

*The Dean Of Commerce (UBC)
Portfolio Management Society*



Annual Report 1994

*dean of commerce (UBC)
portfolio management society*

The UBC Portfolio Management Society is a unique 2 year program, offering theoretical and practical investment experience to a selected group of undergraduate students. The students have two years of study remaining to complete their Bachelor of Commerce degree, with a specialization in Finance, when they are accepted into the program.

During their two summers in the program, the students are employed in the investment community. First summer is spent in Toronto or Europe, while during the second summer, the students get experience from working in Vancouver, Victoria or San Francisco. Every summer, weekly workshops are held by practitioners with particular areas of expertise. These workshops give the students special insight into how capital markets function, as well as valuable lasting contact with industry professionals. The UBCPMS also sponsors evening seminars during the academic year, open to all students in the University.

After their first summer in Toronto, the students take on the role of Research Associates to the Fund Managers. The Fund Managers, who assume responsibilities during their second

summer in the program, develop their own investment strategy and take all the final investment decisions for the portfolio. Six times a year, the students report to a Client Committee, which is directed by the UBCPMS to oversee the students' investment activities. During the Client Committee Meetings, the Fund Managers present their economic forecast, outline all their transactions, review their performance and answer any questions the Client Committee might have regarding their management of the fund. The endowment which the students manage is approximately \$1,200,000 invested in a balanced portfolio.

The international presence of the program has grown substantially over the past several years. Through the placement of alumni around the world, and support for the program internationally, the UBCPMS is clearly becoming recognized as a significant training ground for the global financial markets.

In May 1994 the eighth class of students will graduate from the Program, which is entirely extracurricular. The alumni are named Leslie Wong Fellows in honour of the late UBC Finance professor.

dean's message

I am delighted and proud to present to the business community, once again this year, the Annual Report of the Dean of Commerce (UBC) Portfolio Management Society. In my travels across Canada and globally, I am surprised by how well known the program has become. In many ways, the UBCPMS has come to represent the good things that can be accomplished by a world-class research organization, with top-quality students and faculty, dedicated to working with the business community to improve the way we do business.

Evidence of the research capabilities of the Faculty of Commerce is abundant. In the most recent group of 144 applications for research funding from the Social Sciences and Humanities Research Council of Canada, members of the Faculty of Commerce submitted grant proposals that were ranked, first, second and sixth of the 144. In the Spring 1993 competition, UBC was awarded over \$400,000 in grants. The next highest award was just over \$155,000.

Along with Professor Robert Heinkel, one of the UBCPMS Faculty Supervisors, I have approached the friends of the program, asking them to rededicate themselves to the students by making a financial contribution of similar amount to the first fundraising effort in 1986 and 1987. It is very gratifying to see the positive response. RBC Dominion Securities and Scotia McLeod have reconfirmed their financial support, in addition to being summer employers. TD Bank has established the "TD Bank Money Market Endowment" on behalf of the UBCPMS, and will donate its earnings to our capital base. In addition, we are proud to welcome contributors such as TAL Investment Counsel, MT Associates and Guardian Capital. The recent strong support of the money management community in Toronto is much appreciated and particularly gratifying since it demonstrates that the program is truly national, as we intended. It also means that our students will benefit from the broadest array of mentors possible.

A strong source of support is the increasing number of alumni of the program, known as Leslie Wong Fellows, in honor of the late Finance Professor. There are now over 50 graduates, most of whom are active in the investment community. I am especially pleased to see more of the alumni assisting the current students in their investment decision making, acting as additional mentors for the students. Clearly, our alumni are ready and willing to put back into the program a measure of what they were able to take from it. This on-going link between us and program alumni assures that we will be able to benefit continuously from the critical commentary and intellectual support they can provide. This all suggests that we can reasonably expect the program to maintain its strength for the foreseeable future to the mutual benefit of the financial community and the Faculty.

Michael Goldberg, Dean



faculty supervisors' report

Our primary role is to provide the academic view of investment management to the students, and to help them reconcile that with the view from Bay Street, Howe Street and Wall Street. Interestingly, we are receiving increasing help in this role from the investment community. An example is fixed income management: our summer student working in the fixed income group at BC Provincial Treasury, under Mr. Douglas Pearce, Chief Investment Officer, and our summer student working in the fixed income group at Wood Gundy in Toronto, under Mr. Daniel Kelly, both received training in state-of-the-art quantitative bond management tools. Another example was the summer workshop presented in Vancouver by Mr. Douglas Andrews of SEI Financial Services. His talk on performance measurement and asset - liability management overlapped with what is taught in Commerce 475 - Portfolio Theory. We thank everyone in the investment community for their help in this educational endeavor.

Our second major role is the day-to-day administration of the program. The profile of the program continues to grow. Recruiting of the graduating students comes from firms located in Vancouver, Toronto, New York, London and Europe. We were glad to welcome once again this fall Goldman Sachs, Salomon Brothers, TD Bank, Citibank Canada and ScotiaBank, among others.

We are also members of the Client Committee. We thank the other members for their continuing support. Although the Fund Managers some-

times feel we are difficult with them in our meetings, the ability to stand up to tough questioning is a necessarily acquired skill. We also want to wish Ms. Brenda Eaton, recently named Deputy Minister of Energy and Mines in the BC provincial government, all the best. Her new duties force her to step down from the committee. Because we wish to maintain the closest possible contact with the Provincial Treasury, Mr. Douglas Pearce, Chief Investment Officer, has agreed to replace Brenda.

We also owe a special thanks to all the Mentors, who provide day-to-day insights into investment management for the students. We view all the Mentors as our colleagues in educating the UBCPMS students. The Operating Committee has retained all the Mentors from last year, and we are glad to welcome a new Mentor, Ms. Nancy Self of RBC Dominion Securities. Nancy researches the retail sector for RBCDS and will be an excellent teacher for the students.

The Class of 1993 has reported to their new jobs, and we wish them well. The new Fund Managers are hard at work maintaining the excellent performance results of the previous group, and are also working with the Research Associates in the evaluation of new investment opportunities.

Robert Heinkel,
Albert E. Hall Professor of Finance

Alan Kraus,
Advisory Council Professor of Finance



the operating committee

The UBCPMS Operating Committee is appointed by the President of the UBCPMS, and oversees the day-to-day administration of the UBCPMS. In this role, it is the Operating Committee's mandate to translate the broad policy objectives laid out by the President and Board into daily procedures followed by all participants in the UBCPMS.

"I have been in the fortunate position of participating in the development of the UBC Portfolio Management Program since the first fund raising meeting at the University Club in 1985. I believe it is fair to say that the success of the Program since then, and the quality of the graduates it has turned out, has surpassed even the high expectations of all of us who have been involved. This success has resulted from the efforts of the dedicated group of industry practitioners from various financial centers who act as financial sponsors, mentors, client committee members, and seminar and workshop leaders. Also responsible for its success is the standard that has been set by the Program graduates, who have attracted the attention of the international financial community."

Mr. Wayne Deans
Partner, Deans Knight
Capital Management Ltd.

UBCPMS operating committee membership

Chairman

Wayne Deans

Deans Knight Capital Management Ltd.

Mentor Representative

E. Lanny Mann

Merrill Lynch Canada Inc.

Mentor Representative

Michael Ryan

Leith Wheeler Investment Counsel Ltd.

Client Committee Representative

J.S. Cunningham

Alumni Representative

Scott Lamont

Phillips, Hager & North Ltd.

Alumni Representative

John Pryde

Deacon Barclays de Zoete Wedd Ltd.

Faculty Supervisor

Robert Heinkel

Faculty of Commerce, UBC

the client committee

The Client Committee is appointed by the President of the UBCPMS and is given responsibility for overseeing the investment activities of the UBCPMS Fund Managers. Given only the broadest mandate of capital preservation and income generation, the Committee sets asset mix restrictions and imposes other investment limitations. The Committee meets every other month with the Fund Managers to review performance, analyze decisions, and look to future performance.

"The Portfolio Management Society provides UBC Commerce students with a unique opportunity to really experience the highs and (hopefully infrequent) lows of investment management. I have been impressed by the students coming through the program and their professional approach to the investment management process. Not only the students, but also the members of the Client Committee, have greatly benefitted from their involvement in the Society."

Ms. Alice Laberge
Vice President, Treasurer
MacMillan Bloedel

The Portfolio Society noted with sadness the death of David Helliwell, a valued member of the committee since its inception.



Meeting the Client Committee: J.S. Cunningham, R. Chase, M. Howe and R. Wong

We would like to thank the following members of the Client Committee for their contribution of time in support of the UBC Portfolio Management Society.

Jill Bodkin

Director, Financial Services,
Ernst and Young

Robert Chase

Senior Vice-President, Finance,
Westar Group Ltd.

Roger Clarke

Vice-President, Finance, B.C. Rail

J. Stewart Cunningham

Robert Heinkel

Professor of Finance,
Faculty of Commerce, UBC

David Helliwell

President, D.L. Helliwell Associates Ltd.

Maureen Howe

Assistant Treasurer, B.C. Gas Inc.

Alan Kraus

Professor of Finance,
Faculty of Commerce, UBC

Alice Laberge

Vice President, Treasurer
MacMillan Bloedel

Douglas Pearce

Chief Investment Officer
Ministry of Finance,
B.C. Provincial Treasury

Tony Tennessy

Realty Investment Manager,
Operating Engineers Pension Plan

Clifford A. Von Zuben

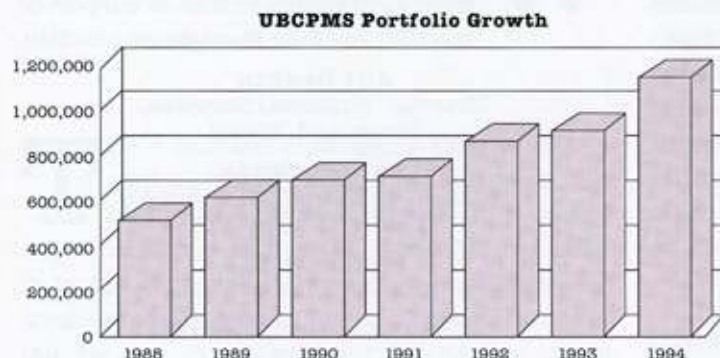
J. Anthony Walker

Treasurer, Westcoast Energy



Client Committee Internal Discussions:
A. Thong, T. Tennessy, D. Bustos
(Leslie Wong Fellow'91), R. Dhalla

Growth of the UBCPMS Portfolio



Since inception of the program, the fund has grown substantially through continued contributions from the financial industry as well as returns made on the investment capital.

UBCPMS Investor Roundtable

Roundtable: How would you summarize the strategy that the UBCPMS uses in the stock selection process?

UBCPMS: Essentially, a "bottom-up" type strategy is used in stock selection. We concentrate very heavily on company specific issues. We like companies with strong balance sheets and good prospects for future earnings and cash flow growth. Additionally, we pay careful attention to qualitative factors such as the company management, and industry or economy wide factors that may affect the company's performance as an investment. We have recently purchased companies such as Toromont, Mackenzie Financial and Canwest Global, each of which has strong fundamentals and good earnings growth potential.

Roundtable: What about your fixed income portfolio, which comprises over 50 percent of the fund?

UBCPMS: Our bond strategy is to add value by increasing duration when we view the market as favorable and decreasing duration when we are less bullish. In addition, we seek to achieve higher returns by identifying undervalued securities. However, we do not move our duration significantly away from the ScotiaMcLeod Universe in order to maintain lower levels of risk exposure. Option Adjusted Spread Analysis has been a very useful tool in this respect. We also perform credit analysis on the provinces to help us identify the provincial bonds that offer the most value.

Roundtable: Your performance figures for the last several years have been quite favourable. To what factors do you attribute your success?

UBCPMS: Strong support from our industry mentors, the financial community and our faculty supervisors is a key success factor. We have the opportunity to combine theory and practice into the day-to-day management of our portfolio.



Discussions after a client committee meeting.
C. VonZuben, A. Kraus, G. Clark and N. Beyer

views from the industry

“RBC Dominion Securities is committed to the development of the Dean of Commerce (UBC) Portfolio Management Society and has been since its inception. The program consistently produces top quality graduates and those employed by RBC Dominion Securities have contributed significantly to our firm. RBC Dominion Securities is proud to be associated with this program.”

Mr. A. G. Scace
Vice President & Director
RBC Dominion Securities Inc.

“Goldman Sachs recruited Jacki Hoffman from the 1988 UBCPMS class. We are pleased to relate that Jacki is enjoying a successful career at Goldman as a mortgage trader. In 1993 we resumed recruiting at UBC and met great success with the hiring of Jennifer Shum. Goldman Sachs will be on campus this fall, intending to add to our small, but impressive, roster of UBCPMS graduates.”

Mr. David J. Gluskin
Vice President, Fixed Income
Goldman Sachs Canada

“A unique aspect of the UBCPMS program is how the students are introduced to the various parties involved in the portfolios they will manage. National Trust is proud to be associated with the program acting as custodian of the Fund. A highlight each year is our meeting with the students to discuss the role of trustees and custodians and how they relate to the clients and portfolio managers.”

Mr. Chris M.J. Reniers
Regional Manager, Pension
& Custodial Services,
Western Canada Region
National Trust



Generations of Leslie Wong Fellows: R. Heinkel (Faculty Supervisor),
C. Cumming (Class of '92), K. Costa (Class of '91), S. Whitehead (Class of '94)

profiles of the fund managers



Nicolette Beyer: Nicolette spent the summer employed at Phillips, Hager, and North Ltd. in Vancouver where she was involved with bond and money market trading, and Canadian and U.S. fundamental equity research. The previous summer she

was employed in the bond department of Merrill Lynch Canada in Toronto, where she gained exposure to many aspects of bond trading and sales, including derivative products. Her responsibilities as part of the UBCPMS included research in real estate and high-tech sectors. Nicolette has a strong interest in foreign language and culture and has studied both Japanese and German at the university level. Her other interests include running, cycling, skiing, creative writing and photography.



Todd Bondy: Todd worked on the institutional fixed income desk at RBC Dominion Securities Inc. this summer. There he was involved in bond and money market sales. During the summer of 1992, Todd worked for Bank of

Montreal Investment Counsel Ltd. in Toronto where he gained experience in equity research and money market trading. Within UBCPMS, his responsibilities included forest products, bonds and money markets. Todd's interests include hockey, downhill skiing and golf. He competes in local duathlons and triathlons. Todd also enjoys traveling, having spent a year in Europe and Africa.



Geof Clark: Last summer Geoff was employed at M.K. Wong & Assoc. in Vancouver where he gained experience in all aspects of portfolio management including fundamental equity analysis, money markets, client relations, and equity

trading. In the summer of 1992, Geoff worked in Frankfurt at Deutsche Bank in the asset management division. While there, Geoff gained experience in European equity research, strategic asset allocation, and other areas of Deutsche Bank including fixed income, quantitative research, derivatives, and trading. As a Fund Manager in the UBCPMS, Geoff's responsibilities included research in the consumer products, communications and media, as well as the conglomerates sector. His interests outside of the investment business include tennis, cycling, skiing, golf, traveling, and playing the piano and guitar.



Rizvan Dhalla: Rizvan spent the summer at the Institutional Equity Department of Loewen, Ondaatje, McCutcheon Limited. There, he worked on fundamental equity research of Canadian small-cap companies, institutional sales and

trading. In the summer of 1992, Rizvan was employed in the Money Market Department at RBC Dominion Securities Inc., in Toronto. There, he gained exposure to general fixed income trading and sales, assisted in bond borrowing and lending, and worked on quantitative analysis.

profiles of the fund managers

Within the UBCPMS, Rizvan's responsibilities include coverage of oil and gas, pipelines, and health care. His other interests include soccer, downhill skiing, tennis, music and reading.



Adrian Thong: This summer, Adrian was employed by Leith Wheeler Investment Counsel where he performed fundamental analysis on U.S. and Canadian companies for an equity mutual fund. Adrian spent the previous summer

working in ScotiaMcLeod's Equity Research Department. At ScotiaMcLeod, he assisted the Real Estate Analyst and was the Research Assistant responsible for the 1992 edition of "Canada: A Reference Guide for Investors", a 76 page publication that was distributed to institutional investors worldwide. Adrian's responsibilities as part of the UBCPMS include coverage of the mining and merchandising industries. His outside interests include skiing, mountain-biking, tennis and golf.



Sidney Whitehead: Last summer Sidney was employed in the Royal Bank of Canada's Vancouver Treasury Unit. In addition to gaining experience in foreign exchange, money markets and precious metals dealing, he undertook a variety

of special projects. In 1992 Sidney worked at Burns Fry Ltd. in Toronto where he was exposed to the major facets of a full service brokerage house. His placements included

equity sales, trading and research, portfolio management (Jones Heward Inc.), fixed income analysis (Burns Fry Analytics), and corporate finance. His responsibilities in the UBCPMS include covering Canadian industrial products, gold and silver, and utilities. Sidney spends his free time playing soccer, softball and jogging around Stanley Park.



Richard Wong: Richard was employed with the Ministry of Finance and Corporate Relations in the Provincial Treasury this summer. While actively involved in bond trading, he also conducted research projects to assist in fixed income strategy.

In the summer of 1992, Richard worked at Lincluden Management where he gained experience in corporate bond credit analysis and assisted in the building of economic models. As a Fund Manager in the UBCPMS, Richard was responsible for research in fixed income, financial services, and transportation sectors. Tennis, badminton, cycling, and traveling are among some of his interests.

The Research Associates of UBCPMS are selected from a group of applicants in the end of their second year at UBC. This past summer the seven chosen students were sent to Toronto and Frankfurt for their first experience in the investment industry. In Toronto the Research Associates worked for different employers and in various aspects of finance. Some of the areas they were exposed to were fixed income research, equity research, money markets and money management. The diverse "hands on" experience the Research Associates obtained working for their employers afforded a broadened understanding of the industry, which was further enhanced by weekly seminars. These seminars were held by different professionals in the Toronto financial community.

Upon arrival back at UBC, the Research Associates experience is applied to assisting the Fund Managers in research and investment decisions. Every Research Associate is teamed with a Fund Manager, and together they are responsible for a group of sectors. Throughout the academic year there are weekly investment meetings where investment strategies and new developments are discussed. Through bimonthly Client Committee Meetings, various workshops, and interaction with mentors, alumni and industry analysts, the Research Associates develop a solid base to take on the responsibility of managing the portfolio.



From left to right: John Pyper, Kian Abouhossein, Christine Hu, Erik Skaar Syvertsen, Malin Wong, Brad Pederson, James Gillespie.

supporting mentors

“Connor, Clark & Lunn Investment Management Ltd. has been a long time supporter of the UBC Portfolio Management Society. Our commitment to the program stems from the fact that it continually delivered a quality product in terms of course content that can be applied to the real world. In addition, its unique format has attracted some of the best students in the country who have had the opportunity to work directly with the investment community. The use of a mentor system has already proved its effectiveness as former students, who have entered the work force, are starting to establish themselves as the up and coming leaders on

the Canadian investment scene. The direct beneficiaries of the program are not only the students but the entire investment community which can draw upon a well trained, highly motivated and talented group of people. In addition, the program is a role model on how the academic world and business community can work closely together to enhance our communities' future.”

Mr. Larry Lunn
Chief Executive Officer
Connor, Clark & Lunn
Investment Management Ltd.

We would like to acknowledge the following individuals for the generous contribution of their time in support of the UBC Portfolio Management Society. As mentors, they meet with the students regularly to share with them their experience and expertise in their particular field of work.

Larry Avant
Managing Partner
AMI Partners Inc.

P. David Ayriess
Bunting, Warburg, Inc.

Rick Brooks-Hill
Vice-President
Phillips, Hager & North Ltd.

Denise Ching
Investment Advisor
Royal Bank Investment Management

Derek Cook
Vice-President and Director
RBC Dominion Securities Inc.

Wayne Deans
Deans Knight Capital Mgmt Ltd.

Alan Dixon
Investment Manager
Connor, Clark & Co. Ltd.

W. Ritch Dowrey
Investment Advisor
Loewen, Ondaatje, McCutcheon Ltd.

Tony Gage
President
Phillips, Hager & North Ltd.

Alix Granger
Vice-President
RBC Dominion Securities Inc.

Peter Guernsey
Vice-President
Phillips, Hager & North Ltd.

Murray Leith
President
Leith Wheeler Investment Counsel Ltd.

Larry Lunn
Chief Executive Officer
Connor, Clark & Lunn
Investment Management Ltd.

E. Lanny Mann
Senior Vice-President and Director
Merrill Lynch Canada Inc.

Ian Mottershead
Vice-President
Phillips, Hager & North Ltd.

Michael Ryan
Vice-President
Leith Wheeler Investment Counsel Ltd.

Nancy Self
Vice-President
RBC Dominion Securities Inc.

Edi Smithies
President
E.M. Smithies & Associates
Investment Management Inc.

Chinh Vu
Vice-President
Wood Gundy Inc.

“ I have had the privilege of working with the UBCPMS group since its inception in 1986... Scott Lamont is now a client and John Pryde a competitor! The fund management exposure, program workshops, seminars, etc., are all very worthwhile, but nothing compares to the summer employment experience both inside and out of the office. Participants get a chance to observe the ‘art’ of the investment process while the markets rotate, clients demonstrate and equity brokers salivate! I found the students’ motivation and team attitude a refreshing change in today’s business environment. Just as equity investment criteria change, so too must our industry’s view on personnel and their training. The students bring an open, inquisitive and ‘win-win’ approach to achieving the endless goal of maximizing returns. I look forward to continued participation and meeting this year’s new crop.”

Mr. W. Ritch Dowrey
Regional Director, Institutional Equity
Loewen, Ondaatje, McCutcheon Ltd.

For the third year in the Society’s history, a third year student was employed in Germany, and we hope that next year we can send students to Europe and San Francisco. We expect that this tradition will continue both in terms of summer and permanent employment. We would like to express our appreciation for their support to the following Toronto, Vancouver, and Frankfurt firms.

Toronto

Bank of Montreal Investment Counsel Ltd.
Lincluden Management Ltd.
RBC Dominion Securities Inc.
ScotiaMcLeod Inc.
Toronto Dominion Bank Treasury
Wood Gundy Inc.

Vancouver

B.C. Provincial Treasury
Leith Wheeler Investment Counsel Ltd.
Loewen, Ondaatje, McCutcheon Ltd.
M.K. Wong & Associates Ltd.
Phillips, Hager & North Ltd.
Royal Bank of Canada, B.C. Treasury
RBC Dominion Securities Inc.

Frankfurt

Deutsche Asset Management GmbH

UBCPMS summer workshop 1993

Vancouver

Gayle Coburn and Chris Reniers
National Trust
Custodian Responsibilities

Alix Granger, RBC Dominion Securities Inc.,
Ethical Investing

Murray Leith, Leith Wheeler Investment Counsel,
Balanced Fund Management

Peter Guernsey and Ian Mottershead,
Phillips, Hager & North Ltd.
Canadian Equities

Kenneth Woods, TAL Investment Counsel,
US Equities

Larry Lunn, Connor, Clark & Lunn
Investment Management
Tactical Asset Allocation

Tony Gage, Phillips, Hager & North Ltd.,
Canadian Bonds

Tim McElvaine, Peter Cundill & Associates,
Value Investing

James Paterson, Paterson Pension
Management Inc.,
Pension Plan Administration

Tracey McVicar, RBC Dominion Securities Inc.,
IPO Analysis

P. David Ayriss, Bunting Warburg Inc.,
Institutional Sales

Doug Andrews, SEI Financial Services,
Performance Measurement

Toronto

David Picton, RBC Dominion Securities Inc.,
Quantitative Analysis

Rick Konrad, Lincluden Management,
Fundamental Equity Analysis

Ross Healy, Solvency Analysis Corp.,
Accounting Dynamics

John Zechner, Elliott & Page
Investment Counsel,
Fundamental Equity Analysis

John Priestman, Guardian Capital Ltd.,
Fundamental Equity Analysis

Dan Markovich, OMERS,
Pension Investment Management

John Braive, TAL Investment Counsel,
Fixed Income Strategies

Morton Patrontasch and David Mather,
Elliott & Page Investment Counsel
Fixed Income Strategies

Jack Mosevich, Burns Fry Analytics,
Options Strategies

Daniel Kelly, Wood Gundy Inc.,
Real Return Bonds

Ed Pennock, DFI Securities,
Institutional Sales

William Riedl, Fairvest Securities Corporation,
Corporate Governance

UBCPMS Evening Workshops

Peter Cundill, President, Peter Cundill & Associates
"Value Investing: The Philosophy, Implementation and Current Outlook"

Kenneth B. Foxcroft, TD Bank Treasury
"Foreign Currency Markets in 1993 and 1994"

Kim Shannon, Royal Insurance Co. of Canada
"The Value Investing Process"

the portfolio

Values as of September 30, 1993

Equities	Market Value
Bank of Montreal.....	25,000
BCE Mobile Communications	22,725
Bowater Inc. (US)	22,241
Dofasco Inc.	12,500
Elan Energy Inc.	23,581
Finning Ltd.....	14,700
Gulf Canada series 1 PFD.....	18,090
Hudson Bay Co.	21,900
Inco Ltd.....	11,813
International Forest Products Ltd.	30,205
Intrawest Corp.....	3,750
Investors Group Inc.	22,275
Mackenzie Financial Corp.....	18,250
Maclean Hunter Ltd.	17,800
Newalta Corp.....	16,500
Philip Morris Co.....	18,384
Quebecor Inc.	13,475
San Francisco Botiques	14,250
Saskatchewan Oil & Gas Corp.....	14,700
Stackpole Ltd.....	14,100
Surrey Metro Savings	17,625
Toromont Industries Ltd.....	20,300
Transcanada Pipeline Ltd.....	18,113
U A P Inc.....	12,900
Uni-Select Inc.....	15,200
	\$440,377

Bonds

Govt. of Canada 11.50% Sept. 2000	49,560
Govt. of Canada 10.50% March 2001	23,800
Govt. of Canada Coupon April 2007.....	8,563
Govt. of Canada 11.75% Oct. 2008	27,070
Govt. of Canada 11.50% March 2009	46,812
Govt. of Canada 9.75% March 2010.....	47,180
Ontario Hydro 10.75% May 1996.....	21,390
Province of Ontario 10.75% May 1996	27,512
Newfoundland & Lab. Hydro 9.875% July 1996.....	26,825
National Housing Association MBS 9.75% Sept. 1996	95,164
Alberta Mun. Financing Corp. 9.75% Dec. 2002.....	58,190
Province of Saskatchewan 10.25% April 2014	28,650
	\$460,716

Money Market

Canada T bill 6.48% YD Oct. 1993.....	14,092
Canada T bill 4.00% YD Oct. 1993.....	26,754
Canada T bill 4.65% YD Dec. 1993	29,656
Canada T bill 4.95% YD Dec. 1993	66,362
Canada T bill 5.55% YD June 1994	37,902
Canada T bill 4.90% YD March 1994.....	33,189
Cash	665
	\$208,620

Total Portfolio

\$1,109,713

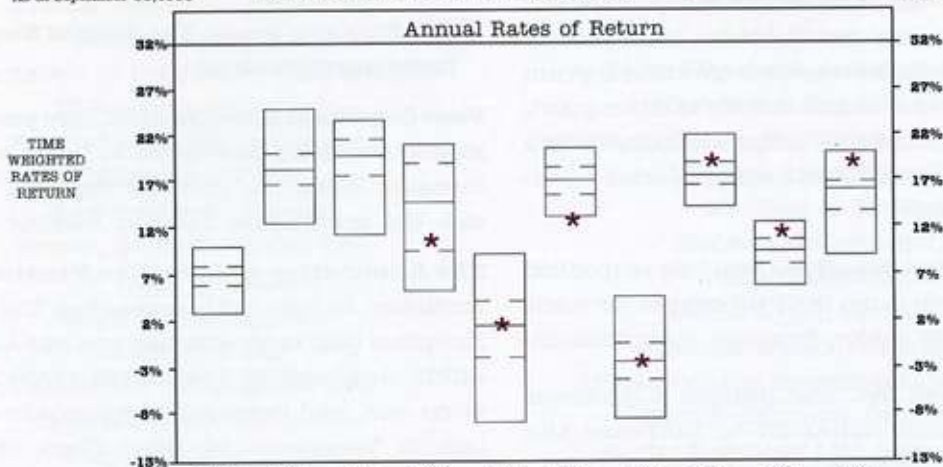
portfolio performance

As at September 30, 1993

Balanced Total Funds

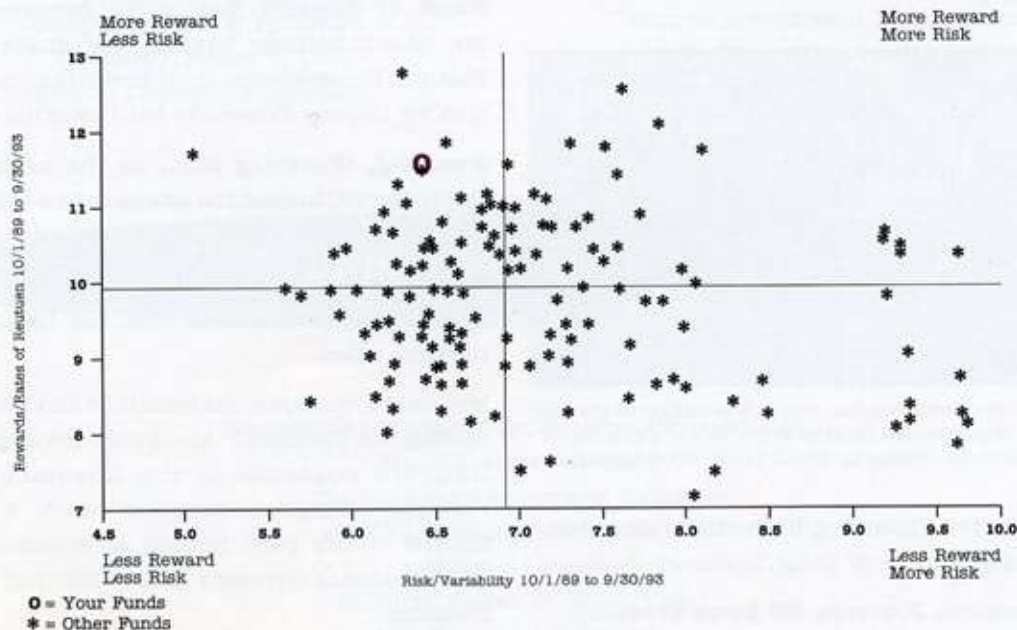
COMSTAT

Universe #4



5th Percentile	9.9	25.0	23.8	21.1	9.4	20.8	4.9	22.4	13.0	20.7
First Quartile	7.8	19.9	21.8	19.0	4.4	19.0	-0.1	19.5	11.1	17.4
COMSTAT MEDIAN	7.0	18.3	19.9	14.9	1.7	17.2	-2.2	16.0	9.9	16.5
Third Quartile	8.8	16.6	17.6	9.8	-1.7	15.7	-4.1	16.8	8.7	14.2
95th Percentile	3.0	12.4	11.7	5.4	-8.8	13.4	-8.2	14.6	6.3	9.5
\$Weighted Mean(AIMER)	6.6	18.2	18.3	16.2	0.4	17.2	-3.2	17.5	9.8	15.5
FUND CODE UBCPS	★ N/A	N/A	N/A	10.9	1.7	12.9	-1.9	19.5	12.1	19.8
Percent Rank	N/A	N/A	N/A	69	50	95	47	26	15	10

Reward vs. Risk Analysis Balanced Funds Background Total Fund: Rates of Return vs. Variability



acknowledgements

Many individuals and institutions provide support in many different forms to the Portfolio Management Society. The success enjoyed by the program and its graduates is related directly to this support. Many contributors are noted throughout this report. Here we point out some special cases, with our thanks:

- **RBC Dominion Securities Inc.** has responded very positively to the UBCPMS request for a second round of major financial contributions.
- **ScotiaMcLeod Inc.** has pledged a generous second round donation to increase the UBCPMS endowment.
- **Toronto Dominion Bank** has created the "TD Bank Money Market Endowment," a large basket of T-bills, whose earnings will be added to the UBCPMS capital base.
- **Marleau, Lemire Securities** became a financial contributor after hiring a Leslie Wong Fellow and opening an office in Vancouver.
- **MT Associates** provided another significant contribution as part of its pledge to the UBCPMS.



RBC Dominion Securities Inc. makes a donation to the UBC Portfolio Management Society. From left to right: Mark Cullen, Michael Goldberg, Derek Cook, Robert Heinkel

Thanks to the following individuals and firms for hosting a tour of their business facilities.

- Mr. Kenneth Foxcroft, **TD Bank Treasury**

- Ms. Sharon Miller, **Bank of Montreal Treasury**
- Ms. Elizabeth Nonay, **The Bank of Nova Scotia Investment Banking**

Peter Cundill and Associates Ltd. have provided the students with a subscription to the Outstanding Investor Digest, to give the students insights into the investment decision making process.

The Association of Canadian Pension Mgmt continues to help with organizing the Toronto reception held each summer and has also made ACPM memberships available to all the students at no cost, and invited the students to a recent talk in Vancouver by Peter Clark of Confed Investment Counselling Ltd.

BARRA International is providing risk measurement services to the UBCPMS free of charge, giving the students access to state-of-the-art investment technology.

Peters & Co. of Calgary, specialists in the oil and gas sector, are providing research services to the UBCPMS.

Alex. Brown & Sons of San Francisco is providing US research to the UBCPMS.

Bank of Canada Vancouver Representative, Mr. Mark Zelmer, invited the students and Faculty Supervisors to a breakfast presentation by Deputy Governor Paul Jenkins.

Bunting, Warburg Inc., in the person of P. David Ayriss, invited the students to a talk by Ms. Electra Aust, Bunting Warburg gold specialist.

The Canadian Securities Institute continues to provide our students with the CSC at institutional rates.

Mr. David Williams, on behalf of the Vancouver Society of Financial Analysts, invited all the UBCPMS students to the November VSFA Forecast Dinner at member rates. A special thanks to our good friends at National Trust, SEI Financial Services and COMSTAT Capital Sciences.

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“Rarely does an opportunity come along that can provide as great a learning experience as the UBC Portfolio Management Society program. Imagine studying for a career in finance and suddenly being given unlimited access to some of the most successful people in the investment business. You then discover that your top notch academic studies will be augmented by regular seminars from leaders in the finance community. Finally, you are given the opportunity to work with other top Commerce students in managing a real money portfolio that will be measured against all other fund managers in Canada. These are only a few of the benefits available to those that are selected for the program.

It is no wonder then that so many of the Leslie Wong Fellows have earned as much success as they have so early in their careers. The program provides finance training that is second to none and opens many doors for its graduates. However, it also helps develop its participants in many other important ways. It improves team work skills, builds greater self confidence and raises the level of professionalism in its graduates. It also improves other skills necessary to compete in business today including time management, communication and presentation skills.

I feel very fortunate to have had the opportunity to participate in the program and owe many thanks to its founders and to those that have been involved with the program through the years. Like many other graduates, I work with the new students entering the program and try to assist the UBC Commerce faculty whenever possible. It's my way of trying to put a small amount back into something from which I have gained so much.”

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leslie wong fellowship

“Eighteen years have passed since Leslie Wong's sudden death at age 48, yet his spirit burns brightly in the UBC Portfolio Management Society, a project inspired by two former students. Now established members of the Vancouver investment community, Murray Leith and Michael Ryan are among the cadre of this man's disciples.

Two years after Wong died, they established the Leslie Wong Memorial visiting Professorship in Finance. Later Milton Wong, who knew the professor as a family friend, joined them in this endeavor.

Murray and I felt Les had done so much for us that we wanted to put something back in. He was the one who got us interested in finance and launched us,' explains Ryan.

Wong's close friend and collaborator, Dean Emeritus Colin Gourlay, remembers him affectionately. 'He was an excellent teacher and lecturer. He talked rapidly - at about 8 million ideas per sentence. He got on extremely well with students. Not only that, Les had tremendous connections within the downtown business community.'

Leslie Wong's achievements were many. For example, he introduced the Vancouver Junior Chamber of Commerce executive to Dean Earl MacPhee. Courses were organized for the groups under his guidance. And within three years the original 100 students mushroomed to 600 - laying the base for the Faculty's Professional

Programmes which handles more than 10,000 participants annually.

Perhaps the economist's most challenging venture was working as project director and visiting professor to the University of Malaysia both at Kuala Lumpur and Singapore from 1961 to 1965 under the Colombo Plan. His mandate was to develop a school of Commerce in Singapore.

Says Art Phillips, who took a security analysis course from Professor Wong, 'one thing about Leslie, he was a very human person. What a lot of profs are unable to teach you is the human side of business. Often personal relationships, conversations and personal interactions are more important than numbers.'

Graduates of the UBC Portfolio Management Society program will be known as 'Leslie Wong Fellows.' Graduate Doyle Bauman says the fellows will continue to support the program after graduation. There will be a strong feeling to give back what we got out of it, whether as mentors or helping to determine the program's direction. It will be more than a little commitment.'

The unique spirit of contribution and the meeting of the academic and downtown world engendered by Professor Leslie Wong will continue.'

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