

# 2016 AWARDS RECEPTION & CFA INSTITUTE RESEARCH CHALLENGE

Jonathan Mai

In February, CFA Society Toronto hosted its seventh annual Awards Reception. This year's award categories included the CFA Society Toronto & Hillsdale Canadian Investment Research Award, the local CFA Institute Research Challenge, and the Undergraduate Finance & Economics Scholarship Awards.



## CFA Society Toronto & Hillsdale Canadian Investment Research Award

CFA Society Toronto and Hillsdale Investment Management Inc. were pleased to announce the winners of the 2016 Canadian Investment Research Award. The award-winning paper "Does Spending Time in the Minors Pay Off?" was submitted by Michele Meoli and Silvio Vismara, University of Bergamo; and J. Ari Pandes and Michael J. Robinson, CFA, Haskayne School of Business, University of Calgary.

The team was selected by a panel of judges and was awarded C\$10,000. The team competed against 19 submissions by academics from top business schools around the world, as well as practitioners of leading investment firms in Canada.

"My co-authors and I are very pleased to receive the 2016 CFA Society Toronto & Hillsdale Canadian Investment Research Award as recognition of the contribution our paper makes to better understanding the nature of the financing of growth-oriented firms in Canada. As Canadian firms work to increase their international




L-R: Award winners J. Ari Pandes and Michael J. Robinson, CFA with Chris Guthrie, CFA, (President of Hillsdale Investment Management Inc.)

competitiveness, it's vital that these firms better understand their available financing alternatives. In addition, our research provides insights into the regulatory framework that has allowed Canada to develop an effective junior public equity market while so many other countries have struggled to create this type of market," said Michael J. Robinson, CFA.

"The authors have discovered that Canadian public firms graduating from the TSX Venture Exchange perform better than venture capital (VC)-backed firms after listing on the TSX. This is a huge win for public markets and supports the role of the TSX Venture Exchange as an important training ground for great Canadian companies," said Chris Guthrie, CFA, president and CEO of Hillsdale Investment Management Inc.

"At its roots, Hillsdale believes in and supports applied investment research," said Harry Marmer, CFA, executive vice-president of Hillsdale. "We are so proud to be working with CFA Society Toronto on this award initiative,

and this year's winning paper clearly illustrates the high calibre of submissions."

Here is the abstract of the winning paper:  
 "This paper compares the performance of firms that first go public on the TSX Venture Exchange (TSX-V) and then graduate to the senior Toronto Stock Exchange (TSX) to the performance of VC-backed firms that issue an IPO directly on the TSX. Controlling for potential selection biases stemming from the original decision to list on the TSX-V rather than receiving a VC injection, as well as from the subsequent listing decision on the TSX, we found TSX-V graduations, on average, outperform VC-backed IPOs by 31.2 percentage points in the three years following the TSX listing. Overall, our results indicate that the TSX-V is an effective 'incubator' market for developing firms and thus provides important policy and regulatory insights." 

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