The University of Lethbridge Student Managed Investment Fund (SMIF) was established in 2011 to provide students with the opportunity to gain hands-on investment experience while taking on the roles of investment analysts and portfolio managers.

"The Student Managed Investment Fund bridged the gap between the theory I was learning in class and how it applied in practice. The hands-on approach proved to be of tremendous value. It allowed me to gain insight into both buy-side and sell-side analytics. I would recommend the course to any University of Lethbridge students that are majoring in Finance and interested in bringing their learning experience to a higher level. It has opened many doors for me and provided an excellent base of knowledge to support my entry into the investment industry."

Clayton Varjassy,
SMIF Graduate, 2012/2013
A Message From the Dean

On behalf of the Faculty of Management, it is my pleasure to introduce to you the University of Lethbridge Student Managed Investment Fund.

In 2011, the University of Lethbridge Student Managed Investment Fund (SMIF) was established to give students within the Faculty of Management hands-on training in equity valuation and portfolio management. For four years this intensive course has not only given Finance students invaluable experience in managing a portfolio, but has also helped prepare them for positions within the investment industry.

Starting as an endowment from the Faculty of Management, the SMIF has seen impressive compounded annual growth since inception, successfully outperforming its benchmark. We are proud of our students for the quality of work they have achieved as SMIF participants and are eager to see where the skills they have developed take them in their careers.

The strength of the training provided by the course is demonstrated through the job placements our SMIF graduates have received. Some examples of top companies that employ our graduates include: Suncor Energy, ScotiaMcLeod and Canadian Natural Resources.

We would like to thank our supporting partners including those who serve on our Advisory Committee for the time and energy they have committed toward providing students with the necessary guidance and support toward continued success. Our faculty supervisors are an immeasurable asset to our students, providing them with the tools necessary to perform successfully.

We look forward to experiencing continued success with our Student Managed Investment Fund and are eager to welcome the next group of students poised to continue the SMIF’s prosperity. We welcome them the opportunity to learn and grow with our premier finance course here at the University of Lethbridge.

Thank you for your continued support.

Sincerely,

Robert Ellis, PhD
Dean of the Faculty of Management
The University of Lethbridge Student Managed Investment Fund started from an endowment of $100,000 provided by the Faculty of Management in 2011. Students utilize the same tools and techniques they can expect to encounter as they begin a career in the financial industry.

The Student Managed Investment Fund is a specialized course that is focused on enriching student education by allowing participants to invest real money in real-time to generate real performance. Students take on the role of a financial analyst and portfolio manager to establish stock selection criteria, value prospective stocks, develop analyst reports, and form a portfolio. The entire process aids students in refining their intuition and forming the skills necessary for success within the financial industry.

Students are provided a unique opportunity to gain practical experience in investment analysis and portfolio management to help prepare them for careers in the investment industry. The Student Managed Investment Fund is a three credit course offered over consecutive fall and spring semesters.

Participants
Throughout the course students take on the role of a financial analyst, as well as a portfolio manager. Students work individually, as well as in teams. Each student and/or team selects and focuses on one to two industry sector(s).

Financial Analysts
While taking on the role of an analyst, student responsibilities include:
- Reviewing industry analyst reports
- Establishing stock selection criteria
- Researching prospective stocks
- Generating analyst reports
- Making recommendations and decisions on what stocks in which to invest or liquidate
- Presenting to the advisory board, faculty, and peers on their recommendations and decisions

Portfolio Managers
While taking on the role of a portfolio manager, student responsibilities include:
- The creation and/or maintenance of an investment policy statement
- The development and recommendation of the appropriate allocation of fixed income/equity assets that adheres to policy targets and risk/return objectives
- Developing and executing long-term strategic plans that align with portfolio objectives
- Researching and evaluating market conditions and economic trends
- Investment monitoring & performance reporting
- Creating the framework for analyzing and reporting investment performance relative to appropriate benchmarks

Advisory Committee
The Advisory Committee consists of external industry experts and internal faculty members. The Committee meets on a semiannual basis at which time the Student Managed Investment Fund students present their research results and portfolio to the Committee. The Advisory Committee provides students with advice on the investment process and helps to ensure students are in compliance with laws, regulations and University policies/guidelines.

Advisory Participation
The Advisory Committee participates by providing the following:
- Advice to students on the investment process
- Recommending changes to the SMIF Operational Guidelines or SMIF Policy
- Ensuring compliance with laws, regulations and University policies/guidelines
The Portfolio

Students are required to diversify the portfolio by market, industry, term, sector, rating, and company. The exposure of any individual position shall not exceed 10% of the total portfolio value.

An endowment of $100,000 was given to the Student Managed Investment Fund from the Faculty of Management in 2011. The student’s performance objective is to outperform their benchmark’s return, the S&P/TSX 60 Capped Index.

Top 5 holdings as of April 30th, 2014

<table>
<thead>
<tr>
<th>Holding</th>
<th>Industry</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualcomm</td>
<td>Information Tech.</td>
<td>7.26%</td>
</tr>
<tr>
<td>Molson Coors Brewing Co.</td>
<td>Consumer Staples</td>
<td>6.59%</td>
</tr>
<tr>
<td>SPDR Health Care</td>
<td>Health Care</td>
<td>5.55%</td>
</tr>
<tr>
<td>Enbridge</td>
<td>Utilities</td>
<td>4.25%</td>
</tr>
<tr>
<td>Secure Energy Services</td>
<td>Energy</td>
<td>3.89%</td>
</tr>
</tbody>
</table>

Students form a well-balanced portfolio primarily made up of large-cap equities, mutual funds, and ETFs. As per the mandate, the portfolio is broken into Canadian equities, global equities, and fixed income.

Students are only permitted to take long positions, and a maximum of 20% of the Canadian equity and global equity portions of the portfolio are permitted to be invested in small-cap equities.

While completing their second term, students review all position and close those deemed to be within close proximity of their target price(s), increasing the portfolio’s cash balance and freeing capital for students entering into the SMIF course the following term. This gives students entering into the course an opportunity to make buy recommendations of their own.

The investment time horizon for holdings is typically eight months or less, but some holdings may be deemed to have longer-term potential and their time horizons are adjusted accordingly.

The Portfolio

Students are required to diversify the portfolio by market, industry, term, sector, rating, and company. The exposure of any individual position shall not exceed 10% of the total portfolio value.

An endowment of $100,000 was given to the Student Managed Investment Fund from the Faculty of Management in 2011. The student’s performance objective is to outperform their benchmark’s return, the S&P/TSX 60 Capped Index.

Top 5 holdings as of April 30th, 2014 make up 27.54% of the portfolio.

The chart below illustrates the return on the equity portion of the portfolio for the 2013/2014 SMIF group between 09/09/2013 and 03/21/2014 as compared to the S&P/TSX 60 Capped Index.

Industry Sector Portfolio Weightings as of April 30th, 2014

The Beta for the invested capital portion of the SMIF portfolio between 09/09/2013 and 03/21/2014 was 1.22. The Jensen’s Alpha was a positive 0.1027. The Sharpe ratio was 3.07, much higher than the Sharpe ratio of the S&P/TSX 60 which was 1.29 for the same time period.
The Centre for Financial Market Research & Teaching (CFMRT)

The CFMRT provides students access to industry grade financial software that they can utilize to conduct in-depth market research.

The Centre is located on the second floor of Markin Hall, room M2044.

About the Centre

The Centre is equipped with 46 dual-monitor work stations and two quad monitor stations. The stations are powered via energy efficient thin clients running through a virtualized Citrix environment that provides users access to a variety of industry grade financial software.

Two display arrays on both sides of the room, each composed of six 46” thin bezel LCD Displays, cycle through industry data, University of Lethbridge announcements, and market news.

A 30 foot full-colour LED Ticker at the front of the room displays data on stocks and indices, including the Student Managed Investment Fund’s portfolio holdings.

An instructor station at the front of the room is connected to the ceiling mounted projectors and the room’s integrated audio system.

The Centre is used by faculty, students, and externals alike. It provides users a fully immersive environment in which they can effectively teach, research, and learn.

Visit www.uleth.ca/management/cfmrt to learn more.
The 2014/2015 Student Managed Investment Fund participants were the first group of students to be under the supervision of Professor Wilf Roesler. Students from both the Lethbridge main campus and the Calgary satellite campus participated. This group of students was the largest group to participate in the Student Managed Investment Fund course to date. The group included eight students from the Lethbridge main campus and five students from the Calgary satellite campus.

SMIF Profiles (2014/2015)

Mohadese Daryabeygi, Lethbridge
Mohadese’s focus was on the Health Care sector. She is majoring in Finance. Her favorite aspect of the SMIF course is the opportunity to gain real world experience while receiving advice from industry professionals.

Mohadese’s recommendation for future SMIF students: as our professor said at the beginning of the semester, there is no magic wand that will make investment decisions for us, we are all here to learn.

Braden Erickson, Lethbridge
Braden’s focus was on the Basic Materials sector but he was also responsible for introducing the Mawer Canadian Equity Fund to the SMIF. He is majoring in Finance and is pursuing a career in wealth management post graduation.

Braden’s recommendation for future SMIF students: be open to new ideas and do research out of your comfort zone. Learn as much as you can from the experience. It is what you make of it.

Matthew Helfrich, Lethbridge
Matthew’s focus was on the Industrial Goods sector in Railway. He was responsible for Hillenbrand. He is majoring in Finance and is pursuing a career in risk management post graduation.

Matthew’s recommendation for future SMIF students: there are a number of extracurricular activities offered by the University of Lethbridge, take advantage of them while you have the opportunity to do so.

Jianning Huang, Calgary
Jianning’s focus was on Oil & Gas as well as the Services sector in Railways. Jianning has a Bachelor of Management in Finance and is working toward his Masters of Science (Management) in Finance. Jianning hopes to pursue his PhD after attaining his Masters of Science to pursue a career in research and teaching.

Jianning’s recommendation for future SMIF students: make sure you don’t take the opportunity that has been presented to you for granted. Work hard.

Michael Kawchuk, Lethbridge
Michael’s focus was on the Oil & Gas sector. He was responsible for Qualcomm and Microsoft. He is majoring in Finance and is pursuing a career in portfolio management post graduation.

Michael’s recommendation for future SMIF students: take advantage of the opportunity to get to know the professors, industry professionals, and advisors you’ll be working with.

Wes Klemen, Lethbridge
Wes’ focus was on the Technology sector in Communication Equipment. He was responsible for Qualcomm and Microsoft. He is majoring in Finance and is pursuing a career in portfolio management post graduation.

Wes’ recommendation for future SMIF students: don’t hesitate to take the course if you have any interest in doing this kind of work for a living. The SMIF provides students with the opportunity to see how a real fund is run.

Roshni Luthra, Calgary
Roshni’s focus was on the Technology sector but she was also responsible for the sale of Sunrun and Secure Energy Services as well as the purchase of Enbridge. He is majoring in Finance and is pursuing a career in Wealth management post graduation.

Roshni’s recommendation for future SMIF students: follow the portfolio and seeing the results of these decisions.

Participants
Mohadese Daryabeygi
Braden Erickson
Matthew Helfrich
Jianning Huang
Michale Kawchuk
Wes Klemen
Roshni Luthra
Amirhossein Malaki
Sandor Moser
Devin Phalen
Jesse Ren
Frazer Sloan
Dorothy Wong

Prerequisites
Management 3470
Management 4470
Economics 2900
Statistics 2780
Economics and Business Statistics, OR
Statistical Interference
Prerequisites
Management 4470-4471. Acceptance is based on academic background, past investment experience (if any), and academic performance.

How to apply
Contact: Lynda Thai-Baird, CFMRT Manager
Email: lyndathai-baird@uleth.ca
Phone: 403-332-4521
Office: 1110 Mealey Hall
Note: Management 4470 and 4471 must be taken in sequence. If late spring in order to receive credit.

Students must apply for approval to take Management 4470-4471. Application is based on student’s background, past investment experience (if any), and academic performance.

Amirhossein Malaki, Calgary

Amir’s focus was on the Financial sector in Money Center Banks. He also spent time researching Airlines, Oil & Gas, and Consumer Staples. The two securities Amir primarily monitored were Wells Fargo and Canadian Western Bank. He is majoring in accounting and pursuing a career in financial reporting and financial statement analysis.

Amir’s recommendation for future SMIF students: take advantage of the opportunity to use the industry grade software provided to you and fully immerse yourself into the program. Follow the media and financial papers to stay up to date on current events.

Sandro Moser, Lethbridge

Sandro’s focus was on the Consumer Staples and Consumer Discretionary sectors. He is majoring in finance and pursuing a career in trading, asset management, or investment banking post graduation. The most important thing Sandro says he learned from the SMIF course is the importance of supporting your position on a stock with both qualitative and quantitative analysis.

Sandro’s recommendation for future SMIF students: make sure you buy low and sell high.

Devin Phalen, Lethbridge

Devin’s focus was on the Utilities sector. He is majoring in finance. Devin’s favorite aspect of the SMIF course is discussing the markets with like-minded individuals. He enjoys leveraging the different backgrounds, opinions, and areas of expertise brought forth by the variety of individuals participating in the SMIF course to help yield superior results.

Devin’s recommendation for future SMIF students: get out as much as you can put in.

Jessie Ren, Lethbridge

Jessie’s focus was on the Healthcare sector in Medical Appliances & Equipment. One of the holdings she recommended the fund purchase was Medtronic. She is working toward her Masters of Science (Management) in Finance and is pursuing a career in stock market analysis post graduation.

Jessie’s recommendation for future SMIF students: you are given the opportunity to experience what it is like to manage a real money investment fund, be sure to take advantage of that while you can.

Frazer Sloan, Lethbridge

Frazer’s focus was on the Utilities sector. He is majoring in finance and looking to pursue a Juris Doctor law degree. He plans to pursue a career in financial law or corporate law after attaining his Juris Doctor degree.

The driving factor in Frazer’s participation in the SMIF program was the chance to acquire practical experience at building a well balanced portfolio. He enjoys working with students of similar interests to increase individual and group competency.

Dorothy Wong, Calgary

Dorothy’s focus was on the Financial Services sector. She has her Professional Diploma in accounting and is pursuing a career in market enforcement post graduation. Having previously earned a liberal arts degree, she realized how passionate she was about finance, stumbled on the SMIF course, and recognized the opportunity to immerse herself in the field.

Dorothy’s recommendation for future SMIF students: Save a company or sector and become an expert.

Will Roessler, Professor, MBA, CFP, CMA

Prior to a career in academia, Will gained twenty-one years of corporate banking and investment management experience with two of Canada’s major chartered banks. During his years in banking, he held positions such as Manager, Internal Auditor, Credit Analyst and Investment Executive. He holds a Bachelor of Management degree from the University of Lethbridge, a Masters of Business Administration (Financial Services) degree from the University of Quebec in Montreal, and is a Certified Management Accountant and Certified Financial Planner.

Will has been a Faculty member with the University of Lethbridge since 2002 in the Finance Area where he has taught a variety of investment and corporate finance courses. He is the author of the personal finance textbook titled Personal Finance: Plan, Invest, Enjoy.

Will began teaching the Student Managed Investment Fund course in the Fall of 2014. He enjoys interacting with the student participants and industry professionals alike. One recommendation from Will for prospective SMIF students: take advantage of what the course is offering – through experiential learning, students will have a uniquely enhanced learning opportunity when compared with traditional courses.
The 2013/2014 Student Managed Investment Fund participants were the first group of students to have participants from both the Lethbridge main campus as well as the Calgary satellite campus under the supervision of Dr. Peter Shao.

The students would meet once a week via teleconference between the two campuses to discuss their specific holdings as well as the overall portfolio. The students traveled between campuses to present to the advisory board, meet with industry professionals, and for other special events.

The 2013/2014 Student Managed Investment Fund participants were the first group of students to have SMIF Profiles (2013/2014)
Pei Shao, Professor, PhD, CFA

Dr. Shao received her PhD in finance from the Schulich School of Business at York University in 2007. She has extensive international experience in Asia and Europe. She obtained her first master’s degree (in economics and finance) from the University of Leeds, U.K. Before that, she worked with investment banks in mainland China and Hong Kong for six years.

Dr. Shao has been a faculty member with the University of Lethbridge since 2011. She has been a part of the SMIF course since its inception.

Brett Verleih, Lethbridge

Brett Verleih’s initial focus was on the Technology sector in Business Software & Services, and Communication Equipment. The securities he was responsible for were Microsoft and Qualcomm. While acting as portfolio manager, he determined the portfolio was underweight in the Industrial sector and recommended the purchase of Eagle Materials.

Brett graduated with a Bachelor of Management degree, majoring in finance.