



Sprott

School of Business
Carleton University

Sprott Student
Investment Fund

2022-23

Annual Report

June 30, 2023

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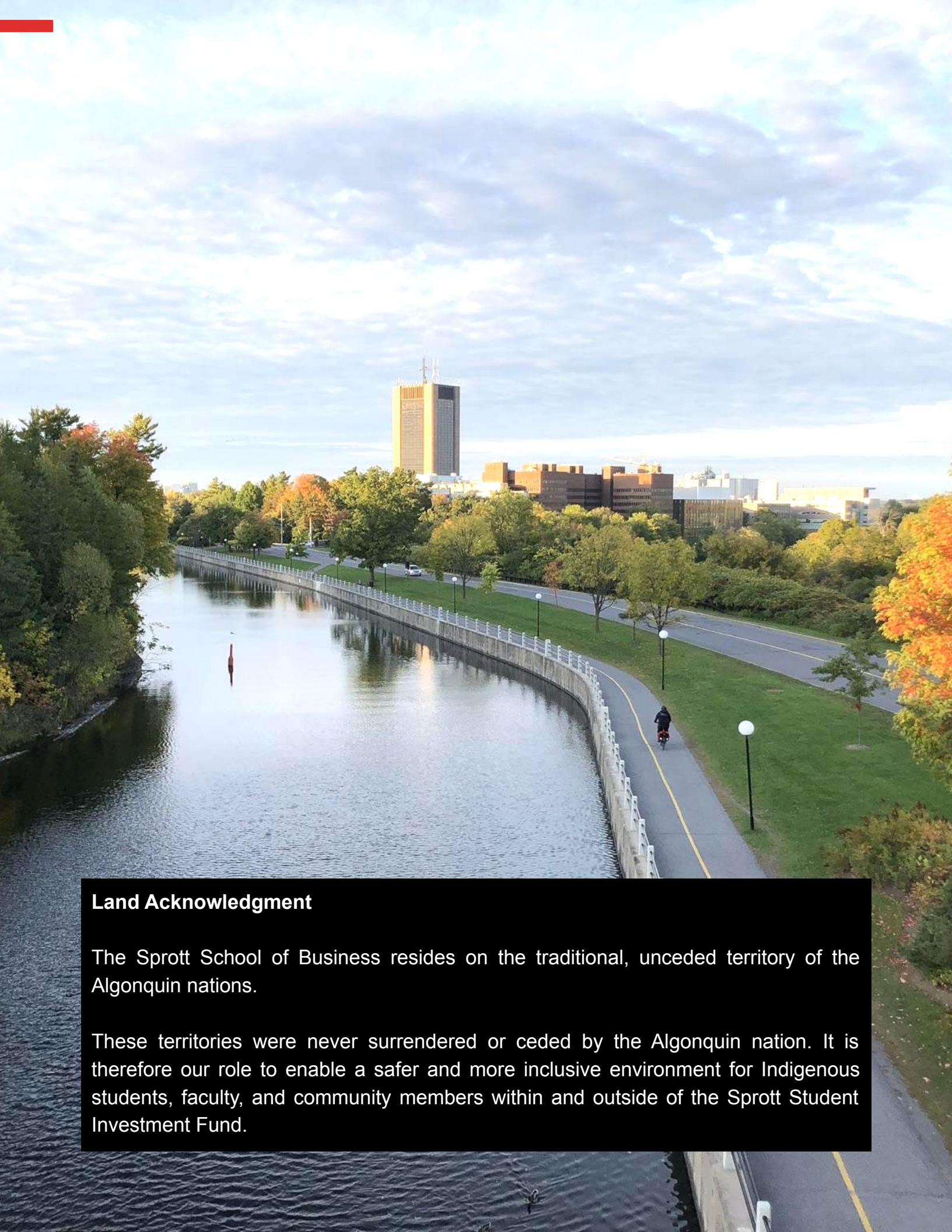
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Land Acknowledgment

The Sprott School of Business resides on the traditional, unceded territory of the Algonquin nations.

These territories were never surrendered or ceded by the Algonquin nation. It is therefore our role to enable a safer and more inclusive environment for Indigenous students, faculty, and community members within and outside of the Sprott Student Investment Fund.



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Message from the Dean of the Sprott School of Business



Dana Brown

At the Sprott School of Business, we strive to empower our students on learning journeys that are purposeful and transformational. By participating in the Sprott Student Investment Fund, you are gaining valuable skills, experiences and connections that you will be able to draw upon well beyond your time at Sprott.

To the Sprott Student Investment Fund team, I want to congratulate you all on another outstanding year. You should be very proud of your achievements that include crossing \$2 million in assets. Your continued commitment to ESG and responsible investing demonstrates we can lead with purpose to foster prosperity without harm to our health or our planet. And, after a long hiatus, the team was able to travel to New York City to visit Wall Street firms and meet Sprott alumni.

All of us at the Sprott School of Business commend you on the successes of your hard work. We wish you the very best in your future endeavours!

Best wishes,

Dana Brown,
Dean, Sprott School of Business, Carleton University

Message from the Chair of the Carleton University Investment Committee



Lorraine Dyke

Congratulations to the Sprott Student Investment Fund (SSIF) on another exceptional year. Despite the challenging economic backdrop, the SSIF team was able to outperform their equity benchmark again – a reflection of the team’s thoughtful approach to fundamental equity research.

Since its inception, the SSIF has demonstrated continued skill in equity research and portfolio management which is reflected in their strong track record. They have also recognized the importance of Environmental, Social and Governance factors in investment decision making and have incorporated these factors into their underwriting through ESG score cards.

As Chair of Carleton’s Investment Committee, it is a pleasure to oversee the work of the SSIF. On behalf of the Committee, I want to commend the SSIF team members on the quality of their quarterly reports and their professionalism in communicating their investment ideas. The successful track record of the SSIF can be attributed to their thoughtful research and collaborative approach to idea generation.

I would also like to extend thanks to those who have supported the SSIF and helped it grow as an organization. This includes Dana Brown, Dean of the Sprott School of Business, and Howard Nemiroff, Associate Dean, who has been a constant mentor to the students. Thanks also to alumni of the SSIF who have been available for advice and mentoring, the Investment Committee for their support and input, and representatives from external investment management firms who have supported the SSIF through in-person and virtual educational sessions.

Congratulations SSIF! We look forward to your continued success.

Dr. Lorraine Dyke
Chair, Carleton University Investment Committee
Vice President (Finance and Administration)
Professor, Management and Strategy

Message from the SSIF Faculty Advisor



Howard Nemiroff

It has been another incredible year in the markets, and an incredible year on the Fund. Members continued their successes of last year, forging beyond \$2 million AUM, even during these turbulent times. I watched how members worked toward understanding how inflationary and recession pressures impact our holdings, navigated toward sectors and industries that have sustaining power, and exercised diligent stewardship through the first half of 2023. Our ESG efforts continued to help drive our decisions, and we continue working toward a simulation that is as real for the Fund students as they can expect to see upon graduation.

This semester marked the exciting return to our annual pilgrimage to New York City, visiting with a few asset managers. It is always exciting to sit centre-stage, and we met with representatives from MacKay Shields, JP Morgan Chase, and Global Infrastructure Partners, hoping to make it back again in the Fall. We are also about to depart for Toronto to reignite our annual Fund Alumni Reception! The opportunity to see our alumni again (our last reception was in the Spring of 2019(!)) is heartwarming!

Congratulations to a year filled with learning, growth and fund performance! It is an honour for me to work with you all as you uncover the possibilities, and I wish you all continued successes in this space.

Howard B Nemiroff
Associate Dean, Undergraduate Studies
Associate Professor, Finance
Sprott School of Business

Message from the SSIF ESG Team



Daniel Cheung

We are pleased to present the Sprott Student Investment Fund’s second Annual Report for 2022 - 2023. The SSIF continued to engage with the community this year, holding office hours and coffee chats. Further developments in incorporating ESG initiatives into our research was made through the improvement of the SSIF ESG scorecard, allowing equity analysts to more easily quantify a given company’s ESG metrics. The team also had the opportunity to speak with industry professionals on the topics of ESG and its implementation in the industry, resulting in insightful conversations that aided the team in developing the ESG scorecard.



Ayomi Adeniyi

Focus on Equity, Diversity, and Inclusion (EDI) continued this year, with the anonymous EDI survey, based on the current standard used by Statistics Canada in the Census, and with wording from the Employment Equity Act, being sent out to members. Our team also conducted a general intake survey this year in order to collect feedback about members’ experience on the fund and where potential improvements in our process could be made. We intend to continue both the EDI efforts and feedback surveys in the future, as we believe that they are crucial to understanding our team profile and improving member experience on the Fund.



Benjamin Szabo

This year also saw consolidation of the hiring and promotion process. Clearer policies and performance benchmarks for performance were set in place, and the Winter 2023 term saw the introduction of the SSIF Hiring Package. This package provides potential new hires with information on the SSIF as well as material to aid in the preparation for the SSIF hiring process. We believe that the introduction of these policies and materials will aid in bringing consistency in management decisions and aid in the overall functioning of the team.



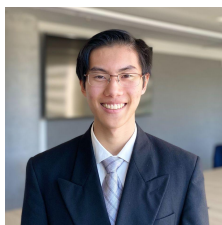
Shannon O'Reilly

We acknowledge that there is still much to learn and improve upon in this space, and we are committed to monitoring developments in the ESG space and adapting our policies and processes accordingly. We are confident that with our diverse group of members passionate about ESG considerations in the context of investments, we will continue to make progress in this integration.

Sincerely,

The SSIF ESG Team

Message from the SSIF Management Team



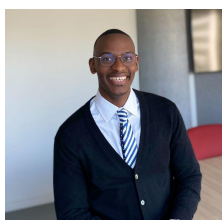
Daniel Cheung

2022 was a year of market turmoil, with inflation running at levels not seen for over four decades, central banks raising interest rates at record pace, and the S&P 500 dropping over 27% from its highs at the start of the year. However despite volatile markets, the SSIF team maintained its long-term strategy of investing in strong businesses with fair valuations. We are proud to state that for the year ended March 31, 2023, the SSIF had excellent performance, outperforming its mandated benchmark by 153 basis points.

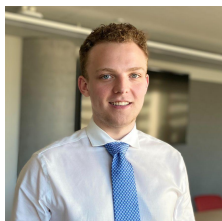


Senai Debebe

This year was also the first year since the onset of the COVID-19 pandemic where meetings regularly took place in person on campus. Members used the SSIF training lab regularly and the room was a hub for numerous lively discussions and late-night work sessions. As with previous terms, our managers conducted lessons on valuation, economics, finance, and quantitative techniques to further educate our members and promote discussion. The SSIF also conducted socials and other in-person activities to continue the tradition of fostering team building. In the Fall 2022 term, the managers also held office hours in the training lab, giving Sprott students interested in the Fund to come in and talk to current members. The Winter 2023 term saw the introduction of a new ESG scorecard for analysts to incorporate into their ESG considerations for their equity research. On the valuation side, a simplified guide to modelling was developed to help newer members learn how to model. We are also pleased that the Winter 2023 term saw the re-introduction of an SSIF Quantitative Analysis team. The team has already developed tools to assess the risk-reward characteristics of the portfolio and how changes in holding weightings would affect these characteristics. We are looking forward to using these tools to help the Fund optimize its portfolio and continue to drive excess returns.

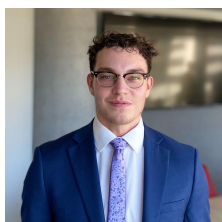


Neil-Philippe Nahimana



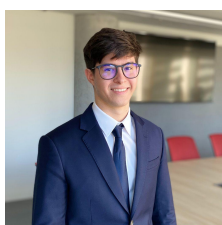
Jack Wright

Of course, none of these developments would have been possible without the global alumni who maintained the portfolio before us, and the unwavering support they continue to provide to our team to this day. We are looking forward to meeting our Alumni this spring during the SSIF Alumni event, which, following the pandemic, is finally being rejuvenated after three years.



Brock Dalley

On a final note, we would like to express our gratitude to our Faculty Advisor Howard Nemiroff, Dana Brown, Dean of the Sprott School of Business and the Investment Committee, for their guidance, dedication and support. We could not be more proud of the position the SSIF stands in today. We are confident in the SSIF's abilities to continue to grow our capital responsibly, achieve high performance, and demonstrate admirable corporate leadership moving forward.



Benjamin Szabo

Sincerely,

The SSIF Management Team



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The **Sprott Student Investment Fund (SSIF)** is an actively managed equity portfolio run by a select group of students at the Sprott School of Business on behalf of the Carleton University Endowment Fund. The SSIF is **volunteer-run**, and operates year-round, with peak operations during the school year from beginning of September to end of May.

The money is real, the experience is real, and the output is real hands-on money-managing experience. Students are given the opportunity to learn investment strategies in a team environment. All members contribute to the analysis process, helping to assemble the ideal portfolio that will safely and wisely grow SSIF's capital.

History

Established in September of **2007**, the SSIF was founded by Prof. Howard Nemiroff and a group of students after a \$50,000 injection of endowment capital to assess proof of concept. The mandate was to give standout students at the Sprott School of Business the opportunity to engage in real investment management.

During the initial four years, the students managed to grow the capital base by 25 percent, despite one of the worst economic recessions in history.

In **2011**, the Carleton University Endowment Fund committed an additional \$500,000 payment to the SSIF once the concept was proven.

In **October of 2017**, the SSIF portfolio surpassed \$1 million.

In **September of 2021**, the [SSIF committed to responsible investing](#).

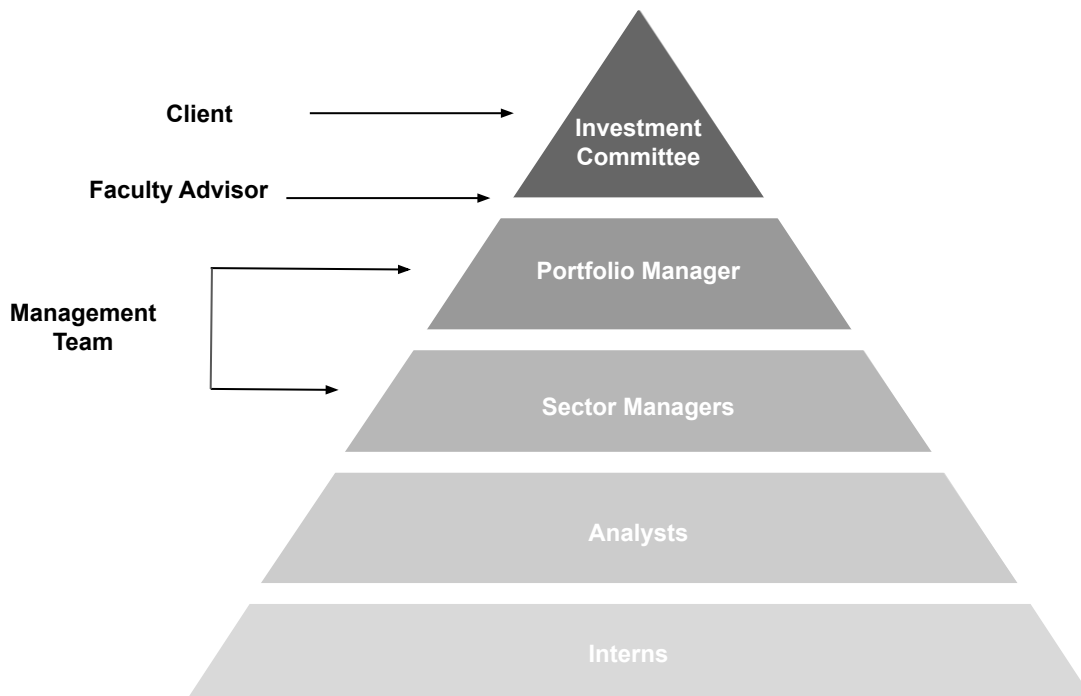
In **February of 2021**, the SSIF began implementing working environmental, social and governance considerations into the investment analysis and decision-making process and internal operations.

In **December of 2021**, the [SSIF portfolio surpassed \\$2 million](#).

Our Work

Our Sector teams use fundamental analysis techniques widely deployed in the industry to identify undervalued securities. Equity Analysts and Interns are placed into a Sector at the beginning of a given semester where they are responsible for producing at least one equity report, valuation and investment pitch per semester over the course of the year. Pitches are presented at the Sprott Student Investment Fund's weekly meetings near the end of the semester, after which an investment decision is made by the Management team and Faculty Advisor. Members rotate among sectors on a semesterly basis to diversify industry knowledge and enhance student experience.

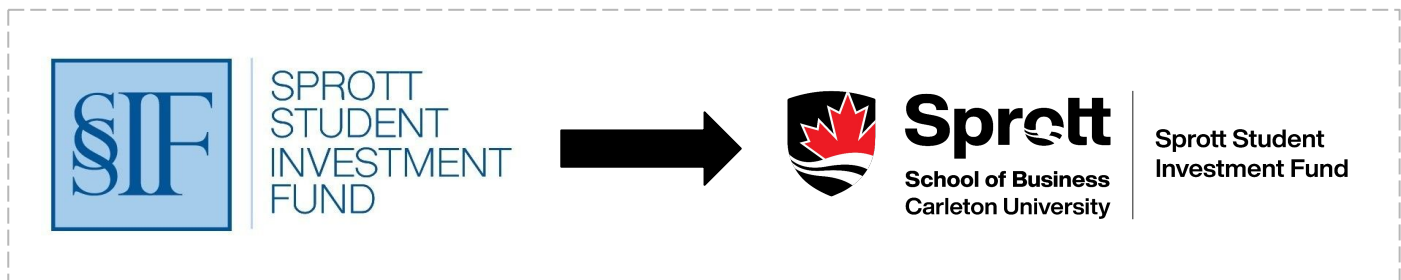
SSIF Governance Structure



SSIF Key Statistics

Members	25
% Management team that identify as women	0%
% Members that identify as a visible minority	54.5%
Portfolio Return since inception	444.9%
Benchmark Outperformance since inception	135.8%

As of March 31, 2023



In August of 2021, the SSIF gained a new logo that aligns with the Sprott School of Business brand

Team Organizational Structure (Fall 2022)

as of December 1, 2022

Portfolio Manager



Ellena Damini



Daniel Cheung



Cedric Osagie-Ogunbor

Sector Manager



Andrew Elliot



Armaan Toor



Josh Gadoury



Lisanne Peters

Marketing



David Deroode

Equity Analyst



Neil-Philippe Nahimana



Brock Dalley



Benjamin Szabo



Ayomi Adeniyi



Senai Debebe



Saja Wehbe



Jack Wright

ESG Integration



Intern



Carson Knox



Quinn Edwards



Mariane Ferreira Da Silva



Ethan Hennigar



Trang Nguyen



Shannon O'Reilly

Team Organizational Structure (Winter 2023)

as of March 31, 2023

Portfolio Manager



Daniel Cheung

Sector Manager



Benjamin Szabo



Brock Dalley



Neil-Philippe Nahimana



Senai Debebe



Jack Wright



Cedric Osagie-Ogunbor



David Deroode

Marketing

Equity Analyst



Saja Wehbe



Mariane Ferreira Da Silva



Ayomi Adeniyi



Quinn Edwards



Spencer Marchington



ESG Integration



Carson Knox



Shannon O'Reilly



Ethan Hennigar



Diya Agarwal

Intern



Cedric Osagie-Ogunbor



Ibrahim Skaik



Jack MacInnis



Trang Nguyen



Emily Truchon



Quantitative Analysts



Mekayla Kerr



Paige Poulin



Sean Joe-Ezigo

External Involvement

SSIF Initiatives

The SSIF team conducted **Virtual Coffee Chats** from March 1 to April 1, 2022, providing Sprrott students an opportunity to be paired with an SSIF member for a 1 on 1 virtual coffee chat. The team also conducted open office hours in the Fund lab room in the Nicol building in November, 2022. These initiatives were intended to provide curious students the opportunity to learn more about the team, SSIF's investment approach, or to answer any other questions they may have.

The SSIF intends to produce more initiatives in the coming years, in order to further connect with Sprrott students, Alumni, and industry professionals, as well as to give back to the greater community.

Volunteerism



Several members of the SSIF team participated in volunteerism initiatives over the course of the Fall 2022 semester.

Members of the SSIF team helped raise money for Movember, which is to raise funds for men's' mental health and suicide prevention, prostate cancer, and testicular cancer. The SSIF team participated by either growing a moustache, or by move 60km in honour of the 60 men lost to suicide each hour across the world. Collectively, the SSIF was able to raise \$1,115 for the cause.

In December 2022, several members of the SSIF team participated in the Santa Shuffle, which is a 5 kilometre walk/run with all proceeds going to the Salvation Army. The Salvation Army supports the less fortunate in various communities across Canada.



Alumni Presence

Since the launch of the SSIF, the alumni network and the greater Sprott alumni network have played a crucial part in the education and development of SSIF members. SSIF has an evolving base of alumni that dedicate time to providing career assistance to its members where many alumni participate in the Carleton Alumni Mentorship Program.

During the school year SSIF has had the privilege of hosting alumni to discuss their career journeys and provide guidance to members.

SSIF's alumni network has a wide reach, both in industry and geographically. Some of the professional industries include private equity, asset management, investment banking, management consulting, accounting, technology, and entrepreneurship. SSIF alumni are located across the globe, including cities such as Toronto, New York, Miami, Hong Kong and London.





Investments and Portfolio Performance

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Investment Philosophy

The SSIF's equity portfolio takes a **fundamental approach** to investing with a **value orientation** toward sustainable businesses, seeking to maximize the value of its assets over the **long term**. The primary focus is on building a portfolio of **wealth-creating** firms with; **unique competitive advantages; strong financial positions; robust Environmental, Social and Governance (ESG) considerations**, and **proven management teams**. We strive to make investments only in firms that trade at **discounts to their intrinsic value**.

Fundamental Approach: Focusing on facts, data, numbers, not opinions or charts. We own businesses not stocks. We are concerned with the value of the business, not the stock price.

Value Orientation: Portfolio tilt toward out of favour businesses

Long Term: We manage money for the Endowment fund which has a multi-decade time horizon

Wealth-creating: Generates returns on capital above its cost of capital

Unique Competitive Advantages: Without a competitive advantage a firm will not generate excess returns

Strong Financial Positions: Investments with credit rating > BBB- is in our mandate. We must make sustainable investments; we favour low debt/capital businesses

Robust Environmental, Social and Governance (ESG) considerations: Companies that consider Environmental, Social, and governance and strive to improve their impact in these three pillars

- **Environmental:** Assessing the risks and the opportunities that can impact the environment
- **Social:** Prioritizing employee, community and societal health and well-being
- **Governance:** Encouraging high performing boards of directors and ethical practices at the management level and throughout the company

Proven Management Teams: Management shows signs of having a long-term focus, and emphasis on shareholder returns

Discount to Intrinsic Value: We make investments in firms that can be purchased below what we believe is their fair value

Portfolio Construction and Investment Process

Portfolio Overview

Construction	Geographical & Sectoral Diversification
Company Size	Market Cap of \geq 300 MM
S&P Credit Profile	\geq BBB-
Benchmark*	65% S&P 500, 35% S&P/TSX
Fiscal Year End (Official)	December 31

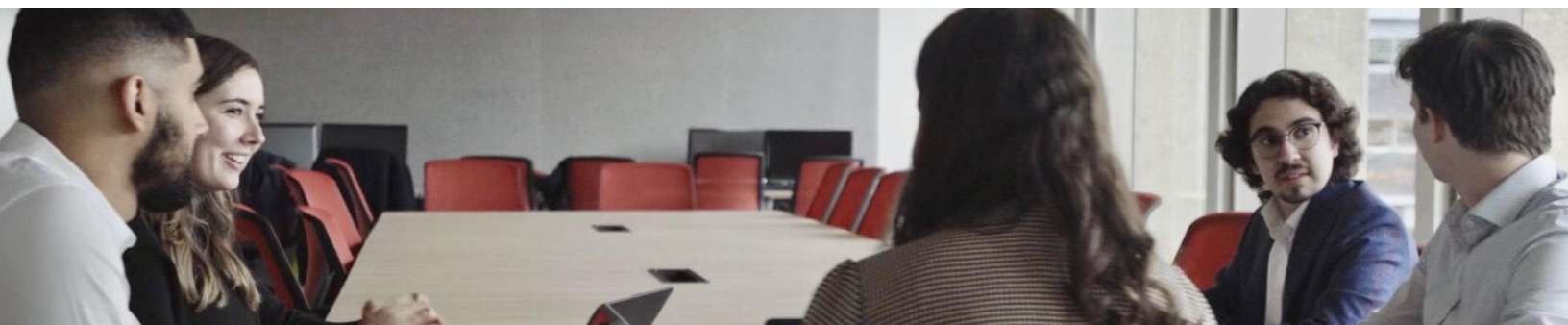
**For the portfolio overall, the benchmark against which performance is measured is constructed as a weighted average of the returns for the two indexes*

Our Investment Process

Each Equity Analyst and Intern pitches at least one company per semester. Following each pitch the Management team discusses follow up items with the respective member(s), in order to better understand the merits of each idea. The Management team presents the Faculty Advisor with feedback and discusses the pitch. If a trade is to be made, the Portfolio Manager sends in a trade ticket to the Faculty Advisor.

Portfolio Oversight

Each Equity Analyst and Intern is assigned a current legacy holding to monitor every two weeks. The legacy holdings are rotated among members. Members are required to monitor their holdings for any significant price movements and to ensure the original investment thesis still holds. Legacy holdings are discussed at the weekly meetings where members provide updates on how the legacy holding has been performing for the given week. The Portfolio Manager and various members of the SSIF Management team also meet with the Investment Committee on a quarterly basis to discuss the portfolio performance and internal operations on the SSIF.



Portfolio Performance Analysis

Portfolio Analytics - 1 Year

Portfolio Management Statistics

As of March 31, 2023

Portfolio Value (03/31/22)	\$2,029,775.59	Portfolio Total Return (%)	-0.06%
Portfolio Value (03/31/23)	\$2,028,635.49	Benchmark Total Return (%)	-1.59%

Outperformance	1.53%	Sharpe Ratio	-0.12
Portfolio Beta	0.84	Tracking Error	6.68
Jensen Alpha	0.50	Information Ratio	0.14
Treynor Measure	-0.02		

Portfolio Analytics - Since Inception

Portfolio Management Statistics

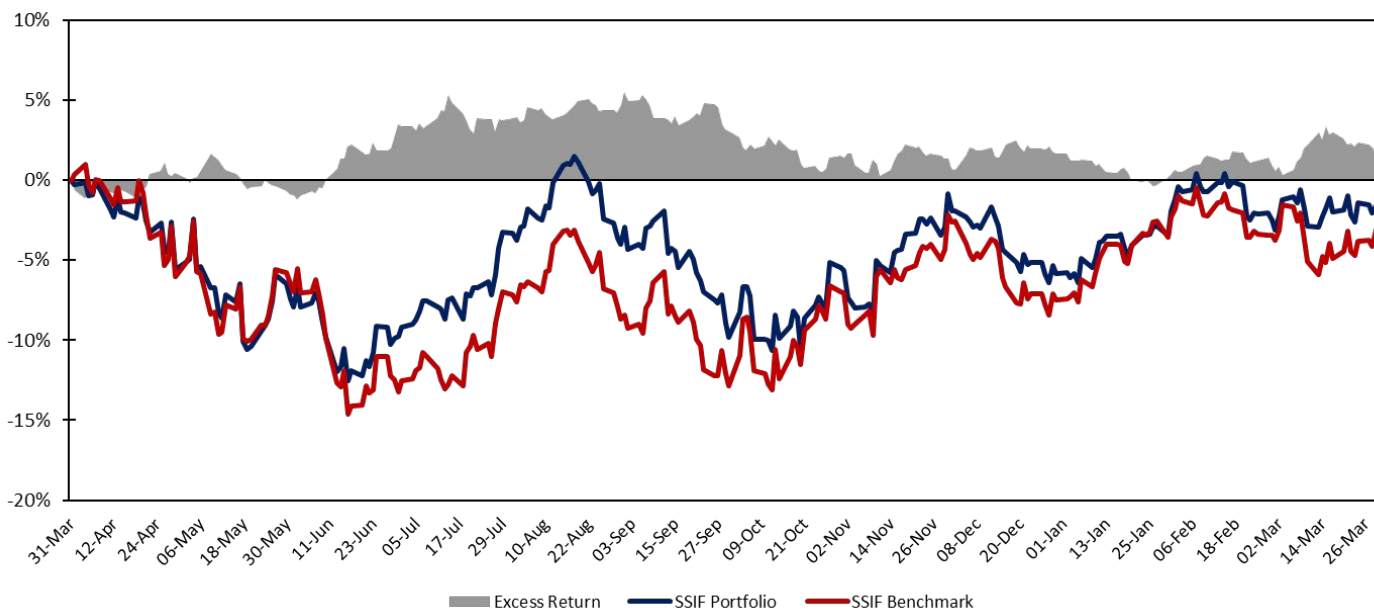
As of March 31, 2023

Portfolio Value (11/08/2007)	\$49,205.19	Portfolio Total Return (%)	444.86%
Portfolio Value (03/31/23)	\$2,028,635.49	Benchmark Total Return (%)	309.29%

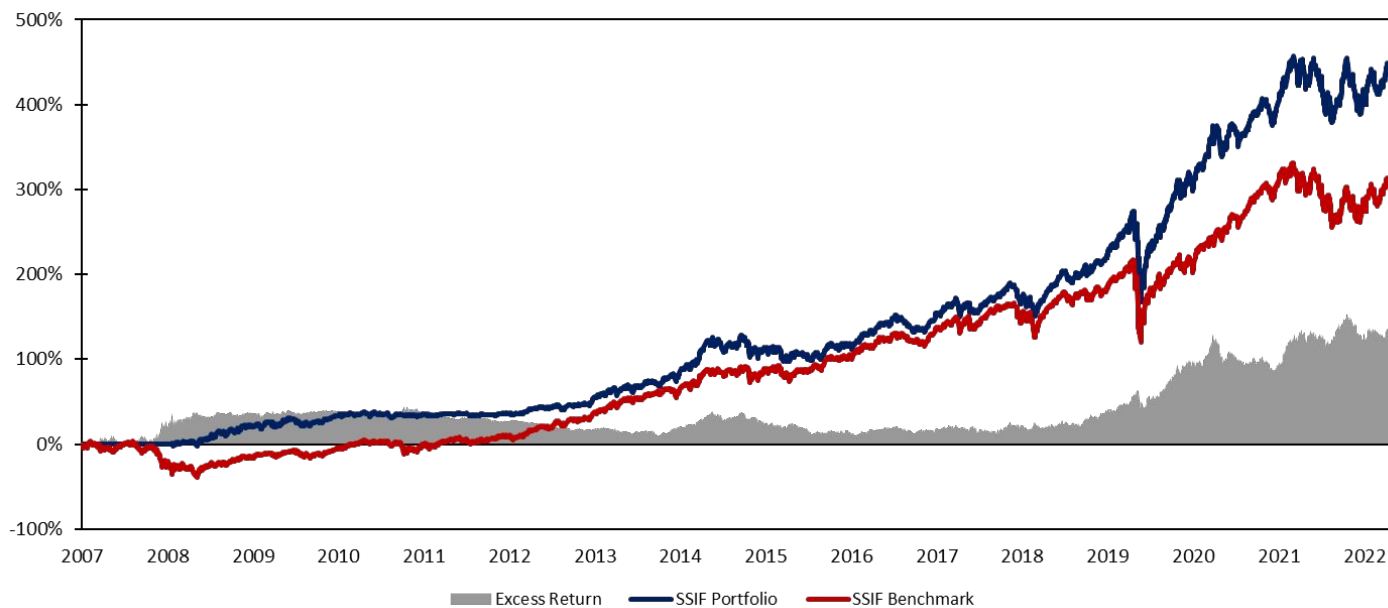
Outperformance	135.57%	Sharpe Ratio	0.91
Portfolio Beta	0.56	Tracking Error	11.73
Jensen Alpha	5.88	Information Ratio	0.07
Treynor Measure	0.22		

Portfolio Performance Analysis

Fund Performance - Fiscal Year Ended March 31, 2023



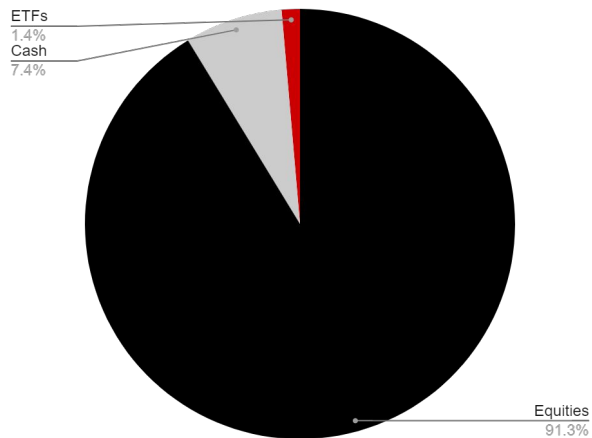
Fund Performance - Since Inception



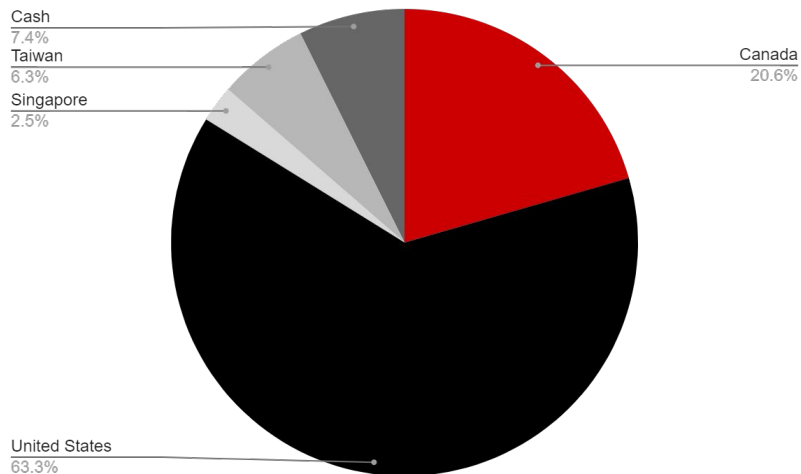
Portfolio Composition Analysis

As of March 31, 2023

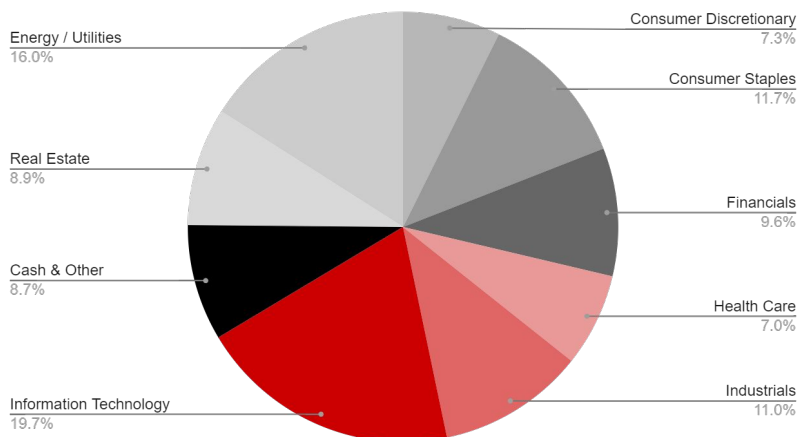
Asset Allocation



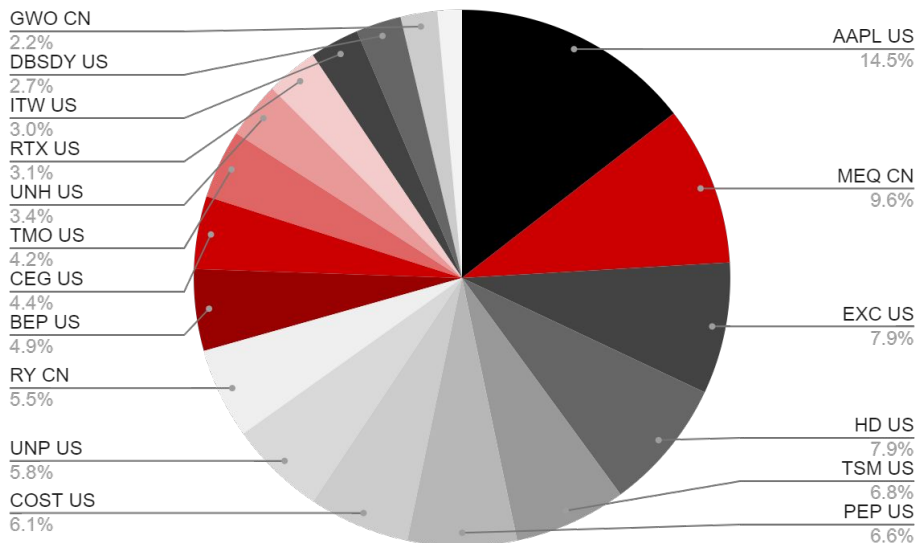
Country Allocation



Sector Allocation



Equity Allocation



Portfolio Composition Analysis

Portfolio Holdings

Company Name As of March 31, 2023	Ticker	Share Units	Market Price	Market Value	Avg Weight (1-Yr)	Active Weight
Apple Inc	AAPL US	1220	155.85 US	272,294	12.74%	13.42%
Mainstreet Equity Corp	MEQ CN	1430	130.73	180,180	9.22%	8.88%
Home Depot Inc.	HD US	373	286.73 US	148,993	7.84%	7.34%
Exelon Corp	EXC US	2630	42.15 US	149,116	7.14%	7.35%
US Dollar	USD	81010.02	1.00 US	117,598	3.54%	5.80%
Taiwan Semiconductor	TSM US	1010	89.3 US	127,162	5.93%	6.27%
Pepsico Inc.	PEP US	500	176.51 US	123,372	6.07%	6.08%
Costco Wholesale Corp	COST US	170	487.26 US	114,327	5.96%	5.64%
Royal Bank of Canada	RY CN	794	130.5	102,625	5.44%	5.06%
Union Pacific Corp	UNP US	400	192.91 US	108,962	5.99%	5.37%
Constellation Energy Corp	CEG US	776	78.43 US	82,450	4.15%	4.06%
Brookfield Renewable Partners	BEP US	2170	29.09 US	92,548	4.91%	4.56%
UnitedHealth Group	UNH US	100	472.02 US	63,965	3.50%	3.15%
Raytheon Technologies	RTX US	443	98.08 US	58,719	2.94%	2.89%
Illinois Tool Works	ITW US	170	230.34 US	56,017	2.45%	2.76%
DBS Group Holdings	DBSDY US	382	97.03 US	51,244	2.58%	2.53%
Great-West Lifeco Inc.	GWO CN	1160	35.26	41,551	2.01%	2.05%
Thermo Fisher Scientific	TMO US	100	557.09 US	78,012	0.38%	3.85%
Canadian Dollar	CAD	31796.67	1.00	31,797	1.25%	1.57%
SPDR S&P 500 ETF Trust	SPY US	50	396.11 US	27,705	1.52%	1.37%

Values in CAD unless specified otherwise

Portfolio Composition Analysis

Portfolio Holdings (cont'd)

Company Name As of March 31, 2023	Ticker	Total Return (1-Yr)	YTD Return	Contribution to return (1-Yr)	Risk attribution contribution (1-Yr)
Apple Inc	AAPL US	2.96%	26.92%	0.35%	21.08%
Mainstreet Equity Corp	MEQ CN	-11.89%	6.78%	-1.10%	9.23%
Home Depot Inc.	HD US	9.65%	-6.04%	0.75%	10.30%
Exelon Corp	EXC US	-1.58%	-2.40%	-0.17%	7.79%
US Dollar	USD	8.37%	-0.15%	0.10%	-0.57%
Taiwan Semiconductor	TSM US	-1.19%	25.32%	-0.10%	5.20%
Pepsico Inc.	PEP US	21.17%	1.42%	1.14%	3.30%
Costco Wholesale Corp	COST US	-5.86%	8.87%	-0.32%	6.22%
Royal Bank of Canada	RY CN	-2.32%	2.54%	-0.11%	4.15%
Union Pacific Corp	UNP US	-18.24%	-2.36%	-1.27%	6.59%
Constellation Energy Corp	CEG US	52.66%	-8.76%	1.48%	5.05%
Brookfield Renewable Partners	BEP US	-13.35%	25.75%	-0.83%	3.80%
UnitedHealth Group	UNH US	-5.76%	-10.68%	-0.18%	2.88%
Raytheon Technologies	RTX US	9.63%	-2.57%	0.28%	2.77%
Illinois Tool Works	ITW US	31.69%	10.94%	0.72%	3.20%
DBS Group Holdings	DBSDY US	7.48%	-2.38%	0.22%	1.17%
Great-West Lifeco Inc.	GWO CN	3.21%	16.06%	0.05%	1.59%
Thermo Fisher Scientific	TMO US	0.36%	0.36%	0.05%	4.60%
Canadian Dollar	CAD	0.00%	0.00%	0.00%	0.00%
SPDR S&P 500 ETF Trust	SPY US	-0.09%	7.30%	0.00%	1.63%

Values in CAD unless specified otherwise

Companies Researched

Fall 2022

Company	Ticker	Rating	Price Target	Upside	Pitch Date	Analyst/Intern
Consumers & Industrials						
J.B Hunt	NASDAQ:JBHT	HOLD	\$169.7 USD	-4.00%	12/09/22	Benjamin Szabo
McCormick & Co.	NYSE:MKC	HOLD	\$64.92 USD	-22.01%	12/02/22	Saja Wehbe & Shannon O'Reilly
Energy, Utilities, Materials						
Southern Copper Corp.	NYSE:SCCO	BUY	\$66.05 USD	10.18%	11/18/22	Daniel Cheung
Algonquin Power & Utilities Corp.	TSE:AQN	BUY	\$8.45 CAD	10.0%	12/02/22	Neil-Philippe Nahimana & Trang Nguyen
Nutrien Ltd.	TSE:NTR	BUY	\$98.73 CAD	24.28%	12/09/22	Joshua Gadoury & Mariane Ferreira Da Silva
Air Products and Chemicals, Inc.	NYSE:APD	BUY	\$337.92 USD	7.08%	12/09/22	Carson Knox
Healthcare						
Thermo Fisher	NYSE:TMO	BUY	\$611.38 USD	11.0%	12/09/22	Brock Dalley & Quinn Edwards
Eli Lilly and Company	NYSE:LLY	BUY	\$483.08 USD	34.00%	11/25/22	Senai Debebe
Real Estate						
Prologis	NYSE:PLD	BUY	\$128.57 USD	10.8%	12/09/22	Ayomi Adeniyi
Information Technology						
Microsoft Corporation	NASDAQ:MSFT	BUY	\$267.74 USD	8.14%	11/25/22	Jack Wright & Ethan Hennigar
Adobe	NASDAQ:ADBE	BUY	\$335.71 USD	5.60%	11/25/22	Spencer Marchington

The SSIF allocated capital to TMO in February of 2022

Companies Researched

Winter 2023

Company	Ticker	Rating	Price Target	Upside	Pitch Date	Analyst/Intern
Consumers						
Tesla	NYSE:TSLA	BUY	\$213.15	11.94%	03/31/23	Saja Wehbe & Cedric Osagie-Ogunbor
Industrials & Materials						
Caterpillar	NYSE: CAT	BUY	\$228.57	1.76%	03/31/23	Carson Knox & Mekayla Kerr
Financials & Real Estate						
Houlihan Lokey Inc	NYSE: HLI	BUY	\$99.94	11%	03/31/23	Ayomi Adeniyi & Diya Agarwal
SunLife Financial	TSE: SLF	BUY	\$66.94	7.42%	03/24/23	Shannon O'Reilly & Jack MacInnis
Healthcare & Utilities						
Merck & Co.	NYSE: MRK	BUY	\$134.16	28.5%	03/24/23	Trang Nguyen & Paige Poulin
Tech, Comms, Energy						
Alphabet Inc.	NASDAQ: GOOG	BUY	\$103.49	7.98%	03/17/23	Daniel Cheung, Jack Wright & Neil-Philippe Nahimana
T-Mobile	NASDAQ: TMUS	BUY	\$134.62	-5.6%	03/31/23	Spencer Marchington & Sean Joe-Ezigbo
Fortinet	NASDAQ: FTNT	HOLD	\$61.15	-1.81%	03/24/23	Ethan Hennigar & Emily Truchon



Sector Reflections

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Technology, Media & Telecommunications	42

Consumers Sector

Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Consumer Staples					
Costco Wholesale	COST US	-5.86%	-0.32%	5.96%	5.64%
Pepsi	PEP US	21.17%	1.14%	6.07%	6.08%
Consumer Discretionary					
Home Depot	HD US	9.65%	0.75%	7.84%	7.34%

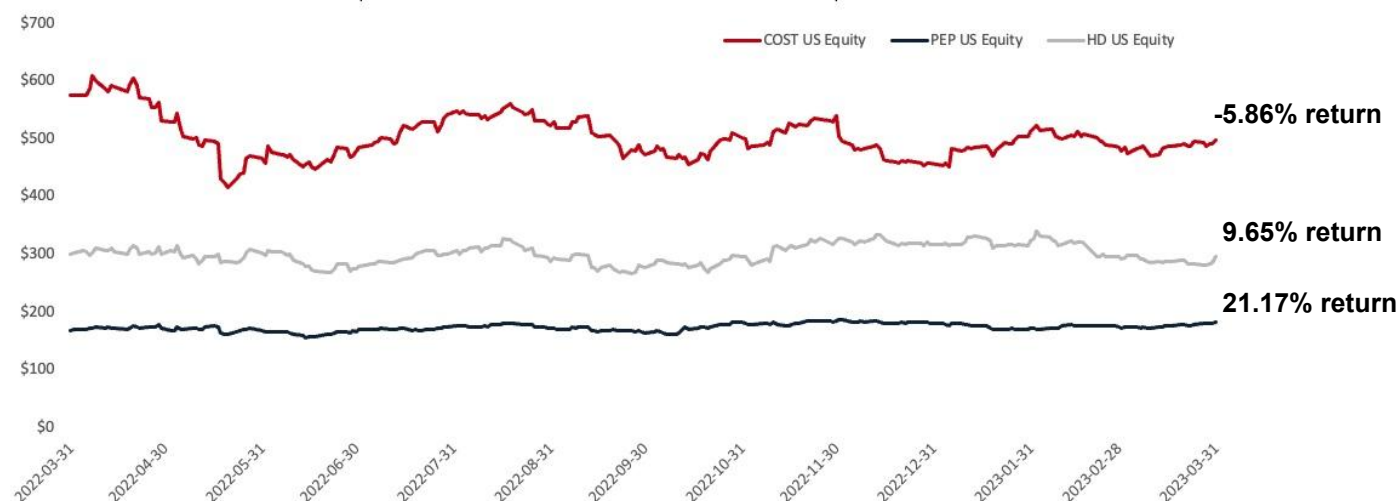
Sector Analytics

Consumer Staples

Consumer Discretionary

Total Return - 1 Yr	6.58%	9.65%
Contribution to Portfolio Return - 1 Yr	0.82%	0.75%
Average Weight - 1 Yr	12.02%	7.84%
Portfolio Weight - as of March 31, 2022	11.72%	7.34%
Benchmark - as of March 31, 2022	6.21%	7.77%
Over/Underweighted	Over	Under
Best Performer	PEP US	n.a.

52 Week Performance



Consumers Sector

As of April 2023

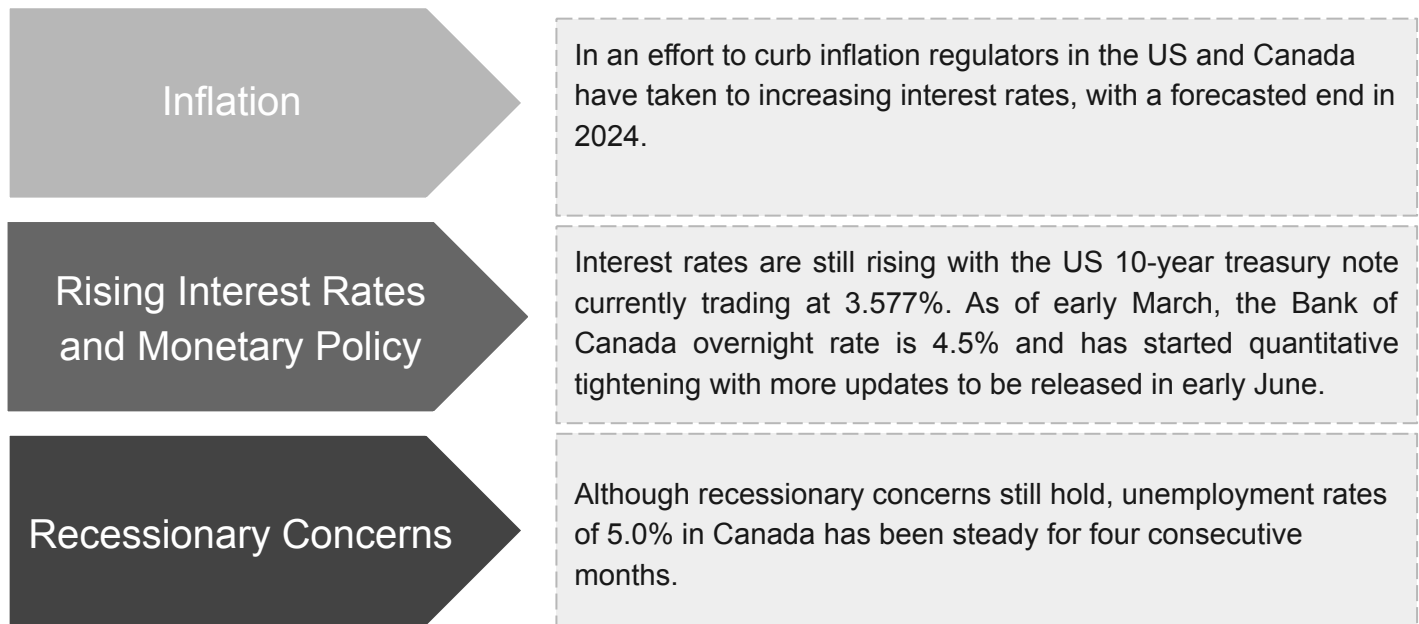
Overview

The consumers staples and consumers discretionary sectors an industry known for stability and consistency, is facing uncertainty due to various factors. From increasing interest rates and ever-changing consumer preferences, companies within this sector are tasked with balancing price increases without isolating current consumers.

Inflation and the threat of economic downturn are disrupting day-to-day lives and jolting leaders with new and complex challenges. In the US, inflation has reached four-decade highs. In Europe and the United Kingdom, the consumer price index has hit record levels as Russia's invasion of Ukraine continues to send the price of food, energy, and other goods soaring.

The US CPI for March 2023, slipped to 5.0%, although core inflation and goods prices measures show increases. This creates an opportunity to make smart investments in consumer staples businesses that have secure and stable supply chains and are well positioned to withstand its current environment while also looking for possibly undervalued discretionary businesses.

Key Trends



Energy and Utilities

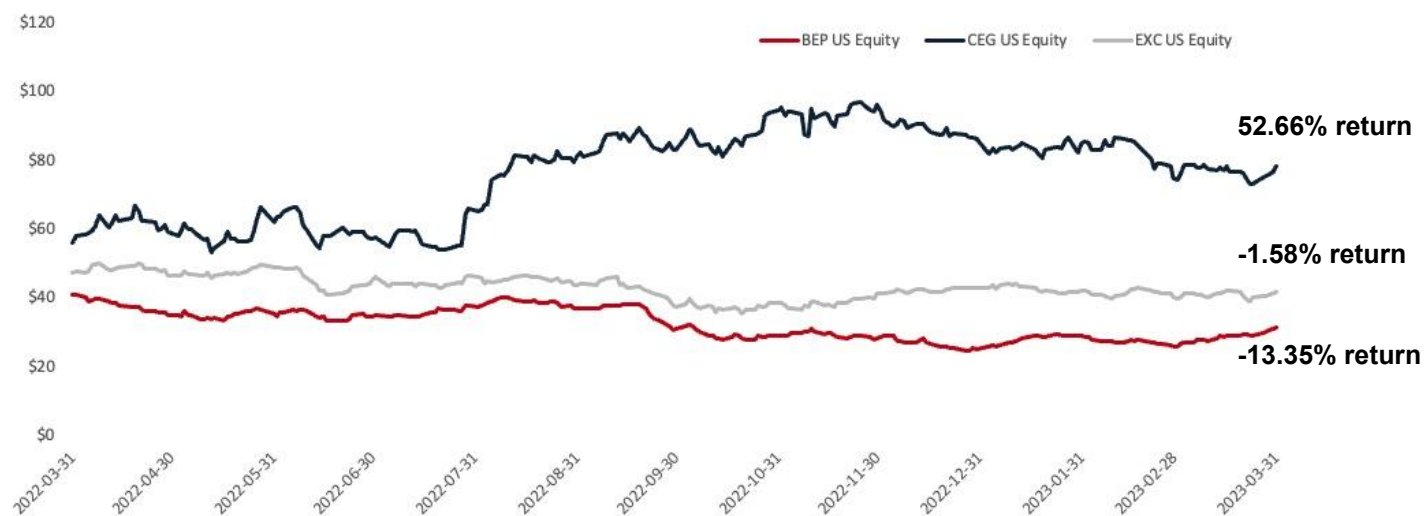
Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Brookfield Renewable Partners	BEP US	-13.35%	-0.83%	4.91%	4.56%
Exelon Corp	EXC US	-1.58%	-0.17%	7.14%	7.35%
Constellation Energy Corp	CEG US	52.66%	1.48%	4.15%	4.06%

Sector Analytics

Total Return - 1 Yr	2.93%
Contribution to Portfolio Return - 1 Yr	0.35%
Average Weight - 1 Yr	18.45%
Portfolio Weight - as of March 31, 2022	15.98%
Benchmark - as of March 31, 2022	12.57%
Over/Underweighted	Over
Best Performer	EXC US

52 Week Performance



Energy and Utilities

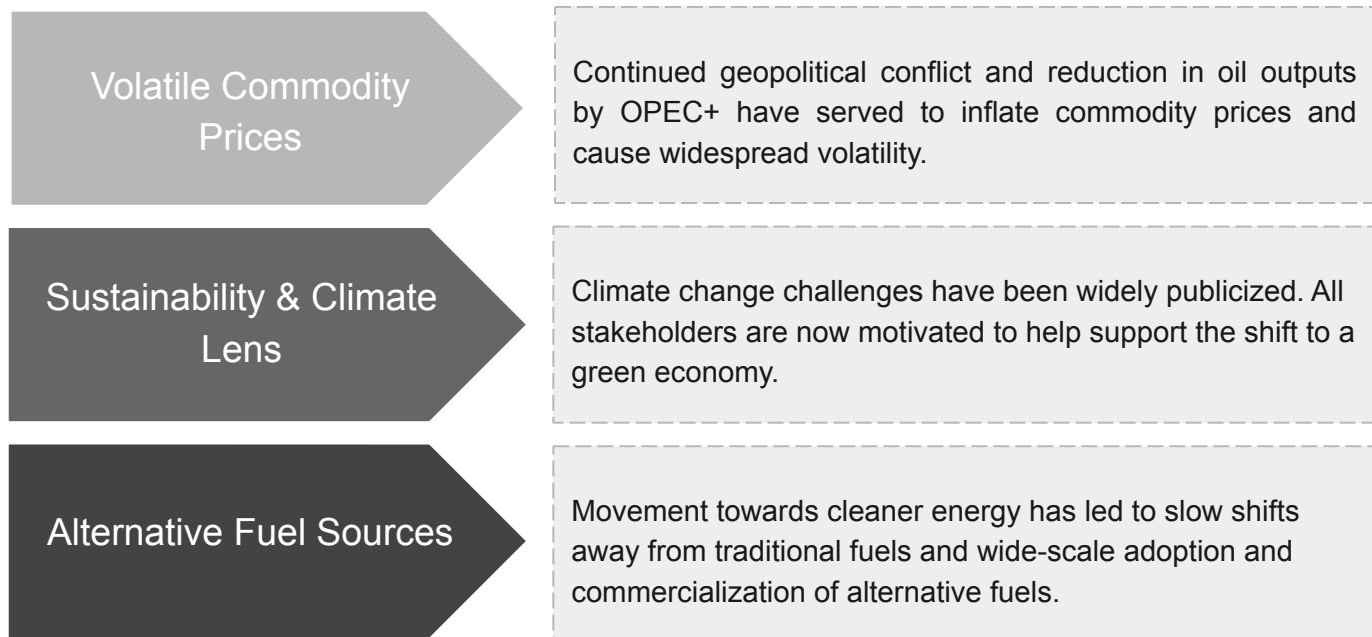
As of April 2023

Overview

The energy, utilities and materials sector has continued to be every volatile, due to calls for greener energy, rising oil prices, inflation, and the continued growth of renewables.

Late 2022, extreme climate events—from droughts to hurricanes, heat waves and wildfires—continued to test regional grid resilience. In response, the industry and policymakers in the US worked to bolster reserves, deploy energy storage and microgrids, harden infrastructure, and strengthen flexible load options. Enhanced ESG reporting and decarbonization commitments will likely progress further, as companies see a growing need to identify rapidly changing environmental and societal disrupters and address them. Currently, US and Canadian company disclosures and metrics aren't uniform, and third-party review or assurance is not widespread.

Key Trends



Fossil Fuel Divestiture

As per Carleton University's Responsible Investment Policy, the SSIF will not invest or retain direct fossil fuel positions.

Financials Sector

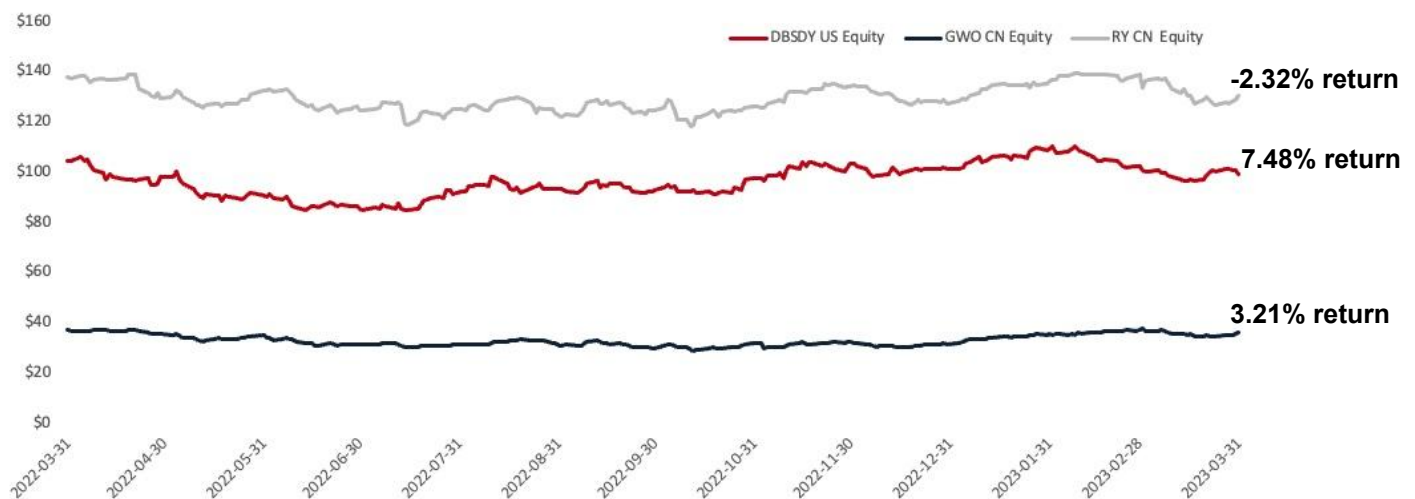
Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Royal Bank of Canada	RY CN	-2.32%	-0.11%	5.44%	5.06%
DBS Group Holdings	DBSDY US	7.48%	0.22%	2.58%	2.53%
Great-West Lifeco Inc.	GWO US	3.21%	0.05%	2.01%	2.05%

Sector Analytics

Total Return - 1 Yr	1.23%
Contribution to Portfolio Return - 1 Yr	0.15%
Average Weight - 1 Yr	10.03%
Portfolio Weight - as of March 31, 2022	9.63%
Benchmark - as of March 31, 2022	18.84%
Over/Underweighted	Under
Best Performer	DBSDY US

52 Week Performance



Financials Sector

As of April 2023

Overview

Over the past two years, the financial services industry has demonstrated its ability to successfully navigate unprecedented levels of uncertainty. Despite rising interest rates and continued inflation, bank equities performed relatively well in 2022, with the S&P bank index outperforming the broader S&P 500 by approximately 200 basis points in the calendar year. However, in March of 2023, we saw the collapse of two mid-market US banks: SVB Financial and Signature bank. These collapses had a significant impact on business and financial markets around the world, and bank equities fell sharply, leading to fear of contagion in the global financial system. Banking equities have yet to recover as of April 2023, and weakness in commercial banks as well as a generally weak macroeconomic outlook has been causing continued uncertainty in the markets. Many market participants are now anticipating rate cuts by the end of this year, though the U.S. Federal reserve remains adamant that rates will not fall in 2023.

Key Trends

Interest Rates

After a rapid rise in the Federal Funds rate, interest rate hikes are expected to stop in mid-2023, with some market participants pricing in rate cuts by the end of the year.

Net Interest Income

Canadian banks have generally been able to report higher net interest income regardless of the interest rate cycle, by growing earning assets.

Market Volatility

The collapse of two mid-market US banks had a significant impact on business and financial markets around the world, with the Federal Reserve having to take action to prevent a contagion effect.

Health Care Sector

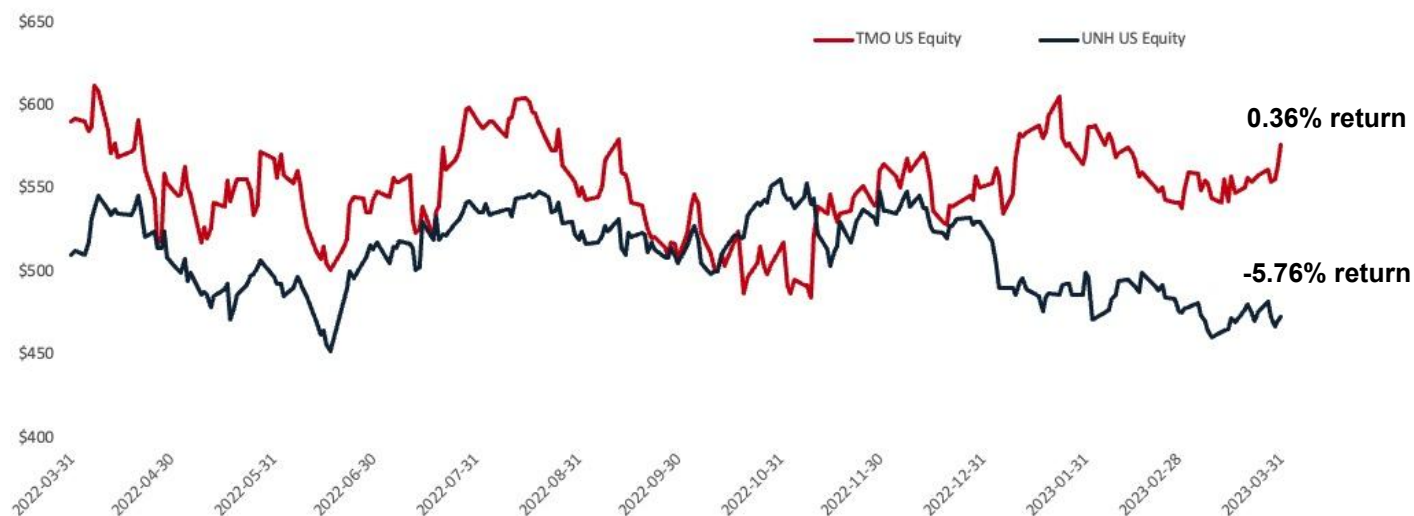
Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
UnitedHealth Group Inc.	UNH US	-5.76%	-0.18%	3.50%	3.15%
Thermo Fisher Scientific Inc.	TMO US	0.36%	0.05%	0.38%	3.85%

Sector Analytics

Total Return - 1 Yr	-4.90%
Contribution to Portfolio Return - 1 Yr	-0.12%
Average Weight - 1 Yr	3.88%
Portfolio Weight - as of March 31, 2022	7.00%
Benchmark - as of March 31, 2022	9.41%
Over/Underweighted	Under
Best Performer	TMO US

52 Week Performance



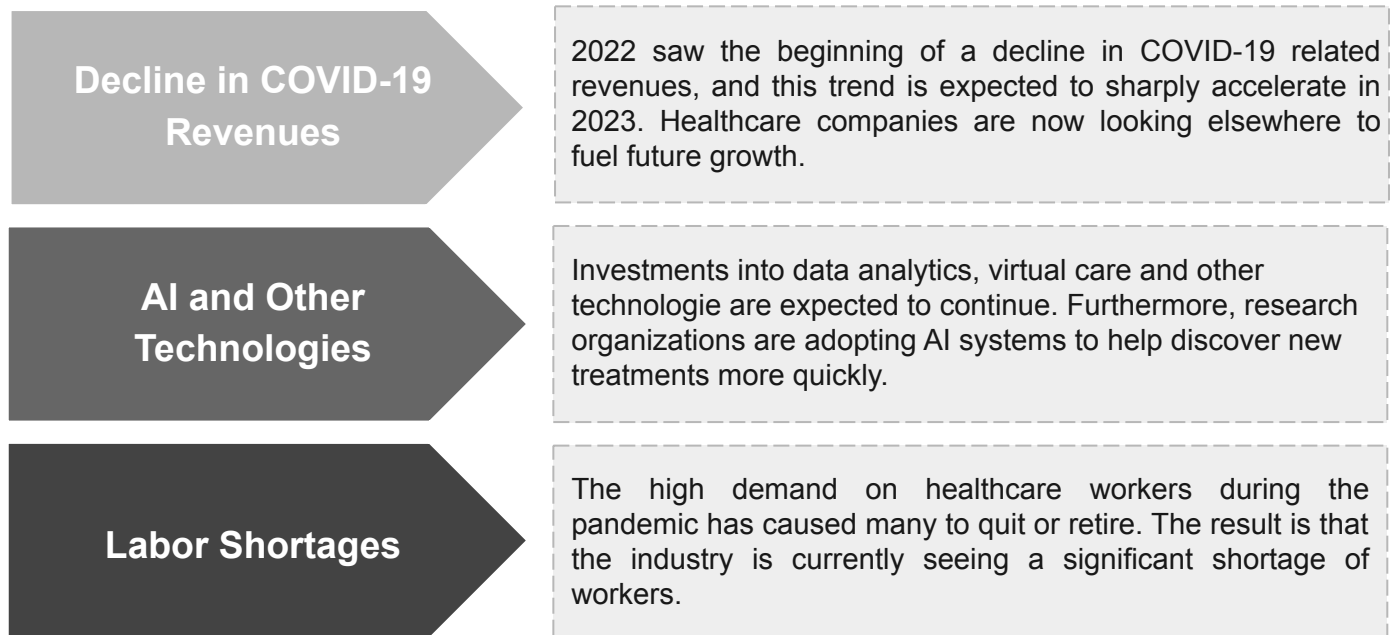
Health Care Sector

As of April 2023

Overview

2022 marked the beginning of COVID-19's transition from a pandemic to an endemic. Many companies that saw large jumps in revenues over the last couple years thanks to the sale of COVID-19 vaccines and test kits saw revenues begin to sharply decline. However, due to the healthcare sector's reputation as a recession-resistant sector, returns in 2022 significantly outperformed the broader stock market as fears of a rate-hike-induced recession shook equities. Still, the sector saw few IPOs and less M&A activity than expected as market caps declined. Furthermore, the easing of recession fears at the beginning of 2023 has caused a shift away from defensive sectors such as healthcare, leading the sector to underperform. Analysts also expected U.S. healthcare venture capital fundraising to slow to \$15 billion in 2023, down from \$22 billion in 2022 as many firms raised funds recently in 2021 and 2022. We note that among the big pharma, breakthroughs in diabetes and obesity treatments are expected in the near future, providing the potential for strong accretive cash flows for names such as Eli Lilly and Merck. Finally, the shift to cloud-based technology and artificial intelligence for patient management, enterprise resource planning, and pharmaceutical research is expected to continue and reduce costs and speed up the development of new treatments.

Key Trends



Industrials Sector

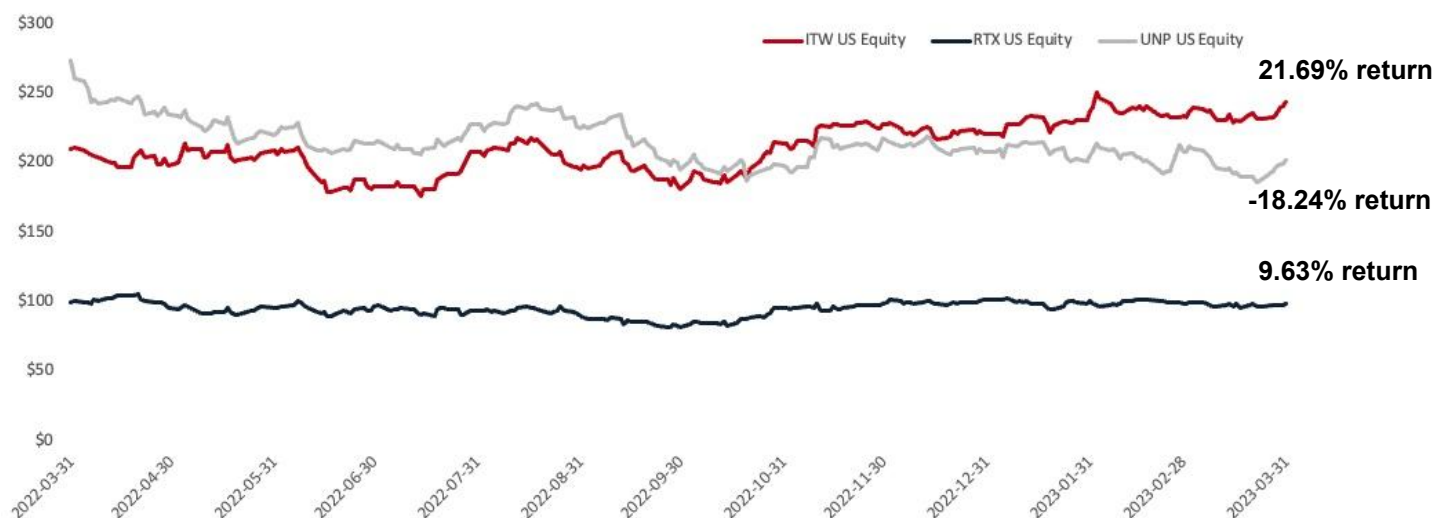
Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Raytheon Technologies	RTX US	9.63%	0.28%	2.94%	2.89%
Union Pacific Corp	UNP US	-18.24%	-1.27%	5.99%	5.37%
Illinois Tool Works	ITW US	31.69%	0.72%	2.45%	2.76%

Sector Analytics

Total Return - 1 Yr	-18.24%
Contribution to Portfolio Return - 1 Yr	-1.27%
Average Weight - 1 Yr	13.59%
Portfolio Weight - as of March 31, 2022	11.03%
Benchmark - as of March 31, 2022	10.41%
Over/Underweighted	Over
Best Performer	ITW US

52 Week Performance



Industrials Sector

As of April 2023

Overview

In 2022, supply chain constraints and rising input costs remained a headwind for the industrials sector. However, demand remained strong, and the recovery in the automotive industry and strength in the oil and gas industry drove revenue growth for some major companies in this industry, such as Illinois Tool Works, Caterpillar, and Honeywell. Tailwinds in these industries likely contributed to the industrials sector significantly outperforming the broader market, with the S&P 500 Industrials Index down only 6% in 2022, compared to the nearly 20% drop in the overall S&P 500 index during that same period. Entering 2023, many industrial companies are giving cautious guidance, citing the potential for a mild recession, as well as slowdowns in demand. Though supply-chain pressures are expected to ease, an economic slowdown will see many companies struggling to generate strong growth in 2023.

Key Trends

Slowing Demand

Demand strength is expected to decline in 2023 as the economy experiences a slowdown in growth. EBITDA growth in the industry is expected to come in at 6% in 2023.

Energy and Aerospace

The energy and aerospace industries are expected to lead the industrials sector. Commercial flights are expected to continue to recover, and elevated oil and gas prices will sustain capex in the energy space.

Real Estate Sector

Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Mainstreet Equity Corp	MEQ CN	-11.89%	-1.10%	9.22%	8.88%

Sector Analytics

Total Return - 1 Yr	-11.89%
Contribution to Portfolio Return - 1 Yr	-1.10%
Average Weight - 1 Yr	9.22%
Portfolio Weight - as of March 31, 2022	8.88%
Benchmark - as of March 31, 2022	2.49%
Over/Underweighted	Over

52 Week Performance



Real Estate Sector

As of April 2023

Overview

The real estate sector in Canada saw a very uneven year, with record highs set in asset prices during the first half of 2022, followed by declines across the industry in the second half of the year. The moderation in prices came with eight successive interest rate hikes by the Bank of Canada. Looking at North America as a whole, data center demand remained strong, with the primary market supply growing 17% year-over-year. We expect data centers to remain an area of strong growth in the real estate sector over the medium to long term. Looking forward to 2023, we expect the industry to continue to be weighed down by elevated interest rates. However, we also expect that over the next year, the economy will see a soft landing, in which inflation moderates without an economic slowdown. As a result, we expect that asset prices will remain stable while cap rates rise slightly.

Key Trends

Interprovincial Migration

2022 saw a significant volume of interprovincial migration, particular from the provinces of British Columbia and Ontario to Alberta. The province saw a net total of 11,534 people move to it from other provinces, higher than any other province in the country.

Strong REIT balance sheets

Many REITs took advantage of low rates during the pandemic and currently boast strong balance sheets and cash flows. This puts them in an ideal position to actively acquire prices in 2023 if the market falls.

Challenging macroeconomic outlook

A difficult macroeconomic backdrop will put pressure on asset prices and sales volumes in real estate. Furthermore, commercial real estate has been struggling as remote work continues to be prevalent.

Technology, Media, and Telecommunications Sector

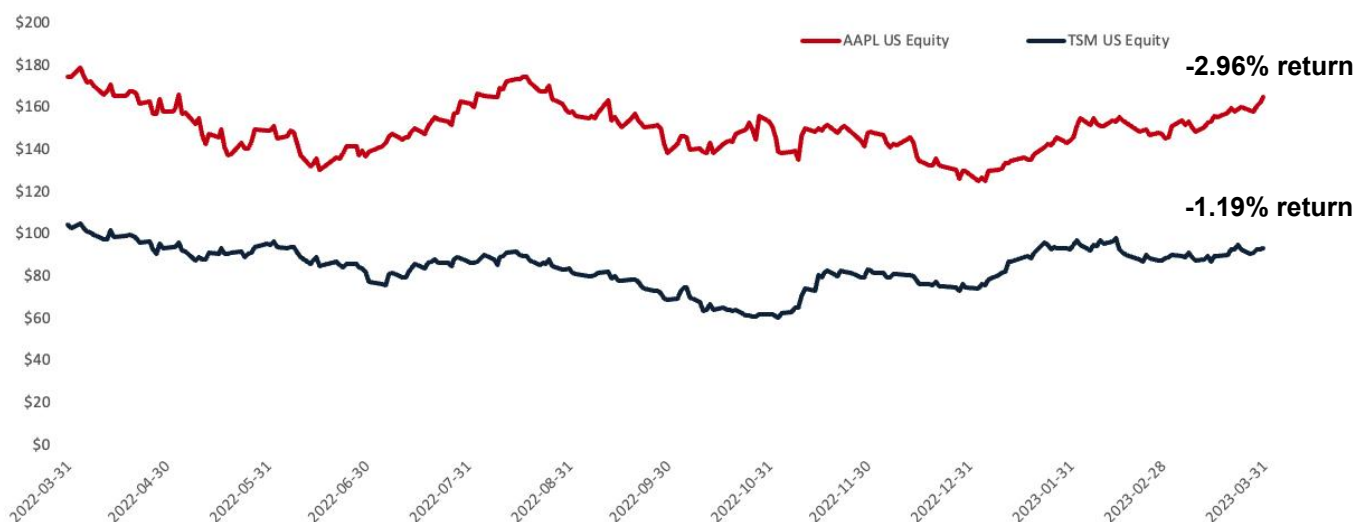
Sector Composition

Company	Ticker	Total Return	Contribution to Portfolio Return	Avg % Weight	Active Weight
Information Technology					
Apple Inc.	AAPL US	2.96%	0.35%	12.74%	13.42%
Taiwan Semiconductor	TSM US	-1.19%	-0.10%	5.93%	6.27%

Sector Analytics

Total Return - 1 Yr	1.60%
Contribution to Portfolio Return - 1 Yr	0.24%
Average Weight - 1 Yr	18.67%
Portfolio Weight - as of March 31, 2022	19.69%
Benchmark - as of March 31, 2022	19.19%
Over/Underweighted	Under
Best Performer	AAPL US

52 Week Performance



Technology, Media, and Telecommunications Sector

As of April 2023

Overview

With the U.S. Federal Reserve hiking the Federal Funds rate throughout 2022 to combat red-hot inflation, valuations in the TMT sector tumbled. The sector saw companies making layoffs and rapidly scaling back investment plans in anticipation of lower growth and a potential recession. Compared to the broader stock market, the sector underperformed by over 900 basis points in the 2022 calendar year as investors pulled their money out of the sector. However, since the beginning of 2023, the sector has begun to make a recovery, with the S&P 500 Information Technology Index up around 20% from its lows in 2022. Analysts say that this recovery is likely to continue so long as the Federal Reserve doesn't hike rates above the current expected terminal rate of 5.1%. The beginning of 2023 also saw the explosion of ChatGPT and AI-related technologies, providing a tailwind to the tech recovery.

Key Stats

\$121 M

Spent on AI
Systems in 2022

91%

Of TMT leaders
expressed some
concern on macro
conditions

2.4%

Growth expected in
2023

Key Trends

Divestitures

TMT divestitures were down sharply in 2022 from record high 2021 values. Deal value in the first half of the year was down 64% year over year. However, Deloitte estimates that divestitures in 2023 will bounce back, expanding by 25 to 50%.

5G Adoption

Investment into 5G networks is beginning to see substantial results and we may soon see the deployment of 5G standalone networks. These networks will unlock the full potential of 5G technology, including ultra-reliable, low-latency communication, and Massive Internet of Things.

AI Applications

With the public release of large language models such as ChatGPT, adoption of and investment into AI applications has exploded. IDC recently estimated that global spending on AI-centric systems will grow at a CAGR of 27.0% until 2026.

Edge Computing

Edge computing is a rapidly growing segment within cloud computing that aims to process data at locations closer to user devices. This industry is expected to grow 22% in 2023 compared to just a 6% increase in overall IT spending.



Environmental, Social & Governance

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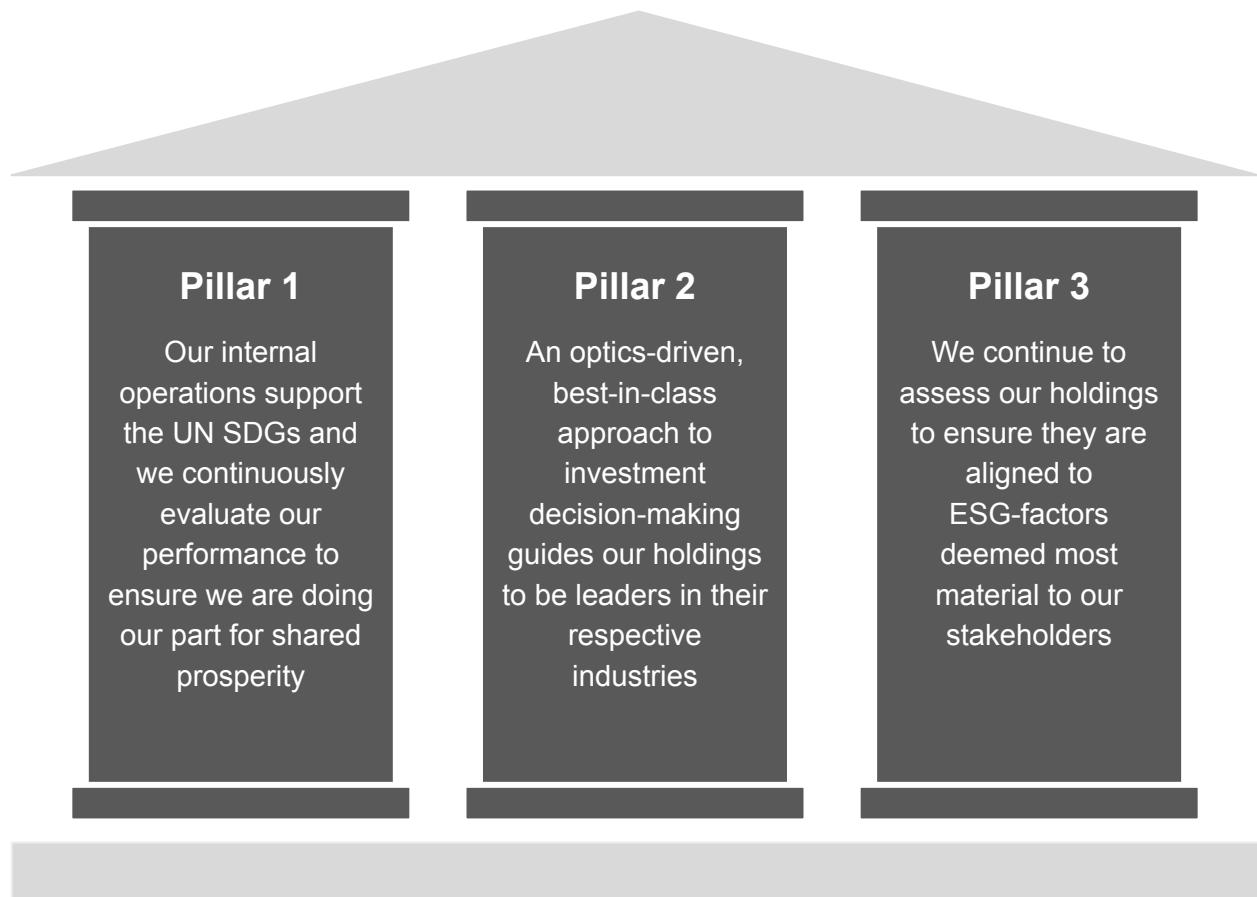
“It is our responsibility as investors to ensure that the companies in which we give our capital to are using it in a responsible manner”

Our Approach to Responsible Investing

As of September 1st, 2021 the Sprott Student Investment Fund (SSIF) has committed to Responsible Investing. This includes an alignment to the United Nations' Sustainable Development Goals (SDGs) and Principles for Responsible Investing (PRI). We have amended our investment philosophy to reflect these changes and to build transparency, trust, and accountability.

“The Sprott Student Investment Fund’s equity portfolio takes a fundamental approach to investing with a value orientation, seeking to maximize the value of its assets **and ensure sustainability** over the very long term. The primary focus is on building a portfolio of wealth-creating firms with: unique competitive advantages; strong financial positions; **robust Environmental, Social and Governance (ESG) considerations**, and proven management teams. We strive to make investments only in firms that trade at discounts to their intrinsic value.”

This amendment entails a three pillar approach in which we analyze our ESG positioning on internal, asset, and portfolio levels. Our pillars are as follows:



Our Approach to Responsible Investing

As of March 2022, the Carleton University Endowment Fund updated their [Responsible Investing policy](#). The SSIF must adhere to this policy. The University is guided by certain principles as they relate to RI.

Carleton University Endowment Fund Responsible Investing Guiding Principles

- That the fund will strive to achieve the best possible risk-adjusted rate of return on the Fund's assets.
- That portfolio diversification is necessary to achieve these returns.
- That responsible corporate behaviour with respect to environmental, social and governance (ESG) factors can have a positive effect on long-term financial performance (to varying degrees across companies, sectors, regions, assets classes and time)
- That taking into account ESG issues may better align the portfolio with the interests of our stakeholders
- That imposing constraints or negative screens on portfolio investments may increase risk or reduce returns or both.
- That stewardship by investors is an effective way to encourage responsible corporate behaviour.

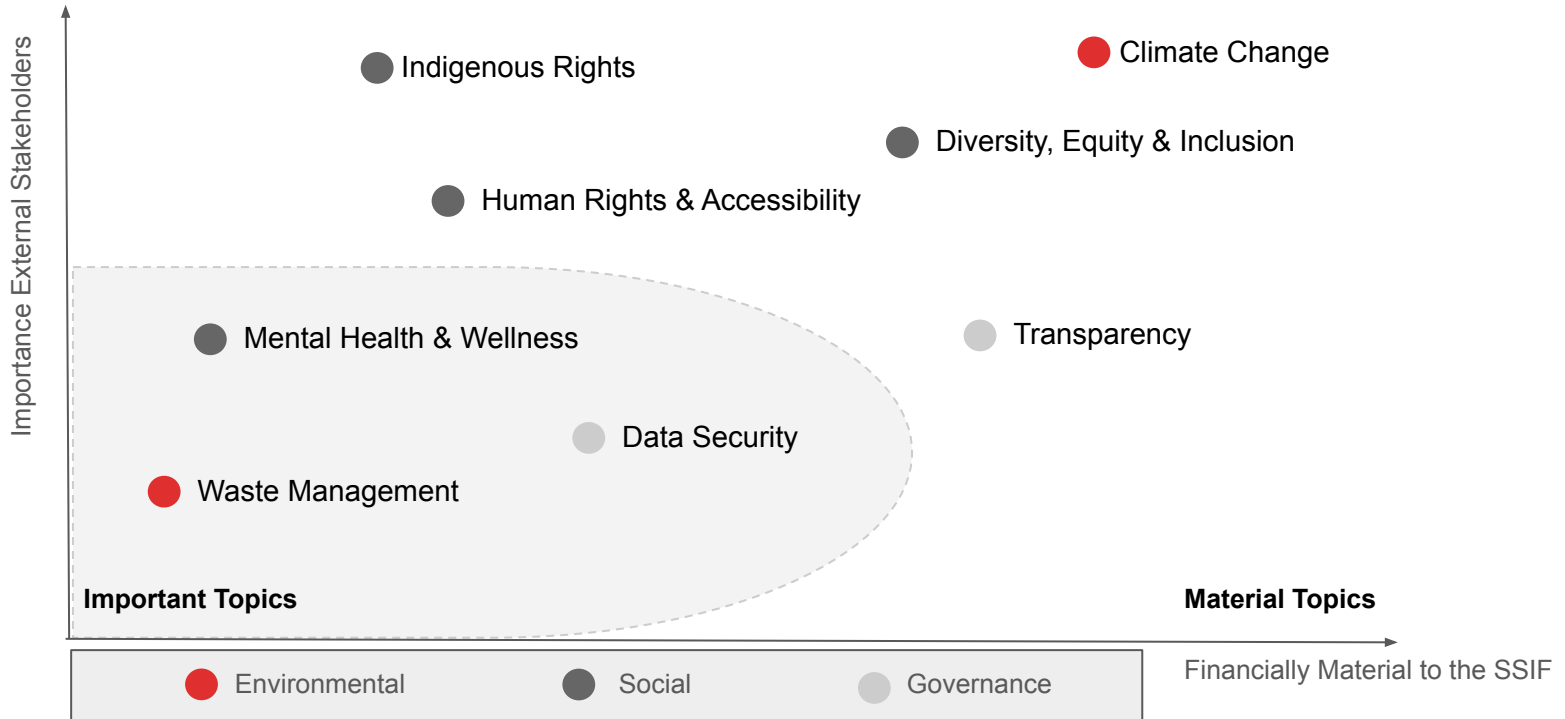
Our Commitment to the United Nations Principles for Responsible Investment (UN PRI)

Carleton University is a signatory to the [UN PRI](#) which are considered best practices in the area of responsible investing. This policy applies to all Fund assets, unless otherwise specified. As investment managers on behalf of the Carleton Endowment Fund, the SSIF both supports and commits to the UN PRI. As such, the SSIF commits to the following Principles:

Principle 1	We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2	We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4	We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5	We will work together to enhance our effectiveness in implementing the Principles.
Principle 6	We will each report on our activities and progress towards implementing the Principles.

Materiality Assessment

We define material environmental, social, and governance topics as those that are most important to our key stakeholders and financially material to the SSIF. Carleton University’s Endowment Fund Responsible Investment Policy was originated by our Investment Committee, the SSIF’s key stakeholder and representative for the greater Carleton body. Within this policy, the Investment Committee identifies priority ESG factors that were later discussed in a strategy meeting with the SSIF ESG Team. We used these topics to identify our stakeholder priorities. Activities that were deemed high priority as per our external and internal stakeholders will guide the actions of the SSIF ESG Team and the portfolio management for the 2022-2023 academic year. We have grouped material ESG factors across key themes of environmental, social, and governance. However, Carleton’s Responsible Investing policy encourages all relevant ESG factors be considered in investment decision making regardless of whether they are a key priority.



Stakeholder	Method of Interaction	ESG Priority Area
Investment Committee	Carleton’s Endowment Fund Responsible Investment Policy	<ul style="list-style-type: none"> Climate Change Indigenous Rights Human Rights and Accessibility
	Strategy Meetings	<ul style="list-style-type: none"> Diversity, Equity and Inclusion Mental Health and Wellness

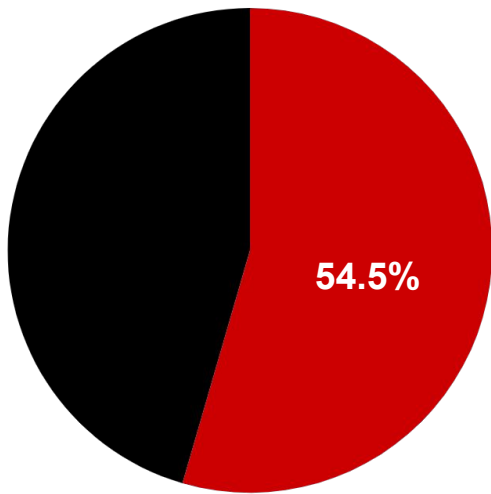
Our People

Diversity, Equity and Inclusion

Our goal is to provide an inclusive work culture. We strive to have an empathetic and educated workforce, to be an advocate for equal opportunity, and to empower women in the finance community.

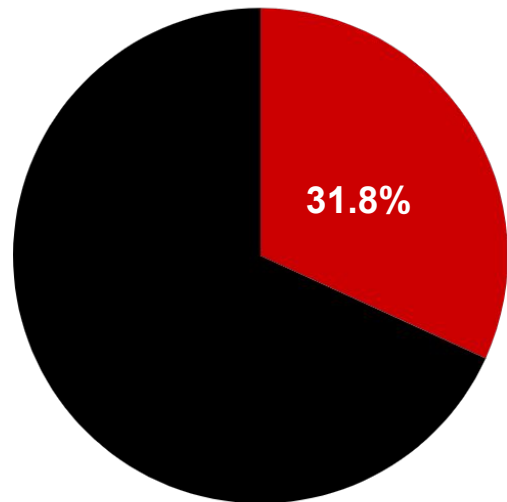
After conducting an anonymous internal survey, we gathered statistics about the diversity of our team in the Fall 2022 semester. The questions were formed based on the Employment Equity Act. The results of our findings were the following:

54.5% of members identify as a member of a visible minority in Canada



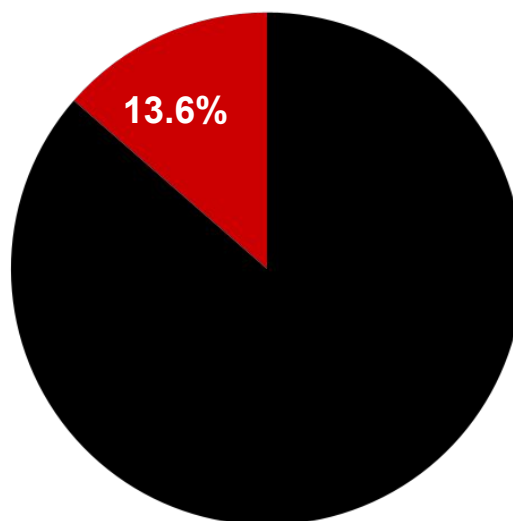
● Identify ● Do not identify

31.8% of members identify as Female



● Female ● Male

13.6% of members identify as a person with a disability as described in the Accessible Canada Act



● No ● Yes

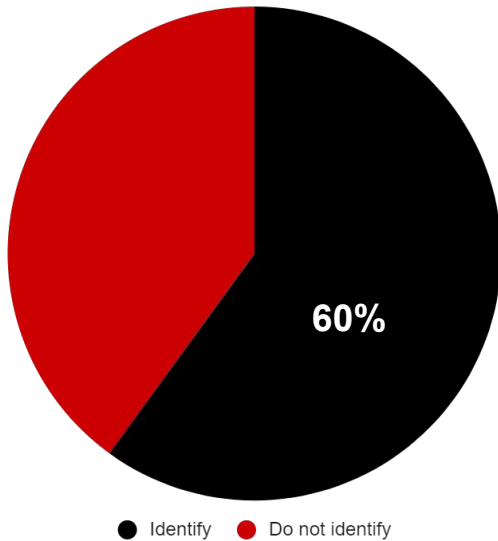
Our People

Diversity, Equity and Inclusion

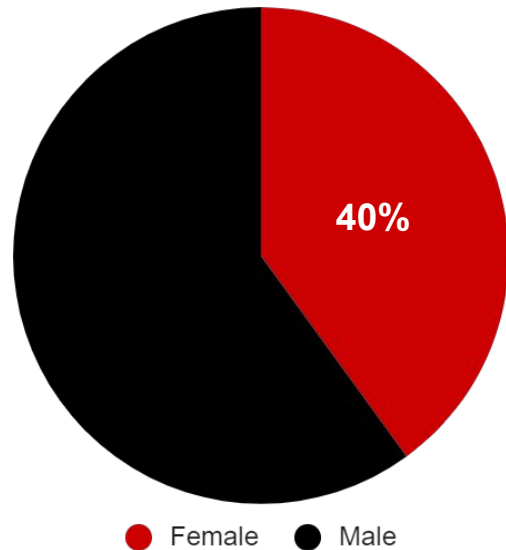
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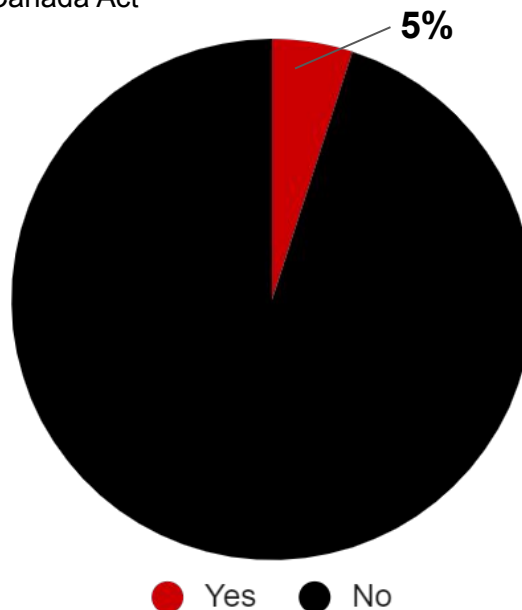
60% of members identify as a member of a visible minority in Canada



40% of members identify as Female



5% of members identify as a person with a disability as described in the Accessible Canada Act



Our People

Continuous Learning

We strive to foster a continuous learning culture where we educate our members on different financial topics, keep up to date with the global economy, and emphasize trends in the evolving investment universe. This last year, we placed a strong emphasis on educating our members on the evolving topic of ESG.

Health & Well-being

We care for the health of our members by fostering balance. This involves offering flexible arrangements with work terms and international exchanges, offering hybrid meetings throughout the pandemic, and prioritizing academics first. This ensures our members can balance the SSIF and other commitments.

Hiring, Recruitment & Promotion

	Winter 2023	←	Fall 2022
Applicant success rate	50.0%	↑	38.4%
Number of promotions	18.5%	↓	52.2%
Member turnover rate	7.4%	↓	21.7%

- Applicant success rate = # of successful applicants / number of applicants
- Number of promotions (as at end of term) = # of promotions / number of members
- Member turnover rate (as at end of term) = # of members graduated / number of members

Our Governance

Management Team

	Winter 2023	←	Fall 2022	←	Winter 2022	←	Fall 2021
Number of members	6		6	↑	5	↓	6
% of Management that are women	0%	↓	33%	↑	60%	↑	20%
Mean position tenure	5 mos	↓	1yr 1 mos	↓	1 yr 2 mos	↑	10 mos
Mean years exp. on SSIF	1 yr 8.5 mos	↓	3 yrs 5.5 mos		3 yrs 5.5 mos	↑	3 yrs 3 mos

“In order to effectively consider ESG in our investment decisions it is vital that we simultaneously consider it in our own business practices”

Our Stewardship

Our Integration of the United Nations Sustainable Development Goals (UN SDGs)

The SSIF strives to integrate the UN SDGs in our business operations. At the beginning of the fall 2021 semester, the SSIF ESG Team mapped out our operations and identified our contribution to the SDGs according to the direct and indirect impacts we have.

Internal Operations



ESG Integration						✓
Internal Relationships		●		●		
Accessibility				●		
Competitive Behavior			✓			
D, E & I		●		●		
Professional Development	✓		✓			
Investment Approach					●	

Circle = Aligns with [Carleton University's Endowment Fund Responsible Investing \(RI\) policy](#) RI priorities

Through the SSIF's commitment to ESG practices, this is supportive of **SDG 17**. The SSIF recognizes that when members feel supported and valued, their performance improves. The SSIF recognizes the value of unique perspectives and therefore strives to make conscious efforts to expand on D,E & I within internal operations. The SSIF further conducted anonymous intake surveys in both the fall and winter semesters and collected feedback from current members regarding their experience to identify future improvement. This is supportive of **SDG 5 and 10**. The SSIF also acknowledges that an accessible work environment is an equitable work environment. The team conducted Virtual Coffee Chats throughout March to provide Spratt students the opportunity to learn more about the Fund. Additionally, one intention of the Annual Report was to provide students access to information on the SSIF such as our operations and portfolio holdings. This is supportive of **SDG 10**. The SSIF developed a recruitment, hiring and promotion package to ensure consistency across all operations reflecting competitive behavior. Team meetings also involved lessons, discussions and guest speakers to foster a solid learning environment. This is supportive of **SDG 8 and 4** respectively. Further, the SSIF aligns itself with Carleton's updated RI policy, including its approach to Climate action. This is supportive of **SDG 13**.

For more information regarding the UN SDGs: <https://sdgs.un.org/goals>

Our Stewardship

Portfolio Contribution to the United Nations Sustainable Development Goals (UN SDGs)

The SSIF strives to identify which of our current holdings align with UN SDGs, and if such is this case, we identify which SDGs we align with.

Portfolio Holdings

Ticker	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH
AAPL US				✓				
BEP US							✓	
COST US								✓
CEG US	✓			✓			✓	
DBSDY US				✓				✓
EXC US							✓	
GWO CN								✓
HD US								✓
ITW US	✓	●						
MEQ CN								✓
PEP US			●					
RTX US								
RY CN								✓
UNH US	✓		●			✓		
UNP US								
TMO US								
TSM US			●	✓				✓

Circle = Aligns with [Carleton University's Endowment Fund Responsible Investing \(RI\) policy](#) RI priorities

Data about alignment was retrieved from the SASB Materiality Map and company filings, and was analyzed at the discretion of the SSIF ESG team

Our Stewardship

Portfolio Contribution to the United Nations Sustainable Development Goals (UN SDGs)

Portfolio Holdings (cont'd)

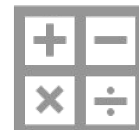
Ticker	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
AAPL US				✓					
BEP US	✓		✓		●				
COST US		●		✓					
CEG US	✓		✓						
DBSDY US		●			●				
EXC US			✓		●		✓		
GWO CN		●							
HD US	✓		✓	✓	●				
ITW US	✓		✓		●				
MEQ CN	✓		✓				✓		
PEP US				✓		✓	✓		
RTX US	✓								
RY CN					●				
UNH US			✓						
UNP US	✓		✓		●		✓		
TMO US	✓	●			●				
TSM US	✓		✓	✓	●				

Circle = Aligns with [Carleton University's Endowment Fund Responsible Investing \(RI\) policy](#) RI priorities

Data about alignment was retrieved from the SASB Materiality Map and company filings, and was analyzed at the discretion of the SSIF ESG team

Asset Analysis

The SSIF has created a proprietary report template and investment analysis process to identify, integrate and interpret ESG factors. This process seeks to evaluate material opportunities and risks and ensure we adhere to a best-in-class approach. Our process is comprehensive because we believe ESG should be at the forefront of investor’s minds.



1) Identify:
ESG Scorecard

2) Integrate:
Risks & Opportunities

3) Interpret:
Valuation

Flag where the firm under or outperforms historic and/or peers

Provide implications on future business operations and cash flows

Ensure ESG implications are considered in the final firm value

Identify

Identify key ESG categories in which the company performs substantially different from peers or historic. This data is derived from Bloomberg and serves as the basis for further exploration at the analyst’s discretion.

Integrate

Analysts use qualitative and quantitative research to assess each significant ESG factor by likelihood, materiality, and the overall impact on the business. All determinants are supplemented with research and assumptions. This information is aggregated and risks and opportunities are prioritized. **Likelihood** defines how likely the impact is to occur. **Materiality** is the significance of the impact’s consequences or benefits. **Business impact** outlines how current & future business drivers are affected by the ESG factor

Interpret

If appropriate, the most critical ESG risks and opportunities are integrated into valuation. This is done at the discretion of the analyst with adjustments to cash flows or the discount rate in a discounted cash flow valuation, premiums in a relative valuation, or otherwise. This ensures financially material ESG implications are considered in the final firm value. ESG-adjusted valuation feeds in the high priority ESG business drivers from the risk/opportunity ranking.

Portfolio Analysis

Best-in-Class Approach

We are committed to an optics driven, best in class approach. This means that the SSIF strives to invest in firms that are leaders in their industry through a comprehensive ESG analysis. To ensure we continue to adhere to this commitment, we assess our holdings against peers and according to ESG proxies.

Ticker	ESG Ranking	Median	Top 50%
AAPL US	229	325.5	Yes
BEP US	53	349.5	Yes
COST US	95	95	Yes
DBSDY US	211	493.5	Yes
EXC US	148	349.5	Yes
GWO CN	168	145.5	No
HD US	38	196.5	Yes
ITW US	143	278.5	Yes
MEQ CN	936	528.5	No
PEP US	7	301	Yes
PEG US	222	349.5	Yes
RTX US	54	51.5	No
RY CN	220	493.5	Yes
TMO US	7	433	Yes
TSM US	8	162.5	Yes
UNH US	29	293	Yes
UNP US	179	192.5	Yes

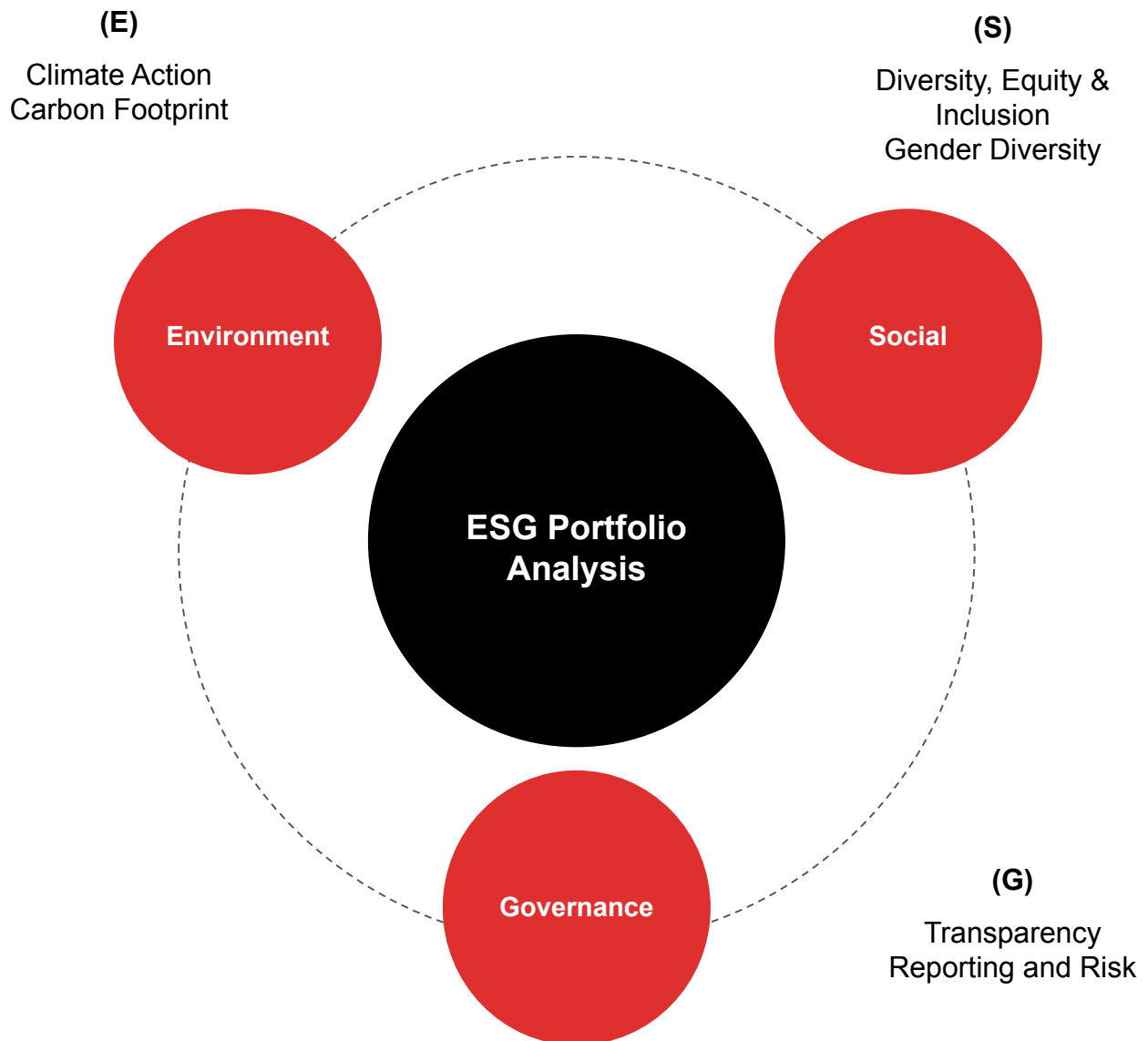
Data was retrieved from Sustainalytics regarding each of the holding's aggregate ESG position in their peer universe, where a ranking of 1 indicates the ultimate leader. We assume that if a company is performing above median it is adhering to a best-in-class approach. We will continuously assess our adherence to the best in class approach and analyze holdings that do not meet this criteria accordingly.

Three of our companies do not perform better than their peer median, though Sustainalytics only began providing scores for two of those companies. Note that this approach is just one of many and the Sustainalytics score does not fully represent each firm's ESG positioning.

Portfolio Analysis

ESG Priority Areas

We strive to align our portfolio to our ESG objectives. We have selected one priority area from our materiality assessment for each E-, S-, and G- dimension, and defined quantitative metrics to assess past performance and establish future goals. These will proxy for our overall portfolio performance in each ESG area. We recognize that these are not the only ESG factors relevant to our portfolio and will continue to improve our efforts.



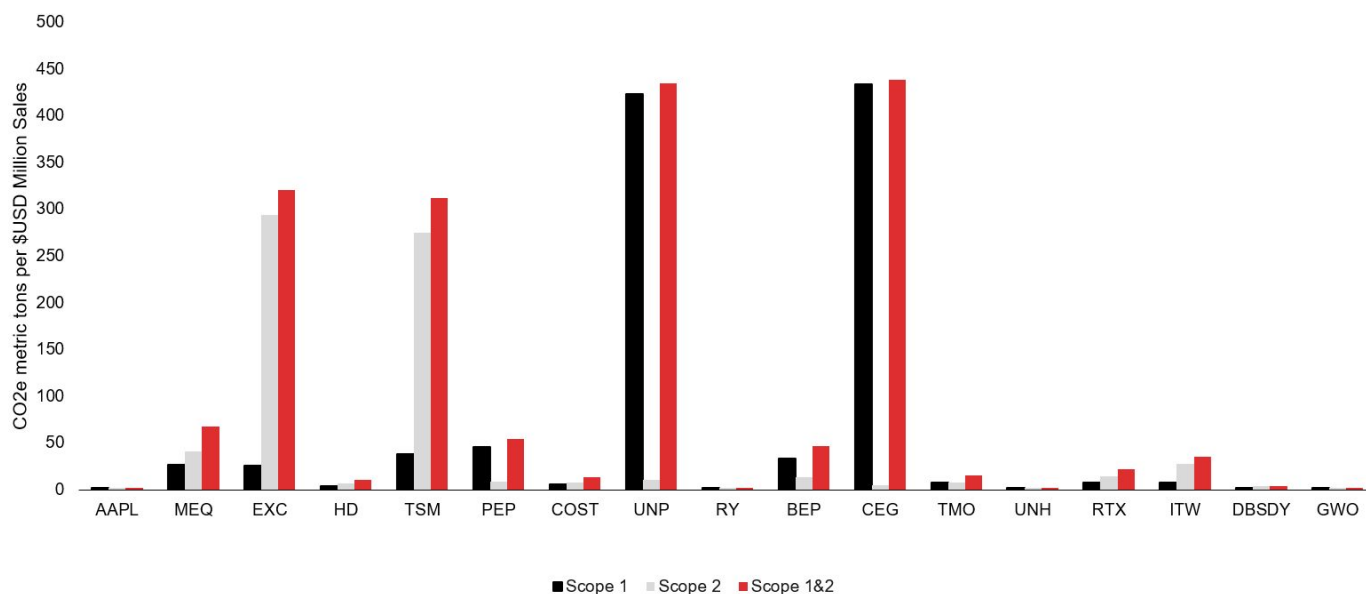
The areas and associated metrics we have prioritized for the 2021-22 academic year include:

- I) Climate Action - Carbon Footprint (E)**
- II) Diversity, Equity, and Inclusion - Gender Diversity (S)**
- III) Transparency - Reporting and Risk(G)**

Portfolio Analysis

(E) Climate Change - Carbon Footprint

We use our Climate Change priority to proxy the environmental dimension and consider our portfolio's carbon footprint. We compile the analyst consensus on expected Scope 1 and 2 GHG emissions for each portfolio company from Bloomberg. We calculate our percentage ownership of each firm and allocate the same proportion of emissions to our portfolio. We then calculate our total portfolio's emissions, group it by sector, and also consider the GHG/Sales of per security.



Sector	Weight (%)	Portfolio Emissions (thousand metric tons CO2e)		
		Scope 1	Scope 2	Scope 1&2
Information Technology	19.69	0.21	1.51	1.72
Utilities	15.98	26.65	15.86	42.5
Consumer Staples	11.72	1.8	0.78	2.58
Financials	9.63	0.02	0.07	0.09
Industrials	11.03	4.79	0.76	5.54
Consumer Discretionary	7.34	0.24	0.36	0.6
Real Estate	8.88	0.51	0.79	1.31
Health Care	7.00	0.06	0.1	0.16
Portfolio Emissions	91.27	34.27	20.22	54.50

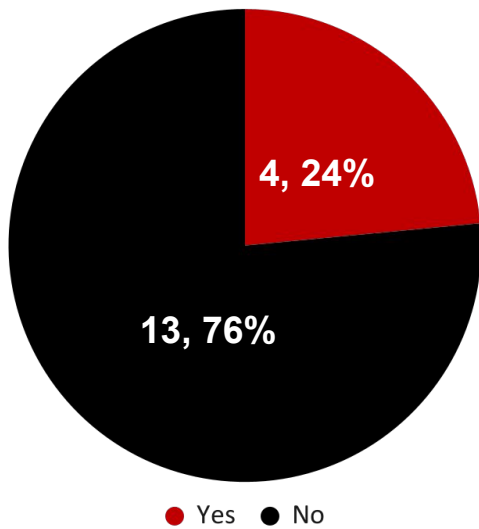
Our total annual portfolio GHG emissions are 54.50 thousand CO2e metric tonnes or approximately the emissions from 12 cars in a given year. With total AUM of \$2,028,635.49, this results in a GHG Emissions per dollar invested ratio of 26.87 tCO2e / \$M.

Portfolio Analysis

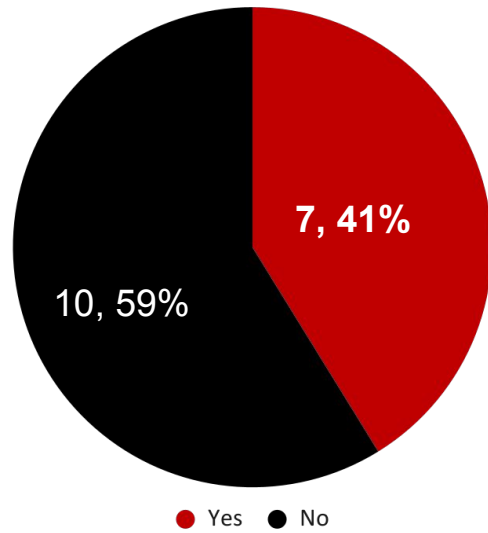
(S) Diversity, Equity and Inclusion - Gender Diversity

We use our Diversity, Equity and Inclusion priority to proxy the social dimension and consider our portfolio's inclusion of gender diversity at varying levels of management. We begin by applying the Canada 30% gender diversity targets to our holdings' executives and directors.

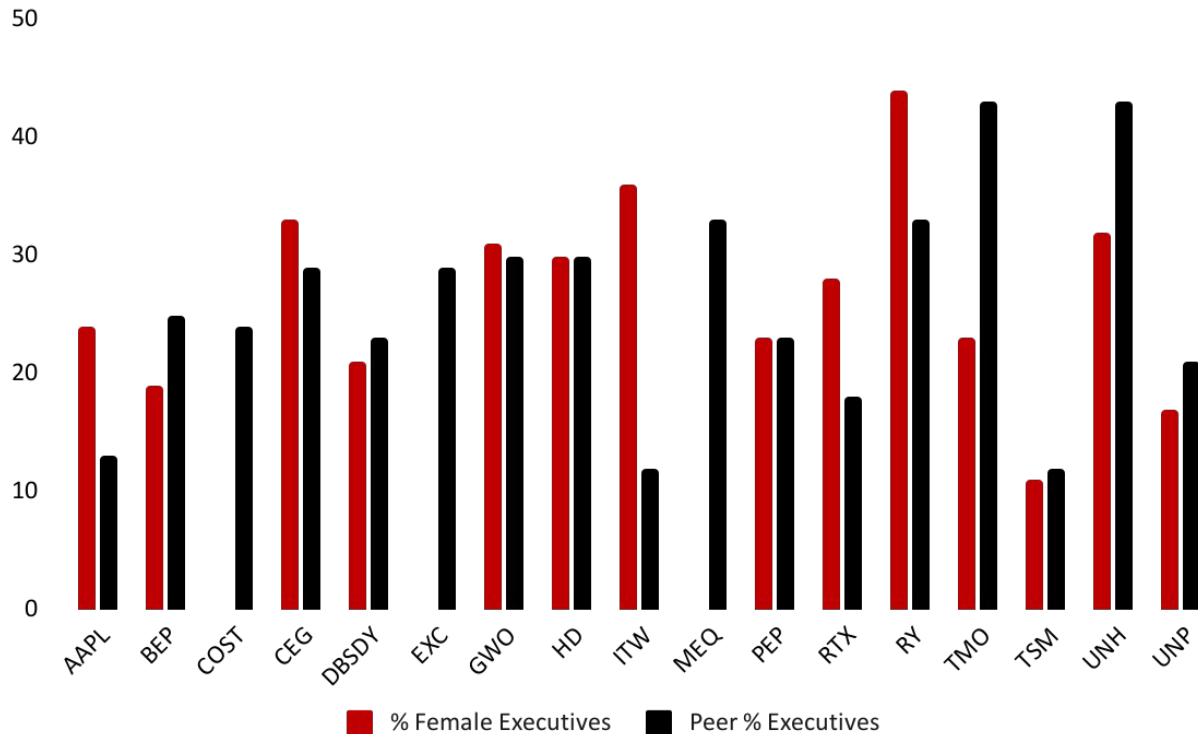
Holdings with > 30% Female Executives



Holdings with > 30% Female Directors



Only 24% and 41% of our holdings meet the Canada 30% threshold for female representation in executive and director positions respectively, but many outperform peers in their respective peer universe

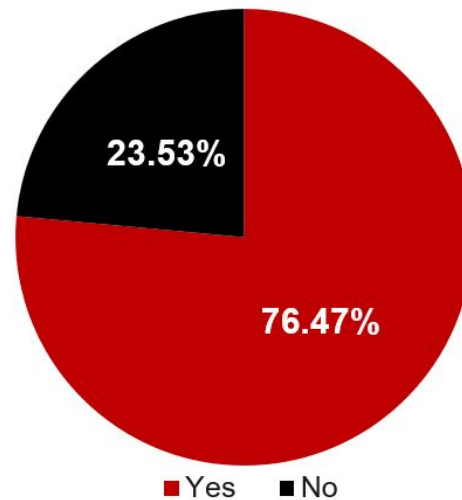


Portfolio Analysis

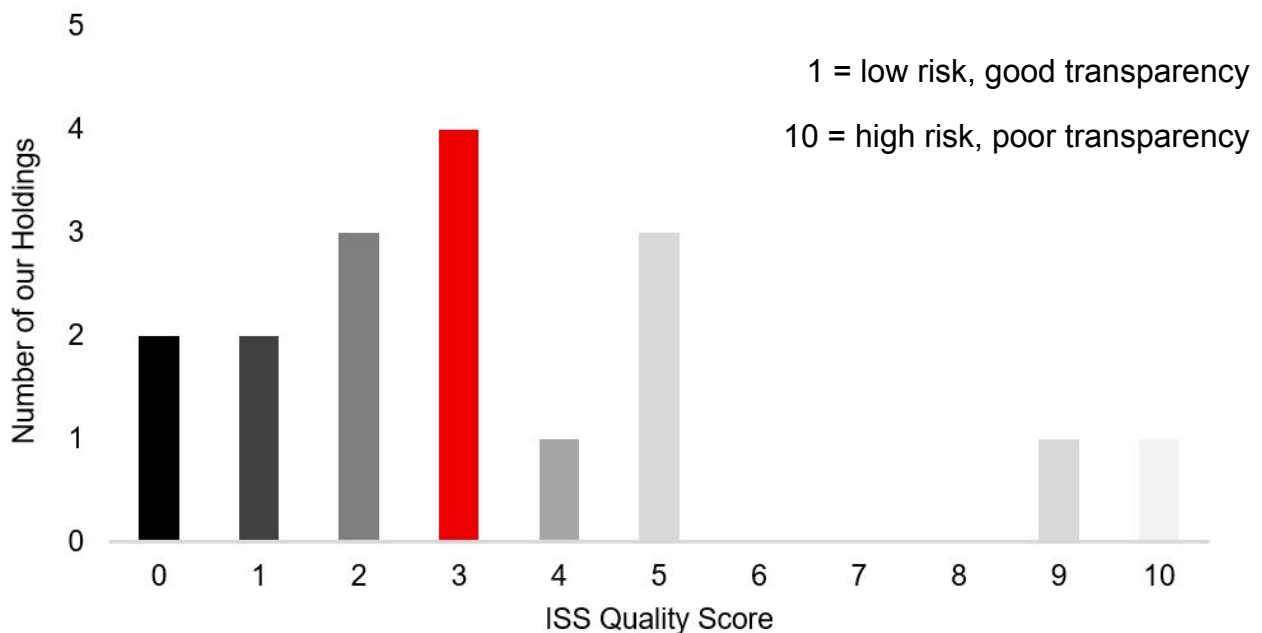
(G) Transparency - Reporting and Risk

Emissions data is one of the most widely documented socially or environmentally aligned metrics by public corporations. Firms are encouraged to comply with the Task Force on Climate-Related Financial Disclosures and scope 1 and 2 carbon emission targets. We therefore use our Transparency priority to proxy the governance dimension and consider our portfolio’s compliance to these standards.

Reports Critical Climate-Related Data



We use a second metric to represent not only the firm’s reporting, but also their perceived reporting or governance risk. For this we include our holdings’ ISS Quality Score. This is a third party score that aggregates perceived risk in Board Structure, Compensation and Remuneration, Shareholder Rights and Takeover Defenses, and Audit and Risk Oversight. The framework assumes higher quality governance practices correlate with lower governance risk.



Scores of 0 indicate the firm is not rated. **Our average ISS quality score is 3.4, an improvement from 3.7 in 2021.**

Evolution of ESG Integration

March 2020

ESG integration first proposed to SSIF team

February 2021

SSIF internal ESG team formed

Fall 2021

First ESG Lesson Presented

Investment Philosophy amended to include ESG considerations

Materiality assessment conducted

New Equity Research template and complimenting ESG guide created

First Team Experience survey distributed

June 2020

ESG integration first proposed to Investment Committee by SSIF members

Winter 2022

New Inclusive Recruitment Plan Launched

Adhered to Carleton's updated RI Investment Policy

First D,E and I survey distributed

Summer 2022

Publicized First Annual Report

Alumni Employers

J.P.Morgan

 Scotiabank

 NATIONAL BANK

 CIBC

 RBC

 citi

 Manulife

 Desjardins

 CPP Investments

 BURGUNDY
ASSET MANAGEMENT LTD.

 cg/Canaccord
Genuity

 SLC
Management

 CANALYST

 TAILWIND

 MUFG

RAYMOND JAMES

LAZARD

Brookfield Deloitte.

 KPMG

 EY

 pwc

 bdc

 EDC

 FIERA CAPITAL

 minto

 MORNINGSTAR®

 MSCI

 IMCO
Investment Management
Corporation of Ontario

 K C L
CAPITAL, L.P.

This list is not exhaustive

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