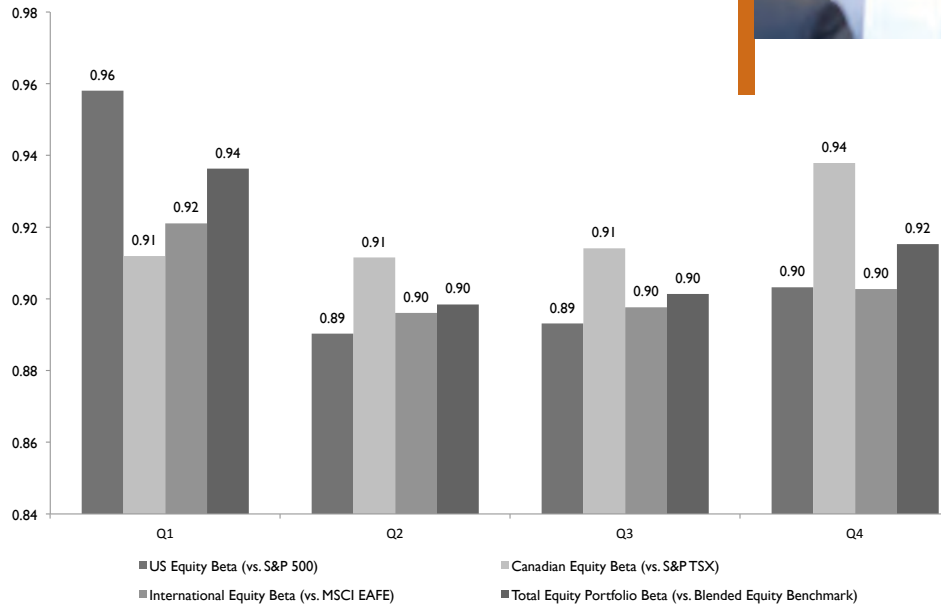
The KWPMP Fund's tracking error was higher during the first quarter of 2012 due to our substantial cash position at the time. Our decision to reduce active risk by investing the cash in ETFs is reflected in the lower tracking error for the remainder of the year.

We also tracked the Beta of the overall portfolio, as well as the Betas of equity positions within the portfolio relative to their respective benchmarks. Tracking the Beta allowed us to assess how aggressively or defensively the portfolio was positioned relative to the overall benchmark, as well as to the individual indices comprising the benchmark.

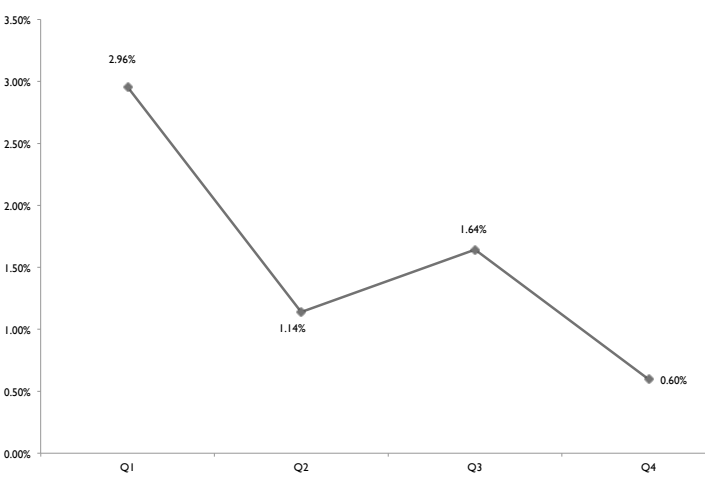
The following figure summarizes the Beta of the overall equity portfolio, as well as that of our U.S., Canadian, and International equity holdings at the end of each quarter:

Our Beta was consistent with the Fund's defensive position with a Total Equity Portfolio Beta below one. We positioned the portfolio with a strong bias toward defensive sectors such as Healthcare and Telecom, as we were expecting significant volatility in the markets stemming from the European debt crisis.

EQUITY PORTFOLIO BETAS IN 2012



KWPMP FUND TRACKING ERROR IN 2012

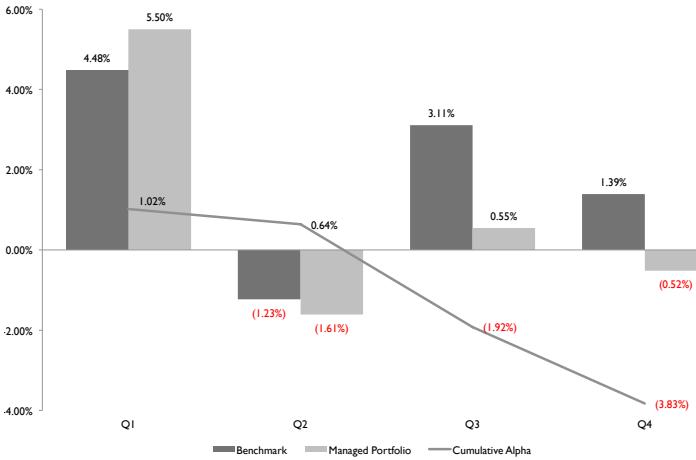


Performance

Performance Analytics

For 2012, the total return for the Fund was 3.82% while our composite benchmark returned 7.74%. As a result, our value added for the Fund in 2012 was -3.93%. In terms of assets under management, the value of our Fund on December 31, 2012 was \$1,506,685, which represents an increase of \$55,631 since December 31, 2011.

KWPMP CUMULATIVE VALUE-ADDED IN 2012



Cumulative Performance

The Kenneth Woods Fund has outperformed its benchmark in 7 out of the last 11 years. Since the initial \$1,000,000 donation by Mr. Kenneth Woods in 2000, the Fund Managers over the past eleven years have been able to grow assets under management to \$1,506,685 through interest income, dividends, and capital appreciation. Although the KWPMP Fund has witnessed two major economic downturns since its inception; the KWPMP Fund Managers have been able to achieve a geometric mean return of 3.80% on an annualized basis in the last 11 years.

KWPMP FUND PERFORMANCE ATTRIBUTION

Performance of the Managed Portfolio Component	Target Weight	Return on Index during period (%)
S&P/TSX Index (C\$)	25%	7.19%
S&P 500 Index (C\$)	25%	13.43%
MSCI EAFE Index (C\$)	10%	15.29%
DEX All Government Bond Index (C\$)	40%	2.65%
Return on managed portfolio		3.82%
Return on benchmark portfolio		7.74%
Excess return on managed portfolio		-3.93%

Performance Attribution					
Contribution of Asset Allocation					
	Portfolio Weight	Target Weight	Excess Weight	Market Return	Contribution to Performance
Canadian Equity	20.89%	25.00%	-4.11%	7.19%	-0.30%
U.S. Equity	28.70%	25.00%	3.70%	13.43%	0.50%
International Equities	11.01%	10.00%	1.01%	15.29%	0.15%
Fixed Income	35.11%	40.00%	-4.89%	2.65%	-0.13%
Cash and Cash Equivalents	4.29%	0.00%	4.29%	0.00%	0.00%
Total Contribution of Asset Allocation					0.23%

Contribution of Security Selection					
	Portfolio Performance	Index Performance	Excess Performance	Portfolio Weight	Contribution to Performance
Canadian Equity	1.81%	7.19%	-5.38%	20.89%	-1.12%
U.S. Equity	5.00%	13.43%	-8.43%	28.70%	-2.42%
International Equities	11.07%	15.29%	-4.22%	11.01%	-0.46%
Fixed Income	2.24%	2.65%	-0.41%	35.11%	-0.14%
Cash and Cash Equivalents	0.00%	0.00%	0.00%	4.29%	0.00%
Total Contribution of Security Selection					-4.15%

Source: BNY Mellon

Performance Attribution

Although our performance on an absolute basis was positive, our underperformance relative to the benchmark was primarily attributable to security selection, which resulted in -415 bps of negative value added. However, this was slightly offset by our performance in asset allocation which contributed 23 bps, bringing our total value added in 2012 to -393 bps.

Our biggest detractor in the Fund's ability to outperform our benchmark stemmed from security selection in U.S. equities, which contributed -242 bps, or 60% of the Fund's relative underperformance. Our defensive bias had a negative impact on our performance as our equity portfolio return lagged the market return. It is also important to note that the negative contribution of a few larger weighted U.S. securities in the Fund (QSII -53%, Exelon -31%, and Guess -16%) offset approximately half the gains of the other U.S. securities.

The second biggest detractor in the Fund's ability to outperform the benchmark stemmed from security selection in Canadian equities. We witnessed a similar scenario as in the U.S. where only a few larger weight Canadian securities (Fortress Paper -42%, Talisman -18%, Barrick Gold -11%) effectively wiped out the entire gains produced by the rest of our Canadian holdings.

Our overweight position in U.S. equities of 28.7% vs. our 25.0% target weight coupled with our overweight position in International equities of 11.0% vs. our 10.0% target weight resulted in positive contribution to Asset Allocation. This was offset by our underweight in Canadian equities and Fixed Income.

SIGNED: The KWPMP 2012 Fund Managers: Michel Berger, Estevan Carvajal, Pierre Cosquer, Ludovic Jacques, Paul Kantorovich, Mathieu Milliand, Anthony Sutton and Julian Tsang

ASSETS UNDER MANAGEMENT YEAR ENDED DECEMBER 31, 2012

		Total Assets, CAD\$		% of Total Portfolio	
		31-Dec-11	31-Dec-12	31-Dec-11	31-Dec-12
Cash		128,225	85,641	8.9%	5.7%
Cash Total		128,225	85,641	8.9%	5.7%
Bonds					
Federal:	Canada Housing Trust 06-15-13 1.257%	0	50,034	0.0%	3.3%
	Canada Housing Trust 12-15-12 4.55%	25,818	0	1.8%	0.0%
	PSP Capital Inc. 12-09-13 4.57%	52,943	51,521	3.7%	3.4%
	PSP Capital Inc. 12-03-15 2.94%	17,680	17,590	1.2%	1.2%
	Gov of Canada 06-01-22 2.75%	0	21,645	0.0%	1.4%
	Gov of Canada 06-01-17 4.0%	34,084	33,374	2.4%	2.2%
	Gov of Canada 06-01-37 5.0%	36,539	66,616	2.5%	4.4%
		167,064	240,779	11.5%	16.0%
Provincial:	Ontario Infrastructure 06-01-2015 4.60%	52,693	51,311	3.6%	3.4%
	Ontario Hydro 10-15-2021 10.125%	20,917	20,572	1.4%	1.4%
	Manitoba 03-05-44 5.8%	26,874	27,192	1.9%	1.8%
	Quebec 04-01-26 8.5%	169,118	165,469	11.7%	11.0%
		269,602	264,545	18.6%	17.6%
Municipals:	Toronto 5-20-15 4.55%	20,809	20,309	1.4%	1.3%
	Winnipeg 02-11-13 9.375%	8,702	8,064	0.6%	0.5%
		29,511	28,373	2.0%	1.9%
Fixed Income Total		466,177	533,696	32.2%	35.5%
Canadian Equities					
Consumer Discretionary:	Astral Media Inc.	14,196	0	1.0%	0.0%
		14,196	0	1.0%	0.0%
Consumer Staples:	Shoppers Drugmart	24,684	25,680	1.7%	1.7%
		24,684	25,680	1.7%	1.7%
Energy:	Encana Corp.	3,778	0	0.3%	0.0%
	Cenovus Energy	6,766	6,658	0.5%	0.4%
	Shawcor	8,664	11,697	0.6%	0.8%
	Talisman Energy	29,205	45,000	2.0%	3.0%
		48,413	63,355	3.3%	4.2%
Financials:	Brookfield Office Properties	33,537	35,616	2.3%	2.4%
	Royal Bank of Canada	25,990	29,940	1.8%	2.0%
	Guskin Sheff + Associates	16,401	16,467	1.1%	1.1%
		75,928	82,023	5.2%	5.5%
Industrials:	CAE Inc.	14,835	15,105	1.0%	1.0%
	IESI BFCI Ltd.	19,930	21,480	1.4%	1.4%
		34,765	36,585	2.4%	2.4%
Other:	iShares S&P/TSX Capped Composite Index Fund	0	33,388	0.0%	2.2%
		0	33,388	0.0%	2.2%
Materials:	Barrick Gold	32,316	0	2.2%	0.0%
	iShares S&P / TSX Equity Global Gold	0	24,531	0.0%	1.6%
	Franco Nevada	0	15,615	0.0%	1.0%
	Fortress Paper Ltd. Class A	33,238	6,038	2.3%	0.4%
		65,554	46,183	4.5%	3.1%
Telecommunications:	Rogers Communications Inc.	35,325	34,322	2.4%	2.3%
		35,325	34,322	2.4%	2.3%
Gov Equities Total		298,865	321,536	20.6%	21.4%
US Equities					
Consumer Discretionary:	Coach Inc.	37,375	33,163	2.6%	2.2%
	Walt Disney Co.	11,481	14,873	1.0%	1.0%
	ZACG Inc.	12,265	12,658	0.8%	0.8%
	Crocs Inc.	12,812	0	0.9%	0.0%
	Church & Dwight Co Inc.	0	26,670	0.0%	1.8%
	Guess Inc.	15,216	0	1.1%	0.0%
		89,149	87,164	6.2%	5.8%
Consumer Staples:	Costco Wholesale Corp.	21,257	24,576	1.5%	1.6%
	Pepsi Co.	27,084	27,254	1.9%	1.8%
		48,341	51,831	3.3%	3.4%
Energy:	Exxon Mobil Corp.	17,300	17,236	1.2%	1.1%
		17,300	17,236	1.2%	1.1%
Financials:	Berkshire Hathaway Inc.	15,573	17,863	1.1%	1.2%
		15,573	17,863	1.1%	1.2%
Health Care:	Abbott Laboratories	22,953	26,087	1.6%	1.7%
	Allergan Inc.	53,723	41,101	3.7%	2.7%
	Varian Medical Systems Inc.	11,646	11,889	0.8%	0.8%
		88,322	79,078	6.1%	5.3%
Information Technology:	Quality Systems Inc.	15,099	0	1.0%	0.0%
	Microsoft Corp.	58,283	58,509	4.0%	3.9%
		73,382	58,509	5.1%	3.9%
Industrials:	Equifax Inc.	29,651	40,415	2.0%	2.7%
	General Electric	0	33,440	0.0%	2.2%
		29,651	73,855	2.0%	4.9%
Utilities:	Exelon Corp.	0	23,690	0.0%	1.6%
		0	23,690	0.0%	1.6%
US Equities Total		361,718	409,225	25.0%	27.2%
International - Developed Market Equities					
Consumer Discretionary:	Honda Motor Co.	6,235	0	0.4%	0.0%
	Reed Elsevier	7,074	9,000	0.5%	0.6%
		13,309	9,000	0.9%	0.6%
Consumer Staples:	Diageo PLC-Sponsored ADR	31,224	40,628	2.2%	2.7%
		31,224	40,628	2.2%	2.7%
Industrials:	Seaspan Corp.	17,451	0	1.2%	0.0%
		17,451	0	1.2%	0.0%
Materials:	BHP Billiton	36,039	39,041	2.5%	2.6%
		36,039	39,041	2.5%	2.6%
Telecommunications:	Vodafone Group	40,046	35,114	2.8%	2.3%
		40,046	35,114	2.8%	2.3%
Other:	iShares MSCI EAFE	12,889	0	0.9%	0.0%
		12,889	0	0.9%	0.0%
International - Developed Market Equities Total		150,958	123,783	10.4%	8.2%
International - Emerging Market Equities					
Telecommunications:	America Movil S A B	19,373	19,354	1.3%	1.3%
		19,373	19,354	1.3%	1.3%
		23,427	11,140	1.6%	0.7%
Other:	iShares MSCI Brazil Index	23,427	11,140	1.6%	0.7%
International - Emerging Market Equities Total		42,800	30,494	3.0%	2.0%
International (Developed and Emerging Markets) Equities Total		193,758	154,277	13.4%	10.3%
Total Equities		854,341	885,037	59.0%	58.8%
Total Portfolio		1,448,743	1,504,374	100%	100%
Total Portfolio Including Accruals		1,481,054	1,506,685		

KWPMP CLASS OF 2002

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Senior Analyst, Van Berkomp Golden Dragon Limited
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Andreea M. Constantin, CFA
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GMP Securities Ltd., Toronto

Michael Gentile, CFA
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Philippe Hynes, CFA
President
Tonus Capital Inc., Montreal

Stefan Mazareanu, CFA, Fin. Pl.
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Dejardins Securities, Pointe-Claire

Alka Patel
Montreal

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CN Investment Division, Montreal

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Formula Growth Limited, Montreal

Lawrence Lai, CFA
Managing Partner & Senior Portfolio Manager
Van Berkomp and Associates Inc., Montreal

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KPMG, Toronto

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Vice-President
BMO Capital Markets, Toronto

Michael Marcotte, CFA
Senior VP
Macquarie Capital Markets Canada, Montreal

Vishal Patel, CFA
Portfolio Manager
GCIC Ltd., Toronto

Raluca Petrescu, CFA
Principal and Portfolio Manager
State Street Global Advisors Ltd., Montreal

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Co-Founder
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Dovid Y. Riven

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Sze Yin Annie Chau

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Risk Analyst
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Associate Director
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Registered Holistic Nutritionist (RHN) & Raw Food Chef
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Nicholas Kepper
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Mohit Kumar, CPA, CA
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Joshua Daniel Bridges

Melissa Gasser
Research Analyst
BCA Research Group, Montreal

Marco Giurleo
Research Associate
Scotia Capital Inc., Toronto

Gregory Huish
Pricing Analyst
Bombardier Aerospace, Dorval

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JD Candidate 2013
University of Ottawa, Ottawa

KWPMP CLASS OF 2010

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Daniel Faltas
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July Giachetti
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Arthur Grabovsky
Quantitative Research Analyst
Hillsdale Investment Management Inc., Toronto

Michael Knight
Analyst
Bank of America Merrill Lynch, New York

Haig Tachejian
ALLEX Analyst
Air Liquide Canada, Montreal

The Kenneth Woods Portfolio Management Program (KWPMP) attracts students of the highest calibre and immerses them in an academically rigorous program, coupled with genuine practical experience in money management and exposure to real world investment management practitioners and leaders. The program emphasizes a high standard of analytical analysis and research, along with critical presentation skills, which prepares students to be immediately productive on their first job. This learning experience is accomplished as a member of an investment management team, subject to guidance from mentors and a demanding client committee, which is an extremely important real life lesson in teamwork.

The CN Investment Division has hired several KWPMP graduates and we have been impressed with each of them as a result of their comprehensive training and diligent work habits. I have no doubt that future graduates of the KWPMP will be as successful as the past graduates and that they will be key members in the next generation of investment management leadership.

Russell Hiscock, CFA
President and CEO, CN Investment Division
Member, KWPMP Client Committee



Calvin C. Potter

Professor Calvin C. Potter was born and raised in Montreal. Following six years of overseas military service during World War II, he resumed his university studies. He received a Bachelor of Commerce degree from Sir George Williams University and an MA and PhD in Economics as well as a Diploma in Accountancy from McGill University. He worked at PS Ross in Montreal until he obtained his CA designation. Professor Potter taught at McMaster University where he developed courses in Finance and Accountancy. His book, Finance and Business Administration in Canada, published in 1966, was one of the first major works to be entirely devoted to the Canadian experience. Following several years at the University of British Columbia, he returned to Montreal and Concordia's Department of Finance.

Professor Potter served for many years as Chairman of the Department of Finance and helped it develop into one of the best in Canada. A significant component of his legacy to his students was the ability to appreciate the many dimensions of a subject. He skilfully connected academic work to everyday life, making it more tangible than it was usually considered.

Professor Potter also served as President of the Concordia University Faculty Association and was the recipient of numerous awards and honours from community and international organizations. When he retired, he was honoured with the title Professor Emeritus. For many years Calvin Potter served on the Board of the Strathcona Credit Union and as Treasurer and then President of the Quebec Federation of Home and School Associations (the QFHSA). He dedicated many years and much effort to the cause of English language education in Quebec. His extensive research formed the basis of innumerable briefs and presentations to both provincial and federal governments. He continued his active involvement in the QFHSA during his retirement. Students who successfully complete the Kenneth Woods Portfolio Management Program are designated as Calvin C. Potter Fellows, in order to honour the memory of a scholar and gentleman who made significant contributions to our university and society.



Business students strike gold again

The Concordia team of (left to right) Ludovic Jacques, Dennis Kalaycioglu, Michel Berger, Dinos Papoulias and coach Amr Ezzat winning gold this year at the Battle on Bay Street, Ryerson University's annual financial management case competition.

2013 Research Associates



Franco Perugini, Kamyar Khorasani, Alexander Chkliar, Dmitry Masyutin, Rini Karmaker, Charles Lachapelle, Frederic Premji, Nicolas Lindstrom, Alexandre Tang, Alexandre Morin-Innes



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