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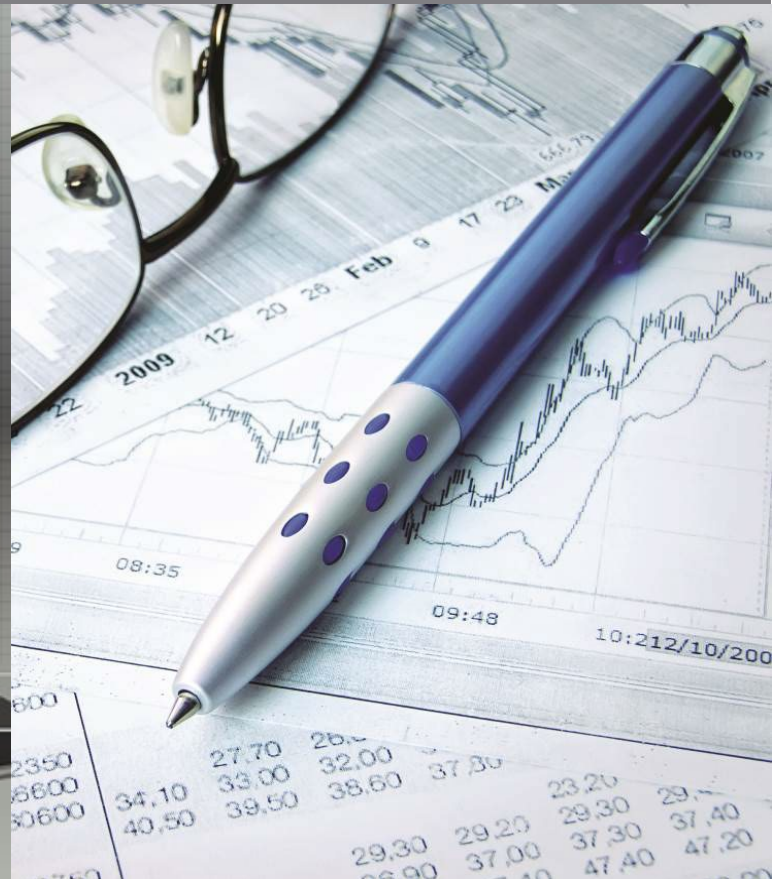
Ben Graham Centre
for Value Investing

WESTERN UNIVERSITY • CANADA

Ben Graham Centre's 2025 Value Investing Conference

April 8, 2025

Ritz Carlton
Main Ballroom
181 Wellington St. W.
Toronto, Ontario, Canada



IMPROVING LONG RUN INVESTMENT PERFORMANCE

www.bengrahaminvesting.ca



Mission of the Conference

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

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

Conference Organizer and Chair

Dr. George Athanassakos, Founder & Managing Director, Ben Graham Centre for Value Investing, Ivey Business School





A Message from the Director

I am a firm believer in stock picking. I think stock picking with the right process and the right temperament works. Unfortunately, academics have paid little attention to value investing and stock picking over the years and so they lack a basic understanding of what value investing is, and what value investors do. Academics consider due diligence as a wasted effort. They argue that one does not need to understand businesses, since diversification will save us all. But experience tells us that diversification does not work when you most need it. So, due diligence does matter. An area of considerable importance in due diligence and something that academics totally dismiss in their diversification dogma is understanding management.

A few years ago, a group of my students and I visited with Mr. Buffett in Omaha. One student asked how he chooses managers and he said, "I take them for lunch and if I realize they are there for the money I do not hire them". This may be easy for Mr. Buffett who has an uncanny ability to judge character, but how can the rest of us judge managers, i.e., CEOs?

CEOs perform two roles. One is that of an operator and the other is that of a capital allocator. What are the characteristics of good operators?

We can judge them in two ways: quantitatively and qualitatively. The quantitative part is easier to carry out. One needs to examine several of the company's financial ratios such as asset turnover, operating margin, ROE, ROA, ROIC, working capital ratio, among others, over time and compare them to the ratios of peers. The better the company's ratios compared to those of key competitors, the better job the CEO has done as an operator.

The qualitative examination focuses on the manager's character. Charlie Munger was asked once what advice he would give to young managers. He said, you must have two things – discipline and integrity – compromise either and you will fail. Integrity means: say what you mean and mean what you say. Managers who tell you one thing but do something different cannot be trusted. Enron's managers, for example, had discipline but no integrity.

Some questions to ask that can raise red flags. Do they produce misleading reports? Do they incur recurring non-recurring charges? Read interviews CEOs give: Do they make projections that are off actual performance? A good example would include the ex-CEO of GE, Jeff Immelt. He gave an interview 3 weeks before the company announced earnings and made a forecast that was way off the actual numbers; while GE was too complex, and difficult to manage, Mr. Immelt still had a credibility problem.

Do they have proper incentives? Are they paid reasonable salaries and bonuses? Or do they have excessively large incentives from shares or options? Do they display evidence of an extravagant lifestyle? Enron's parking lot was full of Ferraris, Maseratis and Bentleys? Have they put together overly complex corporate or ownership structures and are they active in mergers, especially unrelated acquisitions?

And most importantly, do they understand the business? One needs to examine their background, experience, and education. Do they have what is needed to run and understand the business? This is of make-or-break importance for the business.

Running a commodity business will lead the company into bankruptcy if the CEO does not understand the business or will save it if they do. A case in point is Denis Durcotte, who had deep knowledge of the business, and whose hiring saved a struggling Algoma Steel from bankruptcy. On the other hand, running a business with barriers to entry, a manager poorly qualified to run the business will diminish the franchise but will not inflict mortal damage, as Mr. Buffett likes to say. A case in point is when Carly



Fiorina, a marketing executive, was hired to run a very sophisticated, hi-tech business like HP. Or, when Dave Calhoun, an accountant by education, not an engineer or an aviation design expert, was hired to run Boeing. Both CEOs diminished the franchise but did not destroy the companies. Contrast them with Steve Jobs who understood and cared for Apple's business deeply.

The other role of a CEO, equally or even more important, is to be a good capital allocator. What exactly does it mean to be a good capital allocator? That means the CEO must have the skills necessary to take the cash that the company generates and deploy it to the best value maximizing opportunity for the company, be it buying another company, buying back shares, paying higher dividends, reinvest within the company and so on. These are all investment decisions. In other words, the best CEOs are those who are good value creators, as well as good value seekers, i.e., good investors, more importantly value investors. For example, do they buy back shares at low P/E or high P/E (evidence shows that most CEOs buy back shares at the peak of the market), or do they pay high P/E or EV/EBITDA when they acquire other companies (evidence shows that most CEOs overpay for acquisitions and destroy value in the process)?

According to my research, on average, superior capital allocator company stocks outperform the inferior ones by 33% over a cumulative three-year period over several recent decades. Moreover, superior capital allocator CEOs attract the most patient and focused shareholders (i.e., quality investors) according to Lawrence Cunningham. These are shareholders with the longest average holding periods and most concentrated portfolios. Good CEOs tend to attract quality investors and vice versa, i.e., Berkshire Hathaway and Fairfax Financial.

While good CEOs can march to their own drum, they are all efficient operators (i.e., value creators) and diligent capital allocators (i.e., value seekers).

In conclusion, due diligence, including understanding if the CEO is right for the job, is not a wasted effort. Stock by stock analysis is important, and diversification will not save us all.

I would like to welcome you all to this year's Conference. Thanks to your support of the Centre over the past twenty years, we've built a successful value investing program offering student apprenticeships through the Ivey Value Fund, as well as many successful annual events, such as Conferences, Stock Picking Competitions, and Value Investing Seminars with this year's Seminar to be held in Toronto from June 23 to 27.

I proudly welcome our panel of professional value investors Ms. Barbara Ann Bernard, Mr. Robert Gill, Mr. Tim McElvaine, Mr. Scott Phillips, Mr. Desmond Kingsford, and Mr. Tom Russo, who will speak about value investing around the world and who are a living testament of what I have described. They will tell us how they put what I detailed above into practice in their own portfolios in a global setting.

I am also delighted to have as keynote speakers at the Conference Dr. Joseph Lakonishok, President, Chief Executive Officer and Chief Investment Officer, LSV Asset Management, Mr. Michael Mauboussin, Head of Consilient Research, Counterpoint Global, Morgan Stanley Investment Management, and Mr. Adam Waterous, Managing Partner and Chief Executive Officer, Waterous Energy Fund, who will give us a view of the world which is different from what we are exposed to in our everyday norms.

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

Dr. George Athanassakos

Founder & Managing Director, Ben Graham Centre for Value Investing
Ivey Business School



Panel of Speakers

The Ben Graham Centre's 2025 Value Investing Conference offers a panel of speakers with a proven record of success in the field of value investing. Featured speakers participating at the Conference are:

Morning Keynote Speaker

Josef Lakonishok, Founding Partner, CEO and CIO, LSV Asset Management, Chicago, Illinois, USA

Luncheon Keynote Speaker

Michael Mauboussin, Head of Consilient Research, Counterpoint Global, Morgan Stanley Investment Management, New York, New York, USA

Afternoon Keynote Speaker

Adam Waterous, Managing Partner and Chief Executive Officer, Waterous Energy Fund, Calgary, Alberta, Canada

Panel of Value Investing Professionals

Barbara Ann Bernard, Founder and Chief Investment Officer, Wincrest Capital, Nassau, NP, The Bahamas

Robert Gill, Senior Vice President and Portfolio Manager, Goodreid Investment Counsel Corp., Toronto, Ontario, Canada

Tim McElvaine, Founder and President, McElvaine Investment Management Ltd., Victoria, British Columbia, Canada

Scott Phillips, Principal and Chief Investment Officer, Templeton and Phillips Capital Management, Lookout Mountain, Tennessee, USA

Desmond Kingsford, Founder and Portfolio Manager, Highwood Value Partners, Whistler, British Columbia, Canada

Thomas Russo, Managing Member, Gardner Russo & Quinn LLC, Lancaster, Pennsylvania, USA



The Ben Graham Centre's 2025 Value Investing Conference

Conference Agenda

7:45am – 8:30am	Registration – Coffee & Breakfast
8:30am – 8:45am	Welcoming the Delegates, Introductions and Opening Remarks Dr. George Athanassakos – “How to determine the quality of a CEO?”
8:45am – 9:15am	Morning Keynote Speaker Josef Lakonishok -
9:15am – 9:25am	Morning Keynote Speaker Q&A
9:25am – 11:40am	Value Investor Panel 1 – Presentations and Q&A
9:25am – 9:30am	Value Investor Panel 1 Welcome
9:30am – 10:00am	Barbara Ann Bernard -
10:00am – 10:30am	Robert Gill -
10:30am – 11:00am	Tim McElvaine -
11:00am – 11:20am	Value Investor Panel 1 Q&A
11:20am – 11:40am	2025 International MBA Stock Picking Competition – Winner Announcement Announcer: Kim Shannon
11:40am – 12:10pm	Lunch
12:10pm – 12:15pm	Luncheon Keynote Speaker Introduction Introduction by: Kim Shannon, Founder & Co-Chief Investment Officer, Sionna Investment Managers
12:15pm – 12:55pm	Luncheon Keynote Speaker Michael Mauboussin –
12:55pm – 1:15pm	Luncheon Keynote Speaker Q&A



Conference Agenda

1:15pm – 2:00pm	Coffee Break
2:00pm – 3:55pm	Value Investor Panel 2 – Presentations and Q&A
2:00pm – 2:05pm	Value Investor Panel 2 Welcome
2:05pm – 2:35pm	Scott Phillips –
2:35pm – 3:05pm	Desmond Kingsford -
3:05pm – 3:35pm	Thomas Russo – “Capacity to Reinvest”/“Capacity to Suffer”
3:35pm – 3:55pm	Value Investor Panel 2 Q&A
3:55pm – 4:00pm	Afternoon Keynote Speaker Introduction Introduction by: Wade Burton, President & CIO, Hamblin Watsa Investment Counsel Ltd.
4:00pm – 4:30pm	Afternoon Keynote Speaker Adam Waterous –
4:30pm – 4:40pm	Afternoon Keynote Speaker Q&A
4:40pm – 4:45pm	Concluding Remarks



Keynote Speakers



Josef Lakonishok

Dr. Lakonishok is a Founding Partner, CEO and CIO of LSV Asset Management. Dr. Lakonishok has more than 45 years of investment and research experience. Dr. Lakonishok was, until 2004, the William G. Karnes Professor of Finance at the College of Commerce & Business Administration at the University of Illinois at Urbana-Champaign. Before that, he held staff and visiting professorships at Tel Aviv University, Cornell University, the University of North Carolina at Chapel Hill, and the University of British Columbia. Dr. Lakonishok is one of the top contributors to major financial journals and has published more than 80 articles. His research covers such diverse areas as analyst forecasts, execution cost measurement, performance evaluation, momentum strategies, fundamental valuation, seasonalities in stock returns, and share repurchases. Dr. Lakonishok's work has received many awards, including the Roger F. Murray Award for the paper "Contrarian Investment, Extrapolation, and Risk," written with Drs. Shleifer and Vishny, and the American Association of Individual Investors Award for the article "Fundamentals and Stock Returns in Japan," written with Drs. Louis K. C. Chan and Yasushi Hamao. Dr. Lakonishok received a B.A. in Economics and Statistics from Tel Aviv University in 1970 and an M.B.A. from that university in 1972. He earned an M.S. in Business Administration in 1974 and a Ph.D. in Business Administration in 1976 from Cornell University.



Michael Mauboussin

Mr. J. Mauboussin is Head of Consilient Research at Counterpoint Global in New York. Previously, he was Director of Research at BlueMountain Capital, Head of Global Financial Strategies at Credit Suisse, and Chief Investment Strategist at Legg Mason Capital Management. Mr. Mauboussin joined Credit Suisse in 1992 as a packaged food industry analyst and was named Chief U.S. Investment Strategist in 1999. Mr. Mauboussin is the author of three books, including *The Success Equation: Untangling Skill and Luck in Business, Sports, and Investing* and is co-author, with Alfred Rappaport, of *Expectations Investing: Reading Stock Prices for Better Returns: Revised and Updated*. Mr. Mauboussin has been an adjunct professor of finance at Columbia Business School since 1993 and is on the faculty of the Heilbrunn Center for Graham and Dodd Investing. In 2021, he was awarded the Graham & Dodd, Murray, Greenwald Prize for Value Investing. He is also chairman emeritus of the board of trustees at the Santa Fe Institute, a research center devoted to the study of complex systems. He earned an A.B. from Georgetown University.



Adam Waterous

Mr. Waterous is the Managing Partner and Chief Executive Officer of Waterous Energy Fund. Prior to founding Waterous Energy Fund in January 2017, Adam served as Global Head of Investment Banking and Head of Energy and Power, North America at Scotiabank, where he was responsible for all of Scotiabank's global Equity and Advisory activities and Scotia Waterous. Under Adam's leadership from 2005 to 2016, Scotia Waterous was among the most active advisors in the oil and gas acquisition and divestiture market with transactions roughly evenly split between Canada, the United States and other countries. Adam also co-founded Waterous & Co., a predecessor firm to Scotia Waterous, in September 1991 where he was a member of the firm's Executive Committee and the head of the firm. Scotia Capital acquired Waterous & Co. in 2005. Before co-founding Waterous & Co., Adam worked in the Mergers and Acquisitions department with First Boston Corporation in New York and in management consulting with McKinsey & Company in Toronto. Adam has been active in many industry, community, health, arts, and education organizations. From 2013 to 2019, Adam served on the Harvard College Fund Executive Committee. In 2013, he was awarded the Queen Elizabeth II Diamond Jubilee Medal for his contributions to the community and, along with his wife Jan, the Queen Elizabeth II Platinum Jubilee Medal in 2022 for their work in advancing sustainable transportation solutions in their hometown of Banff. In 2017, he received the Lifetime Achievement Award from the Oil and Gas Council. Adam received the 2019 Lefavre Award, presented to an individual each year by the United Way of Calgary for exceptional volunteer service and community involvement. From 2018-2020 he was Chair of Calgary Economic Development's Economic Strategy CEO Roundtable. From 2020-2021 he was a founding board member of Invest Alberta Corporation, the Government of Alberta agency that promotes the province and provides services to attract businesses in key growth sectors and high impact investment opportunities. Adam also holds an Honours Business Administration degree from the University of Western Ontario and a MBA from Harvard Business School. Being in the top five percent of his class at Harvard, he was designated a Baker Scholar.



Panel of Value Investing Professionals



Barbara Ann Bernard

Ms. Bernard, founder & CIO of Wincrest Capital, has a passion for investing that goes back to her days of growing up in The Bahamas. It was there that a 15-year-old Barbara Ann persuaded legendary value investor Sir John Templeton, a fellow Bahamian resident, to take her on board for the first of what would become a series of summer jobs at Templeton Global Advisors, instilling a fundamental value-oriented investment approach to the public markets. Later, working in investment banking at Goldman Sachs, followed by alternative asset management at Deutsche Bank, and as an investment analyst at Holowesko Partners, she acquired a robust grasp of private market valuation and the asset management industry. Today, she is the portfolio manager of the Wincrest Contraria Fund and the Energy Transition Fund. She invests in both public and private opportunities, with a passion for developing transitional energy infrastructure projects. Barbara Ann was named a Young Global Leader in 2018 by the World Economic Forum. She is a graduate of Li Po Chun United World Colleges in Hong Kong, Lakefield College School in Canada, and the London School of Economics, where she Chaired the LSE Business Society. She currently serves on the Finance Committee of the Lyford Cay Foundation and is Chair of the United World Colleges Bahamian National Committee.



Robert Gill

Mr. Gill is Senior Vice-President and Portfolio Manager at Goodreid Investment Counsel Corp., where he is also a member of the Management Committee. He began his investment career in the United Kingdom, where he joined Deutsche Bank's Global Investment Banking division. Later, he was Director of Research and Associate Portfolio Manager at Foyston, Gordon & Payne Investment Counsel analyzing Canadian, U.S. and global companies. More recently he served as Vice President, Portfolio Manager and Partner at Lincluden Investment Management. Mr. Gill is active in the community, serving as an Investment Committee Trustee and an Instructor with the International Foundation of Employee Benefits Plans. He is also a member of the Investment Advisory Board for the value investing course in the M.B.A. program at the University of Toronto's Rotman School of Management. Mr. Gill is also a regular guest on BNN-Bloomberg, and a frequent contributor to various media publications including The Globe and Mail; The National Post; the Wall Street Journal; and the Financial Times. Mr. Gill received his B.A. (Honours) degree from Queen's University and is a graduate of the University of St. Andrews, in Scotland, with a Master's Degree in Management, Economics and International Relations (M.Litt.). He has also studied executive education in value investing at Columbia University in New York, and investment management at Harvard Business School.



Tim McElvaine

Mr. McElvaine is the founder and President of McElvaine Investment Management Ltd., and has been managing McElvaine Value Fund since 1996. Like any value investor, some years he's picked up performance awards, and other years, the reviews have not been kind. Before striking out on his own, Tim worked with value guru Peter Cundill, co-managing the Cundill Value Fund and serving as CIO. Tim has also served as non-executive Director of a number of public companies and currently sits on the board of Tiny Ltd. Tim is a CPA and CFA.



Scott Phillips

Mr. Phillips is a Principal and the Chief Investment Officer at Templeton and Phillips Capital Management, LLC. He also serves as portfolio manager to the Templeton and Phillips Partners Fund. Scott previously served as a lead analyst for a Hard Assets and Emerging Markets Fund at Green Cay Asset Management in Nassau, Bahamas, and began his career as a research associate at SunTrust Robinson Humphrey (and its predecessor firms: SunTrust Equitable Securities and Robinson Humphrey). Scott serves on the John Templeton Foundation's Investment Advisory and Finance Committees and as Chair of the Board of Trustees for a subsidiary, Templeton Foundation, Inc. He is the author or co-author of three investment-related books, including *Investing the Templeton Way* (McGraw Hill, 2008), *Buying at the Point of Maximum Pessimism* (Pearson, 2010), and the revised edition of *The Templeton Touch* (Templeton Press, 2012). He holds a B.A. from Sewanee: The University of the South.



Desmond Kingsford

Mr. Kingsford is the founder and Portfolio Manager at Highwood Value Partners. He holds an MA in Philosophy from Cambridge University, a B.Comm from McGill University in Finance and Math and is a CFA Charterholder. Highwood Value Partners is a fundamental value investor with a concentrated and long-term approach serving Canadian family offices and HNW Individuals. Prior to founding Highwood, Mr. Kingsford was a Senior Analyst at MSD Capital LP and a Partner on the MSD European Opportunities Fund based in London. MSD Capital LP is the exclusive manager of Michael Dell's personal capital. Mr. Kingsford spent 11 years at MSD as part of the European team, which grew from three people managing \$200mn of capital to a five-person investment team managing the \$1.2bn European Opportunities Fund, an opportunistic, fundamental value investor across both equities and credit in Europe. Prior to MSD, Mr. Kingsford was a Vice President on the Consumer team for Putnam Investments from 2002 to 2007, also based in London. Des now resides in Whistler, British Columbia with his wife and three children.



Thomas Russo

Mr. Russo joined Gardner Investments as a partner in 1989. In 2014, Mr. Russo became the Managing Member of the firm. Mr. Russo serves as Managing Member of Gardner Russo & Quinn LLC and of Semper Vic Partners GP, LP, which oversees two “global value,” long-only, equity investment partnerships, the first of which Mr. Russo founded in 1983. Mr. Russo oversees more than \$8 billion distributed between Semper Vic partnerships and separate accounts managed in parallel fashion. In his role as a global value investor, Mr. Russo attempts to commit clients’ capital to globally leading companies

whose brands permit them the capacity to develop market shares in those parts of the world that are undergoing economic growth and increasing political stability. Such economic growth, coupled with increased consumer disposable income, creates a large total addressable market (TAM) for our businesses to address. He prefers companies with sufficient cash flows from existing operations to allow them to underwrite long-term-oriented investments required to build market share and develop enduring franchises. In selecting investments, Mr. Russo looks for companies that possess two valued “capacities,” i.e., the “Capacity to Reinvest” and the “Capacity to Suffer.” It is rare to find a company that possesses the above-mentioned “Capacity to Reinvest.” It is even more rare to find management teams that have the “Capacity to Suffer.” Our company managements have the “Capacity to Suffer” when investments, required to ensure strong growth in intrinsic value on a per share basis, inevitably burden current, reported profits. He has found over the years that family-controlled public companies are often best positioned to withstand criticism which comes from Wall Street when the burden of such long-term investments weighs negatively upon reported short-term profits. Hence, he has relied over time on public company investments where founding families still retain control and significant investment exposure. Typically over 50 percent of Mr. Russo’s portfolio companies remain family controlled. Founding families of our public companies, like Mr. Russo and his investors, prefer the ability of investments, intended for long-term gains, to allow one to hold positions tax efficiently for as long as franchises, built by such long-term investments, continue to deliver growth in intrinsic value on a per share basis. Thomas Russo is a graduate of Dartmouth College (BA 1977), and Stanford Business and Law Schools (JD/MBA 1984). Memberships include Dean’s Advisory Council for Stanford Law School, Dartmouth College’s President’s Leadership Council, and California Bar Association. Mr. Russo is a charter member of the Advisory Board for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School. He serves on the boards of the Winston Churchill Foundation of the U.S., Facing History and Ourselves, and Storm King Art Center. In May 2017, he was awarded The Graham & Dodd, Murray, Greenwald Prize for Value Investing.



VALUE INVESTING

FROM THEORY TO PRACTICE



GEORGE ATHANASSAKOS

Foreword by Prem Watsa



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