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Ben Graham Centre
for Value Investing

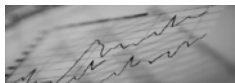
Ben Graham Centre's 2016 Value Investing Conference

April 13, 2016
7:45 am to 4:45 pm
Fairmont Royal York Hotel, Toronto



IMPROVING LONG RUN INVESTMENT PERFORMANCE

www.bengrahaminvesting.ca



Mission of the Conference

- to promote the tenets of value investing as pioneered by Benjamin Graham;
- to expose conference participants to the various value investing methods used by practitioners;
- to encourage and support academic research and study in the area of value investing.

The conference will provide a forum to explain, discuss and debate the principles, practices and various applications of value investing from a global context.

Corporate executives will offer an industry perspective of how to look for value creating opportunities and how to create value.

Conference Organizer and Chair

George Athanassakos, Director, Ben Graham Center for Value Investing, Ivey Business School





A Message from the Director

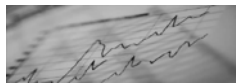
Are markets efficient? Do stock prices discount all publicly available information, correctly and accurately? Is the only way to earn higher returns to take higher risk? It all depends who you ask. Academics who study and teach modern portfolio theory will say “of course markets are efficient”. But practitioners who put their money where their mouths are and make a living this way, they will say “of course markets are not efficient”. If you side with academics you must invest in index funds and if you side with practitioners you should invest in stock pickers and actively managed portfolios managed by portfolio managers who aspire to beat the index.

But are academics that different from, say, value investors? In fact, they are not. They both believe that markets are efficient in the long run. Where they disagree is with regards to whether the market is efficient in the short run. If you look at it this way, one cannot seriously think that markets are efficient!

Market efficiency originated at the University of Chicago where academics in the 1970s produced research which demonstrated that markets were efficient. Stock picking at that point started to lose its luster. But fortunately for stock pickers, other academics in the 1980s started to produce research which showed that there were predictable patterns in stock prices, such as the January Effect and the “sell in May and go away” effect; and that different strategies produced unusually high returns even after adjusting for risk, such as the size effect, the value effect, the volatility effect and so on. At the same time, other market participants also started to become vocal against market efficiency. Respected value investor Martin Whitman of Third Avenue penned recently “There is a belief that securities markets reflect price equilibrium ... and prices of securities are right. What nonsense!”. Warren Buffett has indicated that he is willing to endow chairs to academics to teach market efficiency so that “more people would sell what he buys and buy what he sells”. Nobel Prize winner Robert Shiller was quoted saying that “market efficiency is one of the most remarkable errors in the history of economic thought”. Finally, also Nobel Prize winner, Vernon Smith, an experimental economist, demonstrated with his experiments that “People do not normally buy and sell based on fundamentals; people are momentum traders trying to buy low and sell high – a process that repeated enough times must eventually end in crashes”.

Two forces make markets deviate from fundamentals in the short run. They are weaknesses in human nature and institutional biases, both of which are assumed away by modern portfolio theory.

But research by psychologists has concluded beyond any doubt that humans are not rational, particularly when it comes to investing. Humans naively extrapolate past performance, they are overoptimistic and overconfident about their abilities and they herd. Moreover, they panic when markets go down and are driven by euphoria and greed when the markets go up. In a recent study by Blackrock, researchers found that while the average equity mutual fund in the US had an average return of 8% over the past 20 years, investors in these funds made only 2%. The reason is that they bought



high and sold low as they swung back and forth between panic and greed. Such human behavior makes prices deviate significantly from fundamental value in the short run, giving an opportunity to stock pickers to outperform.

At the same time, professional portfolio managers have conflicts, when they manage other peoples' money, which make them rebalance their portfolios and window dress in an effort to affect their Christmas bonus, a behavior which also biases stock prices leading to the January Effect and related calendar anomalies. Moreover, conflicts prevent portfolio managers from doing the right thing, as their key priority is to not lose their job and not lose funds under management, and so the safest thing for them to do is to herd and gravitate towards the index; they become closet indexers. It is such behavior that prevents them from outperforming. If, however, one looks at funds which invest in concentrated portfolios and/or deviate significantly from benchmarks, these funds tend to outperform according to recent academic studies. The outperformance resulted from selecting the right sectors or stocks, not from market timing. In other words, fund managers underperform the index not because they lack stock picking abilities but rather because institutional factors force them to over-diversify.

So are markets efficient? You should be the judge.

I would like to welcome you all to this year's conference as we celebrate The Ben Graham Centre's 10th year anniversary. Thanks to your support of the Centre over the past decade, we've built a successful value investing program offering student apprenticeships through the Ivey Value Fund, as well as many successful annual events such as this conference, the stock picking competition, whose 2016 finalists join us today, and the Academic Symposium, to be held next month in London, Ontario.

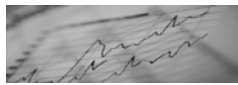
I am really excited about our panel of professional value investors. They are a living testament to what I have described and will tell us how they put what I detailed above into practice in their own portfolios. Same holds for our panel of corporate executives, who will discuss how they look for and create value for their shareholders. As investors, we all want to buy companies that create value and these are well run companies with executives, who themselves are value investors, and know how to create value.

I am also delighted to have as key note speakers at the conference Mr. Charles Brandes, Chairman, Brandes Investment Partners and Mr. Peter Kaufman, Chairman & CEO, Glenair Inc., who will give us a view of the world which is different from what we are exposed to in our everyday norm.

I would like to thank you all for joining us and hope you have an enjoyable experience at the conference.

George Athanassakos

Director, Ben Graham Centre for Value Investing
Ivey Business School



Panel of Speakers

The Ben Graham Centre's 2016 Value Investing Conference offers a panel of speakers with a proven record of success in the field of value investing and the corporate sector. Featured speakers participating at the conference, in the order they will speak, are:

Morning Keynote Speaker

Charles Brandes, Chairman, Brandes Investment Partners LP, San Diego, California, USA

Luncheon Keynote Speaker

Peter Kaufman, Chairman & CEO, Glenair Inc., Glendale, California, USA

Panel of Value Investing Professionals

Richard Rooney, President and Chief Investment Officer, Burgundy Asset Management Ltd., Toronto, Ontario, Canada

Kim Shannon, President and Chief Investment Officer, Sionna Investment Managers, Toronto, Ontario, Canada

Paul J. Lountzis, President, Lountzis Asset Management, LLC, Wyomissing, Pennsylvania, USA

Irwin Rotenberg, President, Lissom Investment Management Inc., Toronto, Ontario, Canada

Chuck Akre, Chief Executive Officer and Chief Investment Officer, Akre Capital Management, Middleburg, Virginia, USA

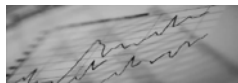
Panel of Corporate Executives

David Sokol, Owner and Chief Executive Officer, Teton Capital, LLC, Jackson, Wyoming, USA

Hisham Ezz Al-Arab, Chairman and Managing Director, Commercial International Bank, Cairo, Egypt

Ajit Isaac, Chairman and Managing Director, Qess Corporation, Bangalore, India

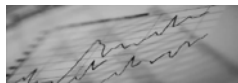
Bill Gregson, Chief Executive Officer, Cara Corporation, Toronto, Ontario, Canada



The Ben Graham Centre's 2016 Value Investing Conference

Morning Agenda

7:45am – 8:30am	Registration & Breakfast
8:30am – 8:45am	Welcoming the Delegates, Introductions and Opening Remarks Dr. George Athanassakos, Director, Ben Graham Center for Value Investing, Ivey Business School
8:45am – 9:25am	Morning Key Note Speaker Charles Brandes – Topic: Truths and Beliefs - Intelligent Investing Today Introduction: Roger Lace, President, Hamblin Watsa Investment Counsel Ltd.
9:25am – 12:45pm	Value Investor Panel Presentations and Q&A
9:25am – 9:55am	Richard Rooney – Topic: Quality and Value - A Potent Mix
9:55am – 10:25am	Kim Shannon – Topic: What to Expect in Sideways Markets
10:25am – 10:45am	Coffee Break
10:45am – 11:15am	Paul Lountzis – Topic: A Research Process for Generating Differential Insights
11:15am – 11:45pm	Irwin Rotenberg – Topic: Hope is for the Weekend - The Realities of Long Term Value Investing
11:45am – 12:15pm	Chuck Akre – Topic: What are we After with our Investment Strategy?
12:15pm – 12:45pm	Q&A



The Ben Graham Centre's 2016 Value Investing Conference

Afternoon Agenda

12:45pm – 1:15pm	Lunch
1:15pm – 2:15pm	Luncheon Keynote Speaker Peter Kaufman – Topic: The Sweet Spot Introduction: Prem Watsa, Chairman and CEO, Fairfax Financial Holdings Ltd.
2:30pm – 4: 40pm	Corporate Executive Panel Presentations and Q&A Topic: Looking for and Creating Shareholder Value – Industry Perspective
2:30pm – 2:55pm	David Sokol - Teton Capital's Perspective
2:55pm – 3:20pm	Hisham Ezz Al-Arab – Commercial International Bank's Perspective
3:20pm – 3:45pm	Ajit Isaac - Quess Corporation's Perspective
3:45pm – 4:10pm	Bill Gregson - Cara Corporation's Perspective
4:10pm – 4:40pm	Q&A
4:40pm – 4:45pm	Concluding Remarks



Keynote Speakers



Charles H. Brandes

Mr. Brandes is Founder and Chairman of Brandes Investment Partners, and shares responsibility for driving strategic decisions and monitoring implementation of the firm's vision and objectives. Mr. Brandes is a member of the All Cap Investment Committee, as well as the firm's Investment Oversight Committee, which monitors the processes and activities of the firm's investment committees. He is also a member of the Brandes Institute Advisory Board. Early in his career, Mr. Brandes became a student of the value investment philosophy and an acquaintance of Benjamin Graham, widely considered the father of the value-investing approach. When the bear market of 1973-1974 created unusually large long-term opportunities for disciplined, patient investors, Mr. Brandes decided it was time to launch his own firm, and founded Brandes in 1974. Mr. Brandes has authored two books on value investing, "Brandes on Value: the Independent Investor" (published in 2014) and "Value Investing Today" (published in 2003). He has served on the boards of numerous organizations involved in scientific, charitable and cultural work, including the Salk Institute for Biological Studies, where he also served as Chair of the Investment Committee. Mr. Brandes earned his BA in economics from Bucknell University. His relevant experience began in 1968, and in 2015 he received lifetime achievement awards from Bucknell University and the London Value Investor Conference. Mr. Brandes is a frequent lecturer at graduate business schools, CFA Society meetings and industry conferences across the globe



Peter Kaufman

Mr. Kaufman is Chairman and CEO of Glenair, Inc. in Glendale, California, a manufacturer of electrical and fiber optic components and assemblies primarily for aerospace applications. He first started working for Glenair while in college nearly 40 years ago, and has been CEO for many decades. He received a Bachelor of Science degree in Accounting in 1976 (Cum Laude), and a Master of Business Administration degree in 1977, both from the University of Southern California. He was a longtime director of Wesco Financial, a unit of Berkshire Hathaway, and is a current director of Daily Journal Corporation. In 2005 he edited and published Poor Charlie's Almanack, a compilation of talks given by his longtime friend Charlie Munger. Peter is actively involved in a variety of local and national non-profit organizations. He and his wife, Mary Grace, are long-time residents of Pasadena, California, and have two grown daughters.



Panel of Value Investing Professionals



Richard Rooney

Mr. Rooney is the President and Chief Investment Officer of Burgundy Asset Management Ltd. He received a Bachelor of Arts degree from the University of Toronto in 1977 and an MBA from the Ivey Business School at Western University in 1981. Mr. Rooney began his career in Price Waterhouse in 1981 and qualified as a Chartered Accountant in 1984. In 1984, he joined Sun Life as an Investment Analyst and, in 1986, he became investment officer of Sunimco, a subsidiary of Sun Life. In 1989, he joined AMI partners where he had extensive responsibilities for investment research and portfolio management in the Canadian Equities group. Burgundy, Mr. Rooney, joined in 1995 as a Senior Vice President and in 1997 he was appointed president of Burgundy Asset Management Ltd. Under his leadership, Burgundy has been ranked as one of Canada's 50 best managed companies. In 2002, Mr. Rooney completed a three-year term on the Accounting Standards Board of the Canadian Institute of Chartered Accountants. Mr. Rooney is President and a Trustee of The Art Gallery of Ontario Foundation, a Director of Empire Life Insurance, a Director of the Historica-Dominion Institute and Past Chair of the Stratford Festival of Canada. In 2009, he was honoured by his peers and received the designation of Fellow of the Institute of Chartered Accountants.



Kim Shannon

Ms. Shannon is the President & Chief Investment Officer of Sionna Investment Managers. She received her CFA in 1987 and her MBA in 1993 from the University of Toronto. Kim founded Sionna in the summer of 2002, and has 25 years of investment management experience. Prior to founding Sionna, Kim was Chief Investment Officer and Senior Vice President at Merrill Lynch Investment Managers, Canada. She is a past President of the Toronto CFA Society and is currently on the Boards of the Canadian Coalition for Good Governance, the Accounting Standards Oversight Committee and the CFA Institute's Financial Analysts Seminar. In 2005, Kim was awarded the Morningstar Fund Manager of the Year Award. Kim has also received the RBC Canadian Woman Entrepreneur Award and the WXN's Canada's Most Powerful Women Top 100 Award in 2007.



Paul J. Lountzis

Mr. Lountzis is the President of Lountzis Asset Management, LLC, which he founded in 2000 and is based in Wyomissing, PA. Paul is a graduate of Albright College. He has more than twenty-five years, experience in the investment industry, beginning his career in 1989 with Royce & Associates, a New York City-based investment advisory firm managing the Royce Mutual funds. Paul spent nine years, including five years as a partner, at Ruane, Cunniff & Goldfarb Inc., an investment advisory firm managing more than \$9 billion, including the Sequoia Mutual Fund. At Ruane, Cunniff & Goldfarb, Bill Ruane assigned him to conduct a number of specific research projects for the consideration of Warren E. Buffett, Chairman and CEO of Berkshire Hathaway, Inc.



Irwin Rotenberg

Mr. Rotenberg is President of Lissom Investment Management Inc., a private investment counselor that provides wealth management services for high net worth clients through the Owners Family of Funds. For 35 years, he has been actively engaged in the investment industry with extensive experience in equity research, portfolio strategy and money management for both institutional and individual investors. Mr. Rotenberg holds a Bachelor of Science degree with distinction from the University of Toronto and a Chartered Financial Analyst designation. He is a member of the Toronto Society of Financial Analysts and the Association for Investment Management and Research. Mr. Rotenberg was an active board member of the SickKids Foundation since 2004 where he served as Vice Chair of the Investment Committee. In June, 2015 he moved to the Hospital for SickKids Board of Trustees assuming the role of Chair of the Investment Committee. Mr. Rotenberg is also a board member of the Toronto Public Library Foundation and chair of the Finance and Audit Committee.



Charles T. Akre, Jr.

Mr. Akre is the CEO of Akre Capital Management. He has been in the securities business since 1968. For the first twenty one years, he was associated with the NYSE firm Johnston, Lemon & Co. in several executive capacities. He founded Akre Capital Management in 1989. Today, Akre Capital manages the Akre Focus Fund, a public mutual fund, as well as a private investment partnership and separate accounts. Total assets under management are approximately \$5 billion dollars as of November 30, 2015.

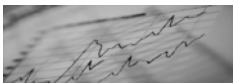


Panel of Corporate Executives



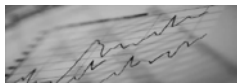
David L. Sokol

Mr. Sokol is the Owner and Chief Executive Officer of Teton Capital, a family holding company which oversees investments in the banking, manufacturing, consumer products, energy, real estate and technology businesses. David took up residence in Jackson Wyoming to manage his family business after retiring from Berkshire Hathaway in March 2011. Prior to that David was chairman of the Board Of MidAmerican Energy Holdings Company from 1991 to April, 2011. In 1991, David took the management reins as chairman, president and chief executive officer of CalEnergy Company, Inc., then a small energy company operating a single geothermal power plant in the emerging renewable energy sector. Through acquisitions, CalEnergy became MidAmerican Energy Holdings Company in 1999. In 2000 in an unprecedented move, the publicly-traded company went private. The company was acquired by an investor group including Berkshire Hathaway, Inc. which today owns 89.5 percent of MidAmerican Energy Holdings Company. Under David's leadership, MidAmerican grew into a leading global energy provider with seven-million customers, \$41 billion in assets and revenues exceeding \$12 billion. Today MidAmerican, through its utility subsidiaries, MidAmerican Energy Company and PacifiCorp. and its independent power production company, CalEnergy, contracts and owns interests in diversified generation facilities capable of producing more than 21, 000 megawatts of electric power. David has also served as chairman of Johns Manville, as chairman and CEO of NetJets, Inc, and as a non-executive director of BYO Company Limited. David earned his Bachelor of Science degree in civil engineering from the University of Nebraska at Omaha. He also holds an Honorary doctorate degree in International Commerce from Bellevue University in Bellevue, Nebraska. His business philosophy, based upon vision, strategy and principles, is described in a book he authored in 2008, *Pleased But Not Satisfied*.



Hisham Ezz Al-Arab

Mr. Ezz Al-Arab is the Chairman and Managing Director of Commercial International Bank (CIB), Egypt's largest private sector bank. In March 2013, Hisham was unanimously elected the Chairman of the Federation of Egyptian Banks. Mr. Ezz Al-Arab is the first private sector banker to ever receive such an accolade. Hisham is also a director in MasterCard Middle East & Africa Regional Advisory Board since June 2007, and a principal member of the American Chamber of Commerce. For his distinguished work and clear support for education, November 2012 saw Hisham elected as a member of the Board of Trustees of the American University in Cairo (AUC). In February 2014, Hisham became a Member in the Institute of International Finance Emerging Markets Advisory Council – EMAC (EMAC was established by the IIF Board of directors on 2008). A believer in his country's need to reverse its brain-drain to fulfill its potential, Hisham returned to Egypt in 1999. He accepted CIB's offer as deputy managing director responsible for designing and leading the bank's modernization and restructuring efforts that aimed at protecting its leading market position against a wave of change that was lying ahead. In 2002, he was promoted to his current role. Recently, Hisham received the EMEA Finance African Banking Award "Best CEO in Egypt & Africa Region" for the year 2014 in recognition to the distinguished successes of CIB in the banking sector under his leadership. Hisham began his career in 1977, fresh out of Cairo University, in Arab African International Bank. In 1983, he started one of the most thriving international careers for an Arab banker in global banks like Merrill Lynch, JP Morgan, and Deutsche Bank. His passion to give back to society culminated in the establishment of the CIB Foundation dedicated to lifting underprivileged children in Egypt. Having secured CIB shareholders' blessing to commit 1.5% of CIB's annual profits to finance the foundation's activities, Hisham took Egyptian philanthropy to a whole new level.



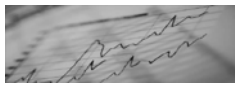
Ajit Isaac

Mr. Isaac is the Chairman & Managing Director of Qess Corp Limited; India's largest business services provider. Under his stewardship, Qess has undergone a significant transformation from being a provider of HR Services in 2007 to a diversified business services provider organized under 4 verticals namely, Global Technology Solutions, Industrial Asset Management, Integrated Facilities Management, and People & Services. The Group has revenues of about USD 400Mn and a revenue CAGR of 82% for the last 7 years. Ajit's entrepreneurial journey commenced in the year 2000 when he established PeopleOne Consulting – a full spectrum HR Services Player, with equity investment from JP Morgan Partners. He subsequently sold the company to Adecco SA of Switzerland in 2004. Prior to founding PeopleOne, he has essayed leadership and managerial roles at companies across the Infrastructure and Financial Services Sectors. In addition to being Chairman of the Qess Corp, Ajit is also the Chairman of the Board of Indium Software: an independent software testing company and a Director on the Board of Nanobi Data & Analytics Pvt Ltd. Ajit has been nominated for the 'India Forbes Leadership Award' in 2011 under the category of Outstanding Start Up and for the CII 'Regional Emerging Entrepreneur' Award in March 2012. A long term value investor, Ajit is a Graduate in Commerce, a gold medalist from the Madras School of Social Work and a British Chevening Scholar from the University of Leeds.



Bill Gregson

Mr. Gregson assumed the role of Chief Executive Officer and President of Cara Operations Ltd. at the end of October, 2013 and also became a member of Cara's Board of Directors at that time. On April 10, 2015, Mr. Gregson also took on the role of Chairman of the Board. CARA is over 125 years old and operates some of the most recognized brands in the country, including iconic and 'much loved brands' such as Swiss Chalet, Harvey's, Montana's, Kelsey's and Milestones. Acquisitions have added former Prime Restaurant brands such as East Side Mario's, Casey's, Prime Pubs, and the Bier Markt. Most recent acquisitions included The Landing Group, a premium casual restaurant concept and New York Fries, increasing CARA's total portfolio to over 1,000 restaurants spanning across all Provinces, solidifying it as Canada's largest full service restaurant company. Bill has a long retail background both in turning companies around and in growing them. Previous roles have included President and COO for the Forzani Group, a sporting goods company operating a number of banners including Sport Chek, where he worked for 11 years, leading a successful turnaround of the company into a highly profitable retailer with a number one market share. Prior to his role at CARA, Bill was the Executive Chairman, and President and CEO of The Brick which operated 230 Corporate and Franchised stores across Canada. Bill joined in 2009 and led the turnaround of the Brick and its sale 3 years later, for 14 times the value it was in 2009. He has a long and distinguished track record of over 30 years in retail operations. Mr. Gregson holds a Bachelor of Commerce degree from the University of Toronto.



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