

MINERVA

A WOMEN OF BURGUNDY PUBLICATION



Investment **WISDOM**
and **INSPIRATION**

ISSUE FIVE

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MINERVA

ISSUE / 05—FEBRUARY 2022

The Women of Burgundy was founded in April 2014. Our mission is to build a community that inspires women to make investing a priority. We will move forward together, fostering curiosity, confidence and continual growth as investors.

Named after the Roman goddess of wisdom and the sponsor of arts, trade and strategy, *Minerva* is a Women of Burgundy publication. An inspirational call to action, the goddess Minerva embodies the highest values of wisdom, knowledge and mastery.

FROM *the* EDITORS

As we write this letter, the world is entering the third year of the Covid-19 pandemic and navigating the challenges of the Omicron surge. We acknowledge the difficulties so many of our readers and humankind itself continue to face. The sheer number of our friends and loved ones who have been affected by the virus is staggering, school shutdowns in some regions are putting enormous pressure on families, businesses are wrestling with staff shortages, and the continued restrictions are hindering our ability to gather. And yet, the resilience and fortitude of those on the front lines, the medical advances made in the last two years, and the innovations that have resulted in different ways of doing business give us hope.

Now more than ever, community and conversation are of the utmost importance. It is in community that we find the nourishment and support we need to address our common challenges, and where we find the inspiration and the education to evolve and learn and grow. We are focused on and committed to preserving, building and strengthening our Women of Burgundy community, and are grateful to share with you this fifth issue of Minerva.

The hardships of the pandemic have in some ways exacerbated the trends toward slower global growth and historically low interest rates. In our conversation with Patti Croft, one of Canada's most respected economists, we discuss the economic environment in which we find ourselves, and the mechanics and intended effects of monetary and fiscal policy. Through the lens of her director positions at Ontario Teachers' Pension Plan and the Ontario Pension Board, Patti outlines the fundamentals of pension investing, the importance of financial liquidity, sound crisis management, and the history and principles of environmental, social and governance (ESG) considerations in investment decision-making.

Our conversation with Susan Bell and Helen Kearns, the top executives of the woman-led investment advisory firm Bell Kearns & Associates Ltd., provides perspective on the importance of strategic planning, risk management and long-term thinking in investing. Susan and Helen also share their deep knowledge of investing in

alternative asset classes as well as what they are seeing on the ground regarding environmental, social and governance scrutiny of portfolios.

Investor psychology is often a major determinant of success in investing, because, at its extreme, it can dictate buying or selling at exactly the wrong times. To delve deeper into the topic of the psychology of decision making, Meghan Moore, Kate Mostowyk and Sarah MacNicol hosted a book club conversation with Maria Konnikova, PhD., professional poker player, and author of *The Biggest Bluff: How I Learned to Pay Attention, Master Myself, and Win*. Being able to discern the difference between chance and skill is key to both investing and to life.

The needs of those less fortunate have become extremely evident during the coronavirus pandemic. In our philanthropy piece, Angela Bhutani speaks with Sabrina Favaro, a third-generation member of the Longo grocery business family. Sabrina talks about her journey to becoming a trustee-at-large of the Longo's Family Charitable Foundation, and the skills and resources she is building to enable her to succeed in the role.

In our NextGen piece, Robyn Ross interviews Kimberly Nemeth, whose unique path to a career in the investment industry is both enlightening and galvanizing. From a young age, Kimberly has sought excellence in all that she pursues. She is a tireless advocate for diversity and inclusion and shares advice that will help us all embrace the deeper meaning of those words.

Finally, our Milestone article celebrates Roberta Jamieson, the highly accomplished Mohawk from the Six Nations of the Grand River Territory who has carved a path for Indigenous leadership and representation in Canada.

This issue of Minerva features original commissioned art by Joanne Tod, Gillian Goerz and D. Douglas, whose creative work brings the pages of this magazine to life.

We invite you to explore, engage with and, above all, enjoy the fifth issue of Minerva. We believe it speaks to ideas that matter to you as informed and successful investors.



Lisa Ritchie, Vice President, and **Anne Maggisano**, Vice President and Founder, Women of Burgundy.

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VOICES *behind* MINERVA



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Special thanks to Sharleen Chang, Compliance Officer, and Elizabeth Andrews, Content Writer, Burgundy.



A CONVERSATION *with* PATTI CROFT

An economist's perspective.

By: Lisa Ritchie & Anne Maggisano

In the spring of 2021, the Women of Burgundy hosted a conversation between Patti Croft, one of Canada's most respected economists, and Burgundy's vice presidents Lisa Ritchie and Anne Maggisano. Patti discusses the economic environment in which we find ourselves, and the mechanics and intended effects of monetary and fiscal policy. Through the lens of her director positions at Ontario Teachers' Pension Plan and the Ontario Pension Board, she outlines the fundamentals of pension investing, the importance of financial liquidity, sound crisis management, and the history and principles of environmental, social and governance (ESG) considerations in investment decision-making.

Anne Maggisano (AM): *Patti, you're an expert in studying the economy. One year into the COVID-19 pandemic, we have central banks indicating that they're going to keep interest rates low for an extended period of time. We have governments around the world spending money and continuing with their stimulus programs. We have businesses that are continuing to suffer disproportionately from the impact of the lockdowns. What's your view on what's happening?*

Patti Croft (PC): It's a fascinating time. I think we're going to see an economic recovery that could really catch us off guard in terms of its strength, particularly in the United States. March 2021 retail sales were enormous, up 10% month over month as people were spending the money that the government sent them. There's a lot of pent-up demand. I think the recovery is going to be multi-faceted. It's going to be led by the United States. It has everything to do with the vaccine rollout and the race between the vaccine and the variants.

There's tremendous uncertainty about the outlook for inflation. No matter what business you're in, inflation matters. If you're in banking, mining, pension plans, money management, the outlook for inflation and interest rates is critical. And let's be very clear, COVID and the recession that followed, that was not your garden variety recession. That was a recession caused by a natural disaster, not by a central bank that tightened too quickly.

The recession affected economic activity, clearly, but it also affected our health. It became a matter of life and death for people around the world. It affected politics, and it affected geopolitics as well. In terms of the response, we saw massive stimulus spending by governments. Canada had one of the largest amounts of stimulus spending, \$350 billion. As a share of our economy, the deficit in 2020 was 16%, which is four times the amount of stimulus following the great financial crisis. Basically, the bottom fell out of economies, and governments had to step in with support, a bridge to take us from recession into recovery. At some point, though, we're going to have to take that bridge away and, we've heard in Canada, we're going to probably see those support payments to businesses and individuals begin to taper off in September 2021.

In addition to the fiscal response, interest rates are near zero - the monetary policy response. So, I think we are at a paradigm shift in terms of policy; it used to be that monetary and fiscal policy were very distinct. In the good old days, we had what I would call MP1, Monetary Policy version 1.0. If the economy was running too hot and inflation was beginning to rise, central banks increased interest rates, if the economy went into recession, they lowered rates to spur recovery. Then came the great financial crisis in '08/'09, and we embarked on MP2, Monetary Policy version 2.0, and this time, it was monetary policy coupled with fiscal policy; we saw central banks begin to use something called quantitative easing, which quite simply is printing money to finance fiscal spending.

That was very different - we saw increasing integration of monetary and fiscal policy. And then came the COVID-induced recession, and this is the paradigm shift because now I think we're in the midst of what I would call MP3, Monetary Policy version 3.0. This is the complete fusion of monetary and fiscal policy to the extent that we've never seen before. This is unprecedented, a bit of a grand experiment. Interest rates are close to zero in Canada and the United States, negative elsewhere. Central banks are buying

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There's tremendous uncertainty about the outlook for inflation. No matter what business you're in, inflation matters.

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enormous amounts of debt. Right now, the Bank of Canada owns about 35% of federal debt outstanding, and that debt accounts for 70% of the Bank's balance sheet.

How does this all work out? Because, in the midst of all this, the Federal Reserve in the United States made a small but subtle change in the way that it runs monetary policy. Historically, monetary policy's mandate has been full employment and targeting inflation. But they changed it last year to what's called "inflation average" targeting, meaning, sometimes they'll let inflation be below 2%, but sometimes they'll let it be above 2%. And the U.S. Federal Reserve has clearly signaled to the markets that it intends to lag in terms of its response to what could

be a blockbuster economic recovery.

Usually, central banks are proactive. They're now saying, "We're going to just sit and see what happens." They do think inflation's going to rise. They believe it'll be transitory. I hope they're right, but my concern is that inflation could take hold in what could be a much stronger than expected economic recovery with little increase in supply, people with a lot of cash ready to spend. I think that we could be sowing the seeds of higher inflation.

Most of us are used to a disinflationary period that's been in place now for many years. We don't have experience with inflation, unless you were around in the '70s and you experienced it firsthand. In terms of that long term downtrend, disinflation, a lot of that was driven by globalization, and a lot of that was driven by China as it became the manufacturing workshop of the world. China joined the World Trade Organization in 2001, causing an enormous increase in the supply of labour to the world economy. Eastern Europe helped as well, and that was part of an enormous disinflationary trend. But that trend has ended. De-globalization started before COVID, but it's been accelerated by COVID. What we're seeing is that companies and countries are much more focused on domestic supply chains, ensuring those are in place, which means economic nationalism is at the fore.

No one's talking about free trade agreements currently. Everybody's talking about securing the vaccine for their population. It's a very different environment. I think that de-globalization, coupled with climate change costs, more resilient corporations, all of this could add up to potentially a surprise on the inflation front, and that has implications for investors and certainly for pension plans as well.

Lisa Ritchie (LR): That's an excellent backdrop to segue into investments and talk about pension investing. You're on the board of two very important pension plans. Tell us the purpose of these plans and who they serve.



From left to right: Patti Croft, Lisa Ritchie, Anne Maggisano at Crow's Theatre.

PC: The Ontario Pension Board administers the pension plan for public sector workers in the province of Ontario. One of the big stakeholders is AMAPCEO, which is 14,000 unionized professional people who work for the Ontario government, and it also provides pensions for judges, crown attorneys and the Ontario provincial police as well. This pension plan has about 90,000 active and retired members. Its mission is to deliver outstanding service and to pay the pension promise for that constituency. It's quite a mature pension plan. It's a very interesting board to sit on because when you take the position, you actually become a civil servant of the province of Ontario; there's a big component of public service and giving back. This resonates with me.

The other board that I sit on is the Ontario Teachers' Pension Plan Board, which administers the pension plan for the teachers of the province of Ontario. It is the largest single profession plan in Canada with 330,000 active and retired members and \$220 billion in assets under management. We're currently 103% funded. The funded position is all about sustainability. You want to be over 100% because that's the measure of assets you have that will pay for the liabilities, the pension payments. So, there's \$103 of assets attached to every \$100 of liabilities.

It's fascinating being on a pension plan board because there are a number of risks you have to consider. Inflation risk is one, because the benefits can be indexed to inflation. Another risk is longevity risk; it turns out that the teachers in the province of Ontario live a very long time. Right now, we have 147 pensioners that are over 100 years of age. It's a very mature plan; you can gauge that by the ratio of active to retired members. That ratio right now is only 1.2 active members contributing to the plan to pay for the pensions of one retired member (in 1990 the ratio was four to one). So, you can see the challenge; you need to consider a very long-term timeframe and ensure you have sufficient assets to pay the pensions.

LR: *Ontario Teachers' Pension Plan is admired around the world for its investment strategy. Tell us about the strategy that's employed to ensure the long-term feasibility of the plan.*

PC: It's all about sustainability. It is referred to as the "Canadian Model" of pension plans. Ontario Teachers' was at the forefront of this model, and so was CPPIB and many others. There are several factors that contribute to the model's success, and one of the key ones is governance, the "G" in "ESG". It's very important to have independent professional boards that oversee the assets. In terms of

Ontario Teachers', it's based on a skills matrix. We create a matrix of the skill sets needed to manage a \$220 billion pension plan. So, around the table, we have actuaries, economists; we have experts in accounting, in investing, in talent management; and we also have a retired member of the Ontario Teachers' Federation. It's that professional, independent board that's very important from a governance perspective, but beyond that, a couple of other things are important. One is the long-term timeframe. We are patient capital. We don't have to do quarterly earnings reports. We don't have to flip investments to get a quick rate of return. That's an advantage.

The third element is the way that these pension plans are structured. It's about bringing investment management in house, having expertise resident within the plan, which reduces your costs. You have to have scale to do this well. And then, lastly, it's about diversification. Ontario Teachers' is invested in over 50 countries around the world, seven major asset classes, and increasingly moving towards private assets to pick up the so-called illiquidity premium. These investments require patient, long-term capital.

This is the combination of factors that have made the Canadian pension model one that is very much emulated and admired

around the world.

AM: *It would have been an incredible challenge to manage the pensions through the early days of COVID, where for example we saw public equity markets decline by over 30%. What was the experience at Ontario Teachers' over the last year?*

PC: I have to start with recognizing how challenging the past year has been for the teachers of the province of Ontario in the classrooms, dealing with closures, openings, personal protective equipment, vaccinations. I want to recognize how tough a year it's been for our members and for the civil servants of the province of Ontario.

In terms of the last year, for both pensions, the focus was first and foremost on people. It was ensuring the safety, the health, and the well-being of our people. At Ontario Teachers', they partnered with a major private sector health-care provider, and every week, any employee in the world could dial in and listen to a medical doctor talk about what was happening and then participate in a Q&A period. As time went on, they added a psychiatrist who talked about wellbeing and mental health, and gave simple but important tips for how to continue to be resilient.

Beyond that, of course, we're running a pension plan. We have a pension payroll to meet. So basically, we moved into crisis mode. We held a weekly meeting with management where the members of management informed us with: "here's what's happening in Hong Kong; here's what's happening in London; here's what's happening with the operations; here's what's happening with our people", and, very importantly, "here's what's happening with liquidity" because when you invest in illiquid investments as we do, you can't sell those assets quickly to meet the pension payroll. Liquidity became very, very important. So that was a real focus of those meetings as well.

AM: *You mention liquidity being a real issue over the last year. Because the pension plan owns private holdings, it had an obligation, a responsibility, to ensure that those private companies would be able to survive through some really tough business conditions.*

PC: Yes. That was a big challenge. Normally, the primary raison d'être for investors is to manage investments, and either buy assets or sell assets, but this was a period of pens down. We own 80 portfolio companies in different businesses; we own five airports in Europe. You can imagine the situation they were in when air passenger traffic fell by 75%. We own Cadillac Fairview, which, of course, is shopping malls and office towers here in Canada, and also properties around the world. The investment team was very focused on ensuring the safety, health, and wellbeing of the people, and also ensuring our companies had adequate liquidity to get to the other side.

AM: *The other major lesson, of course, is the value of diversification. Tell us how diversification helped the plan be resilient over the last year.*

PC: It is said that diversification is the only free lunch in investing. We are geographically diverse, in 50 countries and diversified by asset class. We're in the public sector, in equities and fixed income, of course, but beyond that, we're in credit, in infrastructure, in private



From top to bottom: Anne Maggisano; Lisa Ritchie, Patti Croft, Anne Maggisano; Lisa Ritchie.

equity. We're in inflation-linked assets. We're in commodities, absolute-return strategies. It's all about distributing your risk budget across asset classes to produce a risk-adjusted rate of return that in totality allows you to pay the pension promise not just today, but tomorrow as well. Portfolio construction is of paramount importance; you need a total fund perspective, but beneath that, be extremely diversified so the portfolio can withstand very different economic environments.

AM: *And diversification is one of the ways that you can prepare for and be resilient through an uncertain economic context, for example if we were to experience higher than expected inflation.*

PC: Yes. And I think on this front, if you know that inflation is going to be 2% this year

think your people are and your portfolio is, there are always going to be surprises.

LR: *Canadian pension plans are considered leading edge in terms of environmental, social, and governance (ESG) analysis, with these considerations being part and parcel with investment decisions. How do pension plans navigate ESG issues in their investment decision-making?*

PC: I would argue that Europe is probably ahead of Canada, but Canada is ahead of the United States. ESG has been around for a long time, but say, 30 years ago, it was very much siloed and off in a corner. There was a lot of interest, to be fair, particularly amongst endowments and foundations, those mission-driven organizations who were early adopters of ESG practices.

We saw racialized communities that were severely affected, and less well-off communities were hurt as well. There was a statistic published for the U.S. that showed that the 25% lowest income zip codes accounted for 40% of the COVID cases. So, again, it's that inequality that has come to the fore.

ESG is front and centre now. There's a lot of excitement, and we can see this in terms of things like the United Nations Principles for Responsible Investing (UNPRI) having 3,100 signatories now. That's 20 times where it was 10 years ago. There's tremendous momentum. The pension plans that I'm on are signatories. As a board member, what I see is that ESG is just in the DNA of the organization. It's embedded deeply into the investment process. I'll give you an example.

“ Our purpose is to invest to shape a better world. So ideally, when we invest, we want to ensure that the people, the communities, the companies we touch, are better off after they've dealt with Ontario Teachers' ”

and 2.25% next year and 2.5% the year after, that's not a problem. We can plan for that. It's when you've had a long period of inflation being under control, and, if anything, being below target, and then suddenly there's a whiff of more significant inflation beginning to come back. I think that's the more problematic scenario.

One of the things that you do on a board is you look at risk all the time, and we try to look at emerging risks. There are risks that we can understand and mitigate, and we also try to think about what's out there that could be a problem but isn't quite here yet. I would put an inflation surprise on that emerging risk register for pension plans and for others as well.

Despite all the preparation that you do, you're still going to be caught off guard. COVID-19 taught us that no matter how much planning you do, how resilient you

I think in terms of the “E”, the “S” and the “G,” the first one that came was the “G,” that notion of governance. And here in Canada, I think we're very proud of our governance structure. Part of that included the establishment of the Canadian Coalition for Good Governance, of which Burgundy's founder, Tony Arrell, was one of the founding members. Following the focus on governance, the shift was to the “E,” the environmental part. Climate is very much top of mind when we talk about the environmental piece.

Now, the focus is also increasingly on the “S,” the social issues, because of what happened in the last 12 months. COVID laid bare the reality of social issues in many economies. Here in Canada, it was referred to as the “she-cession,” where we saw that at one point, women's participation in the labour force hit its lowest level in 30 years.

At the board at Teachers', if we have a new deal we're looking at, for example an investment in Peru, we receive a 30 to 40 page deck to read, and several pages are devoted just to ESG considerations. What are the physical risks and the environmental risks? What are the impacts on the communities where we intend to work and invest? And what are the governance issues that may arise as well? It's your fiduciary duty as a board member today to ensure that the ESG lens is applied all across the organization.

In January we announced net-zero carbon emissions by 2050. We're very proud of that. It's going to be a very complex process because we're operating in multiple countries and own many portfolio companies. We've already measured the carbon footprint of our portfolio, and we'll look at how we reduce its carbon intensity over time. With clear metrics, guidelines and mile posts we will track the

progress towards that transition to net zero. I'm very hopeful, very optimistic. We hear a lot about the climate risks, and these risks are real - the physical risks, the transition risks, but there are tremendous opportunities as well, in renewables and clean technology in Canada and around the world. It's important that people recognize both the risks and the opportunities. I think Mark Carney has said that in terms of opportunities, it could require investments of up to \$10 trillion as we transition to a low-carbon economy. So, there will be all kinds of exciting new technologies as we make that transition.

LR: *You mentioned that the “she-cession” and the awakening around social inequalities have really brought the social aspect, the “S” of ESG, to the fore over the last year. How does Ontario Teachers’ negotiate the “S”?*

PC: The past year has been incredibly tumultuous on many fronts, but with the death of George Floyd roughly a year ago, and the increasing focus on systemic black racism in Canada and elsewhere, both Ontario Teachers’ and OPB have signed the Black North Initiative.

To sign that, your CEO has to make a pledge that recognizes that there is systemic black racism within this country. And you must make a commitment to increase the representation of black leaders at the boardroom table and within the executive ranks. COVID-19 has really shone a light on these social issues. I also think there's a movement afoot, accelerated by COVID-19, and it's away from shareholder capitalism towards stakeholder capitalism. We really believe at Ontario Teachers’ that you can earn a rate of return, and you can also have a social purpose.

Our purpose is to invest to shape a better world. So ideally, when we invest, we want to ensure that the people, the communities, the companies we touch, are better off after they've dealt with Ontario Teachers’. It's a shift in belief. I think that, for a long time, people believed you had to sacrifice return in order to get the social piece. I don't think that's the case anymore, the fact is you can

have both. You can invest with purpose. You can pay that pension promise, and at the same time leave the world a better place.

I'll give you an example. One of the companies that Ontario Teachers’ invests in is called Spandana, based in India. It provides unsecured micro-finance loans to women in small rural Indian communities. These are women starting up businesses to support their families. Again, it's that lens we apply when we're looking at doing a deal or making an

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investment: how does this make the world a better place?

Performance and purpose can live side-by-side. You don't have to sacrifice one for the other. And increasingly, of course, our stakeholders are demanding that. We just had our annual general meeting for Ontario Teachers’, and we got over 500 questions. Most of them focused on responsible investing, and a lot of them on climate. Our stakeholders are demanding that we have purpose as top of mind in our investment decisions.

AM: *As a leader for women throughout your career, please share your perspective*

on where we are now, how you think we've done, and what still needs to be done.

PC: I am hopeful. I do see that progress is being made. When I look at the board of Ontario Teachers’, we are ten people, and five are women and five are men. Similarly at Ontario Pension Board we are nine people, five women and four men, and the Chair and the Vice Chair are both women. On gender diversity, I think we are making some progress. If I look at the number of women on boards in broader corporate Canada, that picture is improving slower than I would like, but it is improving.

Having said that, if I look at the board of Ontario Teachers’ and OPB in terms of diversity beyond gender, we need to do better. I hope that before I leave these two organizations, particularly as chair of the governance committee of Ontario Teachers’, we can improve.

I think there's much more work to do on the social part of ESG. I've learned so much in the last year about myself and the unconscious biases that I have. I think all of us have to do a little bit of soul searching and homework in that regard, because my lived experience is not the same as someone working at an organization who is black or indigenous or a person of colour. My lived experience is not the same as theirs, but I can listen, and I can learn.

I have five grandchildren and my hope is that I will leave the world a better place for them. I'm excited by what I'm seeing in terms of momentum on climate, on diversity, on equity and inclusion. But if I may just leave you with one thing, a bit of a call to action. When we think about things like climate, it's just so big and so complex, and we think, “What can I do?” Consider the saying, “If you are not part of the solution, you are part of the problem.” Whatever motivates you, I think we could all agree that we do want to get on the train and do something about climate and biodiversity and all these other issues. If we bring it down to the personal level, I think that we can, on an additive basis, make a difference. **M**



Original portraits by Joanne Tod, "Helen Kearns" and "Susan Bell."

GROUND^{ED} *in* EXCELLENCE

A discussion with Helen Kearns, CEO, and Susan Bell,
President, Bell Kearns & Associates Ltd.

By: Anne Maggisano & Lisa Ritchie

In the fall of 2021, Burgundy's vice presidents Lisa Ritchie and Anne Maggisano sat down with Helen Kearns, CEO, and Susan Bell, President, of the investment advisory firm Bell Kearns & Associates Ltd. Helen and Susan provide perspective on the importance of strategic planning, risk management and long-term thinking in investing. They also share their deep knowledge of investing in alternative asset classes as well as what they are seeing on the ground regarding environmental, social and governance (ESG) scrutiny of portfolios.

Anne Maggisano (AM): *Let's start with each of your paths into investing and how you got to where you are today.*

Susan Bell (SB): I was fortunate to be raised in a family where many of my relatives were in the investment business. Naturally, my interest was piqued very early on. At age 19, I got a stock tip from a friend who "knew someone who knew something," who said, "I think you should buy this penny stock that is trading on the Vancouver exchange; it's a mining company." So, I said to my dad, "What do you think?" And he said, "Give it a go, Susan. See how it turns out." I took my \$200, I bought my penny stock, and it immediately went to zero. My father said, "That is going to be the best lesson you ever learn because it was early, it was not a lot of money, and you saw what can happen."

So that was my earliest taste of investing. I still wanted to pursue a career in the industry. I've now been with Bell Kearns for almost 20 years. I feel very fortunate to have been promoted to President earlier this year and am a major shareholder of the firm. Before Bell Kearns, I worked at a firm led by the investment guru Dan Richards. That was a great training ground for me. I studied and became a CFA charterholder. And I have to attribute a lot of my growth and development to my dad as a wonderful mentor for me throughout and to this day.

Today I work directly with clients, and one of the things I derive the most pleasure from is meeting with families and individuals and knowing that we are helping every member of the family for the very long term. That gives me a very great sense of satisfaction and fulfilment.

Lisa Ritchie (LR): *Your dad was so brilliant to let you make that mistake early in your life, Susan. Helen, what was your path into investing?*

Helen Kearns (HK): I had a different path into the investment business. I was a business journalist and covered Canada for

Businessweek Magazine for a number of years. That was a great foundation, because to be able to find a great idea, communicate it effectively, and have someone want

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We build a disciplined investment framework, inclusive of a diversified portfolio, that helps our clients make informed decisions. Diversification to us is really the acknowledgment that you don't know what's going to happen in the future.”

to read the story from beginning to end was great training. When I was invited to join the institutional sales desk at a major Canadian brokerage firm, I accepted. What

I didn't realize was that there was only one other woman in Canada on an institutional sales desk. So, it was challenging, but the fact is that I was enormously confident in my ability to identify great, high-performance ideas. I have been very fortunate in the industry. I was the first woman in Canada to lead an institutional sales and trading team globally, and I've also had the opportunity to serve on the boards of some of Canada's largest pension plans, on the board of the Toronto Stock Exchange and two of Canada's universities. I was particularly honoured in 2019 when I became the fourth woman to be inducted into the Investment Industry Hall of Fame. I have had a long and wonderful career in the industry. And now, of course, here at Bell Kearns, it is a continuation of bringing great investment thinking to clients, and I love that.

AM: *Let's talk about your investment philosophy. At the core of your investment philosophy is a belief in active investing vs. passive investing.*

SB: We believe that passive investing does have a role to play in the investing industry, but for the clients that we work with, we believe that they can achieve a superior risk-adjusted return over the long-term using active management. And beyond that, it is about applying the skillset to identify those long-term outperforming managers. Helen and I also believe there are a lot of ancillary benefits for our clients when working with an active manager, top of mind being education for families. Active management gives you access to people and resources in the industry who are thinking about companies and businesses every single day. It gives you added knowledge and perspective.

HK: I will just pick up from there and talk about the importance of diversification. We build a disciplined investment framework, inclusive of a diversified portfolio, that helps our clients make informed decisions. Diversification to us is really the

acknowledgment that you don't know what's going to happen in the future. No matter what happens, your diversified portfolio is going to be able to withstand that uncertain future. That is a big statement. But last year (2020) was a real test of that philosophy, and thankfully our clients came through with shining colours. And they have confidence in that long-term structure, within which they are diversified by geography and asset class.

The financial industry and the media spend an enormous amount of time and energy trying to figure out what is going to

clients how different asset classes have performed over this long time horizon, it helps them to understand that if we build a diversified portfolio, they are going to make it through difficult times. But that is a message that has to be repeated constantly because people are human and checking one's emotions can be very challenging when it comes to investing.

AM: *We experienced both extreme fear in the depths of the March 2020 crash and extreme greed as equity markets rebounded. How do you manage the emotions of fear and greed as investors?*

portfolios for different generations?

SB: Typically, there is a defined pool of investible family assets. The intent is to have that pool of assets invested for the very long term. We are able to counsel that this money is not intended for any one of their individual retirements or short-term goals. So, they have the benefit of thinking super long term, similar to an endowment fund that will exist for many, many years.

And then the second part is that we have the benefit of regular conversations with our clients. Every quarter, we sit down with them and have conversations around

“The financial industry and the media spend an enormous amount of time and energy trying to figure out what is going to happen in the next week, the next month, even the next day. This makes for a lot of noise and distraction.”

happen in the next week, the next month, even the next day. This makes for a lot of noise and distraction. We help our clients to invest with a very clear focus on the long term. And we help them construct portfolios that will flourish over that long term. This is the key element of our thinking, and I can't emphasize it enough. The centerpiece is risk management, and the focus is the long term.

LR: *How would you define long term with your clients?*

HK: It is more than three years, and five to ten years at least. One of my favourite charts, in fact the only one we have up in our office, is a long-term chart of the performance of all of the investible asset classes going back to 1950. When we show

HK: It really comes back to our initial conversation with our clients around risk. This conversation is our most important one because it is the center pole upon which return expectations, portfolio construction, everything else is built. And that risk conversation is often not just with one person: it's with a family, and it's multi-generational. Different generations might have different ideas about risk. So, we have to tickle out: Where do we all land? Where do we all agree?

AM: *How do you manage that risk conversation with different generations? When you are working with multi-generations and different time horizons, are you trying to reach consensus around risk tolerance? Or is it structuring different*

risk which may be difficult for the family members to have on their own. Our job is to make sure that we are bringing out the different voices around the table. Good wholesome conversations on a frequent basis gets us to the right answer for each family.

HK: This is why having a framework for decision-making is so critical to long-term investment success. It takes the emotion out of investing. In this framework you have all of the pieces for making informed decisions – from governance, to asset mix, to manager selection. When I first joined the investment management industry, I thought my experience researching companies and understanding how stocks behaved was going to be my major strength. I was wrong. It is this decision-making framework

that is the strength and the key to achieving long-term investment success. And I will share that from my experience on the pension boards of Ontario Teachers' and now AIMCo (Alberta Investment Management Corporation), it is no different. The conversation always starts with risk.

AM: How do you define risk?

SB: Classically, one considers volatility as one component of risk, but one also considers permanent erosion of capital. We have to be cognizant of both. We believe we can minimize the risk of permanent loss of capital significantly through diversification and by selecting managers who place capital preservation at the core of their

cations for different asset classes. What is your take on our current moment?

SB: There are lots of things to worry about today. Perhaps a global pandemic is going to go down as one of the biggest events in our careers, but there has never been a day in our investing careers where there wasn't something to worry about. As a result, our focus is more on having portfolios in place that can get through tough periods and will be resilient no matter what comes. It's focusing on the long term, having diversification, and constructing an asset mix for clients that is determined first and foremost by their risk parameters and tolerance.

investment. We have some clients for whom it is not at all suitable, and then we have others where a portfolio of alternatives works very well in diversifying risk and enhancing returns.

When I joined Bell Kearns, Rob (Bell, founder) and Susan had already been researching alternatives for years. We set out on a deliberate path to become very knowledgeable about this asset class and identify high-quality managers. So now we have relationships with these managers. It is incredibly beneficial for our clients.

AM: One of your skills is your ability to choose investment managers. What qualities do you look for when assessing

“There are four P's that we feel are foundational – assessing the people, the process, the philosophy, and the performance. I would say that too often it is the performance side that people overemphasize.”

investment philosophy. When it comes to the volatility component of risk management, this is where we have to make sure we know our clients' tolerance. We talked about our goal of achieving risk-adjusted returns over the long term, which means we want to maximize return but within a client's risk appetite. And that varies quite a bit amongst our clients. They all have significant portfolios intended for the very long term, but we have a saying, “You need to be able to sleep at night.” If you can't, there is a problem with how we have set up the portfolio.

AM: We are in a time where monetary and fiscal stimulus is flooding the markets with a lot of liquidity and there are impli-

LR: Interest rates have come down over the years, and investors are searching for yield. Have your clients shown an interest in investing in alternatives?

HK: Yes. We have all read about how Ontario Teachers' Pension Plan has shifted much of its allocation from fixed income to alternatives, and so it's logical that our clients ask: What about that for me? First of all, we have to go back to the conversation around risk. In the context of the investment framework, we need to ask: is an allocation to alternatives appropriate for your portfolio? Does adding alternatives meet your investment objectives? Not every client is comfortable with the illiquidity that comes with an alternative

investment managers?

SB: There are four P's that we feel are foundational – assessing the people, the process, the philosophy, and the performance. I would say that too often it is the performance side that people overemphasize. We feel that the other three P's are extremely important too. For example, if there is a terrific performance record, is the same person who created that track record still at the firm? Is there an alignment of interest with the clients at the firm, for example, from ownership? How about compensation? Is the manager's compensation tied to long-term performance or short-term? These are some of the metrics that we assess thoroughly

because ultimately, they drive long-term performance for clients.

HK: All of that adds up to quality. If we can introduce our clients to the highest quality and the best-in-class managers in the world, many of whom reside right here in Canada, that's what we want to do all day long. Our firm collectively has over 200 meetings with managers each year. We are constantly validating current managers and meeting with new managers. In many respects, we are talent scouts for quality.

AM: *You have the perspective of selecting asset managers from all around the world. What are some trends that you are seeing in the global asset management industry?*

HK: In terms of trends, we are seeing consolidation in the industry. At the same time, we are seeing a lot of new products being released into the market, and often, by entities that have inherent conflicts. Complexity has gone up. When we assess a new product, we ask the question: What is the motivation, the goal? Is the purpose of the new product to add value to clients, or to gather assets for the firm releasing it? Clients benefit from having our independent counsel lead them through this complexity.

LR: *Are you seeing a rising demand from your clients for Environmental, Social and Governance (ESG) integration into their investment portfolios?*

HK: There is a spectrum for how our clients are thinking about ESG – all the way from being purposeful and intentional about investing with specific environmental and social outcomes, to “I’d like to understand ESG and the reporting around it better.”

What is clear is that ESG has moved into the mainstream. For us, we need to monitor how managers are implementing ESG into their decision-making. We have sizable relationships in Europe where ESG is more advanced than here in Canada. Some European fund managers we follow have integrated ESG into their investment decision-making. It is providing us with an

understanding of what integration means.

Pension plans are measuring their carbon footprint in very material terms. They have clear goals on reducing their carbon footprint. These big pools of institutional

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Be curious,
calm, patient,
have a plan
in place, and
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to long-term
success for
investors.”

capital, along with the social awareness, are driving change very quickly.

SB: I would say that more and more it's the younger generations that are bringing ESG up in conversation at meetings. We

provide a forum for discussion and encourage listening and collaboration. You often come to a better decision by respecting different ways of looking at the same topic.

AM: *You have made a huge impact on the investment industry. How do you think of your role as leaders for women?*

HK: The investment business is a fantastic business for women. We would be thrilled to see more women choosing the investment industry as a career. There are so many different opportunities to succeed, including the possibility of running their own investment firms. Ideas and smart thinking – they are gender neutral.

Some of the best research analysts I have worked with are women. Women are also excellent at connecting and building relationships, which is a huge part of success in this industry. I think that reporting on diversity and inclusion will open doors for women in a way that we haven't seen before. It's a great time for young women to get into investing.

SB: I've heard high-school age women say: “But I'm not good at math.” There is a perception that you have to be an A+ math student to choose investing as a career. That is not the case. To every woman who says, “I'm not good at math,” I say “It doesn't matter. Keep going.”

Helen and I teased out some words that describe what makes a successful long-term investor, and the ideas we came up with were: be curious, calm, patient, have a plan in place, and surround yourself with experts you trust. These five ingredients are major contributors to long-term success for investors.

There was a McKinsey study last year that found that for families with wealth in excess of five million dollars, nearly 40% of that wealth was managed by a woman in the household. That is a number that has increased over time. It serves as proof that this is an area of growing confidence, interest and engagement for women. This is something that Helen and I cheer about. **M**



Understanding human nature and the role of chance with Maria Konnikova, author and PhD.

By: Meghan Moore, Kate Mostowyk, and Sarah MacNicol

In June 2021, the Women of Burgundy Book Club hosted a conversation between Maria Konnikova, PhD. and author of “The Biggest Bluff” and Burgundy’s investment counsellors Meghan Moore, Kate Mostowyk and Sarah MacNicol. Captured here are Maria’s teachings on understanding the role of chance vs. skill in both investing and in life.

Meghan Moore (MM): *Your book is about the role of chance in our everyday lives, and how chance had a lot to do with your unconventional journey from writer/psychologist to international poker champion. Please walk us through your story.*

Maria Konnikova (MK): Chance plays a huge role in everything that we do. For me, this was true from the earliest part of my life. When I was four, my parents left the Soviet Union and came to the United States, and that had nothing to do with my decision-making. Just think about how different my life would have been if we had stayed in what was then the Soviet Union. This was at the height of communism before the Iron Curtain fell, before the Berlin Wall fell, and no one knew

what was going to happen. So, from a very early age, chance played a major role.

While in graduate school pursuing my PhD in psychology, I studied control, the nature of control, and the illusion of control. Over and over, I found that humans will claim agency for things that happen by chance, especially when outcomes are good. Most people’s perception is, “That was all me. I’m so good. I’m so talented.” But I was acutely aware of how important chance is in determining outcomes because of my own background.

In 2015, chance hit me over the head. In the span of a few months, several things happened. I became very sick with an autoimmune condition that nobody could diagnose. I was dealing with fatigue, painful hives, and

no answers, and then, suddenly, my grandmother died. She slipped and hit her head. And that was just chance, bad luck. And as all of this was going on, both my husband and my mom lost their jobs. I realized, “I can be really hard working, I can do everything “right.” But I also have to be lucky.” There’s nothing quite like your health failing and all these negative things happening to prove to you how powerful chance is, and how often we just take it for granted when it’s on our side. I wanted to explore this in a deep way and write about it.

Someone recommended I study game theory, which is an interesting framework for looking at chance, and at incomplete information and uncertainty. I read John von

Neumann's *Theory of Games and Economic Behavior*, which is the foundational text of game theory. John von Neumann was a poker player, and game theory, this entire complex economic theory that defines the 20th century, was born out of poker. Von Neumann thought that poker was the perfect way of understanding strategic decision-making. He reasoned that poker was a game that mirrored life because players are required to act based on incomplete information. There's no such thing in poker or in life as complete certainty. Everything is a matter of probability. And our goal is to be on the right side of probability, to put ourselves in a position to get lucky, but whether we do or not, is not up to us.

For this reason, I decided I was going to learn to play poker, spend a year immersed in this world, and write about my experience. I planned to use poker as a metaphor for life to explore decision-making and the limits of skill, and to try to figure out the answers to: "How do we learn what we can and can't control? How do we maximize our skill? How do we minimize those moments when chance is against us and emerge in the best possible shape on the other side?"

Sarah MacNicol (SM): *When I think about poker, I think about the statistics and the probabilities behind the hand that you're dealt. However, your PhD is in the psychology of decision-making, and there are a lot of decisions that need to be made throughout the course of a poker hand. What did you learn from poker that we can apply to our day-to-day decision-making processes?*

MK: My big fear when I got into poker was that I was not going to be successful because I don't have a math background. My coach, Erik Seidel, who's one of the best poker players in the world, told me that the math is so basic that an elementary school student could do it. He asked, "can you add, subtract, multiply, and divide?" Because at the end of the day, that's all it is. And he was right.

That helped me because one of the things

that you realize is how much your attitude, your psyche, can hold you back. If you're scared and you think, "I can't do this. I can't understand it," you've told your brain you don't have the skills. But if you say to yourself, "I give myself permission to learn and see what I can do," your brain becomes much more receptive. Your mindset is incredibly powerful.

One of the things that poker taught me about decision making was how much it

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There's no such thing in poker or in life as complete certainty. Everything is a matter of probability. And our goal is to be on the right side of probability, to put ourselves in a position to get lucky, but whether we do or not, it's no longer up to us.

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matters what you project to others. People don't know what cards you're holding. All they can see is what you're showing them, how you're acting, your objective actions. That is such an empowering thing when you internalize it because you realize, "I don't actually have to give all of the information. I don't have to tell everyone everything I know. I can actually project the confidence that I see in other players at the table." It made me realize how much my own attitude held me back in real life. My attitude of, "well, my

hand's not that great, so I'm not going to ask for very much." I think that's often true for women because that's how we're taught to behave in society.

That's the emotional side of the decision-making process. I also learned a lot about how to make decisions in a way that's logical, based in math and the reality of the situation, in observation and asking: "what are all of the factors I need to consider when I'm making this choice?"

The single most important lesson of decision-making that I took away from my research was that it is critical to separate the process of making the decision from its outcome. In real life, we often conflate the two. If something turns out well, we think, "great, good decision." If something turns out poorly, we think, "oh, bad decision." And if someone else made the decision, we credit or blame them. What poker teaches you so clearly is that the outcome does not equal the process. In poker, you could be a 75% favourite to win all the time. But 25% of the time you are going to lose. And that doesn't mean you made the wrong choices.

When people ask me how to improve their decision-making, I urge them to write down the factors that are important, what things matter, and how certain they are of these things. Work it through objectively beforehand, because once you're in that situation, you're going to be emotional, and lots of other things will be going on. Crucially, if you don't write down your framework in advance, you are going to have hindsight bias. You will assess the quality of the decision on the outcome instead of evaluating the process itself.

Kate Mostowyk (KM): *One of the biggest challenges we face as investors is to remain disciplined and focused on the long term despite all the noise and things that are out of our control in the short term. How can we apply your learnings to become better long-term investors?*

MK: It's all about process versus outcome. In the immediate term, chance overpowers

skill. Anyone can get lucky in one decision, in one hand of poker, in one tournament, in one game, in one investment. And in investments, you often see that when someone gets very lucky early on, others think they're brilliant. They will have an easy time raising money, because of their early luck. But because of short term thinking, we may reward people for the wrong things. The important thing is to keep in mind is that there's a huge difference between short and long term.

We also need to realize that we don't know what chance looks like in real life. It's so easy to think that 25% means one out of four, right? That if I just lost, then I'm going to win the next three times. That's not how it works. Probability is not normally distributed in life. It can be completely skewed. If I'm a 75% favourite, I can be stuck in that 25% for a very long time. Probability doesn't care about me. It doesn't know who I am. It's just chance. And this is true in markets too. The markets don't care that you're invested in them. They don't care that you deserve to be lucky. It's just chance.

One of the most important lessons that my coach Erik taught me about poker, and I think it applies to investing as well, is to make sure you're properly bankrolled for the long term. That whenever you make a decision, you are in a position to withstand the short term if it is negative. He said, "If you ever actually find that the amount of money is making you evaluate risk differently, you're playing too high. You're risking too much. Your bankroll management is incorrect. You should always play so that the stakes don't matter, so that you can withstand that variance and you can hold when you need to hold, and not be driven by short-term considerations." I think that's a powerful lesson for investing. When I was in grad school, I exclusively worked on stock market and investing behaviour. We found that people overtrade all the time. Oftentimes they would have made a lot more money if they just didn't do anything. They make the mistake of looking at the short term, at spikes, at dips, at how much they're losing,

and how much they're making. They often ended up selling winners and holding onto losers because of emotional biases. But if you just think long term and think about solid, fundamental decision-making, you can avoid a lot of mistakes.

The long term also means that during your "hold" timeframe new information is going to come in, and the world will change. You have to be willing to update, to realize that the decision that was correct yesterday might not be correct today, might not be correct in two months. That doesn't make you a poor decision maker or a bad investor. It just means you need to update your decision based on new information.

MM: Behavioural biases are relevant in both poker and investing. What behavioural bias was the hardest for you to overcome when you were playing poker, and how did you eventually conquer it?

MK: For me, one of the hardest ones is the sunk cost fallacy. The sunk cost fallacy is when you feel like you have already committed so much that you must stay, that you can't walk away, that you're (in poker terms) "pot committed." "I've already invested so much in this hand that I have to win." It is something that we do all the time in life. Think about putting good money after bad because you think, "I've already invested millions." Or you put good energy after bad because you think, "I've already spent two years on this project." Companies crash when they continue to invest resources in a product that they've been developing for years, even when a competitor has beaten them to market. Rather than abandon and change direction and work on something new, the company decides: "we're going to finish it anyway, because we've already spent multiple years on this." This happens over and over, and you want to shake them and say, "it doesn't matter. You can't get back what you've already put in, but you can avoid putting in more."

I think one of the reasons why sunk cost fallacy bias was difficult for me to overcome, even though I understood it intellectually,



was because of a different bias, a bias of risk aversion. I was a more cautious player than most and people were taking advantage of that. I ended up getting into situations where I didn't have very much bargaining power. I didn't have many chips because I wasn't taking enough risk. I would wait for great hands. When I had those great hands, I wanted to play them - I didn't want to walk away. And what you need to realize is that you have to take more risks and play more hands, not just the "great" ones, so you're not putting yourself in a situation where you are pressured to stay in. Your hand is only as good as the moment you're playing it. You need to always be willing to walk away in poker, and in life. You need to always be willing to fold. And that power, the power to fold and knowing when to fold is sometimes what distinguishes the really great players from the not-so-great ones.

KM: One of my favourite moments in the book was when you decided that you want to be known as a good poker player and not a good "female" poker player. What was it like being the only woman at the poker table, and how did you persevere?

MK: At the beginning, I found it incredibly challenging to be the only woman at the poker table. I was quite surprised at my response because I come from the worlds of media and academia, which are also male-dominated environments. And I always thought of myself as a strong, confident woman. But in poker, it is 97-98% male. You can go for days without meeting another woman.



I noticed that my perception of myself as a strong, confident woman took something of a hit and had to be readjusted, because at the beginning, I was losing money not because I didn't know what I was supposed to do, but because I couldn't execute on it. There's a difference between knowing in theory how you're supposed to act, and then being able to execute in a way that is believable. If you are scared, everyone's going to see that. It's not going to work. It only works if your heart is in it and you believe in what you're doing. I was unable to execute because I was letting the men at the table bully me and take advantage of me.

Poker is a wonderful teaching environment, because it makes you realize that if you keep letting it get the better of you, you're going to go broke. No one was paying me to play poker. This was my own money, and so it hurt. I did not realize that I had internalized social biases about how women should and shouldn't behave. I didn't realize I wasn't able to take risk in these situations. The important thing is self-perception and realizing that you have these biases, because then you can begin to work on them.

And what I concluded was that all the men at the table were underestimating me because they weren't seeing me as a poker player. They were seeing me as a "female" poker player. They didn't have the experience of playing with many women. So, they had biases about how women play, and they would project them onto me. And when I realized this, I also realized that being underestimated is a superpower. It's amazing. Because if you're underestimated, then people don't know what you're capable of. They don't know what you can do. And you can upend their expectations. That's when I started winning, when I started taking the biases people had against me and using them against them. For example, I played against people who didn't think that women were capable of bluffing. So, I would bluff them relentlessly. I started betting larger amounts because I realized that every time I bet, they thought, "oh, she must have a great hand because she's a girl." When I started to understand all these dynamics, that's when I was able to flip the gender bias and use it to my advantage, realizing the superpower of being a woman. **M**



Top left: Meghan Moore, Maria Konnikova, Sarah MacNicol and Kate Mostowyk in conversation at Crow's Theatre.
Top to bottom: Kate Mostowyk, Sarah MacNicol, Meghan Moore.



Original illustration by Gillian Goerz, "Sabrina Favaro."

WOMEN *and* PHILANTHROPY

A dialog with Sabrina Favaro

By: Angela Bhutani

Sabrina is a third-generation member of the Longo grocery business family. Rather than deciding to work in the family business, she pursued a career in the healthcare field, currently working closely with long-term care homes. She is a trustee-at-large of the Longo's Family Charitable Foundation.

Angela Bhutani (AB): *Sabrina, through your participation in annual Longo family assembly meetings, you expressed an interest in being more involved in the family's private foundation and are now a trustee-at-large. What skill sets do you bring to this role and what did you have to learn to prepare for it?*

Sabrina Favaro (SF): My experience working in long-term care facilities and having worked briefly in children's services provided me with a deep understanding of how not-for-profit organizations operate as well as their needs and challenges. This helped me when coming into my role in the family foundation. I also learned a lot from being involved in the foundation, especially from our Foundation Co-Chair Rosanne Longo. With her, I have been able to participate in conversations with organizations that are not within my range of expertise, an example being mental health. Listening to

Rosanne interview these organizations has been very beneficial for me. I learned the right questions to ask to better understand the needs of not-for-profit organizations, and to understand how the foundation's grants would provide maximum impact.

AB: *I understand that you took courses in financial terminology to prepare for your role as trustee-at-large. Were you advised to do so, or did you know naturally that this would be important knowledge to acquire?*

SF: My reasons were two-fold. I knew that strengthening my understanding of financial terms would help me in my "day job." When I started working in children's services, we had funding grants available for certain organizations and I was responsible for ensuring that the recipient organizations were using the funds as they were intended. I was also interested at the time in playing a more formal role within the family foundation. I emailed our family's advisor Gwen Harvey to ask if there were any courses that would make me more prepared to join the Foundation. She suggested an online course through Stanford University in the U.S. It happened to be a free online course that was strictly geared to donors to help them assess charities. The course lined up well with my stage in life and everything that I was interested in doing.

The course walks the donor through financial statements, to better understand the information presented and help provide donors with the ability to grade an organization against others on metrics such as percentage of revenue that is directed to administration costs. It also covers other important factors in making decisions, for example making sure that your values align with those of the recipient organization. Now when we receive a proposal, and I'm reviewing their financials, I can have a meaningful conversation with management of the organization and understand

these concepts at a deeper level.

AB: *After taking the course, did you change the way that you approached decision-making at the foundation?*

SF: Before taking the course, I simply looked at the organization's mission and

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This group
is really
inspiring to
me, because
it is gender
specific and
I think that it
gives me more
confidence to
put my hand
up and be
more involved
in decision-
making at the
foundation.”

if it sounded good to me, then it was something that I thought we should be interested in. After taking the course, I asked more questions and started paying more attention to the financial statements. More than anything, I found this preparation gave me more confidence. In the

past, I assumed that since I didn't have the financial understanding, I might as well just not ask. Now, while I still might feel I could be asking a basic question, I ask it. Most of the time, people tell me that it was a good question.

AB: *Do you feel any uniqueness at all being a woman within the group of trustees, and in having another woman (Rosanne) as a mentor?*

SF: I happen to be the only female in my family of my generation in our foundation meetings. I do sometimes feel I'm speaking more than others on "soft skill" items. I don't know if that's a gender thing or if it's just due to different career paths.

It does help that, as my mentor, Rosanne happens to also talk openly about some of those soft skills. I've also been impressed with her involvement in a group "Women and Foundations" where she shares ideas with other women who are interested in philanthropic impact. This group is really inspiring to me, because it is gender specific, and I think that it gives me more confidence to put my hand up and be more involved in decision-making at the foundation.

AB: *I think that it is important for each of us to step up and own our expertise because we ultimately end up (even unknowingly) acting as mentors for other people. So, beyond our own development we should be aware of how we are developing others behind us.*

SF: Yes. I find that women tend to naturally take other women under their wing and "show them the ropes." In most cases they don't see it as being a mentor, it's just something that women do. I find that now that I have a child of my own, it's helpful being around other women like Rosanne. It's important to me to see how she balances her family and the work she does for the family foundation, and how she achieves both but keeps the two separate from each other. **M**



CHALLENGING THE STATISTIC

An Interview with Burgundy's Kimberly Nemeth

By: Robyn Ross

Kimberly Nemeth joined Burgundy Asset Management in 2017 with a focus on institutional client relations. Kimberly earned a Bachelor of Arts (Mathematics) at Bard College, and is Co-President of Burgundy's Client-Facing Mentorship Program. In conversation with Robyn Ross, Burgundy's Head of People and Talent, Kimberly shares her journey to Burgundy and to investing from her hometown in Kingston, Jamaica.

Robyn Ross (RR): Please tell us about your childhood.

Kimberly Nemeth (KN): I had a wonderful childhood growing up in Kingston, Jamaica. My parents were very supportive and great examples of what it means to always put family first. They sheltered me from a lot of our struggles but taught me that nothing is ever just handed to you in life. I am the eldest among my siblings, so a lot was expected of me. I took my studies seriously and enrolled in a performing arts school for extracurricular activities. It was a creative outlet for acting, singing, dancing, and performing in summer and Christmas productions. Apart from being loads of fun, this experience taught me discipline and the importance of teamwork and fostered a lifelong appreciation for the performing arts.

financial aid could get me there. A higher education meant more independence and more opportunities. I soon narrowed down my choices to liberal arts schools and chose Bard College so that I could focus on academics and still have a connection to the arts.

RR: What was it like settling into a new country and university far away from home?

KN: It was a bit of a culture shock, but I went to New York with an open mind, ready to meet new people and learn from new experiences. I was embraced by my new peers, some of whom had never met or been friends with a Jamaican. Similarly, I had been living in a bubble in Jamaica and was now being fully immersed into American culture amongst liberal young adults. I met a few of my firsts there as well: my

my parents proud.

I ultimately decided to pursue the financial industry because the field appeared to be dynamic, challenging, and lucrative. It had the appeal of working with numbers and with people. My family had immigrated to Canada while I was studying in New York, so after graduation, I packed up and moved to Oshawa.

RR: As a new immigrant to Canada, how did you go about finding a job in Finance?

KN: Looking back, I had 100% blind optimism. I was under the naïve assumption that earning a bachelor's degree would land me a good job. I thought it would be easy, but it was not. I quickly learned that I also needed social capital and a good network. I was very discouraged. I had so many high hopes but not much guidance in terms of

“Opportunity doesn't mean someone giving you an interview or even a job. It extends deeper than this. It is having mentors within your organization who want to support you. Are there people who will take you under their wing and people whom you can trust?”

RR: How would your high school teachers and friends describe you?

KN: My teachers would describe me as studious but cheeky. My friends would describe me as fun-loving. It was in high school that my confidence really started to build. My closest circle was a group of girls who were high achievers but humble and level-headed. They pushed me to stay competitive and we had a good balance of “work hard, play hard.” When you surround yourself with genuine people who want more out of life, you're inspired to want more as well. The company you keep matters.

RR: Why did you decide to go to New York for university?

KN: The expectation that I would study abroad was set during high school. I was fortunate enough that my grades and student

first Jewish friend, my first friend from the LGBTQ+ community, and my first friend from Ethiopia. Meeting new friends from all walks of life expanded my horizons and the depth of my social aptitude. I think it's important to become friends with people who aren't like you so you can learn from other points of view.

RR: You graduated with a Liberal Arts Degree in Math – did you choose finance as the industry you were going to work in from the get-go?

KN: Funnily enough, I initially declared Chemistry as my major, in order to pursue medical school. Turns out I wasn't as interested in Organic Chemistry as I was in Math. In retrospect, I wasn't entirely sure what I wanted to do; the only thing I knew with certainty was that I wanted to make

real opportunities. I had no Canadian experience and limited Canadian connections.

Discouraged by the rejections and delay, I started working with a recruiting firm. They sent me a job posting at Citco Canada, a hedge fund and private equity fund administrator. Citco was adept at hiring new grads and had an established training program. I started as a junior and left five years later as a manager within their Investor Relations department.

RR: What advice do you have for others in terms of building social capital and a network?

KN: Start to build your network as soon as you can. Don't be afraid to approach people and tap into as much of your initial network as possible. Ask this initial group to speak on your behalf to their networks.

Show that you are hungry. Simultaneously get in touch with recruiters and do your own research.

Be mindful of your internal dialogue, that voice inside your head. When I go into new situations for the first time with some degree of uncertainty, I try to give myself words of encouragement so that even if I don't know how to do something, I am reminded that I'm capable of figuring it out. Life is all about challenges and obstacles. If I don't believe in myself, how can I expect others to believe in me? I learned not to underestimate the power of questions and that it is a sign of strength to reach out for help from those more experienced. Having a support system is also important. My mom has been my rock and has kept me grounded. She moved to Canada in her 40s and went from having a managerial position in Jamaica to bagging groceries at Sobeys during her first year in Canada to get our family off the ground. She has always reminded me to never let my expectations get higher than my gratitude. I will always be eternally grateful to my parents for moving us to Canada and all the opportunities it has afforded us.

RR: *Since you joined Burgundy, you have held several different positions. Why and how have you thrived with that change?*

KN: I started at Burgundy working with

the operations team, moved to the investment reporting team, and now serve as a relationship manager for our institutional clients. A combination of hard work, people believing in me, and good timing, resulted in me having the opportunity to fulfill a few different roles at Burgundy. I think living in different countries and moving a number of times also made me very adaptable to change.

When you do good work, people notice, and it pays off. As important as hard work is, the importance of nurturing strong relationships cannot go unsaid. It's essential to build rapport with mentors and sponsors who will advocate on your behalf and recommend you for opportunities when you are not in the room. It can be tough sometimes to put yourself out there, especially when you are new to an organization, but taking the steps to get to know your colleagues and develop a good reputation will go a long way.

RR: *With the increasing focus on social equality globally, what has been a major burdle you have had to face as a woman of colour in Finance?*

KN: Building the confidence to own my value at the table and to focus less on what others thought, because it was only holding me back from being my truest self. Michelle Obama, among other women of colour,

has openly spoken of the concept of experiencing "Imposter Syndrome," a feeling that you don't belong and that you're just not as good as those around you. A lot of women, and especially women of colour, experience this most often as they are seeking career advancement or simply achieving higher levels of success in their current roles. Michelle overcame this syndrome through building her self-confidence, by reminding herself that this belief had been imposed on her by society, and was not the reality of her situation.

RR: *What does equity mean to you as a woman of colour?*

KN: I'll never forget the sociology class I took in New York which focused on the "Inequalities of America" when my professor was lecturing and said that the most disadvantaged people of this world are immigrants, black people, and women. I started to laugh out loud in the class because I fit all three. He then responded to me saying "Kim, it's just a statistic." That's always stuck with me, and I've felt it was my responsibility to try and prove that statistic wrong.

To attain a higher level of success, women of colour need to be given the opportunity and the platform to have their voices heard. It is within that opportunity that equity is achieved. Opportunity doesn't mean someone giving you an interview or even a job. It extends deeper than this. It is having mentors within your organization who want to support you. Are there people who will take you under their wing and people whom you can trust? Are there people amongst you with whom you can find genuine connections? People enjoy working with people they like. That will never change, it is the foundation to relationship building. My sincere hope is that more women of colour advance into leadership positions and in turn become mentors to others.

RR: *Any last piece of advice?*

KN: Remain confident in who you are and don't lose sight of what you're capable of. Own your authenticity and be kind to yourself. **M**



Kimberly Nemeth
photographed
at the Toronto
Reference Library.

CELEBRATING ROBERTA JAMIESON

A leader for Indigenous representation and rights in Canada.

By: Sasha Aristotle

A Mohawk from the Six Nations of the Grand River Territory and an advocate for non-adversarial conflict resolution, Roberta Jamieson has charted a new path for Indigenous leadership and representation in Canada. Jamieson is the first Indigenous woman to earn a law degree in Canada, the first Indigenous woman elected chief of the Six Nations of the Grand River Territory, the first Indigenous Commissioner of the Indian Commission of Ontario, the first female Ontario Ombudsman, and the first non-Parliamentarian appointed as an ex-officio member in a House of Commons committee¹. When reflecting upon these staggering accomplishments, however, Jamieson asserts that she actually “didn’t seek to be first at anything.”² Instead, she says, “the opportunities were there, and I felt it was important to seize the opportunities and to occupy the space that had not been occupied by our people, or by women, because I felt those voices were lacking.”³ Jamieson has indeed lived up to this ethos, using the platforms she has won and the opportunities she carved out for herself to advocate on behalf of Indigenous communities and women across the business, political, and non-profit landscapes.

Jamieson grew up on a Six Nations reserve near Brantford, Ontario, in a close-knit family consisting of eight children. She was influenced by the traditional Mohawk political practice of “holding council” – or gathering, debating, and talking for as long as necessary to achieve consensus⁴. This style of negotiation would become Jamieson’s signature⁵. Jamieson attended primary and secondary school on the reserve and began pre-med studies at McGill University. She would eventually pivot to study law, however, as a result of a few formative experiences: her political activism in support of an Indigenous community’s land rights, and her consequent realization that the law could be used as means of advancing Indigenous activism. At McGill, Jamieson became an advocate for the James Bay Cree community’s defense



Original portrait by D. Douglas, “Roberta Jamieson.”

of traditional hunting and fishing territories. These lands were under threat of flooding due to the Quebec government’s 1971 plan to construct a hydroelectric dam in the region⁶. Jamieson’s advocacy in support of the James Bay Cree prompted a realization for her: “if we’re ever going to solve issues between our people and others in Canada, we need [...] tools in our toolbox. And so off I went to law school to get those tools.”⁷ Jamieson consequently enrolled at the University of Western Ontario to study law in 1973. She was a founding member of the national Native Law Students Association while at Western and, upon graduating, became the first First Nations woman in Canada to earn a law degree⁸. Despite the chal-

lenges of law school, Jamieson quickly realized that learning about the law would allow her to help Indigenous communities protect their interests and safeguard their rights⁹. Jamieson “couldn’t understand why our people should accept all those outside people coming to our territory to tell us how to live or to make decisions for us... I knew from an early age that I was going to do something to change it. I have worked my entire life to build a Canada in which Indigenous people can once again find their rightful place.”¹⁰

After graduating from Western Law, Jamieson became involved in the Canadian Indian Rights Commission secretariat and worked as a speaker for the All-Chiefs Conference¹¹. She achieved another “first” in 1982 by serving as the first non-parliamentarian appointed to a committee – the Special Task Force on Indian Self-Government – in the House of Commons; the Task Force conducted important work such as producing a 1983 document entitled the Penner Report which offered a framework for Indigenous self-government. Jamieson would go on to chair the legal team that advised the Assembly of First Nations during a period of time that included constitutional negotiations, and she conducted mediation work between First Nations communities and both federal and provincial government bodies

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for 10 years.¹²

Jamieson was appointed the first female Ombudsman of Ontario in 1989 and remained in the position for a decade. A core component of her work as Ombudsman involved consultations with Indigenous communities to ensure that their voices were brought to the table¹³. In this role, she was proud to launch for the first time “systemic investigations,” which was controversial at the time. She also worked to advance service equity to make public institutions more aware of the need for inclusive policies and practices, to serve the diversity of their public and to strengthen the governance of these institutions. As a member of the Board of the International Ombudsman Institute, she advised several countries who were establishing or working to strengthen their public institutions. She was named by the Prime Minister as a member of the Inaugural Gender Equality Advisory Council to the G7 Summit (2018) during Canada’s Presidency.

As the first female chief of the Six Nations of the Grand River Territory from 2001–2004, Jamieson worked to create a conflict-resolution mechanism, a decision-making system that was more inclusive, and a clearer distinction between the administration and politics of the nation¹⁴.

Jamieson served as the president and CEO of Indspire, the largest Indigenous-led charity in Canada, from 2004–2020. Indspire’s tagline, “Indigenous Education: Canada’s Future” has a double meaning: Canada will be strengthened by its fastest growing demographic group (Indigenous youth), and Canadians will become more aware or educated about the contributions of Indigenous peoples. In only one year of her tenure, the organization awarded 3,792 bursaries and scholarships grossing over \$12.2 million to Indigenous students¹⁵. Jamieson also served as an executive producer of the Indspire Awards, which are broadcast nationally to honor and celebrate Indigenous achievement and which represent “the highest honor the Indigenous community bestows upon its own people.”¹⁶ Under Jamieson’s leadership, Indspire was recognized

as one of the Top 10 Charities of Impact in Canada and experienced an eight-fold increase in its bursary program¹⁷. Jamieson notes that the Indspire Awards recognize individuals who “are not only having a profound impact on their communities and the country, but who also serve as positive role models for Indigenous youth. Media images contribute greatly to how we think about ourselves and how others in society view us. It is imperative that as Indigenous people, we control our own narrative and the images we project.”¹⁸

Jamieson’s expertise and excellence have been widely recognized beyond her fields. She was recently appointed to the Royal Bank of Canada’s Board of Directors¹⁹ and Co-Chair of CN’s inaugural Indigenous Advisory Council²⁰, and has previously served on the boards of Hydro One Ltd., Ontario Power Generation, Deloitte, the Empire Club of Canada²¹, the Royal College of Physicians and Surgeons²², and Stewardship Ontario²³. She is also the founding chair of the international media arts festival ImagineNATIVE and a founding board member of the Centre for Research in Women’s Health²⁴. Jamieson has been awarded over thirty honorary Doctor of Laws degrees and business and community awards, including the National Aboriginal Achievement Award (Law and Justice), the Indigenous Peoples Council Award of the Indigenous Bar Association, the Council of Ontario Universities’ David C. Smith Award²⁵, the inaugural Mary Parker Follett Award for conflict resolution, the Indigenous Women in Leadership Award from the Canadian Council for Aboriginal Business, and the Queen Elizabeth II Diamond Jubilee Medal²⁶. Jamieson was also appointed a Member of the Order of Canada in 1994 and an Officer of the Order of Canada in 2016²⁷.

Throughout her formidable and wide-ranging career, Jamieson has never wavered in her commitment to Indigenous rights. She believes space is needed in Canada for Indigenous peoples to enrich our society with their expertise in conflict resolution, stewardship of the environment, and traditional healing, and that we can benefit from the role and

wisdom of elders. She is clear in her ethos regarding advocacy: “change doesn’t just happen. It takes work, but it is achievable if we work together to make it happen”²⁸. Indeed, Jamieson’s work and words come at a pivotal moment in the history of Canadian reconciliation with Indigenous peoples. Jamieson serves as a broad example of excellence in many regards, but she is especially inspirational for her impassioned pursuit of equity and inclusion for all people. **M**

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ABOUT *the* ARTISTS



JOANNE TOD

A Canadian artist best known for critiquing the social anxieties of our times. Joanne's paintings explore such topics as feminism, racism and the abuse of power. She is based in Toronto. Joannetod.com



D. AHSÉN:NASE DOUGLAS

An oil painter, children's story book author and educator. His work is primarily figurative and imbued with subtle emotion. The artist's work explores contemporary Indigenous identity, culture, perspectives and stories through the "figure." Derondouglas.ca



ELISA CITTERIO

A brilliant violinist, Elisa joined Tafelmusik as Music Director in 2017. She has recorded and toured, often as leader, with such ensembles as Dolce & Tempesta, Europa Galante, Accademia Bizantina, Accordone, Concerto Italiano, Zefiro, La Venexiana, La Risonanza, Ensemble 415, Il Giardino Armonico, and Balthasar-Neumann Choir & Ensemble (Thomas Hengelbrock). From 2004 to 2017 she was a member of the Orchestra del Teatro della Scala di Milano.



GILLIAN GOERZ

A Canadian cartoonist, illustrator and graphic recorder. Gillian is the author of two middle grade graphic novels, Shirley & Jamila Save their Summer and Shirley & Jamila's Big Fall. She is based in Toronto. Gilliang.com.

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