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Summary

Because markets are competitive, adaptive and intelligent, it's critical to connect dots. Link accounting with finance, micro economics with macro, probability theory with purchasing 'optionality' and decision theory with psychology. Connecting ideas and investing motivates me.

Recently I co-authored a paper entitled, ["Are Cash Flows Better Return Predictors than Profits?"](#) wherein the described investment process generated ~10% excess annual *alpha* using a *direct cash flow* methodology after controlling for well-know return factors—including ROE and P/E. The paper is

ranked in the top ten percent of downloads for 2017 and 2018.

The process also works outside the lab. For over a decade, the funds I co-managed have consistently ranked in the top quartile across products, time and geographies. During 2008 our \$3 billion global long/short fund generated excess *alpha* of 33%—placing it in the top 1% of similar funds between 2006 and 2008. For 2013 excess *alpha* was ~900 basis points.

Experience

University of Western Ontario

LONDON, ONT., CANADA

Adjunct Lecturer, Department of Economics

Sept. '15 — present

Cash Flow Analysis and Investments assumes GAAP accounting statements are systematically biased resulting in the mis-allocation of capital for investors and more generally society. A proper understanding of accounting statements, therefore, necessitates looking behind accounting labels to appreciate the economic impact of cash flows. The class concludes by leveraging these techniques to selecting public securities using SAS, R or Python.

Highstreet Asset Management

TORONTO, CANADA

Sr. Researcher, US, Europe, Asian Securities

July '15 —

Provide the firm with a series of fundamental tools to select stocks and enhance portfolio returns. Design fundamental factors using Direct Cash Flow analysis. Undertake strategic and financial statement analysis, attend conferences and interview 'C' level executives.

Manulife Asset Management

TORONTO, CANADA

Director & Sr. Global Portfolio Manager

Dec. '12 — Feb. '14

Managed the day-to-day research and trading of a \$550 million global fund. Undertook strategic and financial statement analysis, attended conferences and interviewed 'C' level executives. • During 2013, the fund earned 22% versus a benchmark of 13%. Controversial investments (at the time) including an overweight in technology and an underweight in materials, drove the performance. • Drafted and presented the team's marketing materials to our North American and Japanese distribution channels. I made several television appearances, publishing notes and presenting at the firm's Boston *Global Investment Research Forum*.

Hillsdale Investment Management

TORONTO, CANADA

Portfolio Manager/Consultant

July '10 — Nov. '12

Provided the firm with a series of portfolio construction/analysis tools to select stocks, and enhance existing risk analytics. • Industries covered included: Technology, Pharmaceuticals, Financials, Industrials and Consumer. Regions included Canada, US, Europe and Asia. • Portfolios under my direction (Russell 2000 and Canadian Core Equity) exceeded their benchmark by 3.1% and 1.2%, respectively.

Canada Pension Plan Investment Board

Director & Sr. Global Portfolio Manager

TORONTO, CANADA

Aug. '05 — Aug. '09

Implemented the CPPIB's fundamental active overlay program. After extensive process validation and cooperation with our Quantitative colleagues, the fundamental group presented the Direct Cash Flow approach to the CPPIB Board of Directors. We were subsequently authorized to deploy \$20 million per week in a long/short global equity platform. • During 2008 the fund generated a return of 5.3% while similar funds were down 28%. • Contributed to strategic planning sessions, negotiated service agreements and developed training materials for analysts and portfolio managers.

Affiliations, Education

CFA Institute

Chartered Financial Analyst (CFA)

CHARLOTTESVILLE, USA

2001

Member of the Ontario Bar

Lawyer, Called to the Bar

TORONTO, ONTARIO

1997

University of Ottawa, Common Law

Juris Doctor (JD)

OTTAWA, ONTARIO

1992 – 1995

Schulich School of Business, York University

Master of Business Administration (MBA)

TORONTO, ONTARIO

1991 – 1992

Schulich School of Business, York University

Bachelor of Business Administration (BBA)

TORONTO, ONTARIO

1987 – 1991

Published Work

Papers: Are Cash Flows better Return Predictors than Profits? May, 2016, Stephen Forester, John Tsagarelis, Grant Wng, forthcoming Financial Analysts Journal.

Non-Profits and Charities, William Shamie, John Tsagarelis, November 3, 1995 Canadian Bar Association

Interests

Books: *Money Ball*, Michael Lewis, *On Intelligence*, Jeff Hawkins, *Mind Set*, Carol S. Dweck, *A Financial History of Modern U.S. Corporate Scandals*, Jerry W. Markham.

Skills: Advanced knowledge of Bloomberg, CapitalIQ, FactSet, Excel, R, SAS/JMP, SQL.

Hobbies: Coaching hockey and basketball, reading (decision theory, economic history), traveling, cooking, photography, L^AT_EX)