

QUAAF

QUEEN'S UNIVERSITY
ALTERNATIVE ASSETS FUND

Queen's University Alternative Assets Fund

2020-2021

Annual Report



Smith

SCHOOL OF BUSINESS

Queen's University

www.smithquaaf.com

QUAAF

QUEEN'S UNIVERSITY
ALTERNATIVE ASSETS FUND

Mission

The Queen's University Alternative Assets Fund ("QUAAF") seeks capital appreciation through allocation to multiple internal and external alternative asset allocation programs.

Vision

QUAAF is Canada's first student-directed portfolio of alternative strategies, managing funds endowed by private investors, Queen's alumni, and corporate sponsors. QUAAF is a fund-of-funds investment mandate, primarily holding portfolios managed by third party external managers but also holding small exposures in exchange-traded funds and direct securities. QUAAF is an educational initiative in which all Smith graduate-level programs can apply to participate. QUAAF strives to create a professional environment of continuous learning for aspiring capital markets professionals through exposure to alternative strategies, while also providing the practical experience of running a funded portfolio. We aspire to engage alumni, current members, and industry professionals in this mutually beneficial platform, while enhancing the educational experience at the Smith School of Business at Queen's University.

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FOREWORD



LETTER FROM THE CEO

QUAAF has witnessed a breakout fiscal year, achieving record one-year returns while remaining true to our founding principles of being a professionally run fund with an educational objective of giving students the best hands-on experiential learning environment in the country. The management team kicked off the fiscal year by diving headfirst into a market wracked by volatility in response to the COVID-19 pandemic, pushing our operations into remote-only delivery. Despite the challenges and uncertain circumstances, QUAAF's operations and portfolio have continued to thrive.



The Investments, Economics, and Risk verticals began working closely as one unit, making holistically informed investment recommendations. We formed closer ties with portfolio managers in Beijing, and incorporated data science and machine learning into investment pitches and execution. We also built a new Sustainable Investing division, matching our institutional counterparts' increased deployment into that approach. QUAAF now accepts students from all Smith School of Business graduate programs, and actively seeks out talent from new, more quantitatively oriented programs, such as the Master of Financial Innovation & Technology, and the Global Master of Management Analytics.

After one semester of tenure, QUAAF members are paired up in a one-on-one mentorship program with dedicated alumni who take a personalized approach and vested interest in our members' development. To ensure that the great work from each cohort of students is showcased to the rest of the industry and to the world, QUAAF now has a podcast, a weekly newsletter, monthly published reporting, a quarterly case competition, and continues to host our bi-annual flagship events, each with 100+ attendees.

We would like to thank our Chairman, Peter Copestake, for continually sharing his wisdom and knowledge to support QUAAF since inception. We would also like to thank QUAAF's Advisory Board and QUAAF's Board of Directors for their continued support and guidance. To further develop QUAAF's platform and the opportunities we can create for students, we have launched an ambitious campaign to expand our AUM through both organic growth and direct fundraising. The goal is to double QUAAF's AUM over the next two years.

We are confident that QUAAF's members will continue to build on the organization's foundation while further innovating in new and exciting ways. QUAAF is very well positioned to continue raising the bar as an extension of the Smith School of Business, and to keep providing an opportunity to students like no other.

Alexander Banh
Chief Executive Officer (H1)

Nataniel Simon
Chief Executive Officer (H2)

Letter from the CIO

“An investment in knowledge pays the best interest” – Benjamin Franklin

QUAAF’s 2021 fiscal year has occurred during what is arguably one of the most unique times in history. With historic levels of cash infusions in the form of government stimulus and the cost of capital being at the lowest interest rate level in history, the market mania that has ensued has provided additional value to the learning gained from the hands-on experience in QUAAF. Throughout the 10 years of QUAAF’s existence, our primary objective continues to be to provide Smith School of Business graduate students with educational opportunities within a practitioner setting to enhance their knowledge of alternative asset investment strategies, opportunities, and management. Preservation of the real purchasing power of the asset base is of the highest importance, and we are grateful to our predecessors for the experiential opportunities these funds provide. This goal of capital preservation continues to be upheld, and it is due to the prudent strategies taken by our predecessors during the Spring of 2020 and the Investment Management team for the first half of the 2021 fiscal year who have ensured that our asset base was preserved.

The past year has highlighted the importance Environmental, Social and Governance (ESG) factors in the financial markets. We are thrilled to have launched the Sustainable Investing team, which has taken the initiative to integrate ESG considerations into QUAAF’s decision-making process and make investment recommendations in sustainability-linked funds and companies. We are grateful to Sean Cleary, Program Director for the MFin program, for his guidance and inspiration in building this important group in QUAAF.

Adding to this landmark year, QUAAF began the fiscal year in April 2020 with a market value of approximately \$480k (\$460 of which is principle), every team within QUAAF worked tirelessly and diligently to protect the assets and strategically execute capital. Over the subsequent 12 months, this value has built up to a fiscal year end market value of \$604k. This represents a 27.7% 12m return which outperformed our primary benchmark (HFRI FoF Composite, 12m return of 23.8%).

The key to the achievements we have experienced over the past 10 years is the incredible teamwork that takes place within QUAAF. Each of these teams has been pivotal to the long-term success. QUAAF members continue to celebrate the cross-functional and collaborative environment where they are given an opportunity to apply the knowledge, skills, and expertise learned in their various programs. The diversity in thought, background, and experience promotes a culture of learning and sharing that yields high-quality results, augments the total learning experience at Smith, and provides students with an extra edge upon graduation.

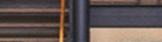
Finally, we owe a great deal of our successes to the dedicated alumni who support us and have contributed to the growth of the QUAAF AUM and brand. We would like to specifically highlight the incredible support from MFin and QUAAF alumni Rees Barnett, who has sacrificed many brunches and evenings to spend time coaching us. Through his process of reviewing stock pitches and investment strategy, Rees has pushed us all to truly think outside the box and has raised the quality of investment pitches expected to a new level. His rationale and logic have helped us make difficult calls, and the wisdom in his approach to strategic capital execution has been proven over the past months. We are truly grateful to him and look forward to continuing this path forward.

QUAAF’s performance allows it to continue to provide tremendous opportunities for its members, and we are so excited to see what the next generations of investment professionals will accomplish.

Brenna Cunningham

QUAAF Chief Investment Officer





FINANCIAL GROUP AT RISK



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ABOUT US



ORGANIZATIONAL OVERVIEW

Mission

The Queen's University Alternative Assets Fund ("QUAAF") seeks capital appreciation through allocation to multiple internal and external investment mandates.

Strategy

QUAAF is an absolute return strategy focused on consistent returns throughout most market cycles. The Fund is a pooled investment mandate holding both internally and externally managed portfolios of alternative assets. The management team believes that alternative assets and strategies are critical to providing superior returns and that traditional long-only strategies will struggle in future markets. Externally managed portfolios compose a majority of the total investment allocation and consist of exposures to 3rd party managers operating in the total return/hedge fund universe. In addition to the externally managed portfolios, the Fund also manages a substantially smaller internal mandate that attempts to identify thematic and opportunistic investment opportunities designed to enhance total return. These thematic investment opportunities will be executed through a variety of direct investments in various asset classes and securities. The management team believes through the combination of superior managers and strategies, opportunistic investments, and limited market correlation they can manage a fund that yields superior risk adjusted returns in any market environment.

Vision

QUAAF is Canada's first student-directed portfolio of alternative strategies, managing funds endowed by private investors, Queen's alumni, and corporate sponsors. QUAAF is a fund-of-funds investment mandate, primarily holding portfolios managed by third party external managers but also holding small exposures in exchange-traded funds and direct securities. QUAAF is an educational initiative in which all Smith graduate-level programs can apply to participate. QUAAF strives to create a professional environment of continuous learning for aspiring capital markets professionals through exposure to alternative strategies, while also providing the practical experience of running a funded portfolio. We aspire to engage alumni, current members, and industry professionals in this mutually beneficial platform, while enhancing the educational experience at the Smith School of Business at Queen's University.



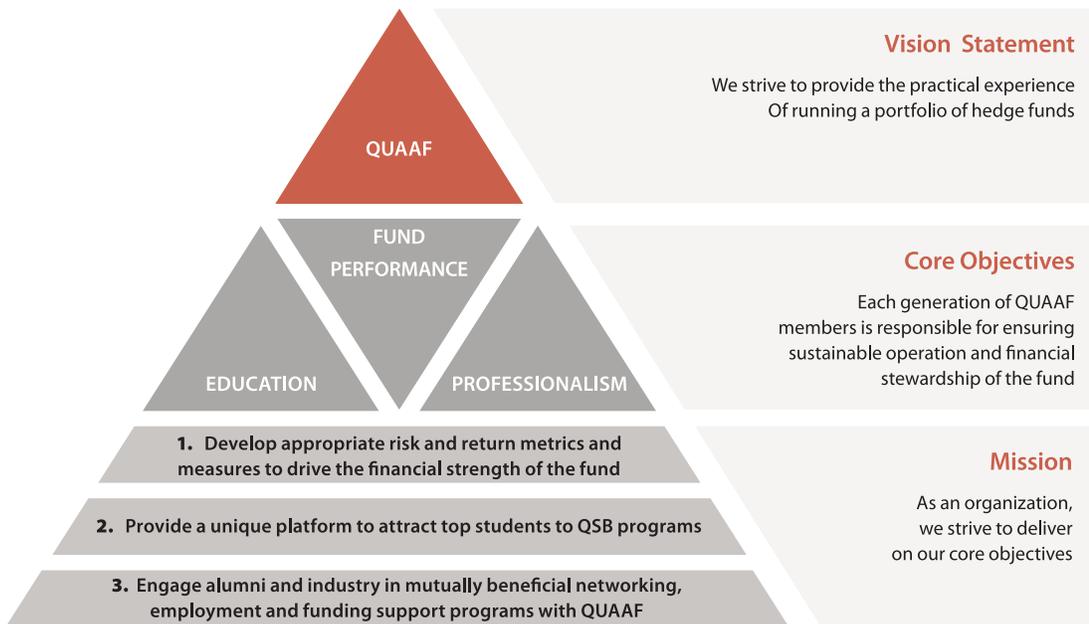
QUAAF HISTORY

QUAAF is Canada’s first student directed portfolio of hedge funds managing \$460,000 in endowed funds. During the fall of 2011, eight full-time MBA students pooled their own capital in hopes of persuading the Smith School of Business (“Smith”) to create Canada’s first student-run fund of hedge funds. After the group of students demonstrated their financial acumen through solid returns on their investment, the school gave its support and QUAAF was created in January of 2012.

The group quickly recruited several other MBA students, built teams of research analysts, and formed partnerships with influential leaders in the financial industry. The team began an in-depth study of Canadian hedge funds and made its initial investments before handing the reigns over to the next year’s class. In 2012, the MBA students were joined by members of the Queen’s MFin program in Toronto. In 2016, QUAAF expanded its reach internationally and welcomed MFin students from the Queen’s Beijing Campus. Over its tenure, QUAAF has made significant strides in developing the methodology by which it constructs its portfolio and provides superior risk-adjusted returns, which exhibit low correlation with the market indices. As the program continues to recruit talented Queen’s students, who provide a breadth of international experiences, these methodologies and investment mandates will only continue to improve. QUAAF is now open to all graduate-level students in the Smith School of Business.

QUAAF is the first student-run portfolio of hedge funds in Canada and is proudly recognized as a joint educational initiative of the Smith School of Business. Each generation of QUAAF members is responsible for ensuring sustainable operations and financial stewardship of the fund. QUAAF remains true to its core values and objectives which include education, fund performance, professionalism, and integrity.

CORE OBJECTIVES



ABOUT US

GOVERNANCE

Foundational Documents

Once Smith provided approval for the recognition of QUAAF as a formal educational initiative, a governance structure was formed to guarantee organizational continuity and success. The QUAAF Investment Policy Statement (“IPS”) acts as the Fund’s guidance document. The IPS provides the authority for managing the many aspects of the QUAAF organization:

- **Fund Governance:** This section provides authority to the Board of Directors and Executive team to make decisions and act on behalf of QUAAF. It also outlines the responsibilities for the Investment, Risk, and Business Development Teams.
- **Investment Overview:** This section outlines the Investment mandate for QUAAF. In particular, it summarizes the Fund’s investment beliefs, asset mix, benchmarks, and rate-of-return expectations.
- **Evaluation and Analysis:** This section outlines how QUAAF evaluates the performance and risk of its investments, as well as how these findings are presented to fund members on a monthly basis. It outlines the responsibilities of the macro-economic team on a monthly basis.
- **Operational and Administrative:** This section outlines administrative items including fund member responsibilities and expectations, conflicts of interest, and deliverables.

In total, these sections outline the Standard Operating Procedures (“SOP”) of the Fund. The SOP acts as a source of continuity and sustainability for the Fund, by defining the processes and procedures that must be followed. Any change or addition to the SOP must be approved by the Board of Directors.

In addition to the IPS, QUAAF members are also governed by their Service Level Agreement (“SLA”). At the commencement of each member’s term with QUAAF, the individual is responsible for signing an SLA that describes the approximate weekly time commitment of the position, the roles and responsibilities assigned to the position, and a conflict of interest disclosure document. The SLA and conflict of interest governance forms ensure goal alignment, transparency and full disclosure is achieved at the organizational level.

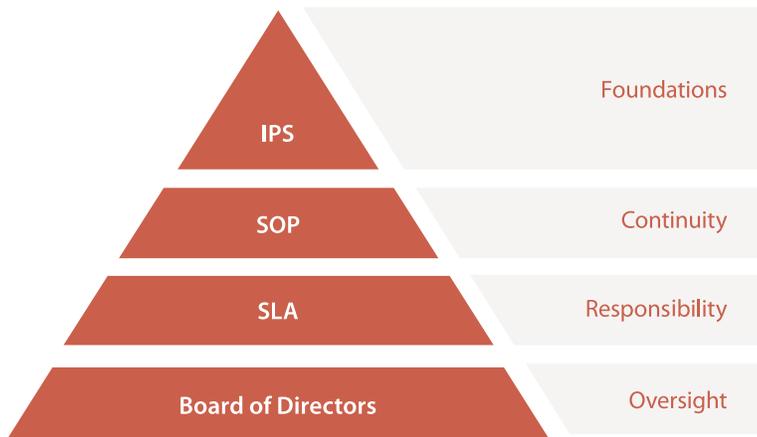
Governance Structure

The QUAAF Governance Structure spans four separate levels. These levels – Board of Directors, Executive, Management, and Analyst – serves as the foundation for effective fund management.

The governance structure starts with the Board of Directors, comprised of Queen’s Staff and Alumni. This group ensures organizational continuity and approves the hiring of the QUAAF Executive Team. They also acquire adequate resources for QUAAF’s operations and oversee the deposit and withdrawal of funds. Moreover, the Board of Directors approves all amendments, operating policies, and investment constraints and limits as well as delegates investment decision-making authority from Queen’s Smith School of Business to QUAAF members. This group is complemented by the Advisory Board, which is composed of prominent industry professionals and provides QUAAF with a deeper market perspective and a greater understanding of the Canadian Hedge Fund Industry.

The Executive Team is comprised of graduate-level students. The Executive Team provides student leadership to Fund members and is responsible for implementing the strategic directives of the Board of Directors. More importantly, it is the Executive Team’s responsibility to oversee the day-to-day operations of QUAAF and ensure the viability of the organization.

The remaining two levels of the governance structure are the Management and Analyst levels. Members of the Management level are responsible for ensuring the successful implementation of the Fund’s directives, provided by the Executive Team, within their assigned team. In addition, they are also required to provide their team with direction and ensure the completion of tasks. Finally, Analysts are required to perform the operational tasks as requested by the Management and the Executive Team.



ABOUT US

ORGANIZATIONAL STRUCTURE

In order to effectively manage the many organizational responsibilities of QUAAF, members are divided among three separate divisions: Investment, Risk, Macroeconomics and Business Development. Each division is managed by a member of the Executive Team. The Chief Executive Officer (“CEO”) provides direction to the other three members of the Executive Team and reports directly to the Board of Directors.

The Chief Investment Officer (“CIO”) oversees the Investment functions of QUAAF and manages the Portfolio Management Teams. The Director of Portfolio Management, who reports directly to the CIO, is responsible for fund administration. Each Portfolio Manager (“PM”) is responsible for managing one of three separate portfolio strategies. These strategies are examined in greater detail in the ‘Fund Strategy’ section. Each PM is assigned a team of Portfolio Analysts. The number of analysts assigned is dependent on the capital assigned to that portfolio strategy. Portfolio Analysts are responsible for generating investment opinions on current and potential investments.

The Chief Strategy Officer (“CSO”) and the Economics team are responsible for providing the analysis of current economic and political conditions. The economic team is consistently distributing information as global economic data points become available throughout the year. This team works closely with the investment team to ensure all aspects of the investment environment are considered.

The Chief Risk Officer (“CRO”) oversees the Performance and Risk Management functions of QUAAF. The CRO manages a team of Risk Analysts who are responsible for collecting performance and risk data, analyzing it, and providing the results to the Portfolio Management teams.

The Chief Operating Officer (“COO”) oversees the Business Development, Marketing, and Operations functions of QUAAF.

The Chief Data Officer (“CDO”) leveraging academic knowledge from the MMA and MMAI programs such as analytics, machine learning, automation, to add an additional level of quantitative rigour to QUAAF’s investment decisions.



TRANSFER OF LEADERSHIP

One of the unique aspects of QUAAF is the transfer of leadership. The program operates on a six-month staggered schedule. In order to ensure leadership continuity and minimize any issues as a result of these separate schedules, QUAAF has been designed around a 'two-term' system. Under this system, each graduate program can have their students act in Executive and Managerial roles for a single term. The timeline for this system is as follows:

With this managerial schedule in place, QUAAF is able to ensure its incoming leadership teams have spent a term working as an analyst before taking on any leadership role. It also ensures that new QUAAF members will be mentored by experienced QUAAF team members.



20 – 21 EXECUTIVE TEAM (FIRST HALF)



Alexander Banh – Chief Executive Officer, Master of Management in Artificial Intelligence 2020

Prior to his graduate studies at Smith, Alex worked in M&A at the Bank of Montreal, helped Amazon-backed ecobee raise their \$100+ million Series C, and has completed a Fellowship at the MaRS Discovery District. He is currently Principal and Chief of Staff at Fulcrum Technology Holdings, a global merchant bank which has created multiple leading public technology companies with combined equity value of over \$1 billion. He is also Founder and Principal of Apex Advisory, which provides capital raising, strategy, FP&A, due diligence, and other services to growth companies and their investors.



Gabriel Chiu – Chief Investment Officer, Master of Business Administration 2021

Prior to joining the MBA program Gabriel worked in compliance at the National Bank of Canada, focusing on over-the-counter derivatives regulations. He is currently pursuing the third level of the CFA and enjoys playing badminton when free. He holds an undergraduate degree in Engineering Science: Engineering Mathematics, Statistics and Finance. An enthusiast for sustainable finance, he is an alumnus advisor to the Sustainable Investing team at QUAAF.



Abhinav Narayanan – Chief Operating Officer, Master of Management Analytics 2021

Abhi has an undergraduate degree in Computer Science and has held various roles in data at Loblaw. During his time at Smith, Abhi served as class president of his MMA cohort and helped to widen QUAAF's talent pool to include students in the MMA, MMAI, and GMMA programs. Abhi is currently a Client Analytics Consultant at Bond Brand Loyalty, leveraging the skills and knowledge gained through the MMA to deliver strategic analytics solutions to clients across various industries.



Sean D'Souza – Chief Economist, Master of Finance 2020

Sean is currently an Equity and Fixed Income Trader BBS Securities where he works for a variety of high net-worth and institutional investors. Sean has previously worked in a wide variety of financial roles including CI Private Client and BMO InvestorLine. He has passed all levels of the CFA and FRM and has an undergraduate degree in Physics and Applied Math.



Omair Bin Haider – Chief Data Officer, Global Master of Management Analytics 2021

Currently, at MaRS, Omair helps develop the Mission from MaRS: Climate Action program, which seeks to identify and accelerate Canada's top 10 Cleantech Ventures' adoption. Before MaRS, he worked for the Ontario Teachers Pension Plan, focusing on driving internal innovation through applications in Emerging Technology. He has also held positions at Capital Angel Network, CPS Capital, McKinsey & Company, and is Co-Founder of Apex Advisory. He will be returning to McKinsey & Company after graduation.



Jaime Espinosa – Head of Sustainable Investing, Master of Finance 2020

Jaime leads the new Sustainable Investing team at QUAAF and is passionate about the relationship between energy, environmental sustainability and finance. He works full-time at Scotiabank in distressed asset sales and earned his Master of Finance degree in 2020. In his free time, you may find him playing tennis or biking around Toronto.



Muge Bella Yuan – Director of Portfolio Management – Beijing, Master of Finance 2021

Bella Yuan is currently enrolled in the MFin program and leading the QUAAF Beijing team. After obtaining the Finance and Business Technology Management bachelor's degree from UBC, she acquired private equity and fund management experiences. Bella decides to further her career path in Asia as the market has shown strong potential, the program in Beijing prepares her for the transition. She joined QUAAF to gain exposure to hands-on portfolio management experiences as well as to facilitate the interaction between cohorts in both China and Canada. Particular interest in Investment Banking, Private Equity, Data Analytics, and Management Consulting. In her spare time, Bella enjoys tennis, outdoor activities, and adventure.

20 – 21 EXECUTIVE TEAM (SECOND HALF)

Nataniel Simon – Chief Executive Officer, Master of Management Innovation & Entrepreneurship 2021

Nataniel Simon has 15 years of experience in investments and finance. He is currently structuring Venture Capital Impact Investing Funds and alternative investment products associated with Vale and other major companies' to execute their commitment of becoming carbon neutral. For 13 years, Nataniel managed private equity funds in infrastructure, agribusiness, and impact investing, participating in prospecting companies, risk management, negotiations, due diligence, monitoring of portfolio companies, structuring and fundraising (debt and equity) and investor relations. Nataniel spent one year as CFO of a technology company and was CEO and co-founder of a Google Impact Award-winning non-profit donation crowdfunding platform. Nataniel holds a Bachelor's degree in Computer Engineering from the University of São Paulo (Brazil).



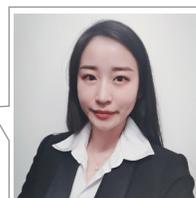
Brenna Cunnington – Chief Investment Officer, Master of Finance 2021

Brenna is a Master of Finance (MFin) candidate at the Smith School of Business and is a CFA Level 2 candidate. Brenna has a diverse background and has obtained her Bachelor of Science degree from UBC Vancouver and Business Administration in Finance diploma from SAIT in Calgary. She has three years of experience in the finance industry working with RBC Royal Bank, where she worked in Calgary prior to beginning the MFin program at Smith School of Business. She is collaborating with the Business Development team to strengthen alumni relations and is the host of the QUAAF Spotlight Session (QSS) Podcast. Beyond academics, Brenna is very passionate about empowering women in finance and Equity, Diversity, Inclusion, & Indigenization (EDII).



Dina Ding – Chief Operating Officer, Global Master of Management Analytics 2021

Dina has diversified experience in marketing, finance, management, and data analytics in the past 10 years. Currently she works as an Associate at Regulus Asset Management, a private equity firm focusing on real estate investment opportunities in North America and Asia. Prior to that, she worked as an Executive Assistant to the CEO and assisted the general manager with the company's daily operations, event coordination, and marketing strategy. Dina holds double Bachelor's degrees in Industrial Engineering and Industrial Management.



Nicole Hong – Chief Risk Officer, Global Master of Management Analytics 2021

Nicole joined QUAAF to enhance her understanding of hedge funds and the capital markets with the goal of bringing finance and data science together in her role. She has worked in a wide variety of financial accounting roles in industries such as real estate, professional services, IT, global logistics, and research institutes. This has solidified her experience in financial reporting, corporate tax, budgeting, and audit. She has completed a capstone project with the SAS Institute and is excited to continue learning about machine learning post graduation. Nicole loves music, and plays the violin as a member of the West Coast Symphony Orchestra.



Brandon Toushan – Chief Data Officer, Global Master of Management Analytics 2021

Brandon is currently an engineer at KoBo Toolbox, a startup focused on the development of robust data collection tools for humanitarian researchers and aid organizations. He also works with the Canadian Red Cross developing computer vision technology for use in disaster response operations. He holds a BSc in Physics and Mathematics from Queen's University. Blending his interest in technology and alternative investment, Brandon is a VC Fellow with DigitalDX Ventures, a Palo Alto-based fund that invests in early-stage, medical AI companies. In his free time, he loves to cook, watch old horror movies, and overwater his many houseplants.



Di Wu – Chief of Staff, Global Master of Management Analytics 2021

Di is currently an Enterprise Architect at Ledor Industries Inc., overseeing technology strategy, implementation, and selection. He works closely with executive leadership to drive alignment between business objectives and technology enablement. A large part of his daily activities is also to mentor and guide other IS resources to achieve their career inspirations with his insights and help them develop skill sets ahead of business demand. In his free time, he loves following technology trends, researching tech start-ups and putting ideas in action with his technical background.







QUAAF Strategy

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QUAAF STRATEGY

ORGANIZATIONAL STRATEGY

QUAAF’s primary objective is the professional development of all our participants. Our organization feels that this can be best accomplished through a two-part strategy:

CONTINUOUS LEARNING	PRACTICAL EXPERIENCE
<p><i>Create a Professional Environment of Continuous Learning for our Members</i></p>	<p><i>Provide the Practical Experience of running a Funded Portfolio</i></p>
<p>Learning Initiative: QUAAF has designed an internal teaching program for its members. The Learning Initiative Program provides new members with a detailed introduction into alternative assets.</p>	<p>Analyst Pitches: All QUAAF analysts are given the opportunity to pitch an investment to the Investment Team. This gives analyst the practical experience of providing and pitching a reasoned investment decision.</p>
<p>Industry Professionals: QUAAF brings in industry professionals, as guest speakers, on a monthly basis. These professionals provide significant insight into economic trends, investment strategies, and the alternative asset industry.</p>	<p>Leadership Opportunities: Every term, Executive and Managerial positions become open for application by existing QUAAF members. This provides significant opportunity for members to experience leadership and take on greater responsibility in the fund.</p>
<p>Weekly Meetings: QUAAF members meet on a weekly basis. These meetings give participants an opportunity to discuss portfolio performance and risk, economic conditions, and investment recommendations.</p>	<p>Corporate Structure: QUAAF is designed as a corporation, in order to provide its members with the practical experience of working at an investment fund.</p>

It is our belief that by designing an organization around this approach, we can provide our members with the best opportunity to learn and grow as professionals in the finance and alternative asset industry.

INVESTMENT STRATEGY

QUAAF is a unique fund offering designed to provide capital appreciation through investment in alternative strategies. The portfolio is composed of both internal and external investment platforms which, when combined, represent the total fund. Each area of investment is designed to work holistically with the other platforms to create an investment process that provides superior risk adjusted returns, with little correlation to the general equity market.

Investment Process

QUAAF utilizes a four-step, top-down analysis when approaching investment decisions. This approach ensures that all investment decisions are made on an informed basis, with input from all members of the Investment Team which includes contributions from the entire Investment Team.

Step	Name	Involved Parties	Detail
1	<i>Macro-Economic Projection</i>	Chief Investment Officer ("CIO"), Director of Portfolio Management ("DoPM")	In this step, the Chief Investment Officer and Director of Portfolio Management develop a macro-economic projection. This projection will summarize key domestic and foreign economic drivers that may impact the funds QUAAF chooses to invest in.
2	<i>Optimal Portfolio Allocation</i>	CIO, DoPM, Portfolio Managers ("PM")	In this step, the CIO, DoPM, and PMs determine the optimal allocation of capital among the four QUAAF portfolios. Depending on this projection, portfolio allocations may take a more aggressive or defensive investment position. Projections are made to provide the optimal risk-adjusted return based on projected market conditions.
3	<i>Select Appropriate Investments</i>	PM, Analyst	In this step, the Portfolio Manager recommends investment decisions. These recommendations are based on two factors: <ul style="list-style-type: none"> • The allocated portfolio capital that is determined by the Executive team; • The projected economic conditions. Analysts provide research on assigned funds in order to allow the PM to make an informed investment decision for the portfolio.
4	<i>Continuous Evaluation</i>	CIO, DoPM, PM, Analyst	In this step, the CIO, DoPM, and PM provide a continuous evaluation of the economic projection and investments that have been made. This continuous evaluation ensures that investment decisions reflect up-to-date economic conditions, particularly if an investment falls into violation of its performance or strategic targets.

QUAAF STRATEGY

EXTERNAL PLATFORM

The external platform is QUAAF's primary investment platform and represents two unique portfolios that invest in externally managed alternative strategies. These strategies utilize the expertise of third-party managers to provide returns at low volatility. By utilizing managers who specialize in multiple styles of alternative strategies, QUAAF can create a platform that provides diversification and the ability to generate returns in multiple market environments. QUAAF also recognizes the importance of capturing portions of market movements where possible and incorporates an economic research team to provide portfolio managers with relevant economic data to manage their positions. The external platform consists of a Neutral and Growth Portfolio, which are allocated funds based on economic conditions to generate the maximum possible risk adjusted return.

Portfolio Type	Information
Neutral	Seeks consistent returns by investing in more conservative strategies. This portfolio exhibits consistent returns regardless of market conditions and has a lower standard deviation than most portfolios. This portfolio generally invests in Equity Market Neutral, Fixed Income Arbitrage and Convertible Arbitrage strategies.
Growth	This portfolio generally invests in opportunistic strategies which exhibit more volatility than other strategies. This category generally outperforms in upward markets and under performs in downward markets. Typical investment strategies include Emerging Markets, Sector Specific, and Equity Hedge.

Allocation limits are placed on each of the investment portfolios in the external platform. The largest allocation of assets is in the Neutral Portfolio, holding between 45-65% of total fund assets. The Growth Portfolio holds approximately 0-30% of total fund assets at any time.

INTERNAL PLATFORM

QUAAF manages four proprietary internal investment mandates (Thematic, Global Macro, Sustainable, and REITs) that are designed around the core competencies of the portfolio management team. These portfolios allow QUAAF to manage all aspects of the investment strategies and compliment the other portfolios in the fund. The internal mandates are managed exclusively by the QUAAF investment team and invest directly into securities and ETFs. The investment team generates all investment ideas, monitors all holdings, and enters and exits positions as needed. Management of these portfolios takes place at Queen’s Toronto, Kingston, and Beijing campuses. These portfolios are designed to capture country based macroeconomic movements, technology shifts, and long-term structural changes.

Portfolio Type	Information
Thematic Growth	Utilizes a thematic investment strategy focusing on technology changes and long-term macro structural changes. Using a top-down investment approach, strategies range from single securities investment to more complex strategies that utilize baskets of securities to provide diverse exposure to investment theses.
Global Macro (QUAAF Beijing)	This strategy holds long and short positions in various equity and fixed income ETFs that look to provide returns based on the macroeconomic conditions of various global markets.
Real Estate Investment Trusts (REITs)	Provides exposure to hard assets and steady cash streams by investing in infrastructure, retail, commercial, and residential REITs.
Sustainable Investing	Integrates environmental, social and governance (ESG) considerations into QUAAF’s decision-making process using a proprietary rating framework and manages a portfolio of sustainability-linked investments.

BENCHMARKS

The QUAAF program is managed to provide superior risk adjusted returns in any market condition and does not prioritize relative comparisons to most constituent-based benchmarks. Although it is not a primary function, QUAAF does use proxies to measure the effectiveness of the platforms. With absolute return being a primary function of investment, QUAAF does set its primary benchmark as an absolute return benchmark. This benchmark is the perceived risk-free rate plus a premium to represent inflation. In addition, two other benchmarks are monitored representing the alternative strategy space and the current domestic market.

Benchmark Type	Index Used
Absolute Return Benchmark	91 Day T-Bill + 3%
Alternative Strategies Benchmark	HFRI FoF Composite Index
General Market Index	S&P/TSX Composite Index





Portfolio Summary

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Total Portfolio Holdings 25

PORTFOLIO SUMMARY

AS OF MARCH 31ST, 2021



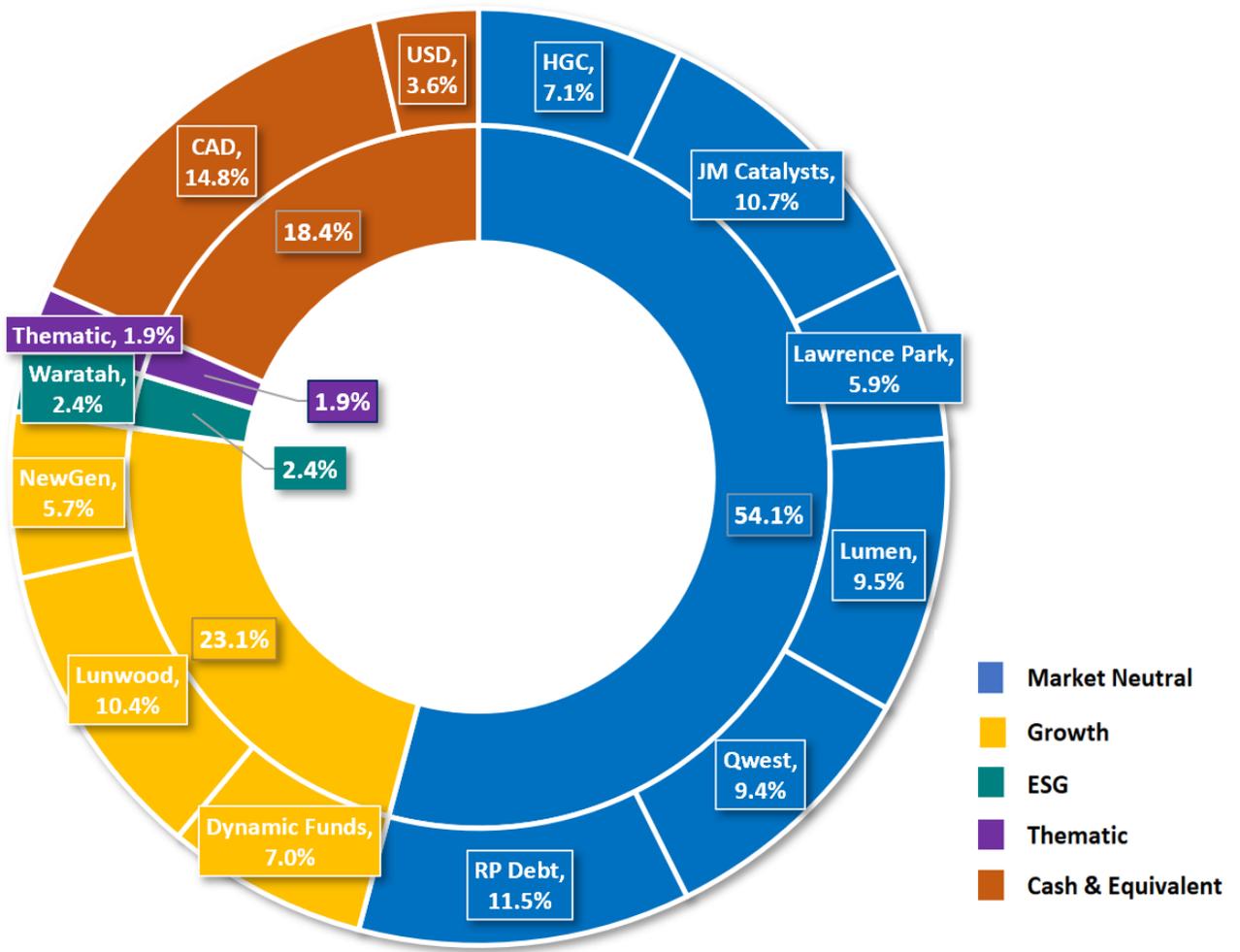
We embrace the mantra that the only thing in life that remain constant is change. We approached the rapid rate of change and volatility with a cautious optimism, viewing the uncertainty as an incredible opportunity. Through the hard work of every QUAAF member, the 2021 fiscal year was a breakout year for QUAAF's investment performance, returning 27.7% over the 12-month period ending March 31, 2021 and outperforming our primary benchmark (HFRI FoF Composite, 12m return of 23.8%).

QUAAF's largest asset allocation continues to be the Market Neutral portfolio strategy, which is designed to invest with external portfolio managers who provide consistent returns through pursuing strategies that together have little or no correlation to the market or asset class. The Investment Management team for the first half of the 2021 fiscal year continued the prudent strategy implemented by our predecessors who ensured that our asset base was preserved by increasing the fund Market Neutral exposure. Our externally managed funds have performed very well, and we have been thrilled with the success of these investments, with the Market Neutral strategy returning 13% and Growth strategy returning 54%. Additionally, QUAAF manages four proprietary internal investment mandates which are designed around the core competencies of the portfolio management teams. These portfolios allow QUAAF to manage all aspects of the investment strategies in a way that will complement the other portfolios in the fund. Our internal mandates include Thematic Growth, Global Macro, Sustainable, and REITs.

Due to strategic changes, we have exited from two of our external holdings over the past year. We thank these talented teams for their years of tutelage, and we hope to continue our strong relationship for the foreseeable future. Many of our internally developed strategies realized gains that surpassed their respective returns goals, with Thematic's Telemedicine portfolio returning 132.4% and the Financial Technology portfolio returning 70.9%. Our exited positions have resulted in the fiscal year end cash at 18.4% AUM, which while being atypically high, is strategic as it will allow us to execute on new investment opportunities currently in the pipeline.

In keeping with our goal to provide graduate students with educational opportunities, as QUAAF continues to grows in reputation, prestige, and AUM, we are beginning to gradually pivot towards having more funds internally managed by our students. As, our current allocation in external mandates have been gradually decreasing over the past fiscal year, and the strategic goal is to continue on this trend. QUAAF's four proprietary internal investment mandates are designed around the core competencies of the portfolio management teams and allow for the management all aspects of the investment strategies. The process of identifying investments and creating a portfolio illuminates the incredible level of cross-functional collaboration and teamwork between the Investment, Economic, Data, Risk, and Sustainable teams.

Sincerely,
Brenna Cunningham
Chief Investment Officer



Total Portfolio Holdings
As of March 31, 2021

Description	Book Value (CAD)	Market Value (CAD)	Unrealized Gain/Loss	Composition within the Portfolio	Composition within QAAF
Market Neutral Portfolio					
HGC Arbitrage	\$25,000	\$42,653	70.6%	13.0%	7.1%
JM Catalyst	\$50,789	\$64,619	27.2%	19.8%	10.7%
Lawrence Park Credit Strategies	\$34,842	\$35,812	2.8%	11.0%	5.9%
Lumen Long Short Equity Fund	\$50,000	\$57,535	15.1%	17.6%	9.5%
Quest Productivity Media Income Trust	\$53,780	\$57,069	6.1%	17.5%	9.4%
RP Debt Opportunities Fund	\$55,576	\$69,156	24.4%	21.2%	11.5%
Market Neutral Total	\$269,987	\$326,844	21.1%	100.0%	54.1%
Growth Portfolio					
Dynamic Global Growth Opportunity Fund	\$25,000	\$42,025	68.1%	30.1%	7.0%
Lynwood Opportunitites Fund	\$25,061	\$63,105	151.8%	45.2%	10.4%
Newgen Equity Long Short Fund	\$25,000	\$34,533	38.1%	24.7%	5.7%
Growth Total	\$75,061	\$139,663	86.1%	100.0%	23.1%
Sustainable Investing Portfolio					
Waratah Alternative ESG Fund	\$15,000	\$14,767	(1.6%)	100.0%	2.4%
Sustainable Investing Total	\$15,000	\$14,767	(1.6%)	100.0%	2.4%
Thematic Portfolio					
Biotechnology Portfolio	\$7,818	\$8,203	4.9%	70.8%	1.4%
Mitek Systems Inc	\$3,020	\$3,381	11.9%	29.2%	0.6%
Thematic Total	\$10,837	\$11,583	6.9%	100.0%	1.9%
Cash & Cash Equivalents					
Canadian Dollars	\$89,345	\$89,345		80.4%	14.8%
U.S. Dollars	\$21,775	\$21,775		19.6%	4.5%
Cash Equivalent Total	\$111,120	\$111,120		100.0%	18.4%
Total QAAF	\$482,006	\$603,978			100.0%

Monthly returns for last 5 years are as follows:

QAAF (Dollar Weighted Net of Fees Return)													
	J	F	M	A	M	J	J	A	S	O	N	D	YTD
2021	3.11%	2.70%	2.10%										8.11%
2020	0.75%	0.79%	-2.30%	-3.63%	4.35%	2.94%	3.35%	3.67%	1.67%	0.44%	0.19%	4.11%	17.21%
2019	-0.99%	1.46%	0.94%	0.75%	-0.67%	0.23%	0.30%	0.32%	-0.40%	0.09%	1.17%	0.91%	4.15%
2018	0.99%	0.36%	-0.55%	0.06%	0.03%	0.30%	-0.31%	0.13%	0.31%	-0.29%	-1.10%	-1.14%	-1.25%
2017	0.20%	-0.40%	0.16%	-0.12%	0.16%	-0.02%	-0.05%	-0.83%	0.77%	-0.13%	1.32%	-0.08%	0.98%
2016	-1.16%	0.36%	0.57%	0.58%	0.44%	-0.44%	1.39%	0.33%	0.63%	0.10%	1.38%	0.88%	5.13%
2015	-0.31%	-0.08%	1.07%	-0.12%	0.10%	0.52%	-1.24%	-0.85%	-0.48%	-0.45%	0.29%	0.21%	-1.36%

■ Positive Return ■ Negative Return ■ No Change





2020-2021 Annual Report

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