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VSFA Newsletter

Winter 2004
Volume 2, Issue 1

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Portfolio Management Challenge Program

Brooke Campbell

This year 105 teams representing approximately 250 students from the University of British Columbia (UBC), the University of Victoria, (UVic), Simon Fraser University (SFU), Royal Roads University (RRU), and the University of Northern British Columbia (UNBC) competed in the BC Universities 2003/2004 Portfolio Management Challenge. This championship was organized and sponsored by the BC Securities Commission, Odlum Brown Limited, Leith Wheeler Investment Counsel Limited, and the Canadian Securities Institute.

The competition originated 10 years ago by the UBC and SFU Finance Club students. In 2001, Odlum Brown Limited partnered with the schools to develop a more formal and expanded competition. In 2002 Leith Wheeler became a co-sponsor and this year, the BC Securities Commission and the Canadian Securities Institute also joined as co-sponsors.

The 2003/2004 challenge, which ran for four and a half months, ending on March 7th, 2004, saw teams investing a hypothetical \$1,000,000 in an investment portfolio which could comprise of common shares, options, or cash. Teams were limited to a maximum of 50 trades. During this time, the Dow Jones Industrial Average moved upwards from 9803 on October 15th to 10596 at the close on March 7th, an increase of approximately 8%. A trophy is awarded to the university with the highest average team score and cash prizes are given to each of the top three teams at the five competing universities. Moreover, all other

competitors who surpassed the 8% increase in the Dow Jones Industrial Average are also recognized.

This year, we are pleased to congratulate UNBC for placing first with an average final portfolio of \$1,110,606, representing an 11.1% increase, followed very closely by UVIC at \$1,109,952, representing an 11.0% increase. UBC averaged \$1,081,000, an 8.1% increase, RRU averaged \$1,051,000, a 5.1% increase, and SFU averaged \$990,000, a 1% decrease.

The top 3 teams at UNBC were Team Ichthyosaur, Richard West, at \$1,436,000, representing a 43.6% appreciation, followed by Team Assault, Dustin White, at \$1,161,000, and Team Abdul, Abdirahman Mohamed, at \$1,044,000.

The top 3 teams at UVic were Team Hamilton, Hamilton Muirhead and Jason Gurgal, at \$1,455,000, representing a 45.5% increase, followed by Team Craig@UVic, Craig Richey, at \$1,349,000, and Team Pinder, Bhupinder Vinning at \$1,240,000.

At UBC, the top 3 teams were Team Business Rampage, David Ma, Ronald Hui, and Leanne Poon, at \$1,902,000, representing a 90.2% increase, followed by Team Whozaman, KenWong, at \$1,781,000, and Team Lee Zhang Lau, Garlos Lee, Yuting Zhang, and Ray Lau, at \$1,705,000.

At RRU, the top 3 teams were Team Virgin Investors, Isabel Cabeza-Erikson, BrynnVarey, Ian Carlson, Laird Schade, Clair Roberts and Courtney Greig at \$1,144,000, representing a 14.4% increase, followed by Team Pink, Leah Pittam, Michele Smith, Jenny Chen, and Rebecca Le Clair, at \$1,137,000, and Team BLING, Ryan Iverson, at \$1,096,000.

SFU was led by Team Toki's Tears, Robert Park, at \$1,260,000, representing a 26% increase, followed

by Team Hon Cheong Lam, Hon Lam, \$1,216,000 and Team Li Benetton, Li Benetton, at \$1,140,000.

Due to the popularity of this year's contest, the 2004/2005 Portfolio Management Challenge should attract even more participants.

If you would like more information about the competition, please contact Brooke Campbell at 604 844-5304 or bcampbell@odlumbrown.com.

Brooke Campbell,
Vice President and Director
Odlum Brown Limited

On Behalf of the Sponsors:
BC Securities Commission
Odlum Brown Limited
Leith Wheeler Investment Counsel
Canadian Securities Institute

**VSFA Name Change -
Why change our name to
CFA Vancouver?**

The Association for Investment Management and Research (AIMR) recently changed its name to CFA Institute. Members voted overwhelmingly in favour of a name change.

The Board of the Vancouver Society of Financial Analysts recommends that the local society change its name to reflect a closer alignment with the international organization and to take advantage of the synergies offered by a single brand.

Many societies around the world will be changing their names to align themselves with CFA Institute. A recent survey of Society Leaders showed that at least 68% of the world's Financial Analyst Societies would be changing their names in 2004-2005.

What will the cost be to our society?

CFA Institute has made \$8,000 USD available to each Society in order to change bylaws, administrative and marketing materials. There will be no extra cost to VSFA members for the name change.

What will our new logo look like?

Our new logo will utilize the CFA Institute image. Societies across Canada have agreed to use a similar design so that all charter holders across Canada will be sending the same branding message. Consistent application of the brand is the best way to develop a world-class reputation for the global organization, for societies, and for the CFA charter. The current society logo and the proposed logo are shown below.

Old Logo:



Proposed Logo:



**VSFA MEMBERS PROGRAM
REPORT Ernestine Chan, CFA**

We kicked off the year with our CFA Institute Speaker Jean Brunel presenting on "A Behavioural Finance Approach to Asset Allocation". It was a well-attended event with over 100 members and guests. We also had an extremely busy October with many PD-credit events and corporate presentations. In particular, our Financial Planning Seminar at SFU's Centre of Dialogue was a huge success.

In mid-September, I along with several board members attended the CFA Institute Convention in San Francisco. There, I had the opportunity to network with other Program Chairs and exchanged ideas for future events.

In November, Ian Robertson, some fellow CFA charterholders and I attended the SFU and UBC Finance Clubs events. Both events were well attended with a large turnout of students interested in learning more about the CFA program and future careers in finance.

In December, we will host our 2nd Charter Award Ceremony to recognize and congratulate recipients of the 2004 CFA charters. Chris Dunmall, Western Region representative from the CFA Institute will be presenting at the Award Ceremony and the Candidates' Reception. As fixed income portfolio manager for Colorado, he will speak about "Current Strategies for Fixed Income Investing".

As always, Programming is heavily dependent on volunteers. I would like to thank my Co-Chair David Ing, our Programming Committee members and all the volunteers who have helped make our events a success and we continue to seek volunteers who are willing to get involved or have a suggestion for speaker or topics.

Upcoming Events

Date: 25 November, 2004

"Divest Global or go Aground"

Presenter: Barry G. Hitchens,
CEO & COO
BH Capital Consulting Ltd.
Metropolitan Hotel
12:00 noon to 1:30pm

Date: December 1, 2004

Charter Award Ceremony

Presenter: Christopher G. Dunmall,
CFA / CFA Institute President's
Council, Western
US Region
Metropolitan Hotel
4:30pm to 6:30pm

Date: December 2, 2004

CFA Candidate Reception and Information Session

Presenter: Christopher G. Dunmall,
CFA President's Council, Western
US Region Hyatt Regency Hotel,
655 Burrard St., Vancouver
4:30pm - 6:30pm

Date: Jan 12, 2005

Are Extreme Hedge Fund Returns Problematic? (1 PD hr)

Presenter: Dr. Peter Klein, SFU
Professor of Finance
SFU Harbour Centre
Room 7000
3:00-4:00pm

upcoming events cont...

Date: January 18, 2005

27th Annual Forecast Dinner

Forecasters: Jeffrey D. Saut,
Managing Director Investment
Strategy, Raymond James &
Associates / David Schaffner, CFA,
Leith Wheeler Investment Counsel /
Kenneth G. Tower,
Chief Market Strategist,
Cybertrader Inc

Sheraton Wall Centre Hotel
Reception: 4:30pm to 6:00pm
Dinner & Forecasts: 6:00-9:00pm

Date: February 24, 2005

"Towards a New Era in Corporate Canada: Clarity, Transparency and Accountability in Financial Reporting."

Presenter: Anthony Ariganello,
President & CEO CGA Canada
Metropolitan Hotel
12:00 pm

February 16 or 18, 2005

David Dodge,
Governor, Bank of Canada

Date: February 16, 2005

"Performance Attribution in the Investment Process"

Presenter: Chris Ellis, CFA, FactSet
Ron Kruschen,
API Asset Management

Date: March 29, 2005

"Corporate Governance after Enron"
Presenter: Stewart Hamilton

Recent Events

September 22, 2004

Jean Brunel – A Behavioral Finance
Approach to Asset Allocation

October 5, 2004,

Financial Planning Seminar
Estate Freezes – Elise Rees of
Ernst & Young
Fiduciary Duties – Edgar Frechette of
Fasken Martineau
Insurance – Bernie Geiss of
Cove Financial Planning

October 13, 2004

B.C. Offshore Oil & Gas: What does
the future hold?
Dr. Eric Gunton, Chair & Dr. Chris M.
Campbell, Pacific Offshore Energy
Association

October 18, 2004

Carmanah Technologies luncheon

October 21, 2004

Why is the CFA Pass Rate
Getting Lower?
Dr. Greg Filbeck, Schweser Institute

October 28, 2004

Why Create Performance Presentation
Standards?
Alicia Licata, CFA Institute

Nov 4, 2004

Webcast "Combining Technical and
Fundamental Analysis"
Presenter: John Bollinger, CFA,
President, Bollinger Capital
Management, Inc.
Moderator: Cory Coviello, President,
Vancouver Chapter of Canadian
Society of Technical Analysts

Date: 17 November, 2004

Pre-recorded Webcast:
*"Asset/Liability Matching for Individuals
and Families"* Presenter: Zvi Bodie,
Professor of Finance & Economics,
School of Management,
Boston University

JOB OPPORTUNITIES

October 22, 2004

**Canaccord Capital
Equity Research Associate,
Energy Utilities & Income Trusts
Vancouver**

October 20, 2004

**Fidelity Investments Canada
Limited
Inside Wholesaler
Vancouver**

October 17, 2004

**Connor, Clark & Lunn,
Credit Research Associate,
Fixed Income
Vancouver**

October 5, 2004

**Alberta Revenue
Senior Research Analyst/
Portfolio Manager
Edmonton, Alberta**

Sept 28, 2004

**RBC Investments
Wealth Management Division
RBC Financial Group
Victoria, BC**

**REQUEST FOR MENTOR-
Portfolio Management
Challenge Program**

We are looking for someone who can take some time to meet with students once or twice a month to discuss investment strategies and current business events. The mentor need not recommend a buy or sell rating on a particular stock, but it would be great if the students could understand why a stock is worthy of investment or not. For example, why it may not be a good idea to buy Merck in early October with imminent Vioxx-related lawsuits around the corner.

Also, the mentor can provide students with advice on career paths available in the industry. We have found that different students ask different things, so it all depends on what they want to know. Finally, the mentor can give us feedback on how to improve the challenge. In terms of rules, game play and content.

**Please reply to:
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**VSFA 2004-05
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