

QUAAF

QUEEN'S UNIVERSITY
ALTERNATIVE ASSETS FUND

Queen's University Alternative Assets Fund

2022-2023

Annual Report



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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Contents

Foreword	2
Organizational Overview	6
History	7
Core Objectives	7
Governance	8
Foundational Documents	8
Governance Structure	9
Organizational Structure	10
Transfer of Leadership	11
Executive Team	12
Organizational Strategy	16
Investment Strategy	17
Portfolio Summary	22
Portfolio Composition	23

FOREWORD



Letter from the CEO

QUAAF has witnessed a continued trend of market uncertainty through a combination of geopolitical tensions, higher inflation and interest rates, and the fall of several global financial institutions, which has created ripple effects across the globe. QUAAF has taken measures to ensure our holdings are appropriate for our current market environment while opening opportunities for our successors to deploy capital strategically.

This Management term has been focused on returning to operational basics. We started with a revised Service Level Agreement (SLA) outlining the commitment and expectations required of all our members. As part of our hiring strategy, our Chief of Staff performed reviews of all new analysts, providing feedback to improve human capital capabilities.

In 2023, all new analysts from the Investment, Strategy and Risk verticals completed a 6-week investment boot camp led by several of our Alumni Advisors. The Global Macro portfolio returned to the MFin Beijing program, strengthening our global network and portfolio diversification. The Investment and Risk teams also engaged in a full review of our portfolio to ensure our holdings remain aligned with our Investor Policy Statement (IPS) and are within appetite.

The Strategy and Data team collaborated by using data to drive decision-making and ameliorate processes, including delivering a robust monthly strategy update based on an internally developed model covering up to 1,500 potential indicators. The Data team created a live web application for QUAAF, including portfolio optimization and valuation models.

The Operations team was in full execution mode, with our website receiving a fresh look and user experience. Our newsletter moved back to a bi-weekly format with more relevant content, including a real-time market indices dashboard developed by the Data team. The Round Table Podcast returned, and the team organized virtual and in-person events with industry professionals.

Succession planning has been a core objective of this Management team. I am thrilled that the incoming Management team will have a 57% male / 43% female split, with domestic and international students and 4 Smith Graduate programs represented (FTMBA, MFin, MMA, MFIT). I am proud that QUAAF is committed to diversity, equity, inclusion, and indigeneity.

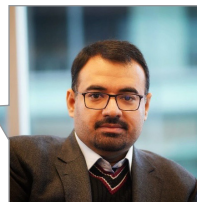
I want to thank all members of QUAAF, including our Executive and Alumni Boards, for their continued guidance. Additionally, each Chief Officer led their team with purpose and intent, and I am very privileged to have shared this experience with each of them. QUAAF is truly a life-changing opportunity, and I look forward to seeing what the new cohort will accomplish.

Chris de Sousa Costa

Chief Executive Officer (H2 2023)

Letter from the CSO

Over the past six months, global markets have encountered a range of challenges as they continue to navigate a path to recovery from the COVID pandemic. The geopolitical instability stemming from the war in Ukraine has impacted global energy prices and contributed to divisions along political fault lines, raising concerns about global tri-polarity and the US Dollar's reserve currency status. Consistent downward revisions to growth projections, skewed towards advanced economies, are reminiscent of market uncertainty.



During the COVID pandemic, central banks significantly increased the M1 supply in an effort to stabilize the markets, which among other factors, caused serious global inflationary pressure once the velocity of money returned to normal. Continuous interest rate hikes were implemented to control inflation, exposing vulnerabilities in the global banking system and resulting in failures such as SVB Signature Bank and UBS's acquisition of Credit Suisse. Inflation peaked in North America in the first quarter of this year, which can be viewed as a sign of normalization.

In response to the expected decrease in volatility and the anticipated rebound in the equity markets later this year, QUAAF is proactively preparing to use its significant cash reserves. Constituent portfolios, including Thematic, Real-estate, Sustainable, Global Macro, and Fund of Hedge Funds, have all pitched investment ideas, and implementation is underway.

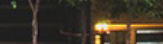
The strategy function has initiated structural changes to improve investment guidance, including compulsory reporting on major asset classes using the Global Industry Classification System (GICS) for reporting on sectors, industry groups, industries, and sub-industries. Given the scale of the undertaking, a systematic and disciplined approach is required, and a quantitative model to factor in all information is being developed in collaboration with the revolutionized Data Team. The final output of the model will indicate clear investment guidance through sector rankings which shall be based on the weighted average of fundamental, technical, and positional analyses and valuation for both the US and Canadian markets. Although completing this analyst-driven qualitative/quantitative model will not be easy, there is no doubt that future members will successfully implement and improve it.

In addition to the annual Winter Stock Pitch Competition, the Alumni Board organized an elaborate investment boot camp spanning eight weeks. It included guest speakers, all Smith Alums, who lectured members on various topics, including equity research, thematic investment, risk management, and communication. Rupert Merer, the Managing Director-Research at National Bank, also shared his experiences with members on navigating a career in equity research.

Finally, witnessing the passion of well-placed Smith alums to give back to QUAAF is beautiful. In current members, it ignites a desire for reciprocity to QUAAF in the future, fostering a vibrant cycle of support and gratitude within the community!

M. Firzouq A. Khan

Chief Strategy Officer (H2 2023)



FINANCIAL GROUP AT RISK



About Us

Organizational Overview	6
QUAAF History	7
Core Objectives	7
Governance	8
Organizational Structure	10
Transfer of Leadership	11
Executive Team	12

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.



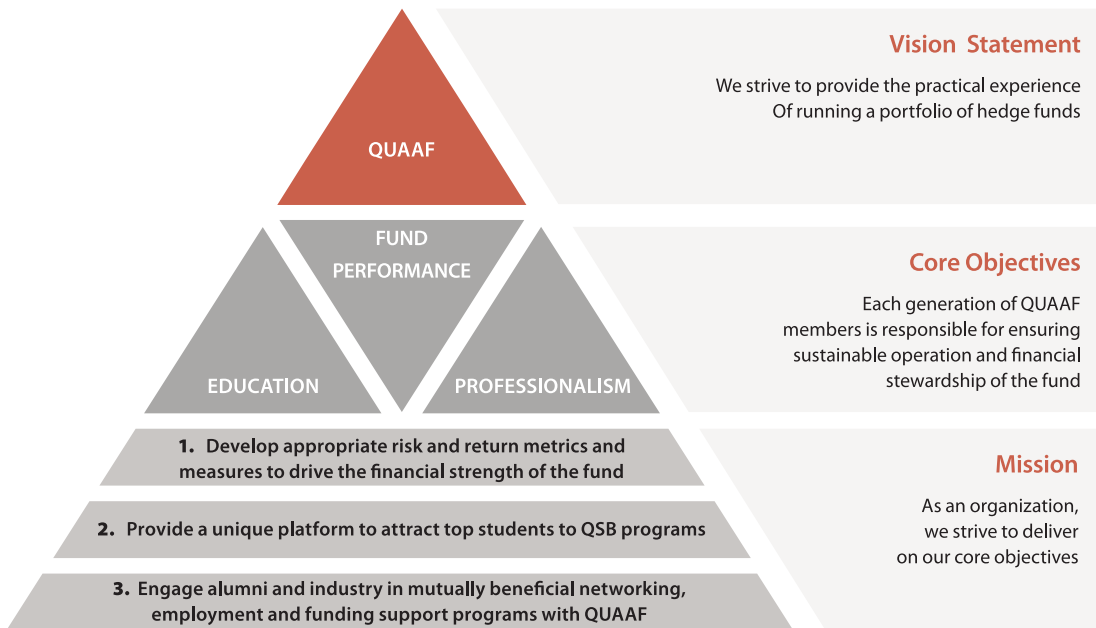
QUAAF HISTORY

QUAAF is Canada’s first student directed portfolio of hedge funds managing \$622,400 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 QAAAF as a formal educational initiative, a governance structure was formed to guarantee organizational continuity and success. The QAAAF Investment Policy Statement (“IPS”) acts as the Fund’s guidance document. The IPS provides the authority for managing the many aspects of the QAAAF organization:

- **Fund Governance:** This section provides authority to the Board of Directors and Executive team to make decisions and act on behalf of QAAAF. It also outlines the responsibilities for the Investment, Risk, and Business Development Teams.
- **Investment Overview:** This section outlines the Investment mandate for QAAAF. In particular, it summarizes the Fund’s investment beliefs, asset mix, benchmarks, and rate-of-return expectations.
- **Evaluation and Analysis:** This section outlines how QAAAF 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, QAAAF members are also governed by their Service Level Agreement (“SLA”). At the commencement of each member’s term with QAAAF, 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.

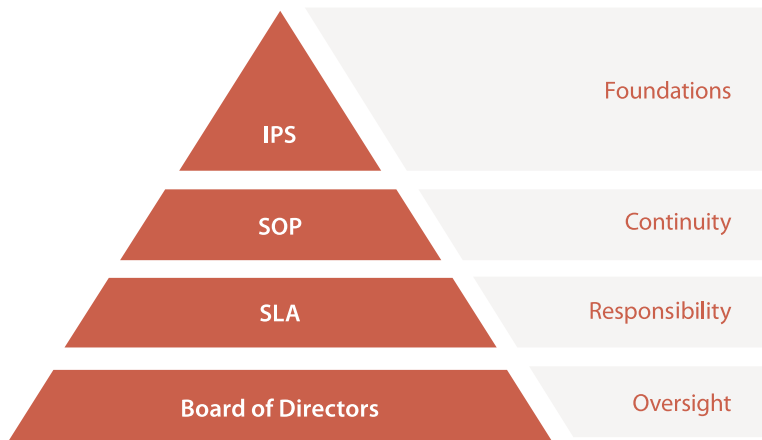
Governance Structure

The QAAF 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 QAAF Executive Team. They also acquire adequate resources for QAAF’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 QAAF members. This group is complemented by the Advisory Board, which is composed of prominent industry professionals and provides QAAF 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 QAAF 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 QAAAF, members are divided among four separate divisions: Investment, Risk, Strategy 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 QAAAF 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.

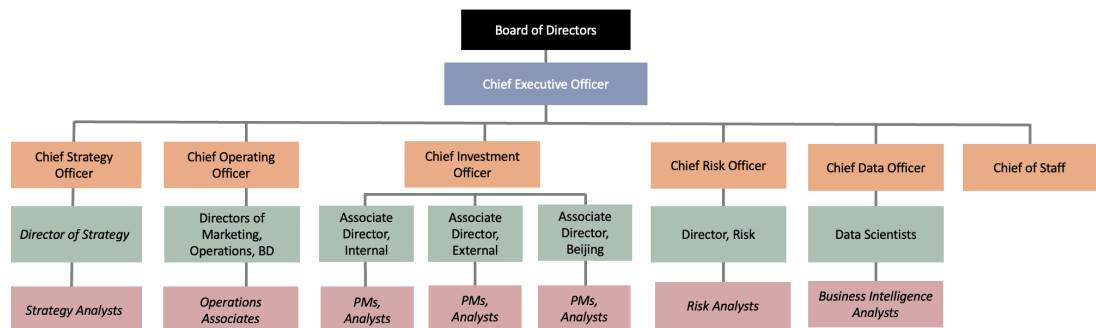
The Chief Strategy Officer (“CSO”) and the Economics team are responsible for providing the analysis of current economic and political conditions. The economic team is consistently distributing information as global economic data points become available throughout the year. This team works closely with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

The Chief of Staff (“COS”) oversees hiring and people management of QAAAF.

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 QAAAF’s investment



TRANSFER OF LEADERSHIP

One of the unique aspects of QAAAF 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, QAAAF 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, QAAAF 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 QAAAF members will be mentored by experienced QAAAF team members.



22 – 23 EXECUTIVE TEAM (SECOND HALF)



Chris de Sousa Costa – Chief Executive Officer, Master of Business Administration 2023

Chris is a Team Canada alumnus, having been a Karate Canada national team member for 11 years, was the team captain at the 2015 Pan-American Games in Toronto, and provided live play-by-play commentary for the CBC during the Tokyo 2020 Olympic Games. Chris currently works at Purves Redmond Limited as a Client Executive in their Innovation and Emerging Risk practice, focusing on capital markets and business development. Chris also serves as Treasurer of AthletesCAN, the world's first fully independent association of national team athletes, advocating for an athlete-centred sport system.



Peter Adekunle – Chief Investment Officer, Master of Finance 2023

Peter Adekunle comes from the Master of Finance program at the Smith School of Business. He joined QAAAF as Investment Analyst within the Fund of Hedge Fund Team and eventually became the Chief Investment Officer. Before joining QAAAF, he was a Corporate Finance Analyst at SCM Capital, one of the oldest investment banking firms in Nigeria. Given his background in Research, he also acted as the Head of Research & Investment Advisory of the same organization.



Mariam Afsar Khan – Chief Operating Officer, Master of Business Administration 2023

Mariam works as a Senior Business Systems Analyst in TD Securities. She has 6 years of experience working in banks such as TD and CIBC on the technology side in Toronto. She is passionate about giving back to the community and has been part of different organizations since her undergraduate degree days, continuing to be involved during her professional career in BlackBerry and TD. Mariam has a Bachelor's in Electrical and Software Engineering from McGill University. In her free time, she enjoys running and currently is training to run a half marathon in the Toronto Waterfront Marathon.



M. Firzouq A. Khan – Chief Strategy Officer, Master of Finance 2023

Firzouq is a candidate for the Master of Finance 2023 program at the Smith School of Business. He holds a Master of Professional Accountancy from the University of London and is a member of the ACCA. His research interests include the effects of monetary policy on the housing market of Pakistan. With ten years of experience in the real estate and construction industry, he has specialized in various areas, including corporate strategy, financial planning & analysis, tendering, and dispute resolution.



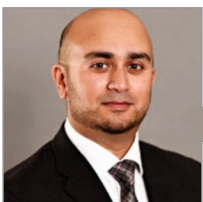
Vincent Zhou – Chief Risk Officer, Master of Business Administration 2023

Vincent Zhou is from Smith MBA 2023 cohort with a Finance specialization and pursuing his CFA designation. Prior to the MBA program, Vincent worked at CIBC with a successful track record as a Financial Advisor. As a QAAAF member, he served as Risk Analyst and the Risk Director before becoming the CRO. Vincent brings a strong analytical mindset and outstanding performance to the Team.



Zhaoqiu (Stone) Zhou – Chief of Staff, Master of Management Analytics 2023

Before joining the MMA Program, Stone gained experience as a financial service representative at CIBC. In this role, he was dedicated to providing clients with tailored solutions to meet their investment and lending needs. Currently, as part of the QAAAF team, Stone primarily oversees the HR function, including hiring, interviewing, and assessing team performance. Stone's expertise in data analytics has been instrumental in identifying and leveraging top talent for the organization's current and future success.



Dan Fernandez – Chief Data Officer, Master of Management Analytics 2023

Dan has 18 years of experience in financial services, specifically in banking and pensions. Dan works at HOOPP as a Senior Manager of Strategic Insights which he is accountable for strategic research and data analytics. Dan joined Queen's as a Master of Management Analytics (MMA) student and joined QAAAF to further enhance the organization's data architecture, collaborative spirit and DevOps delivery. In his free time, Dan is an avid sports fan and is Treasurer at OLSC Toronto (Liverpool F.C. Supporters Club of Toronto), and is inspired by innovation and technology.

23 – 24 EXECUTIVE TEAM (FIRST HALF)

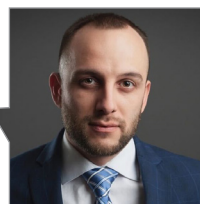
Bishwaraj Bhattarai – Chief Executive Officer, Master of Business Administration 2024

Bish is an MBA'24 candidate at Smith School of Business specializing in strategy and finance, and is pursuing a post-MBA career in cleantech/sustainable investing. Bish is a renewable energy professional with 7+ years of experience across academia and industry. He has a Bachelor's Degree in Mechanical Engineering, and a MSc in Sustainable Energy Systems from the University of Edinburgh. Most recently, Bish led a social enterprise deploying solar energy and financial services for remote communities and small businesses, serving over 50,000 end-users across South Asia.



Daniel Scarr – Chief Investment Officer, Master of Business Administration 2024

Daniel is a candidate in the Full-Time MBA Class of 2024. Before joining the MBA program, he completed his MSc in Medical Science at the University of Toronto. Daniel has over 7 years of experience working in research and he is passionate about making data-driven investment decisions. He joined QUAAF as an Investment Analyst in February 2023 and was the winner of QUAAF's 2023 Winter Stock Pitch Competition.



Lucía Naranjo – Chief Operating Officer, Master of Business Administration 2024

Lucía is a candidate for the Masters of Business Administration program at Smith School of Business. Originally from Quito, Ecuador; Lucía graduated from Universidad San Francisco de Quito with two bachelor's degrees, one in Finance and one in Marketing. She has years of experience working in financial planning and reporting in consumer goods and industrial companies, with a focus in budgeting and forecasting, financial analysis, and pricing strategies.



Pattara Udomsombutrattana – Chief Strategy Officer, Master in Financial Innovation & Technology 2024

Pattara is a current candidate at the MFIT Program with experience as a Certified Public Accountant and business consultant in the auditing, banking, and advisory industries. She is skilled in financial analysis, management reporting, market research, and programming. She has experience working with SMBC Business Consulting Service, Deloitte, Standard Chartered Bank, and KPMG. Pattara joined QUAAF as a strategy analyst in February 2023, and with her well-rounded skills, she was appointed to be Chief Strategy Officer.



Yu-Jen (Ken) Chen – Chief Risk Officer, Master of Finance 2023

Ken is a current MFIN candidate. Prior to joining the program, he worked in retail banking at CIBC for three years. Currently, he works at Morningstar Canada as an Equity Data Analyst. As a QUAAF veteran, he served as a Director of Risk before promoting to the Chief Risk Officer position. He received his BBA specializing in Finance from the University of Toronto and is currently pursuing his CFA designation.



Nikita Ghotgalkar – Chief of Staff, Master of Business Administration 2024

Nikita Ghotgalkar is currently pursuing her MBA at Queen's University. With over seven years of experience working at Marsh McLennan and ICICI Bank, Nikita has developed a strong understanding of the corporate world. However, her passion lies in people, and she strives to make meaningful connections with those around her. In her free time, Nikita loves immersing herself in nature, and she dreams of traveling the world in the adventurous spirit of Anthony Bourdain. She joined QUAAF as an Operations Analyst in January after which she was promoted to the role of the Chief of Staff.



Jeremy Zhou – Chief Data Officer, Master of Management Analytics 2024

Jeremy is a candidate of Smith Commerce MMA program. Prior to enrolling in MMA, Jeremy graduated from University of Toronto with double major on Mathematics and Statistics. He has years of experience working as data analyst, data engineer in Fintech company and university research institute, focusing on data analysis, data architecture, machine learning and project management. He joined QUAAF in January 2023 as a Data Scientist and currently serving as Chief Data Officer.







QUAAF Strategy

Organizational Strategy	16
Investment Strategy	17
External Platform	18
Internal Platform	19
Benchmarks	19

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
<i>Create a professional environment of continuous learning for our members</i>	<i>Provide the practical experience of running a funded portfolio</i>
<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. Analysts will also get to experience creating a written investment memo to be shared both internally and externally.</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 are open for application to existing QUAAF members, providing 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 to provide members with practical work experience in 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"), Chief Strategy Officer ("CSO")	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, Associate Directors, Portfolio Managers ("PM")	In this step, the CIO, Associate Directors, 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, Associate Directors, PM, Analyst	In this step, the CIO, Associate Directors, 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.

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	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

Portfolio Summary 22

Total Portfolio Holdings 24

PORTFOLIO SUMMARY

AS OF MARCH 31st, 2023



As of March 2023, the QAAAF portfolio return was down by 2.53% y/y; however, compared to S&P/TSX composite performance (-5.19%), we have staved off significant fluctuations in our holdings. The HFRI FoF Mid Vol. posted -2.31% in the same period.

The most significant contributors for QAAAF are Qwest Productivity Media Income Trust (+8.08%) and RP Opportunities Fund Trust (+5.84%), while the most significant detractors are Dynamic Global Growth Opportunity Fund (-27.09%) and Lynwood Opportunities Fund (-24.38%). Currently, QAAAF manages a portfolio of 18.5% in Growth, 49.3% in Market Neutral and about 24% in cash and equivalents. Our portfolio is currently \$622,074 AUM.



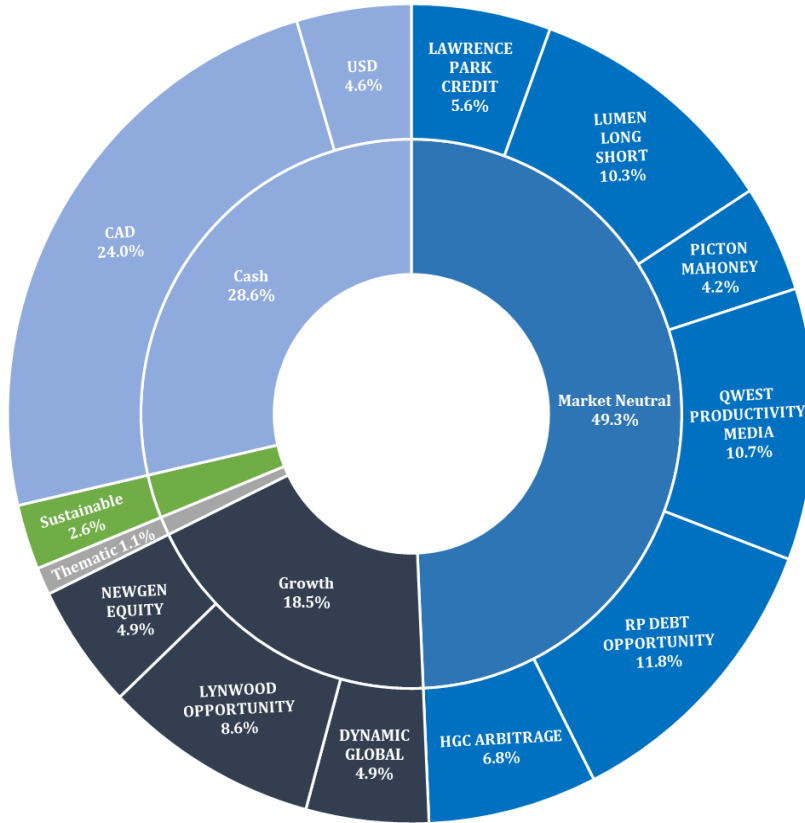
Given the current cash position and the pitches from both the Thematic and Fund of Hedge Funds teams going through our internal approval process, we foresee most of the investment to be made within the internally managed portfolio. Our view is further buttressed by the fact that as at the end of March, 2023, the internally managed portfolio was significantly below the portfolio allocation target.

Sincerely,

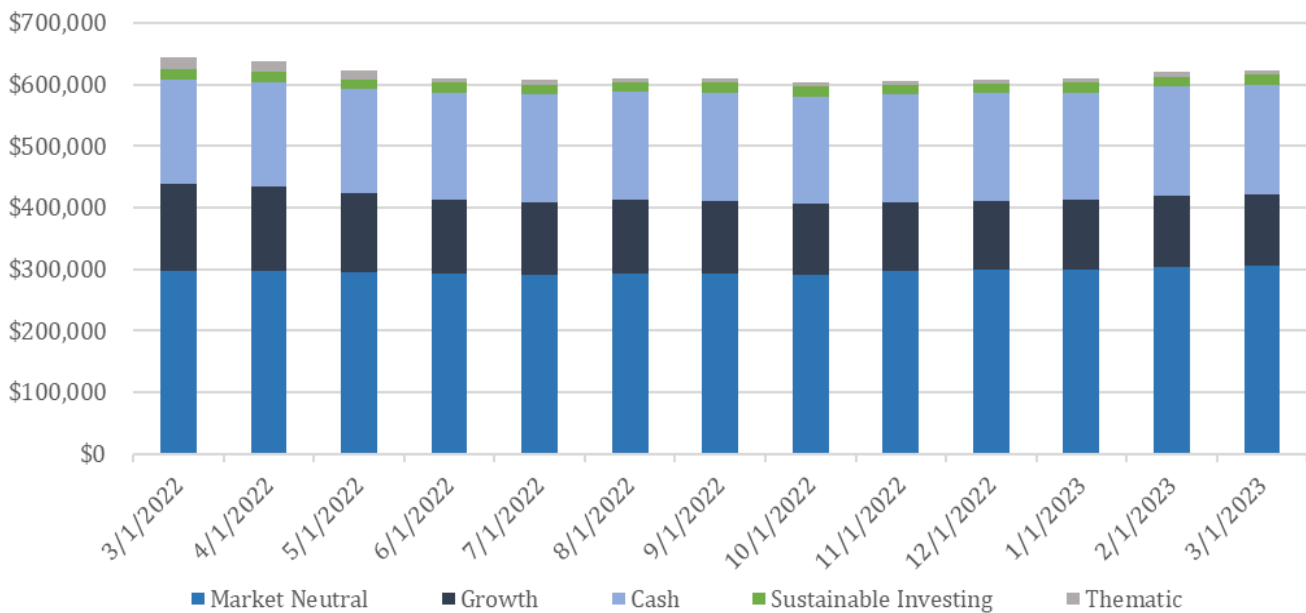
Peter Adekunle, Chief Investment Officer, H2 2023

M. Firzouq A. Khan, Chief Strategy Officer, H2, 2023

As of March 31, 2023



Portfolio Breakdown



Total Portfolio Holdings
As of March 31, 2023

Exchange Rate: 1.2525

Description	Book Value (CAD)	Market Value (CAD)	Unrealized Gain/Loss	Composition within Portfolio	Composition within QAAF
Market Neutral Portfolio					
HGC Arbitrage	\$ 32,500	\$ 42,099	29.5%	13.7%	6.8%
Picton Mahoney Long Short	\$ 25,610	\$ 26,259	2.5%	8.6%	4.2%
Lawrence Park Credit Strategies	\$ 36,860	\$ 34,752	(5.7%)	11.3%	5.6%
Lumen Long Short Equity Fund	\$ 50,000	\$ 63,775	27.6%	20.8%	10.3%
Qwest Productivity Media Income Trust	\$ 62,303	\$ 66,640	7.0%	21.7%	10.7%
RP Debt Opportunities Fund	\$ 58,562	\$ 73,170	24.9%	23.9%	11.8%
Total Market Neutral	\$ 265,835	\$ 306,695	15.4%	100.0%	49.3%
Growth Portfolio					
Dynamic Global Growth Opportunity Fund	\$ 25,000	\$ 30,554	22.2%	26.6%	4.9%
Lynwood Opportunites Fund	\$ 26,315	\$ 53,770	104.3%	46.8%	8.6%
Newgen Equity Long Short Fund	\$ 25,000	\$ 30,508	22.0%	26.6%	4.9%
Total Growth	\$ 76,315	\$ 114,832	50.5%	100.0%	18.5%
Sustainable Investing Portfolio					
Waratah Alternative ESG Fund	\$ 15,361	\$ 15,958	3.9%	100.0%	2.6%
Total Sustainable Investing	\$ 15,361	\$ 15,958	3.9%	100.0%	2.6%
Internal Portfolio					
STRIDE Inc	\$ 5,049	\$ 6,755	33.8%	100.0%	1.1%
Internal Total	\$ 5,049	\$ 6,755	33.8%	100.0%	1.1%
Cash & Cash Equivalents					
Canadian Dollars	\$ 149,312	\$ 149,312		84.0%	24.0%
USD	\$ 28,523	\$ 28,523		16.0%	4.6%
Total Cash & Equivalent	\$ 177,835	\$ 177,835		100.0%	28.6%
Total QAAF	\$ 540,395	\$ 622,075			100.0%

QUAAF (Dollar Weighted Net of Fees Return)													
	J	F	M	A	M	J	J	A	S	O	N	D	YTD
2023	0.35%	1.16%	0.27%										1.79%
2022	-1.00%	-1.33%	-0.14%	-0.87%	-2.04%	-1.52%	-0.63%	0.64%	-0.03%	-1.25%	0.52%	0.29%	-7.33%
2021	2.85%	2.70%	1.93%	0.00%	0.81%	0.85%	0.69%	0.57%	1.33%	-0.48%	0.59%	-0.41%	12.03%
2020	0.64%	0.80%	-2.21%	-5.11%	4.35%	2.83%	3.35%	3.67%	1.56%	0.44%	0.19%	4.11%	15.15%
2019	-1.23%	1.60%	0.71%	0.64%	0.72%	0.17%	0.21%	0.33%	-0.40%	-0.01%	1.17%	0.87%	4.85%
2018	0.79%	0.36%	-0.55%	-0.13%	0.03%	0.10%	-0.31%	0.13%	0.55%	-0.50%	-1.10%	-1.13%	-1.79%
2017	-0.03%	-0.39%	0.17%	-0.34%	-0.56%	-0.02%	-0.26%	-0.82%	0.77%	-0.35%	1.33%	-0.07%	-0.59%

- Positive Return
- Negative Return
- No Change

ACKNOWLEDGEMENT

We would like to thank our Chairman, Peter Copestake, for continuously sharing his expertise and supporting QUAAF since our inception. We would also like to thank QUAAF's Advisory Board, Board of Directors and Alumni Board members for the countless hours of dedication, support and advice provided to the team. Last but not least, we would like to thank the Smith School of Business for always being a tremendous resource and generous supporter of our investment fund, providing us with the necessary foundation to build into what we are today.

Executive Board

Peter Copestake, Chairman & Executive-in-Residence, Smith School of Business
Elspeth Murray, Director (Centre for Business Venturing), Associate Professor & CIBC Faculty Fellow in Entrepreneurship, Smith School of Business
Matthew Reesor, Director of MBA Program, Smith School of Business
Rees Barnett, Executive Vice-President, Head of Innovation Banking, Cogent Bank
Wei Wang, Associate Dean (Professional Graduate Programs), Director (Master of Finance – Beijing)
Stephen Thomas, Executive Director of Analytics & AI Ecosystem, Smith School of Business
Sean Cleary, Executive Director of Institute for Sustainable Finance, Smith School of Business
Louis Gagnon, Professor of Finance, Smith School of Business

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Tina Monument, Financial Assistant, Business Office



QUAAF

QUEEN'S UNIVERSITY
ALTERNATIVE ASSETS FUND

2022 - 2023 Annual Report

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