



LESTER ASSET MANAGEMENT

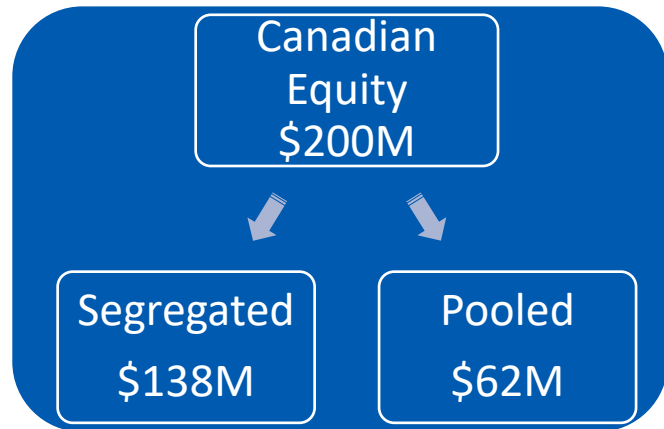
Responsible Growth™

Report to SSMU Council
November 2019

FIRM PROFILE

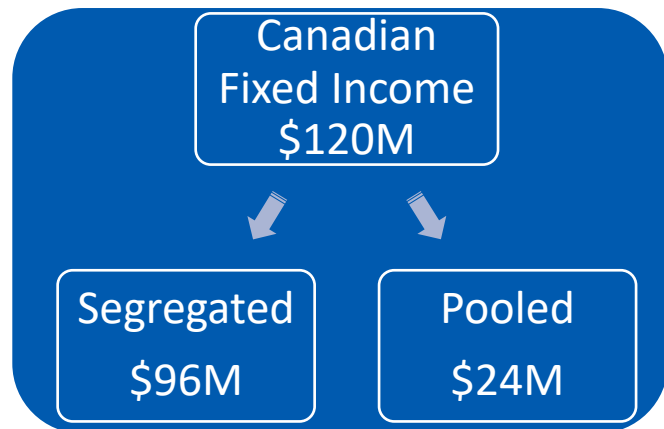
- Lester Asset Management (LAM) is a Montreal-based portfolio management firm founded in 1988, licensed and registered with the AMF, OSC, BCSC and ASC.
- 60% owned by management; 40% by Tony Boeckh, a financial industry veteran.
- CAD \$320M Assets Under Management (AUM) as at October 31st 2019.
- AUM approximately 80% Segregated and 20% Pooled (Canadian Equity Fund). High Net Worth plus select Institutions (Foundations, Non-Profits).
- Focus on Canadian equities and Canadian corporate bonds.
- Value-based approach seeking absolute returns without regards to main indices.
- Current focus and investment strategy in place since July 1, 2006.

INVESTMENT STRATEGIES



- “All-Cap” index agnostic strategy
- 10-year gross annual return of 13.9% vs. 7.8% for TSX Composite Total Return as of Q2/19
- Ranked #1 of 68 managers by Mercer Pavilion Advisory Group Performance Appraisal Report

#1 Ranking for 10 Year Canadian Equity Returns



- High Yield strategy focused on corporate bonds
- 10-year gross annual return of 6.6% vs. 4.5% for the Canada Universal Bond Index as of Q2/19
- Recipient of 2018 Quebec Emerging Managers Program Canadian Bond mandate

Winner of QEMP Canadian Bond Institutional Mandate

INVESTMENT PHILOSOPHY

Aim for higher than market returns with lower than market risk.

To accomplish this, our guiding principles are:

Act like a Shareholder

- Invest for the long term like a business owner would
- Building real wealth requires patience
- Be “active” if necessary

Exercise Price Discipline

- Buy at a discount to company’s true worth
- Sell or trim when overvalued
- Low valuations = Downside protection

Focus on Company Fundamentals

- Concentrate on company results
- Don’t let “noise” dictate decisions
- Keep fear and greed at bay

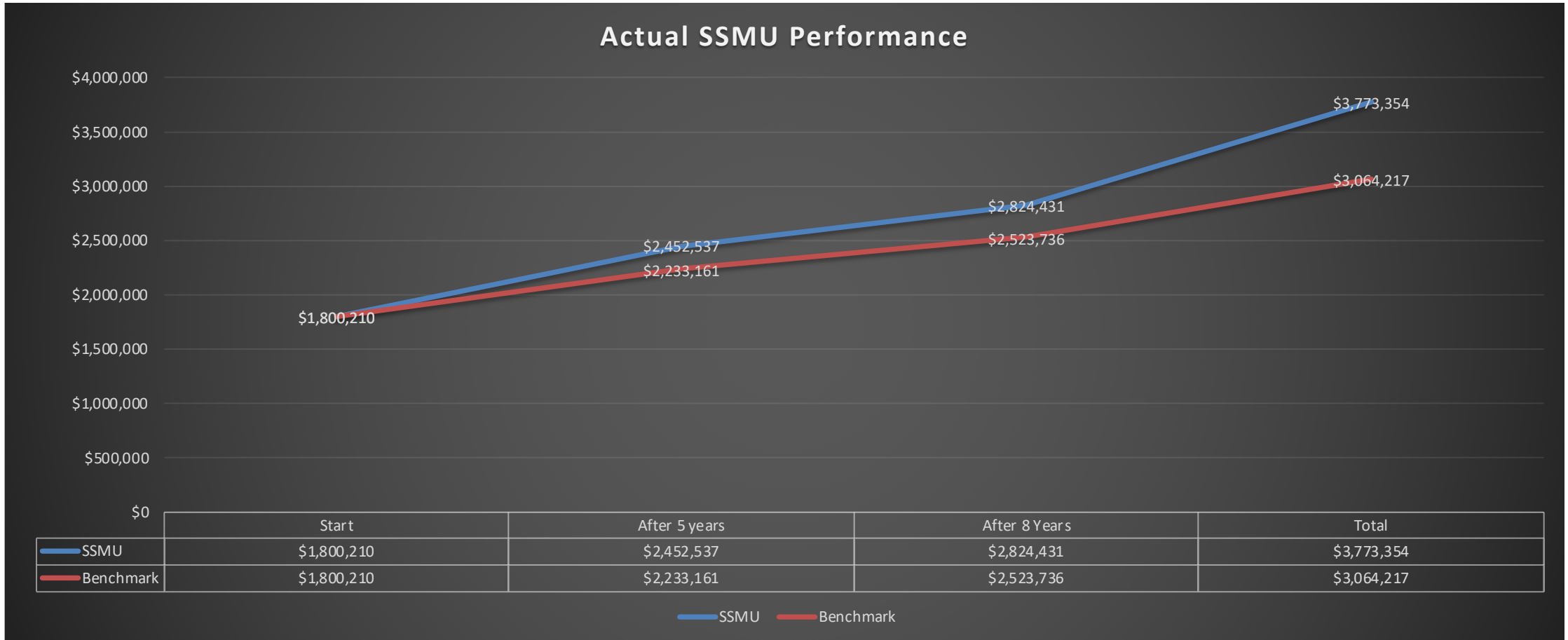
WHY CANADA?

- **IGNORED BY GLOBAL INVESTORS**
 - We are not just gold miners and oil drillers
- **GREAT INVESTMENTS IN OUR BACKYARD**
 - Goodfood, Dollarama, Aritzia
- **MCGILL SPENDING IN CAD/IN CANADA**
 - Any future spending or projects to be in Canadian dollars, acts as a hedge

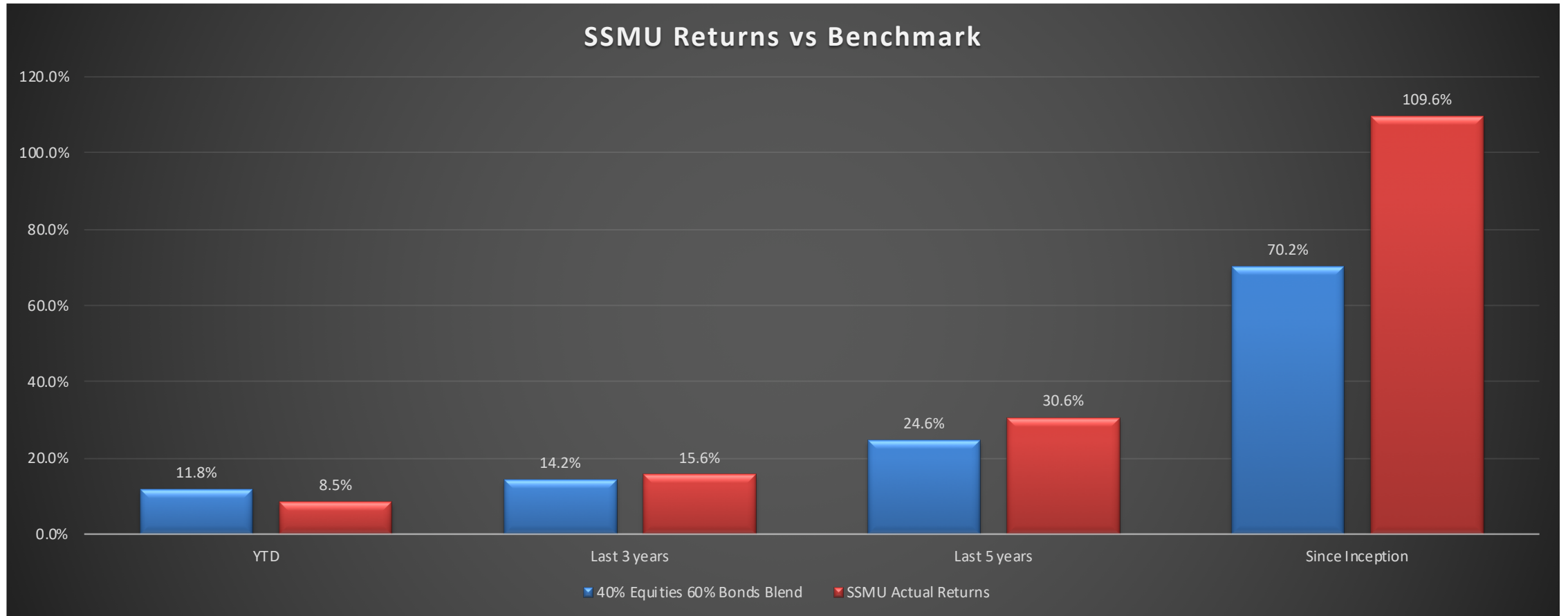
ESG CONSIDERATIONS

- Have operated under general understanding since day 1
- No Oil and Gas, no Weapons, no Metals and Mining, No Coal
- Larger weighting in clean energy co's like Boralex, Innergex and green bonds

SSMU PERFORMANCE OVER 12 YEARS



SSMU PERFORMANCE OVER 12 YEARS



CURRENT HOLDINGS: - BONDS

Exchange rate: 1.00 USD = 1.32432 CAD

% of Total	Position	Quantity	Average Cost	Book Value	Close Price	Market Value	Accrued Interest	Income on Current Positions YTD	Yield At Purchase**	Yield At Last Closing**
Totals (Including Cash Balance)				3,379,541.82		3,771,050.15	26,616.99	86,010.59		
0.4%	Cash balance			16,764.34		16,764.34				
0.4%	Canadian Cash Balance			16,764.34		16,764.34				
0.0%	U.S. Cash Balance			0.00		0.00				
57.0%	Fixed income securities			2,103,825.69		2,148,324.71	26,616.99	52,155.67	4.08%	3.46%
57.0%	Canadian fixed income			2,103,825.69		2,148,324.71	26,616.99	52,155.67	4.08%	3.46%
2.0%	ALGONQUIN PWR 4.09%17FB27	70,000	101.00	70,700.00	104.96	73,472.00	684.63	2,863.00	3.97%	3.32%
0.4%	ALIMENT SR-4 4.214%21AG20	15,000	101.98	15,297.00	101.451	15,217.65	144.28	632.10	3.04%	2.31%
0.1%	BAYLIN E23 CV 6.5% 10JL23	6,000	100.00	6,000.00	86.00	5,160.00	144.92	195.00	6.50%	11.11%
2.8%	BRKFLD REN RD 4.25%15JA29	100,000	100.432	100,432.00	106.848	106,848.00	1,397.42	3,487.33	4.20%	3.39%
1.5%	CI FINL RED 3.215% 22JL24	56,000	100.00	56,000.00	99.625	55,790.00	565.02	0.00	3.21%	3.30%
2.3%	COMINAR REIT 4.941%27JL20	85,000	102.9253	87,486.50	101.406	86,195.10	1,243.97	4,199.86	4.46%	2.92%
2.7%	COMINAR S11 CB 4.5%15MY24	100,000	100.00	100,000.00	102.75	102,750.00	2,225.81	0.00	4.50%	3.84%
1.1%	CROMBIE REIT-E 4.8%31JA25	40,000	102.258	40,903.20	105.81	42,324.00	547.83	1,012.61	4.38%	3.58%
1.6%	CROMBIE-D CB 4.066%21NV22	60,000	100.00	60,000.00	103.058	61,834.80	1,166.77	1,219.80	4.07%	3.01%
2.0%	FIRST CAP CB 3.753%12JL27	75,000	102.537	76,902.75	101.15	75,862.50	948.45	-161.94	3.39%	3.58%
1.4%	KRUGER PKG CB-22 6% 1JN26	50,000	100.00	50,000.00	102.00	51,000.00	1,356.38	0.00	6.00%	5.64%
3.9%	LBC SR DEP NT 2.5% 23JA20	146,000	99.0718	144,644.88	100.085	146,124.10	1,120.79	3,650.01	2.73%	2.06%
0.5%	MACS C19 7.405%FR31DC2108	18,000	102.18	18,392.40	100.615	18,110.70	495.29	666.45	7.30%	7.38%
2.7%	METRO INC CB 3.39% 6DC27	100,000	96.7195	96,719.50	102.384	102,384.00	1,481.97	1,695.00	3.80%	3.06%
1.1%	MORGUARD-B 4.013% 18NV20	40,000	100.30	40,120.00	101.27	40,508.00	780.79	802.60	3.93%	2.74%
2.4%	QUE 144A RST 6.625%15JA23	83,000	103.4925	85,898.74	108.00	89,640.00	2,268.61	2,136.79	6.15%	3.95%
2.1%	RBC 2.352% 2JL24	80,000	100.00	80,000.00	99.393	79,514.40	691.91	0.00	2.35%	2.49%
1.0%	RELIANCE LP 3.75% 15MR26	37,000	99.676	36,880.12	102.205	37,815.85	224.90	608.22	3.80%	3.36%
2.0%	RUSSEL MTLs RST 6% 19AP22	75,000	103.125	77,343.75	101.25	75,937.50	307.38	4,500.00	5.27%	5.45%
2.7%	SAPUTO CB 3.603% 14AG25	99,000	103.07	102,039.30	103.313	102,279.87	882.05	1,373.04	3.07%	2.98%
1.3%	SHAW COMM 3.15% 19FB21	50,000	100.45	50,225.00	100.953	50,476.50	368.07	1,575.00	3.05%	2.39%

The information contained in this report was obtained from sources which we believe to be reliable. If there is any discrepancy between this report and the official statements provided by the custodian, then the official statements provided by the custodian or broker shall be taken as correct.

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CURRENT HOLDINGS:

- MONEY MARKET

- STOCKS

% of Total	Position	Quantity	Average Cost	Book Value	Close Price	Market Value	Accrued Interest	Income on Current Positions YTD	Yield At Purchase**	Yield At Last Closing**
2.0%	SHAW COMM C23 4.35%31JA24	70,000	106.44	74,508.00	105.908	74,135.60	868.82	3,045.00	3.18%	2.86%
1.4%	SIENNA SNR-A 3.109% 4NV24	53,000	100.00	53,000.00	100.568	53,301.04	40.74	0.00	3.11%	2.99%
2.5%	SMARTCTR-S CB3.834%21DC27	90,000	97.402	87,661.80	103.283	92,954.70	1,367.04	1,464.80	4.16%	3.37%
2.0%	SOBEYS CB-23 4.7% 8AG23	70,000	101.9371	71,356.00	105.75	74,025.00	867.20	3,290.00	4.38%	3.07%
0.8%	SUPERIOR RED 5.125%27AG25	30,000	95.00	28,500.00	101.769	30,530.70	325.88	1,537.50	5.97%	4.78%
1.9%	SUPERIOR RED 5.25% 27FB24	70,000	100.5393	70,377.50	101.50	71,050.00	778.94	2,988.90	5.14%	4.86%
2.2%	TELUS-CQ C24 3.75% 17JA25	80,000	104.14	83,312.00	104.661	83,728.80	970.11	3,000.00	3.11%	2.78%
1.4%	VIDEOTRN C25 5.625%15JN25	50,000	96.113	48,056.50	107.50	53,750.00	222.85	2,812.50	6.07%	4.13%
2.0%	VIDEOTRON RED 4.5% 15JA30	75,000	100.00	75,000.00	100.50	75,375.00	319.74	0.00	4.50%	4.44%
1.0%	VIDEOTRON RGS 5.75%15JA26	35,000	103.625	36,268.75	104.75	36,662.50	326.20	2,012.50	5.16%	4.86%
2.2%	WELLS FAR C\$ 3.874%21MY25	80,000	99.75	79,800.00	104.458	83,566.40	1,482.23	1,549.60	3.92%	3.00%
8.1%	Mutual funds			306,907.00		306,907.00		5,132.62		
8.1%	Canadian mutual funds			306,907.00		306,907.00		5,132.62		
8.1%	EQB HISA-F /NL/N'FRAC	306,907.000	1.00	306,907.00	1.00	306,907.00		5,132.62		
34.5%	Stocks			952,044.79		1,299,054.10		28,722.30	3.34%	2.45%
34.5%	Canadian stocks			952,044.79		1,299,054.10		28,722.30	3.34%	2.45%
0.9%	AG GROWTH INTL INC	800	43.6518	34,921.44	43.66	34,928.00		1,720.00	5.50%	5.50%
1.9%	ALTUS GROUP LTD	2,000	10.7155	21,431.00	35.11	70,220.00		1,500.00	5.60%	1.71%
1.9%	ANDREW PELLER LTD-A NV	5,800	3.7413	21,699.38	12.50	72,500.00		1,219.16	5.75%	1.72%
0.5%	ARITZIA INC SUB VTG	900	16.562	14,905.82	19.17	17,253.00		0.00		
0.5%	ATS AUTOMATION TOOLNG SYS	850	16.577	14,090.45	19.92	16,932.00		0.00		
0.5%	BAYLIN TECHNOLOGIES INC	9,680	2.3823	23,061.05	1.92	18,585.60		0.00		
1.4%	BCE INC	800	35.6826	28,546.09	64.09	51,272.00		2,506.00	8.88%	4.95%
0.4%	BLACKBERRY LIMITED	2,040	12.1064	24,697.08	7.31	14,912.40		0.00		
3.1%	BORALEX INC CL-A	5,000	8.02	40,100.00	23.23	116,150.00		2,475.00	8.23%	2.84%
0.4%	CALIAN GROUP LTD	400	33.6649	13,465.94	35.52	14,208.00		112.00	3.33%	3.15%
0.8%	CANADIAN NATIONAL RAILWAY	240	96.887	23,252.88	122.98	29,515.20		602.00	2.22%	1.75%
1.1%	CCL INDS INC-CL-B NV	750	52.0044	39,003.33	56.12	42,090.00		382.50	1.31%	1.21%

**CURRENT HOLDINGS:
- STOCKS**

% of Total	Position	Quantity	Average Cost	Book Value	Close Price	Market Value	Accrued Interest	Income on Current Positions YTD	Yield At Purchase**	Yield At Last Closing**
0.2%	CENTRIC HEALTH CORP	52,800	0.6331	33,426.22	0.145	7,656.00		0.00		
1.4%	CGI INC CL-A SUB VTG	505	64.3427	32,493.08	105.58	53,317.90		0.00		
0.3%	D-BOX TECHNOLOGIES INC-A	110,000	0.2645	29,097.50	0.115	12,650.00		0.00		
0.7%	DIAMOND EST WINE&SPIRITS	125,000	0.2143	26,792.35	0.22	27,500.00		0.00		
0.0%	DIAMOND EST WINE&SPR TBA	8,300	0.19	1,577.00	0.19	1,577.00		0.00		
0.5%	DOLLARAMA INC	380	40.8545	15,524.70	46.30	17,594.00		109.04	0.43%	0.38%
1.1%	GOODFOOD MARKET CORP	13,460	2.0454	27,531.63	3.10	41,726.00		0.00		
1.4%	GUARDIAN CAP GROUP-A NV	2,000	8.70	17,400.00	26.75	53,500.00		1,150.00	6.90%	2.24%
2.2%	INNERGEX RENEWABLE ENERGY	5,000	9.809	49,045.07	16.79	83,950.00		3,475.00	7.14%	4.17%
1.0%	K-BRO LINEN INC	900	38.1174	34,305.66	40.40	36,360.00		900.00	3.15%	2.97%
0.4%	KINAXIS INC	150	81.54	12,231.00	100.62	15,093.00		0.00		
1.3%	LOGISTEC CORP CL-B SV	1,200	9.1394	10,967.30	39.75	47,700.00		482.79	4.50%	1.04%
0.3%	NFI GROUP INC	400	47.5238	19,009.53	26.05	10,420.00		660.00	3.58%	6.53%
1.6%	PARK LAWN CORP	2,050	13.9606	28,619.14	29.19	59,839.50		779.00	3.27%	1.56%
1.2%	PLAZA RETAIL REIT T/U	10,000	3.9796	39,795.97	4.55	45,500.00		2,333.00	7.03%	6.15%
0.5%	POLLARD BANKNOTE LTD	990	20.9873	20,777.44	20.01	19,809.90		138.70	0.76%	0.80%
0.9%	SAVARIA CORPORATION	2,325	8.5059	19,776.17	13.88	32,271.00		712.95	5.40%	3.31%
1.1%	SIENNA SENIOR LIVING INC ⁱ	2,100	17.4871	36,723.00	19.00	39,900.00		1,612.80	5.35%	4.93%
0.6%	STELLA JONES INC	550	43.9426	24,168.43	38.09	20,949.50		231.00	1.27%	1.47%
1.5%	SWISS WATER DECAF COFFEE	8,000	7.8943	63,154.00	7.15	57,200.00		2,000.00	3.17%	3.50%
0.7%	TECSYS INC	1,710	13.616	23,283.36	16.11	27,548.10		188.10	1.62%	1.37%
2.1%	TELUS CORP	1,550	23.2628	36,057.28	50.42	78,151.00		3,433.26	9.67%	4.46%
0.3%	TVA GROUP INC CL-B NV	7,500	6.8153	51,114.50	1.37	10,275.00		0.00		

Jordan Steiner – B. Com, CFA

Chief Compliance Officer and Lead Portfolio Manager Canadian Fixed Income



- Jordan joined the firm in 2011 as a Research Analyst in order to assist in covering Canadian equities. He later became Assistant Portfolio Manager and eventually became Portfolio Manager, helping to manage both Canadian Equity and Fixed Income portfolios. Jordan became Vice-President of the firm in 2017, and is now Lead Portfolio Manager of both Canadian Fixed Income, as well as Chief Compliance Officer. Jordan holds a B. Com from McGill University, as well as the Chartered Financial Analyst (CFA) designation and the Partners, Directors and Officers certification. He also volunteers as a mentor in the Concordia Van Berkom Investment Management program

Stephen Takacsy– B. Eng, MBA (Finance)

President & CEO, Chief Investment Officer and Lead Portfolio Manager
Canadian Equity



- Stephen joined the firm in 2006 as Chief Investment Officer to help establish new investment strategies, and manage equity and fixed income portfolios. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including Corporate Banking at Royal Bank of Canada, Investment Banking at Richardson Greenshields, and managing the proceeds resulting from the growth and sale of the control block of one of Canada's leading entertainment companies where he was Senior Vice President and Chief Financial Officer. His extensive experience at analyzing and assessing the value of companies in many different industries, and sizing up management and their business plans, has added significant value to our clients' portfolio returns. Stephen was Chairman of the Finance Committee of Loyola High School and a long-time member of the school's Board of Governors. He is currently a member of the Board of Governors of The Marianopolis Millennium Foundation and Chairman of its Investment Committee, Chair of Conservation Manitou, a registered charity focused on the preservation of natural areas in the Laurentians, as well as a director of quick service restaurant franchisor BeaverTails Canada Inc. Stephen holds an MBA in International Finance, a B. Eng from McGill University, and the Partners, Directors and Officers certification.