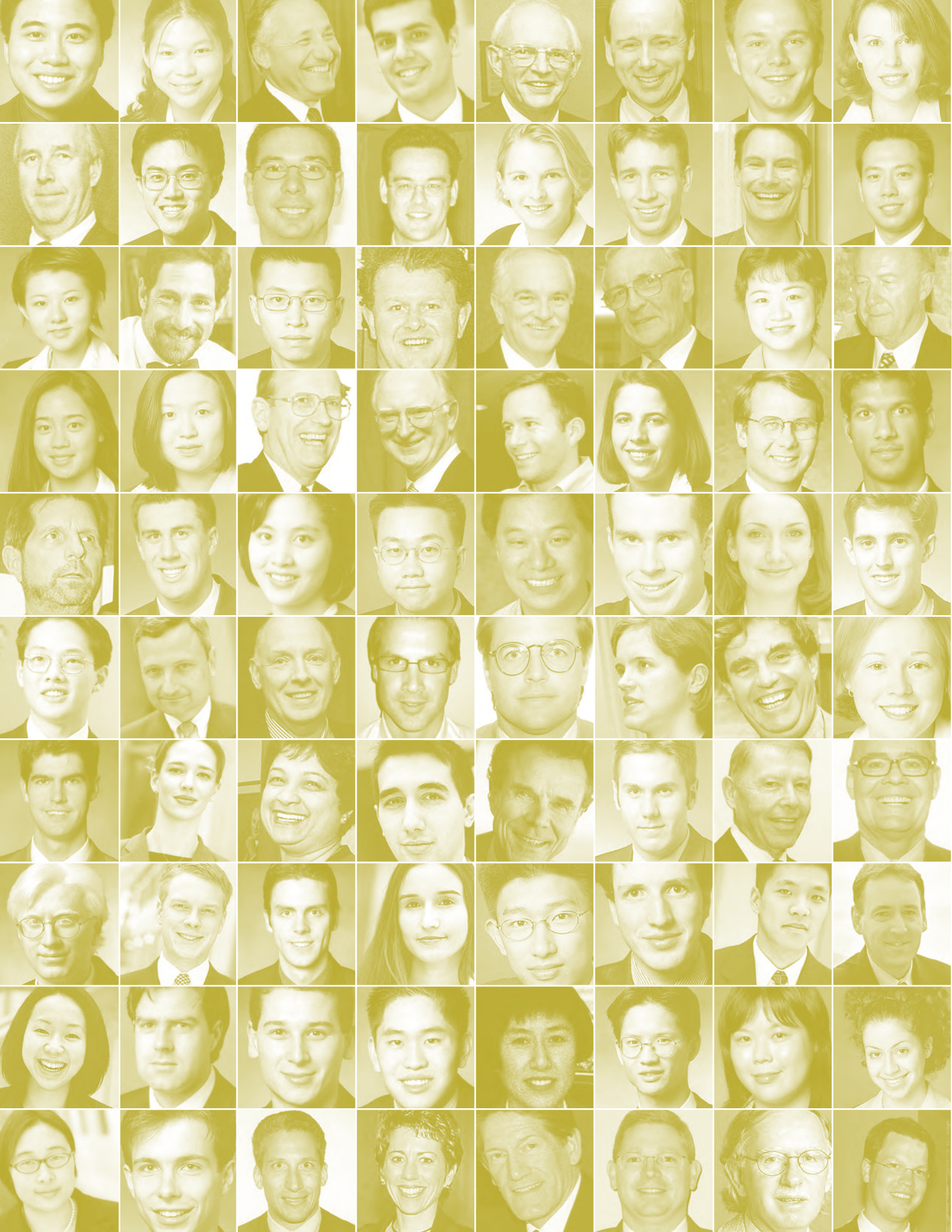


There are over 200 currencies
in the world today...



U B C
PMF

2006 Annual Report



At the Portfolio Management Foundation (PMF) our currency is our people, the student Fund Managers and Research Associates, their mentors and the numerous professionals who every year share their knowledge and skills.

The PMF is also all the Leslie Wong Fellows, as graduates of the PMF program are known, who contribute their skills and financial support. Welcome to the 2006 Annual Report.



**U B C
PMF**

INTRODUCTION

The Dean of Commerce (UBC) Portfolio Management Foundation (PMF) is a two-year extra-curricular program for students that begins at the end of their second year of university. It consists of two summers of internships, a year as a "Research Associate" (assisting the students one year ahead in the program) and a year as a "Fund Manager." The FMs' and RAs' task is to add value to a real portfolio of stocks and bonds, currently valued at about \$3 million.

In addition, PMF students must meet with the PMF Client Committee six times per year to report their performance, explain their current portfolio structure, forecast the capital markets and provide a strategy for the upcoming 6 months or so. To help them run the portfolio and get career guidance, the PMF students have access to 16 PMF Mentors, investment professionals in Vancouver who give their time to the PMF students as needed.

The summer internships provide a wage, but much more importantly, lots of learning opportunities. Last year's employers in Toronto were: Burgundy Asset Management, CIBC World Markets, Guardian Capital Inc., Merrill Lynch Canada, RBC Capital Markets, Scotia Capital, and TD Securities. In Vancouver, the employers were Connor, Clark and Lunn Financial Group, HSBC Asset Management Canada, Phillips, Hager & North Investment Management Limited and TD Securities. One student also worked in Victoria at the B.C. Investment Management Corp. and one worked in New York at Merrill Lynch.

The PMF portfolio is a balanced portfolio with suggested weights of 30% bonds and 70% stocks, although the Fund Managers may vary the asset mix based upon their beliefs about stock and bond markets. Of the 70% in stocks, about 25% of that is invested in US securities. Equities are selected on a "North American" basis, rather than with any view to relative performance of the US versus Canadian markets. The Fund Managers are free to trade the portfolio within broad guidelines set by the Client Committee. Performance is measured both against a benchmark portfolio return and against the performances of other professional managers in Canada with similar mandates. As of June 2003, the fund had, over the previous eight years, outperformed 77% of the universe of managers with similar mandates, as reported by API Asset Performance Inc.

RBC Global Services, our custodian, holds our securities and cash and they also provide performance measurement services. Trading is done through Qtrade Investor, an on-line discount trader, and by Merrill Lynch Canada, Raymond James and other brokerages.

Portfolio analytics are made available to the PMF students by Computerized Portfolio Management Services, Inc. and corporate and analyst data is also made available to the PMF by First Call-Thomson Financial.

Job opportunities for graduates of the program are very good. PMF alumni, known as Leslie Wong Fellows, are employed in the capital markets in Vancouver, Toronto, Montreal, Calgary, New York, Chicago, San Francisco, London, Hong Kong, Sydney, Oslo and in many other locations. There is an almost even split among graduates between "buy-side" jobs with money managers and "sell side" jobs as traders, analysts or investment bankers.

The PMF symbol indicates the two-sided nature of the program: strong academics combined with skilled professional support. The two sides are, importantly, smoothly linked to provide a very special education that the PMF graduates are able to apply to begin successful capital markets careers.

PRESIDENT'S REPORT



I am pleased to file my seventh report as the President of the Portfolio Management Foundation. I am very grateful to the current members of the PMF Board of Directors: Professors James Brander and Stan Hamilton from the Sauder School of Business, and three PMF alumni: Ms. Tracey McVicar (LWF 1990), Mr. Doyle Bauman, (LWF 1987) and Mr. Scott Lamont (LWF 1987). These three alumni have built very successful careers here in Vancouver and they continue to support the PMF in many ways. They meet the high standards for the Board set by the three PMF Co-founders, Mr. Murray Leith, Mr. Michael Ryan and Mr. Milton Wong.

I thank all those who provide so much to our students. This long list includes PMF Client Committee members, mentors, summer employers, summer workshop presenters and all of our service providers, including RBC Global Services, API Asset Performance Inc., INK Research, Accountability Research Corp., CPMS and QTrade Investor.

Our students learn from all these people. How much they learn is evidenced by their post-graduation success. The Class of 2006 will join 131 Leslie Wong Fellows, as the PMF alumni are termed. The 131 LWFs are scattered around the world, with 31 graduates in New York, 20 in Toronto, 9 in London, as well as alumni in Montreal, Calgary, San Francisco, Hong Kong, Singapore, Taiwan and Tokyo.

The 131 graduates are split almost equally between the sell- and the buy-sides of the business. The employer with the most LWFs is Phillips, Hager & North Ltd. in Vancouver (11 LWFs), followed by Merrill Lynch (8), TD Securities (7), RBC Capital Markets (6), HSCB Asset Management and Greywolf Capital (both with 5), Goldman Sachs and

FACULTY SUPERVISOR'S REPORT

Deutschebank Securities (both with 4) and Morgan Stanley, Lehman Brothers, Citigroup, J. P. Morgan and Connor, Clark and Lunn (all with 3). Others with two LWFs include UBS Warburg, Pembroke Management, Scotia Capital, PIMCO, BMO Nesbitt Burns and Raymond James.

Most of these alumni remain actively involved in the training of the current PMF students. The rapidly increasing number of PMF alumni working in New York is evidence of the success of those alumni and their efforts to get their firms to recruit additional PMF students. Many of our Toronto-based alumni are critical to training our students who intern there in the summer. And, many Vancouver-based alumni see the students on a regular basis. This support is critical and much appreciated.

The PMF fund now exceeds \$3 million. This provides annual earnings that not only support the program's activities, but adds a significant amount to the funds available to the Sauder School of Business Finance Division for teaching and research support. Also, I thank PMF student scholarship donors Mr. Wayne Deans and Mr. Doug Knight of Deans Knight Capital Management and Mr. Paul Lee (LWF 1987). Their support eases the financial burden of tuition on PMF students.

Finally, I thank Professor Rob Heinkel for continuing to supervise the PMF. Also, a special thanks to Professor Alan Kraus for his almost-20 years of service as a Faculty Supervisor.

Professor Daniel Muzyka
President, PMF
Dean, Sauder School of Business



U B C
PMF



The PMF program continues to evolve. I am very pleased to welcome to the list of PMF Mentors Mr. Murray Leith. Murray is VP and Director of Investment Research at Odium Brown Ltd. here in Vancouver. A UBC graduate, Murray has accumulated a reputation for above-average investment performance and a strong passion for the business. This makes him an ideal PMF Mentor, and I am very glad that Murray has joined us. This appointment is also personally very meaningful to me since Murray's father was a co-founder of the PMF program, and one of my mentors in trying to understand the capital markets and figuring out how to run the PMF.

Another change is the retirement of Alan Kraus as the secondary Faculty Supervisor of the PMF program. Alan has been my colleague in this endeavor almost from the beginning. His primary role has been as a regular (and active!) member of the PMF Client Committee, often reminding the PMF students of the fundamentals of the capital markets and our understanding of those markets. But, more important to me, Alan was always available for consultation, so that I could try to make the right decisions regarding all aspects of the program. When times were tough, I knew I could rely on Alan's counseling and support. That, and his friendship, will be missed. Luckily, Alan continues to do some teaching and research in the Sauder School of Business, so we have not lost him from those important activities.

I want to thank all our summer internship supervisors for their support this past summer (2005). Here I want to welcome a new supervisor, who trained a PMF intern for the first time. Mr. Allan MacLean-Howard heads up Global Equity Derivatives for Royal Bank in Toronto. Allan was an excellent supervisor

and mentor, giving our student intern many challenging tasks over the summer and the chance to sit each day on RBC's trading floor. His concern for our student's welfare, as is evident from all of our internship supervisors, is very much appreciated and valued very highly. Thanks Allan.

I want to wish the very best to Mr. Jean-Marc Page, who has retired from RBC Global Services and had provided a valuable summer workshop to our Toronto-based interns for many years. I welcome and thank Ms. Renata Dzuba of RBCGS for accepting the responsibility of explaining to our interns the critical role that a custodian plays in the capital markets.

The PMF students have shown, over more than 15 years, the ability to invest well. For the period from 1 January 1990 through 31 March 2005, the PMF fund performance attribution, in annualized percentage returns, is:

Fund performance	10.97%
Passive benchmark	8.29%
Value-added	2.67%
Attributable to:	
Market Timing	0.24%
Security Selection	2.84%
Other	-0.40%

Tactical asset allocation has not been, since the mid-90s, a way for the PMF students to attempt to add value. In the first three quarters of 1990, however, the PMF held significant cash positions and the TSX dropped about 20% over those 9 months.

Security selection is clearly our forte. This component has exceeded 5% per quarter on several occasions. Some of our great performers, as of 31 August 2005, include (prices per share):

Company (first acquired)	Cost	Market
Canadian Natural Res (April '00)	11.79	58.47
Canadian Western Bank (Feb '03)	15.30	33.75
Cyries Energy (July '04)	5.74	16.60
Petro-Canada (March '05)	70.30	96.00
Ritchie Brothers (Mar '00)	21.57	41.91
Telus (Aug '04)	26.56	45.00

The PMF Class of 2006 is finishing up their tenure as the PMF Fund Managers and the new Class of 2007 will take control in April of 2006. The Class of '06 will soon be accepting job offers and planning to move around the world. I wish them the best of luck.

Professor Robert Heinkel
Faculty Supervisor, PMF

FUND MANAGERS REPORT

Since assuming control of the Portfolio in March 2005, the Fund Managers have faced some very intriguing market conditions.

Coming off strong returns in 2004, the Canadian equity markets were not generally expected to repeat such a stellar performance. However, the TSX showed continued strength over the year, with its surge driven by robust energy and income trust returns. Weather-related extraordinary events, namely Hurricanes Katrina and Rita, propelled crude oil prices above \$70 USD in the summer of 2005 – with a myriad of effects on the capital markets. As a result, the Fund Managers gained a new appreciation for “weather risk,” a phenomenon we had previously only experienced in the retail & consumer discretionary sectors.

The Fund Managers were also witness to many other noteworthy events in the capital markets during our tenure. One strong trend throughout the year was a marked increase in the Canadian dollar along with high energy prices, resulting in the coining of the phrase “Petro-Currency.” Lending additional strength to the Loonie was a major influx of foreign funds into North American markets, catalyzing in a number of landmark merger and acquisition transactions.

On the bond side, a tight corporate spread environment continues to persist while both the Bank of Canada and US Federal Reserve remain hawkish in tone. With historically low real yields in the bond market and increasing equity valuations, the prevailing market environment has been challenging.

Politically, the Canadian environment witnessed its first minority government in recent memory, and US policies, both foreign and fiscal, remained controversial. Corporate scandals continued to dominate headlines, driving home the importance of good corporate governance and sound ethical guidelines.

Going forward, the Federal Reserve will see new leadership in 2006, as Ben Bernanke is to succeed Alan Greenspan as Federal Reserve Chairman. He will inherit mixed economic conditions: a surging US current account deficit stemming from the import of deflationary goods, continued pursuit of a neutral Fed Funds policy, all while balanced with historical unemployment lows. These are just some of the conditions that the upcoming Research Associates will have to analyze, and we wish them the best of luck in this endeavour.

Our investment philosophy continues to focus on valuation and fundamental analysis of industry position, operations, financial condition and management. For the year ending September 30, 2005, the PMF portfolio returned 20.64%, ranking in the 38th percentile in the RBC Global Services balanced universe. Due to a challenging credit spread environment, value added over the year has been driven by our equity portfolio with Canadian equities returning 35.60%, ranking in the 14th percentile of managers. Over the period, nine securities were added to the portfolio:

- **Petro Canada**, one of the largest integrated oil and gas companies in Canada
- **McGraw Hill**, a provider of information services and products to education, financial services, and business information markets worldwide
- **Mega Bloks**, a maker of plastic building blocks and toys for toddlers, preschoolers, and older children
- **Bank of Nova Scotia**, the third-largest bank in Canada, providing retail, corporate, and investment banking services worldwide
- **Great Lakes Carbon Income Fund**, the world's largest producer of calcined petroleum coke, an input for aluminum production
- **Microsoft**, a software company which has expanded into markets such as video game consoles, interactive television, and Internet access
- **Alimentation Couche Tard**, a North American convenience store operator
- **LionOre**, an international mining company focused on nickel, gold and copper
- **Cogeco Cable**, a cable TV operator serving markets in Ontario and Quebec

We divested of eight securities during the period:

- **Calian**, a business technology services company
- **Vincor**, Canada's largest wine producer
- **MBIA**, a provider of bond insurance
- **Goldman Sachs**, a provider of investment banking, securities, and investment management services worldwide
- **CCL Industries**, a manufacturer of packaging, labels, and containers
- **Winpak**, a manufacturer and distributor of machines and packaging materials for various consumer goods
- **Cott**, a producer and distributor of private label soft drinks
- **Great Lakes Carbon Income Fund**.

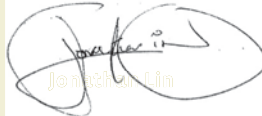
The Fund Managers manage the fixed income portfolio through a bottom-up fundamental approach to credit selection. Yield performance is complemented with interest rate management. Over the year, the bond portfolio returned 8.50%, ranking in the 64th percentile. The Fund Managers invested in one corporate bond offering over our tenure:

- **Sheritt International**, November 25, 2012 7.875% (BB), a diversified natural resource company operating in Canada, Cuba and internationally.

Finally, we would like to take the opportunity to express our gratitude to all those who have made and continue to make the Portfolio Management Foundation such an incredible program. We are indebted to mentors, alumni, the Client Committee and friends of the program for their time and commitment, their guidance, and the many invaluable insights they have shared with us. In addition to teaching the fundamentals of the financial markets, the Portfolio Management Foundation and the network of people involved in the program have instilled in us the importance of ethical practices and the highest professional standards. Lastly, we would like to say a special thank-you to Professor Robert Heinkel, whose unparalleled dedication and continuous support as Faculty Supervisor helps make all this possible.


Eric Busslinger


Moritz Kneutkraemer


Jonathan Lin


James Kite


Vivian Sze


Charlene Zi Wang

EQUITY

Values as of 30 November, 2005

COMPANY	TICKER	EXCHANGE	SHARES	28 FEB 2005 AVG INHERITED OR PURCHASE PRICE	BOOK VALUE	MARKET PRICE	MARKET VALUE
Mega Bloks	MB	TSX	3,040	\$ 18.01	\$ 54,756	\$ 25.25	\$ 76,760
Dorel Industries	DII-SV.TO	TSX	2,200	44.75	98,450	28.17	61,974
Claire's Stores	CLE	NYSE	2,900	28.41	82,380	33.29	96,554
McGraw-Hill Companies	MHP	NYSE	1,400	54.16	75,821	61.91	86,673
Astral Media	ACM.a	TSX	3,025	33.10	100,140	32.35	97,859
Alimentation Couche-Tard	ATD.b	TSX	2,750	20.00	55,000	22.19	61,023
CHC Helicopter	FLY.a	TSX	1,750	24.94	43,645	25.10	43,925
CHC Helicopter	FLY.b	TSX	2,200	29.18	64,196	25.50	56,100
Canadian Natural Resources	CNQ	TSX	2,150	35.05	75,347	45.41	97,632
Fairquest Energy	FQE	TSX	9,132	5.21	47,605	8.18	74,700
Petro Canada	PCA	TSX	3,300	35.14	115,962	44.55	147,015
Cyries Energy Inc.	CYS	TSX	4,601	10.25	47,160	15.34	70,579
Bank of Nova Scotia	BNS	TSX	2,700	39.75	107,325	44.66	120,582
Royal Bank of Canada	RY	TSX	1,300	72.25	93,925	89.02	115,726
Canadian Western Bank	CWB	TSX	2,220	25.51	56,632	34.44	76,457
Toronto Dominion Bank	TD	TSX	2,175	50.46	109,751	60.40	131,370
CIBC	CM	TSX	1,525	68.86	105,012	75.19	114,665
Willis Group Holdings	WSH	NYSE	1,475	48.83	72,020	43.52	64,188
Patheon	PTI	TSX	9,550	10.22	97,601	6.45	61,598
Copart	CPRT	NYSE	1,838	28.77	52,870	29.39	54,010
Ritchie Brothers Auctioneers	RBA	NYSE	1,600	38.26	61,214	45.56	72,896
Microsoft	MSFT	NYSE	2,170	31.30	67,921	32.30	70,097
Lionore Mining	LIM	TSX	16,900	5.35	90,415	4.73	79,937
Telus	T	TSX	2,100	38.15	80,115	44.65	93,765

EQUITY TOTAL

\$ 2,026,083

FIXED INCOME (*MARKET VALUE INCLUDES ACCRUED INTEREST)

ISSUER	MATURITY	COUPON	FACE VALUE	28 FEB 2005 AVG INHERITED OR BID PRICE	BOOK VALUE	MARKET BID PRICE	MARKET VALUE*
Cameco A (Low)	July 12, 2006	6.90 %	\$ 45,000	\$ 104.84	\$ 47,178	\$ 101.81	\$ 46,988
Legacy REIT BB+/BBB	April 1, 2007	7.75 %	40,000	106.50	42,600	103.96	42,078
Timberwest BBB (High)/BB+	Oct 1, 2007	7.00 %	40,000	104.77	41,908	102.71	41,528
Merrill Lynch Financial Assets CAN-14	Sep 1, 2009	4.64 %	40,000	102.35	40,940	102.77	41,621
Canada	Sep 1, 2009	4.25 %	140,000	102.58	143,612	101.69	143,810
Quebec	Dec 1, 2010	6.25 %	45,000	111.00	49,952	110.08	50,919
Domtar BB (Low)	April 15, 2011	10.00 %	30,000	121.81	36,543	105.92	32,138
Canada	June 1, 2012	5.25 %	105,000	107.13	112,487	107.83	115,936
Sherritt International	Nov 26, 2012	7.875 %	50,000	100.00	50,000	102.00	52,991
Canada	June 1, 2014	5.00 %	40,000	105.50	42,200	107.45	43,964
Ontario	July 13, 2022	9.50 %	30,000	151.12	45,335	157.60	48,349
Alpipe A(Low)/BBB+	Dec 31, 2025	7.22 %	35,740	117.22	41,893	119.39	43,938
Canada	June 1, 2027	8.00 %	25,000	143.87	35,968	153.42	39,339
Canada	June 1, 2029	5.75 %	58,000	113.84	66,030	123.11	73,046
Quebec	June 1, 2032	6.25 %	40,000	113.15	45,260	121.46	49,814

FIXED INCOME TOTAL

\$ 866,458

CASH

\$ 121,652

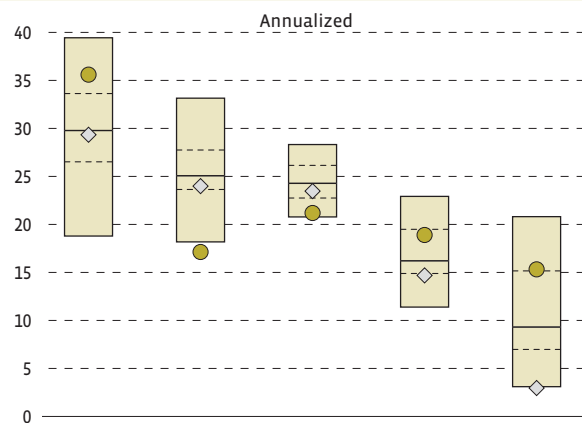
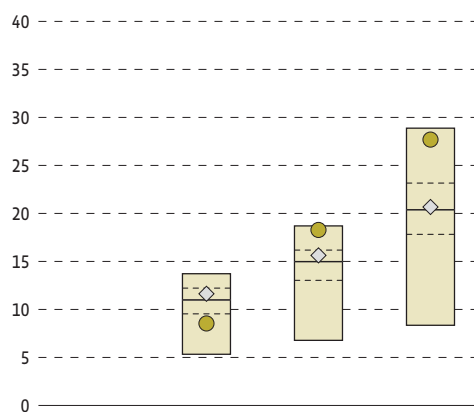
UBC PMF total fund

\$ 3,014,193

CANADIAN EQUITIES

Universe: RBC GS All Funds – Canadian Equities • Asset Class: Canadian Equities

periods ending September 30, 2005



5th percentile
25th percentile
Median
75th percentile
95th percentile

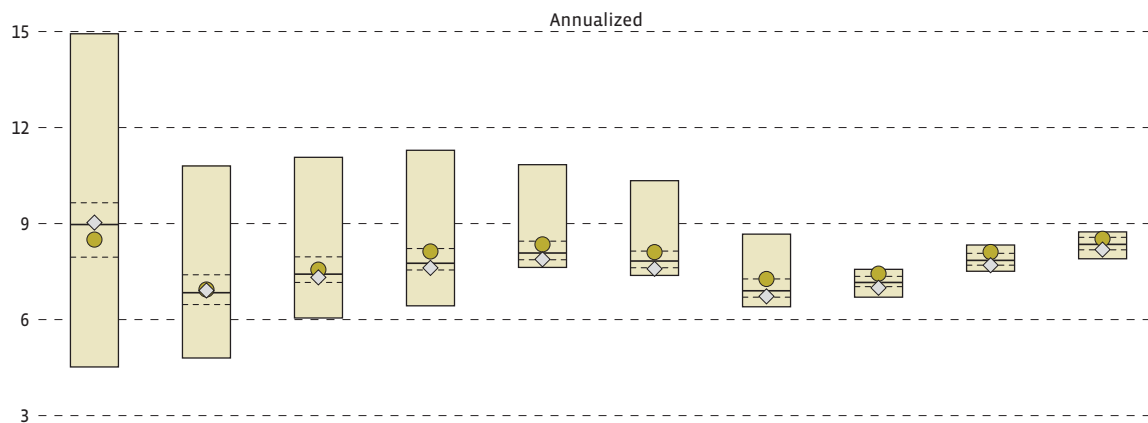
	ONE QUARTER	TWO QUARTERS	THREE QUARTERS
5th percentile	13.72	18.70	28.88
25th percentile	12.22	16.18	23.16
Median	10.99	14.98	20.38
75th percentile	9.54	13.03	17.82
95th percentile	5.33	6.78	8.35
UBC PMF ●	8.54 84	18.28 11	27.69 8
S&P/TSX Comp Index ◇	11.63 34	15.63 34	20.67 45

	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS
5th percentile	39.44	33.15	28.32	22.92	20.81
25th percentile	33.63	27.75	26.15	19.49	15.16
Median	29.78	25.07	24.28	16.21	9.31
75th percentile	26.52	23.64	22.75	14.89	6.98
95th percentile	18.79	18.18	20.78	11.39	3.10
UBC PMF ●	35.60 14	17.13 96	21.19 90	18.90 26	15.32 24
S&P/TSX Comp Index ◇	29.34 57	23.99 70	23.47 62	14.69 79	2.96 96

BONDS

Universe: RBC GS All Funds – Domestic Bonds • Asset Class: Domestic Bonds

periods ending September 30, 2005



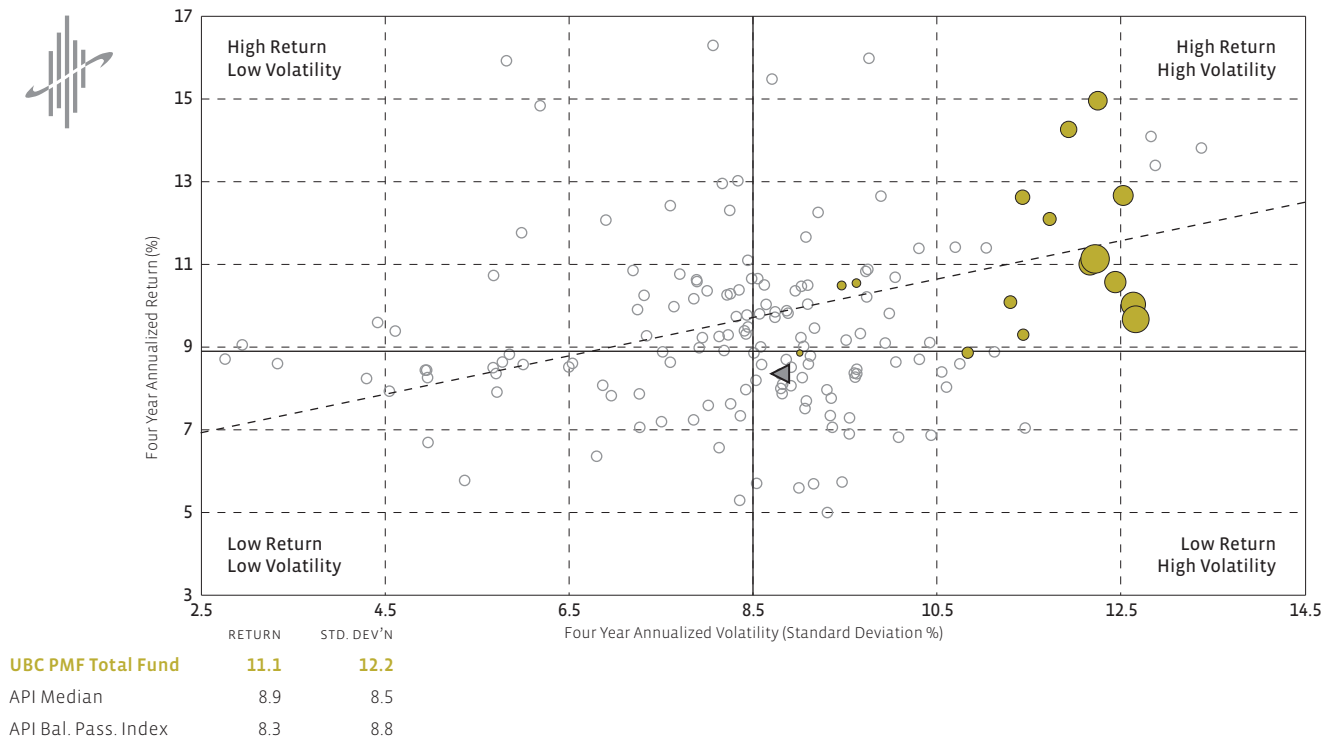
5th percentile
25th percentile
Median
75th percentile
95th percentile

	ONE YEAR	TWO YEARS	THREE YEARS	FOUR YEARS	FIVE YEARS	SIX YEARS	SEVEN YEARS	EIGHT YEARS	NINE YEARS	TEN YEARS
5th percentile	14.93	10.80	11.07	11.29	10.84	10.34	8.67	7.57	8.33	8.74
25th percentile	9.65	7.40	7.96	8.22	8.45	8.14	7.27	7.35	8.07	8.57
Median	8.97	6.84	7.42	7.76	8.08	7.83	6.90	7.16	7.85	8.35
75th percentile	7.95	6.47	7.16	7.55	7.87	7.62	6.70	7.03	7.70	8.18
95th percentile	4.52	4.80	6.05	6.43	7.63	7.38	6.40	6.70	7.51	7.90
UBC PMF ●	8.50 64	6.94 45	7.56 42	8.13 29	8.35 30	8.10 30	7.27 25	7.43 20	8.11 23	8.52 32
SC Universe ◇	9.03 45	6.91 45	7.32 55	7.62 61	7.88 71	7.59 76	6.73 73	6.99 82	7.70 76	8.19 74

FOUR YEAR ANNUALIZED RETURN VS. FOUR YEAR ANNUALIZED VOLATILITY

API Asset Performance Inc. Balanced Universe, Segregated

periods ending September 30, 2005

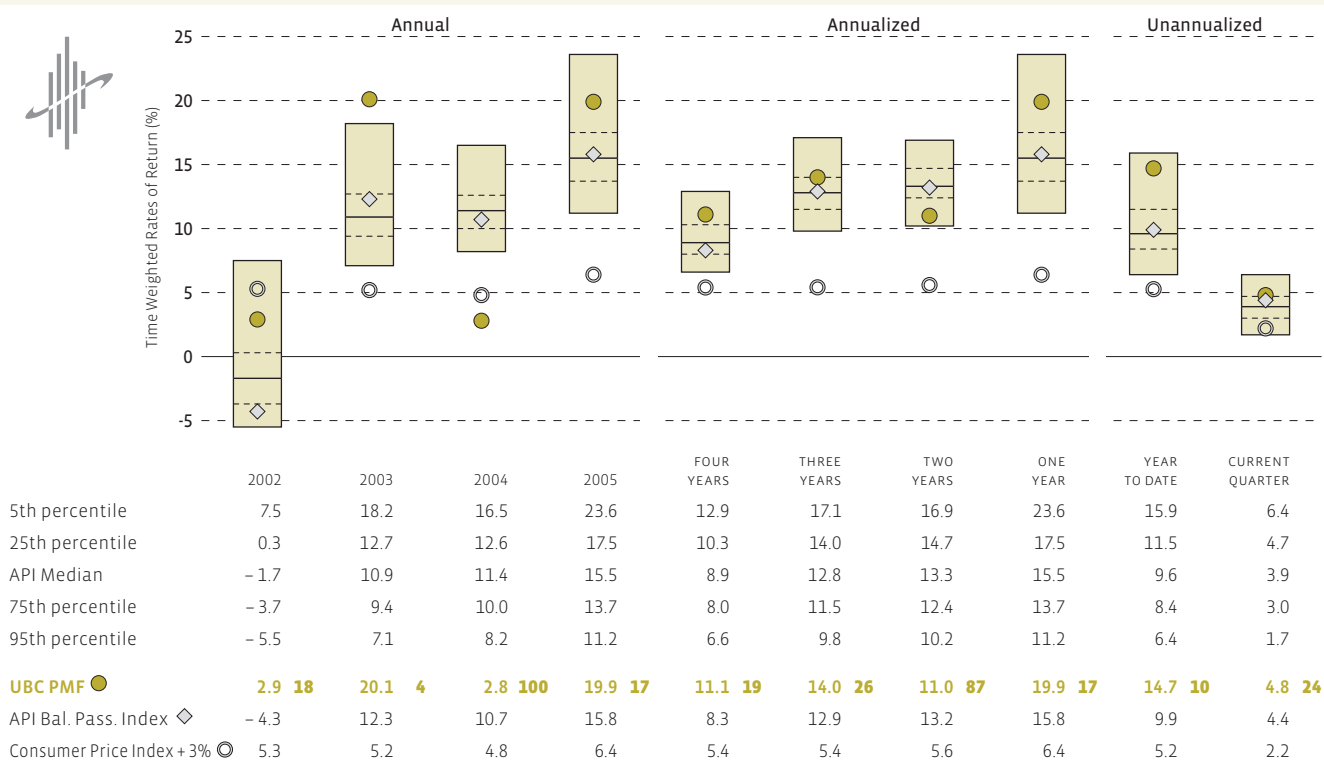


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TOTAL FUND

API Asset Performance Inc. Balanced Universe, Segregated

periods ending September 30, 2005



PMF CURRENCY: FUND MANAGERS

8



BUSSLINGER CONFEDERATION

CAPITAL: Calgary
LANGUAGES: English, French, German
PRESIDENT: Eric Busslinger
ANTHEM: Bamboleo (Gipsy Kings)

FISCAL POLICY: Relying on generous foreign aid to fund education, the treasury runs a disciplined fiscal policy reinvesting in future social welfare. * **COUNTRY MOTTO:** Humility, Integrity, Solidarity. **INDUSTRY:** Energy, Materials, Industrials, and Utilities * **ALLIANCES:** Guardian Capital (Income Trusts, Fixed Income); British Columbia Investment Management Corporation (Equity and Fixed Income) **EMERGING TREND:** Juggling investing, learning, travelling, working, laughing and living. * **LONG-TERM OUTLOOK:** Never losing curiosity while understanding that one of the humbling lessons learned is recognizing that which you do not know.



BUNDESREPUBLIK KRAUTKRAEMER

CAPITAL: Muenster
LANGUAGES: German, English, French, Spanish
PRESIDENT: Moritz Krautkraemer
ANTHEM: What a Wonderful World (Louis Armstrong)

FISCAL POLICY: Balanced budget. * **COUNTRY MOTTO:** Honi soit qui mal y pense. **INDUSTRY:** Industrials, Materials, Consumer Discretionary * **ALLIANCES:** Scotia Capital (Money Market Sales); Connor, Clark & Lunn (Income Trust Research) * **EMERGING TREND:** After having successfully battled the unemployment rate, the Bundesrepublik will continue to increase the competitiveness of its economy and grow GDP. * **LONG-TERM OUTLOOK:** Learning and trying.



LIN

CAPITAL: Hong Kong
LANGUAGES: English, Cantonese, Mandarin
PRESIDENT: Jonathan Lin
ANTHEM: Somewhere Over The Rainbow (Wizard of Oz)

FISCAL POLICY: Treasury is willing to run a deficit if attractive infrastructure and investment opportunities exist. Large portions of spending will be devoted to social and educational policies. **COUNTRY MOTTO:** Stay Hungry, Stay Foolish. * **INDUSTRY:** Financials, Healthcare and Telecommunications * **ALLIANCES:** RBC Capital Markets (Fixed Income Trading); Phillips, Hager and North Investment Management (Equity and Fixed Income Research) * **EMERGING TREND:** Work, sleep, eat. (repeat) * **LONG-TERM OUTLOOK:** : With stock market hitting all time highs and goldilocks economy at hand, S&P upgrades Lin's credit rating to AAA.

DEMOCRATIC REPUBLIC OF RIFE

CAPITAL: Languley
LANGUAGES: English and French

PRESIDENT: James Rife
ANTHEM: Know When To Hold'em, Know When To Fold'em

FISCAL POLICY: Generally Fiscally conservative, occasional Liberal agenda. * COUNTRY MOTTO: Once you have their money, never give it back. * INDUSTRY: Technology, Media, Telecommunications, Consumer Staples * ALLIANCES: CIBC World Markets (Investment Banking), Merrill Lynch (Sales & Trading) * EMERGING TREND: Rising budgetary surplus forecasted, as employment picture brightens. LONG-TERM OUTLOOK: Temporary geographical alliance with United States firms, but will retain Canada as longer-term ally.



SZE REPUBLIC

CAPITAL: Vancouver
LANGUAGES: English, Cantonese, French

PRESIDENT: Vivian Sze
ANTHEM: Holiday

FISCAL POLICY: Black box * COUNTRY MOTTO: Servabo fidem * INDUSTRY: Financials, Utilities * ALLIANCES: Merrill Lynch Canada (Credit Research), HSBC Investments (Equity Research) * EMERGING TREND: Vivian spends the last of her carefree schoolgirl days relaxing at cozy cafes and sharpening up her Taekwondo skills. * LONG-TERM OUTLOOK: Unable to cure her workaholism, Vivian becomes a major contributor to GDP.



WANG EMPIRE

CAPITAL: Beijing
LANGUAGES: English, Mandarin

PRESIDENT: Charlene Zi Wang
ANTHEM: Hero

FISCAL POLICY: Continuously making the root of my finances stronger by always seeking efficient and effective investment opportunities * COUNTRY MOTTO: If you want a place in the sun you've got to put up with a few blisters—Abigail Van Buren * INDUSTRY: Consumer Staples, Consumer Discretionary and Energy * ALLIANCES: TD Asset Management (Equity Research), TD Securities (Investment Banking) * EMERGING TREND: Working at TD Securities as an Investment Banking Analyst in Toronto. * LONG-TERM OUTLOOK: Becoming a successful investment banker with excellent communication, networking and leadership skills and reputable industry experience.



PMF CURRENCY: RESEARCH ASSOCIATES

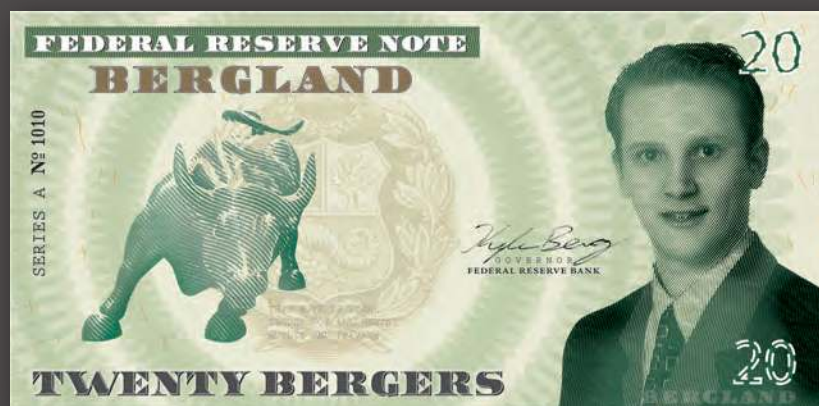
Upon inception, the PMF Class of 2007 immediately began its responsibilities during the latter part of the spring semester. Professor Rob Heinkel delivered numerous lectures to educate the students about equity and fixed income, while group mentor visits served as the basis for a practical learning experience.

The research associates spent their first summer working at Toronto investment firms on Bay Street ranging from buy-side investment houses to institutional research departments and trading floors on the sell-side. The summer was an excellent

learning experience because it exposed the students to the capital markets, and gave them an opportunity to establish industry contacts and gain experience working alongside Bay Street investment professionals. Moreover, weekly workshops with friends and alumni of the PMF served as an exceptional educational experience for the Class of 2007. The PMF summer experience concluded with a one-week mission to New York and Boston, where students visited US-based investment firms and glimpsed into the working lives of PMF alumni at these firms.

In September, the Class of 2007 continued its research associate role upon returning from Toronto. Each research associate covers several sectors within the stock market, and is responsible for analyzing relevant equity and debt instruments. Under the tutelage of fund managers, research associates train throughout the year so that they will have the necessary skills to manage the portfolio. Fund Managers, Research Associates, and mentors meet frequently to discuss the economy, investment philosophy, security specific issues, and career management.

10



BERGLAND

CAPITAL: Vancouver
LANGUAGES: English
PRESIDENT: Kyle Berg
ANTHEM: Satisfaction (Rolling Stones)

FISCAL POLICY: Tax the parents and spend. **COUNTRY MOTTO:** Work hard and be optimistic. **INDUSTRY:** Telecommunications, Technology, Financials **ALLIANCES:** TD Newcrest (Equity Research) **EMERGING TREND:** Kyle looks forward to managing the portfolio and plans to enjoy his last year of sheltered University life. **LONG-TERM OUTLOOK:** Reuniting with the Class of 2007 to create the Leslie Wong Fellows Hedge Fund, with offices in the basement of Henry Angus.



EL CARLOS

CAPITAL: Maracaibo
LANGUAGES: English, Cantonese
PRESIDENT: Carlos Chiu
ANTHEM: Fly me to the moon (Frank Sinatra)

FISCAL POLICY: Good value, fine taste and goodwill spending. **COUNTRY MOTTO:** Semper Fidelis. **INDUSTRY:** Consumer Discretionary, Energy, Industrial **ALLIANCES:** Merrill Lynch Canada (Credit Research) **EMERGING TREND:** The time has come for us to set sail and never look back! **LONG-TERM OUTLOOK:** Let us do or die—Warren Buffet



THE SOVEREIGN STATE OF JANG

CAPITAL: Vancouver
LANGUAGES: English, Chinese
PRESIDENT: Samuel Gee Ho Jang
ANTHEM: The Power of the Dream

FISCAL POLICY: Propensity to consume is increasing at a steady rate, stimulating economic expansion and raising living standards to new heights; the paradox of thrift holds true in this country. **COUNTRY MOTTO:** Let us give thought only to that which we desire. **INDUSTRY:** Energy, Consumer Staples, Utilities **ALLIANCES:** RBC Capital Markets (Sales & Trading) **EMERGING TREND:** To balance the work-fun budget, to retain an open-minded "big picture" perspective as to future growth prospects, and to gain a further diversity of experience in the capital markets. **LONG-TERM OUTLOOK:** Peaceful relations, skilled workforce, careful blend of fiscal and monetary policy; this economy is headed for great times.

UNITED REPUBLIC OF KHIJJI

CAPITAL: Edmonton
 LANGUAGES: English
 PRESIDENT: Emil Khimji
 ANTHEM: Wonderwall (Oasis)

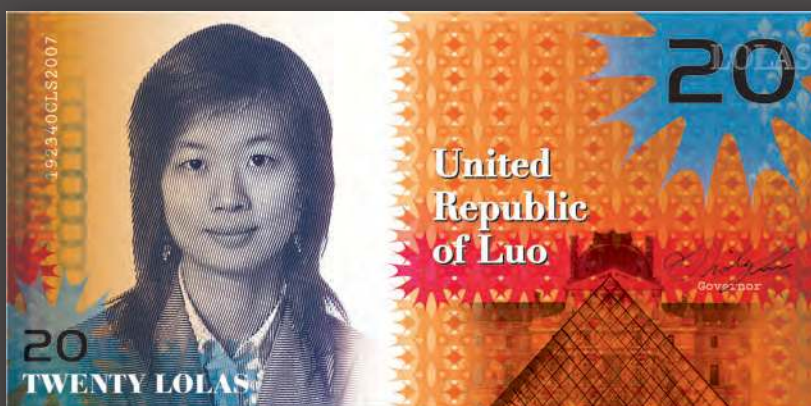
COUNTRY MOTTO: Be fearful when others are greedy and greedy only when others are fearful—Warren Buffet * **INDUSTRY:** Financials and Healthcare * **ALLIANCES:** CIBC World Markets (Equity Research and Portfolio Strategy) * **EMERGING TREND:** Fully appreciating the accomplishments, failures, learning experiences and relationships. Injecting life into the fixed income portfolio. * **LONG-TERM OUTLOOK:** Retired; spending time wondering why my days consist of ice fishing on a frozen lake in Edmonton.



UNITED REPUBLIC OF LUO

CAPITAL: Beijing
 LANGUAGES: English, Chinese
 PRESIDENT: Shirley Luo
 ANTHEM: Imagine

FISCAL POLICY: Make every spending an investment. * **COUNTRY MOTTO:** Success is going from failure to failure without a loss of enthusiasm—Winston Churchill * **INDUSTRY:** Energy, Materials, Telecommunications * **ALLIANCES:** Guardian Capital LP (Credit Research) * **EMERGING TREND:** Have fun from the work I do. **LONG-TERM OUTLOOK:** Reaching out for more. There is no end to learning.



RANDINAVIA

CAPITAL: Summerland
 LANGUAGES: English
 PRESIDENT: Randy Steuart
 ANTHEM: Futures (Jimmy Eat World)

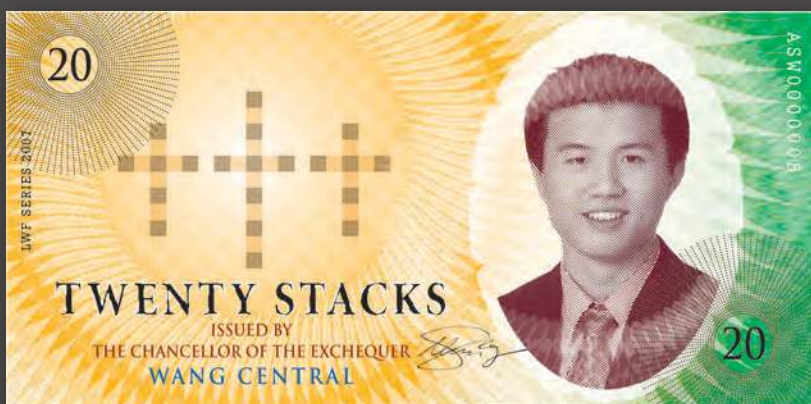
FISCAL POLICY: Randinavia's primary fiscal policy is directed towards appreciating stocks and life. * **COUNTRY MOTTO:** Always question the answers. * **INDUSTRY:** IT, Materials, Utilities * **ALLIANCES:** TD Asset Management (Equity Research) * **EMERGING TREND:** Expenditures of scarce resources (time) has historically been directed towards playing music and sports. Recently, various economic indicators suggest that watching hockey has regained prevalence. **LONG-TERM OUTLOOK:** Building a track record to be proud of and always putting the client first.



WANG CENTRAL

CAPITAL: Quezon City
 LANGUAGES: English, Chinese, Tagalog
 PRESIDENT: Aland Wang
 ANTHEM: Satisfaction (The Rolling Stones)

FISCAL POLICY: I looked in the dictionary and found that "spend" had the following definition: To pay out or expend money. However, I tend to think that spending is the act by which consumers reward businesses for their work and the act by which businesses make meaningful additions to the productivity of the economy. **COUNTRY MOTTO:** There is no "I" in team. But there is one in win. **INDUSTRY:** Consumer discretionary, Industrials, Materials * **ALLIANCES:** Scotia Capital (Government Finance and Debt Origination) **EMERGING TREND:** Fulfilling a dream of working 169 hours in one week for the PMF. * **LONG-TERM OUTLOOK:** Playing for the Lakers. If that's not be possible I'll just own them instead.



Mr. David G. Bell

The Jim Pattison Group

Mr. David Bryson, LWF 1990

Terasen Inc.

Mr. J. Stewart Cunningham

Financial Institutions
Commission of BC

Prof. Robert Heinkel

Sauder School of Business, UBC

Ms. Maureen Howe

RBC Dominion Securities Inc.

Ms. Valerie Lambert**Mr. Robert Mitchell**

Dixon Mitchell Rae Investment Counsel

Mr. Michael Ryan

PMF Co-founder

Mr. Donald M. Smith

Western Compensation &
Benefits Consultants

Mr. Charles Volkovskis

B.C. Investment Management Corporation

CLIENT COMMITTEE

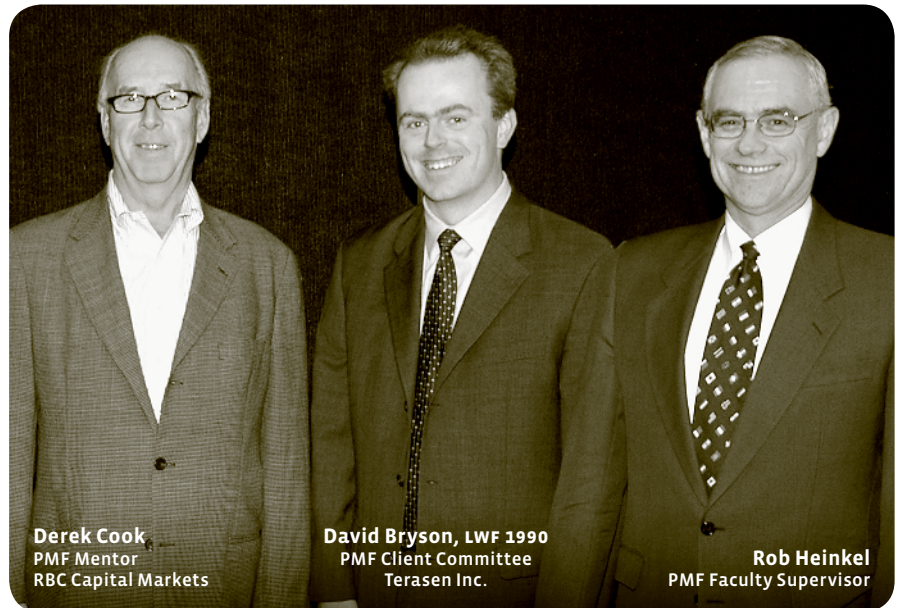
The Client Committee is appointed by the PMF President to oversee the investment activities of the student Fund Managers and Research Associates. They prepare a Statement of Investment Objectives and Guidelines which the Fund Managers must follow and they approve an investment philosophy brought to them each year by the new incoming Fund Managers. The Client Committee meets every other month, at which time the Fund Managers review the last two months' performance, discuss their capital market outlook for the next few months and how their portfolio is structured in light of that outlook.



Robert Kwan, LWF 1998
RBC Dominion Securities



Charles Volkovskis
PMF Client Committee
B.C. Investment Management Corporation



Derek Cook
PMF Mentor
RBC Capital Markets

David Bryson, LWF 1990
PMF Client Committee
Terasen Inc.

Rob Heinkel
PMF Faculty Supervisor

MENTOR PROFILE

Anthony R. (Tony) Gage

CFA (1978)

MBA, University of British Columbia (1972)

BA, University of Victoria (1970).

Tony is the Chairman of the Board and a shareholder of Phillips, Hager & North. He is actively involved in new product initiatives, especially those considered "alternative" investments. He joined Phillips, Hager & North in 1984 to develop the fixed income department and served as President from 1994 to 1999. Previously, he had been at a major Canadian life insurance company, starting in securities research in 1972 and progressing to fixed income portfolio management with additional responsibility for all securities trading in 1973, and finally to his 1980 appointment as Vice President and Director of the company's investment counselling arm. He is currently a faculty member of the ATMS program of the International Foundation of Employee Benefit Plans.

MENTORS

The sixteen investment professionals listed on this page bring a wealth of capital markets knowledge and experience to the PMF students. The students arrange meetings with the mentors on an as-needed basis for advice on particular securities, portfolio strategies and philosophies, as well as career and personal guidance issues. They are categorized below by the primary area of skill they bring to the Portfolio Management Foundation, but all are well-versed in all areas of the capital markets.



Margaret Hyde, LWF 1988
Raymond James Ltd.

Tracey McVicar, LWF 1990
PMF Mentor
CAI Capital Management

Milton Wong
PMF Co-founder

“Mentors have played a strong support role in my life and I have always looked back through time with such pleasant memories and the importance of learning from trailblazers in finance. The relationship of mentors started for myself through role models that I had idolized in finance by reading annual reports of people such as Warren Buffett, autobiographies by Bernard Baruch or modern commentaries by John Train and Jack Schwager. In time, I was blessed to work with Martin Ferguson at Alberta Treasury and Milton Wong one of the original founders of the PMF programme who helped hone my skill set that survives today. If I had these mentors in university I am sure I could have moved my life five years forward from the life lessons attained from their wisdom. Having the mentorship program would have meant so much to me at my early stage in life that I am proud to be associated with the PMF to help in what ever forum I can.”

John Thiessen • PMF MENTOR • VERTEX ONE ASSET MANAGEMENT INC.

Portfolio Strategy

Mr. A.R. (Tony) Gage
Phillips, Hager & North Ltd.

Mr. Larry Lunn
Connor, Clark & Lunn
Investment Management Ltd.

Mr. William E. Tilford
Connor, Clark & Lunn
Investment Management Ltd.

Mr. Wayne Wachell
GENUS Capital Management Inc.

Equity Analytics

Mr. Larry Avant
AMI Partners Inc.

Mr. Phillip Cotterill
Connor, Clark & Lunn
Investment Management Ltd.

Mr. Wayne Deans
Deans Knight Capital Management Ltd.

Mr. Carl Hoyt
Cypress Capital Management Ltd.

Mr. Murray Leith
Odlum Brown Ltd.

Ms. Tracey McVicar, LWF 1990
CAI Capital Management Co. Ltd.

Mr. John Thiessen
Vertex One Asset Management Inc.

Fixed Income Markets

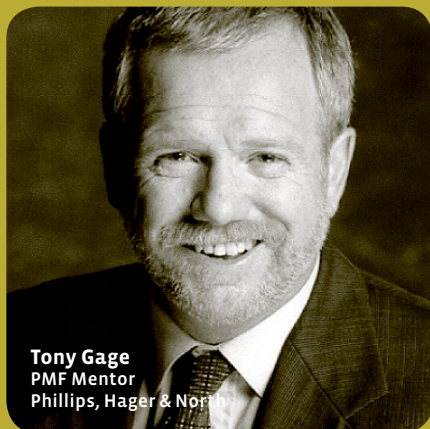
Mr. Derek Cook
RBC Capital Markets

Mr. Doug Knight
Deans Knight Capital Management Ltd.

Mr. Justin Roach
Merrill Lynch Canada Inc

Mr. David Schaffner
Leith Wheeler Investment Counsel

Mr. David Tims
TD Securities



Tony Gage
PMF Mentor
Phillips, Hager & North Ltd.

For close to twenty years, I have had the privilege of being associated with the U.B.C. Portfolio Management Program. Privileged in that: I have been exposed to students who have developed into outstanding leaders both within and outside of the Investment Management Industry, and privileged in that I have gained so much from the interaction with this exceptional group. — Tony Gage

Mr. Doyle Bauman

RBC Capital Markets
Vancouver

Mr. Robert Edel

NF Capital Management Ltd.
Vancouver

Mr. Douglas King

G. King Photo-colour Ltd.
Vancouver

Mr. Scott Lamont

Phillips, Hager & North, Ltd.
Vancouver

Mr. V. Paul Lee

Electronic Arts (Canada)
Vancouver

Mr. John Pryde

Vancouver

Mr. Steve Chant**Ms. Ronna Chisholm**

Dossiercreative Inc.
Vancouver

Mr. Wayne Chiu

Canaccord Capital Corp.
Vancouver

Mr. James Huggan

HSBC Asset Management Canada Ltd.
Vancouver

Mr. Colin Jang

Connor, Clark & Lunn
Investment Management
Toronto

Mr. Peter Lee

Gallant Investments Group
Vancouver

Mr. Robert Lowe

Chrysler Credit Canada Ltd.
Windsor

Mr. Jack MacDonald**Ms. Margaret McClure****Ms. Kathy Perry****Ms. Lisa Salt****Mr. Stephen D. Burke**

Phillips, Hager & North Ltd.
Vancouver

Mr. David Bustos

Scotia Capital Inc.
Vancouver

Mr. Frank Cantoni

BMO Nesbitt Burns Inc.
Toronto

Mr. Christian H. Chia

OpenRoad Auto Group Ltd.
Richmond, BC

Mr. Christopher Cook

Methanex Management Inc.
Addison, Texas

Mr. Kenneth Costa

TD Securities (Japan) Inc.
Tokyo

Mr. Martin Gerber

Connor, Clark & Lunn
Investment Management Ltd.
Vancouver

Ms. Anne-Marie Russell

Montreal

Mr. Bruno Vander Cruyssen

Credit Suisse First
Boston (Europe) Ltd.
London

Mr. Edward Arden

UBS Warburg
Stamford

Mr. William T. Lee**Mr. Daniel Lewin**

Phillips, Hager & North, Ltd.
Vancouver

Ms. Jennifer Shum

TD Securities
Toronto

Mr. David P. Vanderwood

Burgundy Asset Management Ltd.
Toronto

CLASS OF 1987**CLASS OF 1989****CLASS OF 1991****CLASS OF 1993****CLASS OF 1988****CLASS OF 1990****CLASS OF 1992****Mr. Jeff Clay**

Vancouver

Ms. Jacki Hoffman-Zehner

Circle Financial Group
New York

Ms. Margaret Hyde

Raymond James Ltd.
Vancouver

Mr. John Montalbano

Phillips, Hager & North
Vancouver

Mr. David Picton

Synergy Asset Management
Toronto

Mr. Terry Quan

Vancouver

Ms. Audrey Alscher

Nanaimo, B.C.

Ms. Yifen Axford

Sydney

Mr. Rajan Bains

Plenary Group Ltd.
Vancouver

Mr. Greg Boland

Enterprise Capital
Toronto

Mr. David Bryson

Terasen Inc.
Vancouver

Mr. Harry K. Culham

Dresdner Kleinwort Wasserstein
London

Mr. Michael B. Fahy

Scotia Capital Inc.
Vancouver

Ms. Ann Glazier

The Alpha Scout Fund Ltd.
Toronto

Ms. Tracey McVicar

CAI Capital Management
Vancouver

Mr. Adrian Mitchell

Hospitals of Ontario Pension Plan
Toronto

Mr. Chris Cumming

Phillips, Hager & North Ltd.
Vancouver

Ms. Kim Dudra

LifeScan Canada
Burnaby, BC

Mr. Rodney Gray**Mr. Eric Lam**

TD Securities
New York

Ms. Michelle Lee

GE Capital Ltd.
London

Mr. Mark Melville

**LESLIE
FELL**



**U E
PN**

Ms. Nicolette Beyer

PIMCO Europe Ltd.
London

Mr. Todd Bondy

Merrill Lynch Inc.
New York

Mr. Geoff Clark

Tiburon, CA

Mr. Rizvan Dhalla

Morgan Stanley
New York

Mr. Adrian Thong

Citigroup Global Markets Inc.
New York

Mr. Sidney Whitehead

Citigroup Global Markets Inc.
New York

Mr. Richard Y.C. Wong

Lincluden Mgmt. Ltd.
Oakville

Mr. Vishal Hingorani

TD Securities
Toronto

Mr. Steven Huang

Connor, Clark & Lunn Investment
Management Ltd.
Vancouver

Ms. Carlee Price

Franklin Templeton Investments
San Mateo

Mr. Jeremy Tan Tze-Minn

Samanea Pte. Ltd
Singapore

Ms. Woon Ai Tsang

RBC Dominion Securities Inc.
Vancouver

Ms. Krista Yue

J.P. Morgan Securities Ltd.
Taiwan

Ms. Lori Zarutsky

PIMCO
Newport Beach

Ms. Merav Alazraki

Mr. Jose Cuervo
HSBC Asset Management (Europe) Ltd.
London

Mr. Robert Kwan

RBC Dominion Securities
Vancouver

Mr. Paul A. Martin

Greywolf Capital
San Francisco

Mr. Tytus Michalski

PMA Investment Advisors
Hong Kong

Mr. Stephen Hui

Pembroke Management Ltd.
Montreal

Ms. Angeline Leong-Sit

J.P. Morgan Investment
Management, Inc.
New York

Mr. Brad Merriman

UBC Medical School
Vancouver

Ms. Negar Sadaghiani

RBC Leveraged Finance
Greenwich, Connecticut

CLASS OF 1994**CLASS OF 1996****CLASS OF 1998****CLASS OF 2000****CLASS OF 1995****CLASS OF 1997****CLASS OF 1999****Mr. Kian Abouhossein**

J.P. Morgan Securities Ltd.
London

Mr. James Gillespie

Greywolf Capital
New York

Ms. Christine Hu

Phillips, Hager & North, Ltd.
Vancouver

Mr. Brad Pederson

Merrill Lynch Canada Inc.
Toronto

Mr. John Pyper**Mr. Erik S. Syvertsen**

DnB Investor
Oslo, Norway

Ms. Malin Wong

Deutsche Bank Securities Inc.
New York

Ms. Christina Anthony

Odium Brown
Vancouver

Mr. Andrew Cox

Phillips, Hager & North Ltd.
Vancouver

Mr. David George

Deutsche Bank Securities Inc.
New York

Ms. Pennie George

Lehman Brothers Inc.
New York

Mr. Tony Griffin

Amaranth Advisors (Canada) ULC
Toronto

Ms. Lily Leung

Phillips, Hager & North Ltd.
Vancouver

Mr. Paul M. Martin

TD Newcrest
Toronto

Ms. Maxine Cochrane

Edinburgh

Mr. Keith Eadie

Boston

Mr. Daniel Harowitz

Intrawest Corporation
Vancouver

Mr. David Hu

JSS Investments, LLC
Chicago

Mr. Chris Li

Merrill Lynch Canada Inc.
Toronto

Mr. Kristian Sawkins

Phillips, Hager & North Ltd.
Vancouver

Mr. Darren Sellers

University of Toronto MBA Program
Toronto

Ms. Christina Zhang

Mr. Kevin M. Chan

Goldman, Sachs & Co.
New York

Mr. Aaron Lau

TD Securities
Toronto

Mr. Joe McInnis

Greywolf Capital
New York

Mr. Alex Schwiersch

HSBC Asset Management Limited
London

Mr. Fabian Taylor

BP Canada Energy Company
Calgary

Ms. Maili Wong

Eton Park Capital Management
New York

Ms. Virginia Au

Pembroke Management Ltd.
Montreal

Mr. Robert Chan

Citigroup Global Markets Inc.
New York

Mr. Brian Choi

Lehman Brothers
New York

Ms. Dixie Klaibert

Merrill Lynch Inc.
New York

Mr. Doron Mizrahi

BMO Nesbitt Burns
Vancouver

Ms. Candice Williams

Raymond James Ltd.
Vancouver

Mr. Terrence Cheng

Citigroup Global
Markets Inc.
New York

Ms. Jocelyn Chu

Morgan Stanley
London

Ms. Janice Chuang

TD Securities
Vancouver

Mr. Craig James

Greywolf Capital
New York

Mr. Arthur Lee

CIBC World Markets
Vancouver

Mr. Roy Parappilly

Merrill Lynch Inc.
New York

Ms. Naomi Wong

Goldman, Sachs & Co.
New York

CLASS OF 2001**CLASS OF 2003****CLASS OF 2005****CLASS OF 2002****CLASS OF 2004****Ms. Sarah Browne**

Mercer Investment Consulting
Toronto

Ms. Nancy Campion

Macquarie North America
Vancouver

Mr. Rick Chan

Merrill Lynch Inc.
New York

Mr. Augustine Fan

Goldman Sachs International
London

Mr. Bryan Mascoc

Phillips, Hager & North Ltd.
Vancouver

Mr. Nelson Ng

Macquarie North America
Vancouver

Mr. Nabeel Rajan

RBC Capital Markets
London

Mr. Louis Chan

Merrill Lynch Canada Inc.
Toronto

Mr. Geoffrey Gribbling

Goldman, Sachs & Co.
New York

Ms. Jessica Lu

Deutsche Bank Securities Inc.
New York

Ms. Tanya Messinger

RBC Capital Markets
Toronto

Ms. Rachel Ng

Morgan Stanley
New York

Mr. Matt Russell

Merrill Lynch Inc.
New York

Mr. Brian Woo

Greywolf Capital
New York

My first experience with the UBC Portfolio Management Foundation (then Society) provided what is still one of the best lessons I have ever learned in business. Having applied to the PMF [1988], I was notified that I had not been accepted into the program (I am sure I was also wished success in future endeavors, or similar niceties). The lesson learned: don't give up.

It was already well known that the UBC PMF was a wonderful platform, both for the learning that the program would offer and the career opportunities it could advance. I decided to put my head down, work hard in my classes and not let the 1988 selection committee's lack of vision deter my desire to get into the program. Gaining acceptance in 1989 was only my first reward from the program towards a career in finance.

ALUMNI PROFILE

David Bustos

I worked with John Greiner of Wood Gundy's research team in Toronto during the first summer of the program, then returned to Vancouver with a class of nine research associates to work with two groups of portfolio managers in our first year (the second year that the program had run two funds). My second summer found me with Derek Cook at RBC in Vancouver. Concerned about the depth of my class, the tribes were merged to manage a single portfolio for our second year in the program.

I guess it's the very nature of the capital markets that makes every PMF class feel that it has faced its own unique investment challenges. Ours was the Gulf War. I remember well a Client Committee meeting in which we were proud to report a

very strong overall relative performance. Many of our stocks had rallied following the resolution of the first war with Saddam, with the exception of our oil and gas investments which were off with commodity prices as would be expected. We had consciously added to our weighting here in prior periods, with a view to establishing a “hedge” against the potential negative impact of the war (though I don’t recall that we were overweight). As the PM responsible for the sector, I was asked by the CC at this meeting about the terrible performance of these stocks. My response was something to the effect that “we were not disappointed with the losses. The positions were intended to provide a hedge and the negative performance was more than offset by gains in the rest of the portfolio” – we thought we’d planned wisely. The nicest way I can put it was that the CC didn’t agree. I learned more very important lessons that day: take your successes with grace and remain humble, anticipate, respect and respond to your client’s opinions, and recognize that not everyone will see your performance as you do.



David Bustos, LWF 1991
Managing Director
Scotia Capital

I have been an investment banker since graduating in 1991, spending two years with Salomon Brothers in New York before returning to Canada and joining Burns Fry. Burns Fry became Nesbitt Burns, and I worked with a broad range of clients before focusing on the mining sector in

1996. I had moved back to Toronto with Nesbitt Burns’ mining group before taking the opportunity to join Scotia Capital and return to Vancouver in 2001. As a managing director at Scotia Capital, I again have the opportunity to work with a wide range of issuers along a diversity of products, including common shares and income trusts, debt securities and mergers and acquisitions advisory.

The lessons of the PMF have proven invaluable over the course of my career. Time and time again I find that I have been able to apply portfolio theory, bottom up analysis, leadership and teamwork – among the most important lessons of the two years in PMF – into my practice as an investment banker. While I never went back to school for an MBA, in many ways the UBC PMF has provided me with the same benefits expected of a top-quality masters program: distinction during recruitment, a strong network of alumni, and importantly the education and confidence to compete.

It’s been a pleasure to begin to put back to the program in recent years, supervising PMF summer interns, serving on the Operating Committee and hosting summer workshops. Every touch with the program reminds me of the excellent experiences and opportunities I have enjoyed, and makes me again appreciate all of the work and vision of the founders, mentors and professors that have given so much to us all over the years. I will be forever indebted and committed.

Mr. David Bustos

Scotia Capital

Leslie Wong Fellow 1991

“When I was asked why I wanted to enter the PMF programme, I remember answering that I enjoyed dealing with high-calibre people. Looking back, I think that is what I have enjoyed most in my career, and what I probably remember most about the PMF. It always amazed me that very accomplished people would make time for 20 year old students in the way that they did, and still do. Arriving in London as the first Leslie Wong Fellow in Europe, I think I was fortunate to have had the preparation that I did. I probably still rely on what I learned as a student and as a Fund Manager every day.

For the class of 1991 it was anything but an easy 2 years to manage a fund; the 1st gulf war and the ensuing oil spike, the failure of the Meech Lake accord (it seemed important at the time!), the collapse of Campeau and the high yield market, the passage of NAFTA, and the Canadian Dollar flirting with parity made for lively client committee meetings. But I think we did ok, coming together as strong willed individuals but also as a team. I don’t remember too many disasters in the portfolio, Rob Heinkel’s reminders notwithstanding.

At CSFB I am responsible for covering western European investors for Emerging Markets fixed income products. I am very grateful for all I learned from the PMF, and hope I can contribute to its future.”

Bruno Vander Cruysen • LWF 1991 • VICE PRESIDENT, FIXED INCOME GLOBAL EMERGING MARKETS; CREDIT SUISSE FIRST BOSTON (EUROPE) LTD.

“The PMF program engages the students in a way that standard courses can’t. I became far more interested in looking at potential investments, and meeting with alumni and mentors, than in reading for class, and I was never as anxious going into an exam as going into a client committee meeting. As students we would book back to back meetings with mentors, some of the most successful investors in the country, and ask them the same set of questions. Usually we would get three different sets of answers, and spend the drive back to UBC reconciling them. I can’t think of a better way to learn how professional investors, with differing styles, look at the world and make decisions. The perspectives I took away from those meetings remain with me to this day.”

Paul M. Martin • LWF 1997 • TD NEWCREST

“Some of my fondest memories at UBC are those of time spent in the Commerce building basement, passionately debating investment views with my fellow FM’s and RA’s late into the night in preparation for a client committee meeting the next day. Experiences like these, along with advice from mentors, and the hands-on summer internships taught me more about the investment business than any book or course could have. To this day, I feel indebted to Prof. Heinkel and the PMF Program for the opportunities it has presented me, in addition to the skills and discipline it taught me in preparation for my investment career in New York City. To new entrants, simply bring your passion and dedication—and the PMF Program and its supporters will help you shape it into a growing understanding and respect for this fantastic business.”

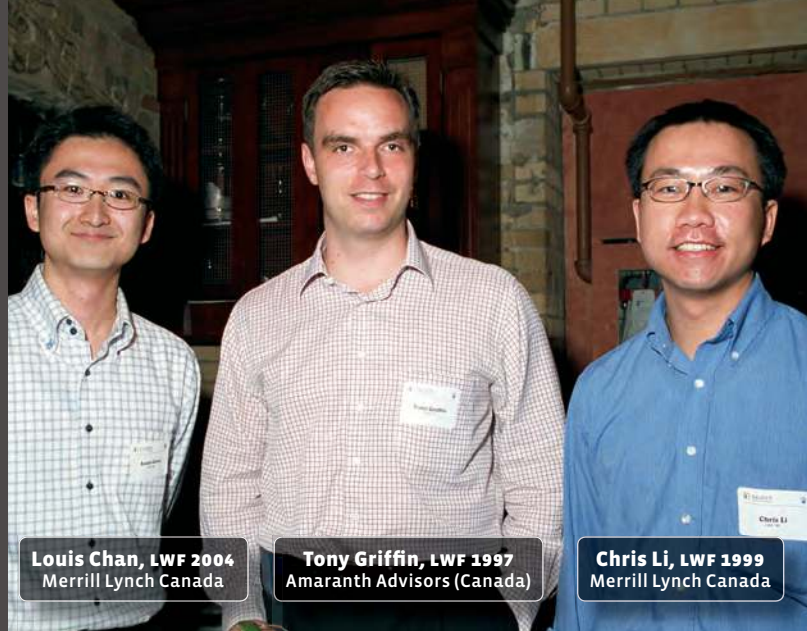
Mai Wong • LWF 2001 • ETON PARK CAPITAL MANAGEMENT



Rob Heinkel
PMF Faculty Supervisor

Shannon von Kaldenberg
Sauder School of Business, Associate Dean

J.J. Woolverton
Guardian Capital



Louis Chan, LWF 2004
Merrill Lynch Canada

Tony Griffin, LWF 1997
Amaranth Advisors (Canada)

Chris Li, LWF 1999
Merrill Lynch Canada

YEAR IN PICTURES



Terrence Cheng, LWF 2005
Citigroup Global Markets

James Rife
Class of 2006



Daniel Muzyka
PMF President
Dean, Sauder School of Business

John Thiessen
PMF Mentor
Vertex One Asset Management

Milton Wong
PMF Co-founder



Shannon von Kaldenberg
Sauder School of Business, Associate Dean

Vishal Hingorani, LWF 1996
TD Securities



Kyle Berg
Class of 2007

Samuel Jang
Class of 2007

Aland Wang
Class of 2007



Ruth Woods
Scotia Capital

Horst Mueller
Mueller Behavioral Analytics

Subodh Kumar
CIBC World Markets



Aaron Lau, LWF 1999
TD Securities

Jennifer Nugent
TD Securities



David George, LWF 1997
Deutsche Bank Securities

Penny George, LWF 1997
Lehman Brothers



Dragos Stefanescu
Ontario Teachers Pension Plan

Margot Naudie
TD Asset Management

Randy Steuart
Class of 2007

Ari Levy
TD Asset Management

Todd Graham
TD Asset Management



Shirley Luo
Class of 2007

Carlos Chiu
Class of 2007

Emil Khimji
Class of 2007

Randy Steuart
Class of 2007



Nereo Piticco
PCJ Investment Counsel

John Braive
T.A.L. Global Asset Management



Jocelyn Chu, LWF 2005
Morgan Stanley



Justin Roach
PMF Mentor
Merrill Lynch Canada



Gary Chapman
Guardian Capital



Brian Holland
Guardian Capital



Darren Sellers, LWF 1999
University of Toronto MBA Program



Ed Pennock
First Associates Investments



Brad Gerster
Mackenzie Financial Services Inc.



Allan MacLean-Howard
Royal Bank of Canada



Frank Cantoni, LWF 1991
BMO Nesbitt Burns



Jonathan Lin
Class of 2006



Tracey McVicar, LWF 1990
PMF Mentor
CAI Capital Management



David Bustos, LWF 1991
Scotia Capital Inc.



Peter Lee, LWF 1989
Gallant Investments Group



Rob Heinkel
PMF Faculty Supervisor



Aland Wang
Class of 2007

Wayne Deans
PMF Mentor
Deans Knight Capital Management

Moritz Krautkraemer
Class of 2006

Randy Steuart
Class of 2007

YEAR IN PICTURES



David Vanderwood, LWF 1993
Burgundy Asset Management



Jeff Clay, LWF 1988

Larry Lunn
PMF Mentor
Connor, Clark & Lunn
Investment Management

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Martin Gerber, LWF 1991
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Vivian Sze
Class of 2006

Michael Ryan
PMF Co-founder

David Tims
PMF Mentor
TD Securities

Aland Wang
Class of 2007

OFFICE VISITS

New York

We thank the following people and organizations in New York for hosting a visit by the PMF Class of 2007 at the end of their summer internship period in Toronto.

CIBC World Markets Inc.

Mr. Garry Herdler
Ms. Jane Meyer

Deutsche Bank Securities Inc.

Mr. David George, LWF 1997
Ms. Jessica Lu, LWF 2004
Ms. Malin Wong, LWF 1995

Lehman Brothers

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Mr. Alex Iscoe

Morgan Stanley

Mr. Rizvan Dhalla, LWF 1994
Ms. Amanda Field
Mr. Victor Garber
Ms. Rachel Ng, LWF 2004

Boston

The PMF Class of 2007 flew from New York to Boston to visit friends of the PMF there. We especially appreciate Fidelity Investments' financial support for the visit.

Fidelity Investments

Mr. Shawn Boire
Mr. Hugo Lavallee
Mr. Doug Lober
Mr. Don Newman

Panagora Asset Management

Mr. Perry Vieth

Putnam Investments

Mr. Richard Hendl
Mr. Sean Howley
Ms. Mary McNamee
Mr. James Wiess



SUMMER INTERNSHIPS

Vancouver

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Mr. Nick Bailey
Mr. Steve Barr
Mr. Chris Beauchemin
Mr. Jeff Constantinescu
Mr. Allen Gage
Mr. Peter McCrodon
Mr. Patrick Reddy
Mr. Charles Volkovskis

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Mr. Steven Vertes

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VIVIAN SZE

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Mr. James Huggan, LWF 1989
Mr. Charlie Kim
Mr. Ken O'Kennedy
Ms. Nancy Self

PHILLIPS, HAGER & NORTH LTD.

JONATHAN LIN

Mr. Don Anderson
Mr. Chris Cumming, LWF 1992
Mr. Dan Lewin, LWF 1993
Mr. Andy MacDonald
Mr. Bryan Mascos, LWF 2002
Mr. Kristian Sawkins, LWF 1999
Ms. Jennifer Waddell
Mr. Mike Wallberg

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Mr. Jordan Anderson
Mr. Mark Horsfall
Ms. Jill Leversage
Mr. Seong Park
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Ms. Lorena Wong

New York

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Ms. Amabelle Cardenas



Toronto

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KYLE BERG

Ms. Laura Amos
Mr. Paul D'Amico
Ms. Sophia Taylor

“ I have had the pleasure of working with PMF grads in the past, and through exposure to them, developed a great respect for the program. The strength of character, work ethic and intelligence of the students is of a remarkably high level. The faculty and supporters also do a great job maintaining high standards and an exceptional level of vitality. We had the pleasure and benefit of Sam Jang's presence on our desk this summer and it reconfirmed our faith in the PMF students and program. It is a pleasure to be associated with the program as an employer and we look forward to continuing this relationship.”

Allan MacLean-Howard ♦ GLOBAL EQUITY DERIVATIVES, ROYAL BANK

SUMMER WORKSHOPS

Toronto

The workshops in Toronto, for first-year PMF students, focus on providing a basic understanding of the capital markets. The stock evaluation projects involve each student analyzing a stock and providing a written report to the workshop hosts, who then provide a critique of the report.

STOCK EVALUATION PROJECTS

Mr. Louis Chan, LWF 2004
Merrill Lynch Canada Inc.

Mr. Chris Li, LWF 1999
Merrill Lynch Canada Inc.

CAPITAL MARKET CAREERS

Mr. Joe Kan
Kan and Associates, Inc.

Mr. Andrew Willis
The Globe and Mail

ROLE OF THE CUSTODIAN

Ms. Renata Dzuba
RBC Global Services

INSTITUTIONAL SALES

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First Associates Investments Inc.

ETHICS

Mr. Rossa O'Reilly
CIBC World Markets Inc.

CPMS ANALYSIS

Mr. Matt Verrilli
Computerized Portfolio Mgmt. Services Inc.

TECHNICAL ANALYSIS

Mr. Horst Mueller
Mueller Behavioral Analytics

INVESTMENT BANKING

Mr. Aaron Lau, LWF 2001
TD Securities

FIXED INCOME INVESTING

Mr. Patrick O'Toole
T.A.L. Investment Counsel

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Ms. Jill MacRae
J. Zechner and Associates

EQUITY ANALYSIS

Mr. Ross Healy
Strategic Analysis Corporation

EQUITY ANALYSIS

Mr. David Vanderwood, LWF 1993
Burgundy Asset Management Ltd.

EQUITY ANALYSIS

Mr. Nereo Piticco
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EQUITY ANALYSIS

Mr. Richard Y.C. Wong, LWF 1994
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“ I have been associated with the Portfolio Management Foundation for many years, meeting annually with the PMF class interning in Toronto to discuss career opportunities in the capital markets. The program's success is due to many important factors, from recruitment of students to alumni relations. The UBC PMF has done an excellent job of consistently recruiting students with raw talent and motivation. Then, the enthusiasm and guidance of the Faculty Supervisor, the summer internship programs and workshops, the mentor program during the academic year, and the hands-on experience of evaluating companies and stocks for the \$3 million PMF portfolio, provide invaluable experience. All of these activities allow the program graduates to hit the ground running in their first job on the Street. The real worth of the program is evidenced by the successful careers of its alumni in the capital markets, and the willingness of those alumni to support the program long after graduation. If I could do it all over again, I would do everything I could to get into the program.”

Joe Kan • KAN AND ASSOCIATES INC.

PMF SEMINARS

These seminars, held during the academic year, are open to all Sauder School of Business students.

“What About 2005? An Economic and Market Outlook for the Current Year”

presented by
Mr. Murray Leith
Vice President and Director
Investment Research
Odlum Brown Ltd.

EQUITY ANALYSIS

Mr. Michael Weir
Guardian Capital LP

Vancouver

The second-year PMF students attend the Vancouver workshops, which provide a more advanced capital markets education. The credit and stock presentations involve the participating students preparing and presenting an analysis of a security for the workshop host. The host then critiques the analysis.

VALUE INVESTING

Mr. David Briggs
Cundill Investment Research Ltd.

INVESTMENT BANKING

Mr. David Bustos, LWF 1991
Scotia Capital

TACTICAL ASSET ALLOCATION

Mr. Larry Lunn
CCL Financial Group

PORTFOLIO CONSTRUCTION

Mr. Wayne Wachell,
GENUS Capital Management Inc.

FIXED INCOME INVESTING

Mr. Jim Huggan, LWF 1989
HSBC Asset Management Canada Ltd.

FIXED INCOME INVESTING

Mr. Scott Lamont, LWF 1987
Phillips, Hager and North Ltd.

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Deans Knight Capital Management Ltd.

CREDIT PRESENTATION

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AMI Partners Inc.

STOCK PRESENTATION

Mr. Wayne Deans
Deans Knight Capital Management Ltd.

“TD Securities is pleased to have a strong group of PMF grads who have joined our firm. They’ve come to us with well-developed analytical skills, together with a high level of maturity, judgement and experience derived from their rigorous portfolio management training. We look to them as high-potential, market-savvy professionals who can take leadership roles in various different areas of our firm.”

Patrick B. Meneley • VICE CHAIR, HEAD OF INVESTMENT BANKING TD SECURITIES



back row: Rajan Bains, LWF 1990, PLENARY GROUP LTD. • Bryan Mascoe, LWF 2002, PHILLIPS, HAGER & NORTH LTD. • Doron Mizrahi, LWF 2003, BMO NESBITT BURNS • Doyle Bauman, LWF 1987, RBC CAPITAL MARKETS **front row:** V. Paul Lee, LWF 1987, ELECTRONIC ARTS (CANADA) • Tracey McVicar, LWF 1990, CAI CAPITAL MANAGEMENT CO. LTD.

“C.P.M.S. Computerized Portfolio Management Services Inc. is Canada’s leading independent equity research firm focusing on return enhancement and style analytics. We are proud to be able to donate our services to the program to allow the students access to cutting edge tools used in industry today by leading investment professionals. The CPMS platform facilitates profitable stock selection using multifactor ranking and screening, backtesting and sophisticated portfolio style analytics that the students use in their investment decision making process. We have had the pleasure of working with the UBC Portfolio Management Foundation students over the last few years and are honoured to be able to support the students and contribute to their future success.”

Matt Verrilli, M.B.A., CFA • CLIENT SERVICES, CPMS INC.

LESLIE WONG

To his former students and business associates, Leslie Wong has achieved the mythological status of a guru whose influence – wide-ranging, deeply felt and enduring – has taken on a quality that grows less definable with each passing year.

Leslie Wong died in 1967 after a 20-year teaching career that set the course for many of his students' lives. The Leslie Wong Fellowship commemorates his lasting influence and impression on the UBC Commerce Faculty and Alumni.

"Everyone can use a Leslie Wong," says Art Phillips, a former student who notes that Wong was a bigger influence on him than his parents were. "He always presented business as a human thing – not just future projections and numbers, but a matter of relationships and people." Phillips, also formerly mayor of Vancouver, is now in the process of retiring from Phillips, Hager & North.

Wong's career was illustrious and well-documented. In the earliest days of UBC's Faculty of Commerce he was Dean Earl McPhee's right-hand man, credited with promoting the faculty tirelessly in its formative years and with obtaining insurance industry support for it. Courses were organized under his guidance.

One of his biggest challenges was the time he spent at the University of Malaysia in Kuala Lumpur, and Singapore from 1961 to 1965, where he worked as project director

The consensus among Wong's former students seems to be that his magic formula was a blend of the practical business experience he brought to the classroom, and his ability to bring theory to life. Those who remember him best describe him as a 'broad-spectrum' character remarkable for his natural ability to bring out the best in other people.

His legacy is a group of financial services professionals who will still credit Wong, all these years later, with giving them the push, encouragement and self-confidence that took them where they wanted to go.

Part of what made him so interesting to listen to, and so valuable as a teacher, was his effortless ability to connect with people regardless of differences. "He was comfortable operating on all levels of society, of community sections, social classes, ages, generations," says Deacon Foster, a good friend of Wong for many years.

In a stern era of wing-tip collars, rigid procedures and much bureaucracy, Wong had an exceptional ability to make business seem interesting by being approachable to students, unreservedly optimistic, and more practical than academic. "He was a common sense, salt-of-the-earth person," says Michael Ryan, a former student who was instrumental in establishing the UBC Portfolio Management Foundation. "One of the greatest lessons he taught students was

call anyone Mister."

Most of his students remember him now with esteem and indebtedness for the attitude he inspired in them about business. "I do it the way he did," says Murray Leith, another Wong protege. "As something you live and breathe." To Leith and countless others like him, Wong was not only a teacher, but an enthusiastic motivator and a mentor of unparalleled worth.

Founders of the Leslie Wong Fellowship say a large part of their purpose in establishing it was to ensure that Wong's excellence in teaching and concern for students would live on.

Students enrolled in the Portfolio Management Foundation today should most value Wong for having been a tireless builder. He spent his career influencing and developing today's leaders, and it is this legacy of building that has allowed graduates of the program to provide similar leadership for their industry in the future.

There is continuity in such generosity, and the fruits of Wong's endeavors will be perpetuated in the work not only of those whom he taught personally, but in the accomplishments of a subsequent generation, as his former students pass down the values and wisdom gleaned from him to a whole new group of leaders in the financial industry.

"He was a great teacher," says Ralph Loffmark, a former colleague of Wong's from

In a stern era of wing-tip collars, rigid procedures and much bureaucracy, Wong had an exceptional ability to make business seem interesting.

and visiting professor to develop a school of commerce in Singapore; he eventually launched a student exchange program between the University of Malaysia and UBC. The students he taught in Singapore have since become leaders within that community, going on to inspire yet another generation of leaders in the same generous spirit. Wong was also instrumental in establishing the Banff School of Advanced Management, and taught there himself in its early days.



Leslie Wong with sister Edna

the Faculty of Commerce at UBC. "It's that simple."

Mr. Milton Wong, UBC PMF co-founder, with the assistance of: Mr. Deacon Foster, Mr. Colin Gourlay, Mr. Murray Leith, UBC PMF co-founder, Mr. Ralph Loffmark, Mr. Art Phillips, Mr. Michael Ryan, UBC PMF co-founder, and Mrs. Bessie Wong.

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The following alumni have donated funds to the PMF Alumni Professorship in Finance. This endowment provides funds to the primary PMF Faculty Supervisor for his/her research and teaching expenses. The current Professorship holder, Prof. Rob Heinkel, gratefully acknowledges the contributions of these, and all, the donors to this professorship.

Mr. Kian Abouhossein, LWF 1995
Mr. Rajan Bains, LWF 1990
Mr. David George, LWF 1997
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We would also like to thank the following individuals and organizations for their support, which has come in many different, but important, forms.

SCHOLARSHIP PROVIDERS

Deans Knight Capital Management Ltd.
Mr. V. Paul Lee, LWF 1987, (via Tides Canada)

REVIEW OF WRITTEN APPLICATIONS TO PMF PROGRAM

Prof. Murray Carlson, Sauder School of Business
Mr. Jeff Clay, LWF 1988, PMF Mentor
Prof. Alan Kraus, Sauder School of Business



INTERVIEWS OF PMF PROGRAM APPLICANTS

Mr. David Bustos, LWF 1991
Prof. Murray Carlson, Sauder School of Business
Mr. Robert Edel, LWF 1987
Prof. Alan Kraus, Sauder School of Business
Mr. Daniel Lewin, LWF 1993
Mr. E. Lanny Mann, PMF Operating Committee
Mr. Bryan Mascoe, LWF 2002
Ms. Tracey McVicar, LWF 1990, PMF Mentor
Mr. Justin Roach, PMF Mentor
Mr. Michael Ryan, PMF Co-founder
Mr. Kristian Sawkins, LWF 1999

SPECIAL PRESENTATIONS

Fidelity Investments, dinner with the Head of Fidelity's "Team Canada", Mr. Doug Lober

>> A FIXED INCOME OUTLOOK <<

Scotia Capital, hosted by Mr. Don Greenwood

>> INVESTING IN CHINA AND INDIA <<

GE Asset Management, hosted by Mr. Keith Smith

>> MANAGING THROUGH THE LOW RETURN ERA <<

Panagora Asset Management, Mr. Eric Sorensen

>> RESPONSIBILITIES OF PMF STUDENTS <<

Mr. Milton Wong, PMF Co-founder
Ms. Christina Anthony, LWF 1997 and
Ms. Tracey McVicar, LWF 1990

>> WALL STREET 101 – RECRUITING TIPS <<

Ms. Lily Leung, LWF 1997 and
Mr. Kristian Sawkins, LWF 1999

>> CPMS UPDATE AND COUNSELING <<

Mr. Matt Verilli, CPMS Inc.

>> TORONTO 2004 PMF RECEPTION <<

Scotia Capital, with featured speaker
Ms. Ruth Woods, Head of Human Resources

PHOTOGRAPHIC SERVICES

Ms. Judy Schiller, International Photographer, New York City
Tobi Asmoucha Photography, Toronto
Ms. Trasi Jang, Vancouver
Mr. Shaun Tanassee, Tech Services, Sauder School of Business

A special thanks to **Tytus Michalski** (LWF 1998) and his lovely wife for a recent gift of examples of exotic world currencies that inspired the theme for this year's report.



RBC Global Services is a proud contributor of custody and investment analytics services to the PMF. We truly hope that students of the program find value in these services as they develop global investment skills that will last a lifetime. At the beginning of each school year we host the students to an on-line training and discussion session. We've seen many enthusiastic students since the program's inception, who are now professionals working throughout the world. RBC Global Services wishes to thank Rob Heinkel for his dedication to success of the PMF program.

Tim Pardee ♦ REGIONAL HEAD, WESTERN CANADA, RBC GLOBAL SERVICES





“ With the investment community giving growing attention to behavioural finance, INK Research is honoured to be providing tomorrow's industry leaders with a read on management sentiment via our insider trading reports.”

Ted Dixon • INK RESEARCH CORP.

“ We always enjoy our sessions with students from your program. They look comfortable and eager to ask questions. Value investing is easy to teach and has an academic appeal. It is not for investors who think the stock markets are efficient. The discipline is appealing to investors who like to have numbers to hang their hat on. It is hard to argue with financial statements (once they have been understood and the notes studied). We can then estimate the fair value of a company using conservative business multiples for the ongoing business (and adding or subtracting from this an amount representing surplus assets or net liabilities). This discipline also has appeal to those who are opportunistic and contrarian in nature and are willing to look in depressed or unpopular areas. A value investor always controls the buying price available on the public stock exchange. By first focusing on what could go wrong, the price we pay must represent a discount to our estimate of fair value. We call this discount our margin of safety (minimum one third). If we make a mistake on our valuation or the company suffers a permanent decline in value, we have lots of room before the value of the company falls to the price we paid. In this sense, our risk is only in company valuation and not beta. The discount also represents our expected return over the next three years. Once value and price have been set by us, we wait patiently for other less certain factors to fall into place, factors such as management execution, changing economic or industry conditions, M&A, etc. We jokingly describe our investment style as turning nightmares into dreams. Over time, our objective is to make 15% compound annual returns and let the magic of compounding take place. I hope all your students in the program give serious consideration to this investing style.”

David Briggs • VP INVESTMENTS, PORTFOLIO MANAGER
THE CUNDILL GROUP



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PMF

UBC Portfolio Management Foundation

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