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THE SCHOONER

The Official Newsletter of the Dalhousie Investment Society (DALIS)

Celebrating Women In DALIS

A Letter from the DALIS Executive Team

Dear Readers,

As March comes to a close, we find ourselves reflecting on the profound impact of the women within the Dalhousie Investment Society. Their contributions, insights, and leadership have shaped our community in many ways. With March 8th marking International Women's Day, we have a meaningful chance to honour the remarkable women of DALIS (Dalhousie Investment Society) – past, present, and future.

Let us pause and appreciate the trailblazing women whose spirit laid the foundation for DALIS's success. Their courage, resilience, and forward thinking have not only paved the path we walk but also inspired countless others to find their voice within the world of finance.

Today, we are fortunate to be surrounded by many talented women who continue to make significant contributions to our society. From holding key leadership roles to leading the charge on investment strategies, these women carry the spirit of excellence and drive that defines our community. Their leadership, expertise, and unwavering commitment light the way for us all, showing us what's possible when passion meets purpose.

Moving forward, our commitment is clear – we are here to support and uplift the next generation of female leaders within DALIS. We are creating a space where every member, regardless of who they are, feels not just accepted but empowered to thrive and excel. Through mentorship, education, and advocacy, we are determined to empower future generations of women to pursue their ambitions fearlessly and make their mark on the financial industry.

Join us in recognizing the incredible contributions of women in DALIS, and together, let us continue to uplift, inspire, and empower one another as we strive towards a future of equality, diversity, and inclusion.

Best Regards,
Max, Monica, Arsh, Alexis, and Mark

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The Maritime Fund

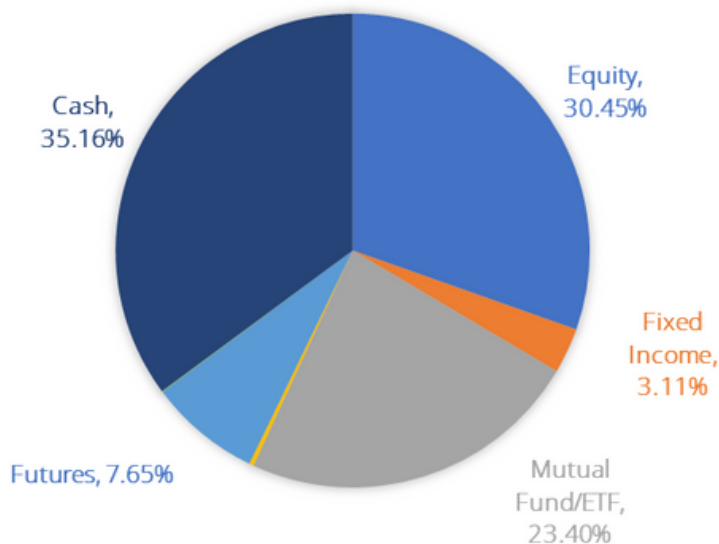
Portfolio Overview

Portfolio	Holdings	Market Value	Change TTD	% TTD
Macro Strategy & Fixed Income	32	\$33,256,153	\$2,313,861	7.48%
Commodities	25	\$33,446,308	\$2,369,842	7.63%
Financials, Consumer, Tech	19	\$34,026,502	\$3,660,545	12.05%
Energy, Industrials, Real Estate	24	\$32,899,524	\$2,133,970	6.94%
Maritime Fund	100	\$133,628,488	\$10,478,219	8.51%

Sector	Market Value	Weight
Financials	\$14,905,877.44	11.15%
Energy	\$12,288,797.84	9.20%
Consumer Staples	\$12,207,333.41	9.14%
Industrials	\$11,617,399.79	8.69%
Technology	\$10,774,173.60	8.06%
Metals & Mining	\$8,860,563.82	6.63%
Communications	\$3,458,238.27	2.59%
Consumer Discretionary	\$1,540,539.95	1.15%
Real Estate	\$1,104,399.83	0.83%

Top 10 Holdings
1. Cash
2. Invesco S&P 500 Equal Weight Industrials ETF
3. Soybean Future May 24
4. VanEck Semiconductor ETF
5. iShares 20+ Year Treasury Bond ETF
6. Cocoa Future May 24
7. Vanguard Industrials Index Fund
8. Bank of Canada 3 1/4 12/01/2033
9. Visa Inc
10. Proshares Ultra Bloomberg Crude Oil

ASSET CLASS ALLOCATION



*TTD = Term to Date
All \$ Figures in CAD

The Maritime Fund

Commentary

MACRO STRATEGY & FIXED INCOME

The Global Macro Trading group currently sits at an ~8% return since inception in September. For the month of March, US predictions for sticky inflation, a stubborn job market, and a hawkish Fed placed the Macro group to have a negative outlook on equities. The presumption triggered multiple positions to short the Nasdaq through buying out-of-the-money puts on index-tracking ETFs. Yet, although all three big data pieces came in as predicted, nothing stopped the bulls.

As for currency allocations, the Brazilian real (BRLUSD) was offloaded from the portfolio for 5.0242, which was previously purchased for 4.9383 for a ~115,000 CAD profit. Predictions at the start of March were placed in front of the BOJ and SNB rate decisions. The main thesis from the Macro group was that a stronger yen would be built on the backs of a shift in monetary policy from the Bank of Japan to end the negative rate regime. A possible rate cut from the Swiss National Bank could sweeten the deal when entering a long yen short franc position by selling CHFJPY. The position against the franc stayed in the green throughout the month; however, neither the BOJ nor SNB actions seemed to bail out the yen, causing further losses to the previous short position in USDJPY. Overall, the Macro group stayed on track to meet benchmark returns this semester, and we look forward to next fall.

COMMODITIES

In March, the Commodities Group had a strong performance - as most of our key holdings outperformed this month. In oil, the group continues to monitor commercial inventories and factors that drive demand. To capitalize, we were overweight producers and selectively long/short front month contracts, actively trading them based on both weekly API and EIA reports. Additionally, we've allocated a sizeable position to Crescent Point Energy, capitalizing on their gains over the last month. In agriculture, we played the easing of short interests in soy to start a modest position, rode the climb in cocoa prices, and opened a small position in live cattle contracts.

Many of our positions already in the books also performed well over the period, namely Agnico Eagle Mines, Kinross Gold and Lithium Chile (~30% average return). The book recently captured alpha through short-dated calls on The Metals Company (TMC) after their earnings, netting over 150% in profit

The Maritime Fund

Commentary

FINANCIALS, CONSUMER & TECHNOLOGY

The FCT portfolio currently maintains a 45% allocation across consumer discretionary, banking, and semiconductor sectors. Our cautious outlook on the Consumer Discretionary sector, especially retail-focused companies, is driven by the downward trend in 2024 retail sales and their reliance on third-party suppliers. Consequently, we've taken short positions in Footlocker and GameStop, executed a bear call spread on Victoria's Secret, and initiated a short strangle options play on Allbirds. Favoring B2C firms with solid margins, we've adopted a bullish stance, resulting in a long position on Turtle Beach, generating significant returns. Most notably, we generated \$360K in profit from a short strangle on Allbirds.

Anticipating lower interest rates, we've allocated funds to the financial sector. This involves going long on the Hamilton Enhanced Canadian Bank ETF for its 7% dividend yield and Canadian Dollar exposure, alongside maintaining our Citigroup position initiated in January, which has seen robust performance post-restructuring efforts.

In the semiconductor domain, we've bolstered our Nvidia investment to \$920K, yielding a \$115K market value return. Additionally, we've invested \$800K in Micron Technologies, identifying synergies with Nvidia's computer chips.

ENERGY, INDUSTRIALS & REAL ESTATE

During March, the EIR portfolio maintained a long position in the industrials sector. We continue to hold a heavy weight of industrials ETFs but also are attracted to specific large cap names such as John Deere and FedEx. With that being said, during the month we entered small short positions in Spirit Airlines and UPS, which are both falling behind comparable stocks due to poor financial health and poor revenue growth, respectively. We increased our exposure to large cap Canadian energy companies based on individual financial health and a steady oil price forecast in the short-term. Other North American names such as Diamondback Energy and Crescent Point Energy have shown promising growth prospects through recent favourable acquisitions. Our outlook on commercial real estate remains bearish, and throughout March we have taken long positions in homebuilder stocks like Lennar and DR Horton. With the remaining couple weeks we will aim to be more aggressive with preexisting theses of each sector.

Alumni Spotlight



BComm, International Business '13
DALIS Co-Founder

Allia Mohamed

Co-Founder & CEO
openigloo (New York)

Can you elaborate on your current role and the journey that led you there?

I graduated from Dalhousie's Commerce program in 2013, marking over a decade since then, which seems surreal. Throughout my time at Dal, my focus was primarily on finance. I founded DALIS with some friends because we wanted to practice our investment skills and help prepare for co-op terms and full-time positions.

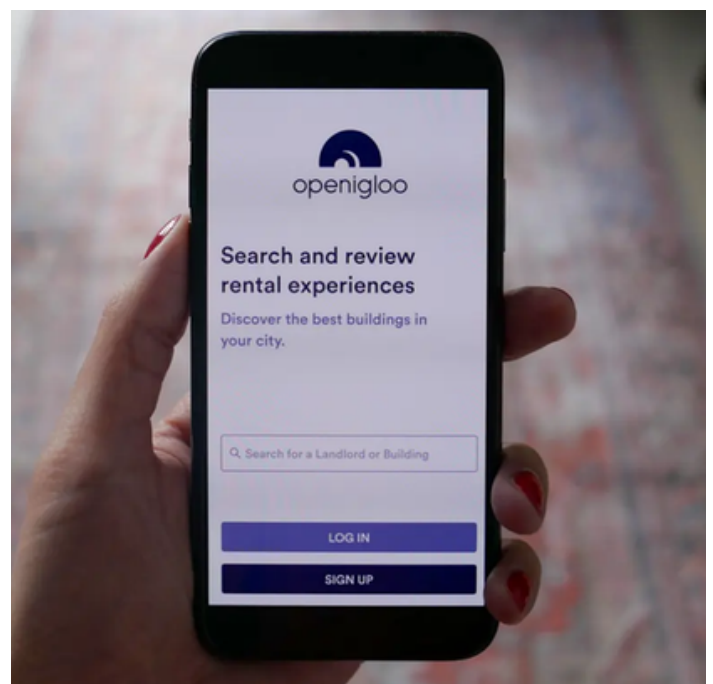
After graduating, I joined Scotiabank's global rotational capital markets program. For over a year, I rotated through various desks - derivatives, equities, and fixed income etc. At the end of the rotation, I joined their Emerging Markets Fixed Income Group in New York.

I wasn't super keen to move from Toronto to New York, considering I had just settled into Toronto life but I committed to giving it a shot and figured I'd spend 2 years there and move back. Of course, nothing goes to plan and I'm still in New York over a decade later!

After a few years at the bank, I decided to go to graduate school. I studied international finance at Columbia University. I was excited to continue my career in finance but wanted to do something a bit different than capital markets - which is when I started exploring venture capital as an option. It was my first introduction to the startup world and I learned a ton about what it takes to build a company. After a few years working with founders, I was excited to start my own company.

What inspired the creation of Openigloo?

I knew that if I was going to build a startup, it had to solve a problem I was personally connected to. I kept coming back to my challenges living and renting in New York. When I first moved to the city, no one would rent to me; I didn't have US income history, a credit score, or even a bank account. Additionally, I soon learned that New York doesn't have a reputation for stellar customer service when it comes to renting. I remember one winter the heat in my building broke and the landlord never responded to any calls or emails. I remember thinking, why I am spending SO much money in rent and I can't even get a call back? So, when I was looking for my next apartment, I wanted to do more research on buildings and landlords but was pretty disappointed with the lack of resources. So, I went very low tech and started standing outside of buildings I was considering, asking people walking in and out what they thought of the building.



This was the lightbulb moment for openigloo, which was could we create a platform to help crowdsource tenant feedback and couple it with city data to help renters do their own background check on a property before signing a lease? A place where renters could read and share reviews about their landlords, and find out if a building had any open violations, bedbug history, litigation history and more.

That's an interesting business model. In terms of curiosity, does it cost to get the city records, or they are just public and they're just harder to find and interpret?

Luckily, New York has well-established, and open-source datasets but it's not easy for the average person to navigate. The city keeps records of everything from how many rat sightings there were on a specific block, how many trees are planted, and if a building has any bedbug history. We're able pull this data into our product from the city's APIs, which allows us to present the info in a more consumer-friendly manner.

What do you enjoy most about being the CEO of openigloo or just a leader in general?

That's a great question. I think the thing I appreciate the most about co-founding a company is getting to build the team. In other environments or larger corporations, especially early in one's career, there's little control over who you work with. I've experienced my fair share of corporate settings where I've had to tolerate individuals who weren't conducive to a positive work environment. As the CEO of openigloo, I get to choose who I surround myself with. It feels great to bring on people who are compassionate, considerate, and genuinely care about their colleagues. This doesn't mean I only hire my friends or people who I agree with on every matter, but at openigloo we're looking for people who have these qualities.



That's the way to think about it. Would you have any advice for your past self or aspiring entrepreneurs of DALIS or the Dal community in general?

If I could offer advice to my past self, it would be to explore opportunities beyond what seemed like the "perfect path", especially during my university years. Studying finance, the ultimate goal was to get a job on a trading floor, and I pursued that goal diligently. While I don't regret that path as it brought me valuable experiences and connections, I've come to realize there were so many other sectors, jobs, and opportunities I didn't even know existed.

One example that comes to mind is Shopify, an incredible Canadian company that was still in its early stages when I graduated from Dalhousie in 2013. Despite their hiring opportunities, it never occurred to me, as a commerce student, to apply to a tech company. In my mind, those jobs were for people studying computer science or engineering, not business.

So, I suppose my advice, not just to DALIS members but to all students, is to use the university years to explore a variety of fields. Try marketing, banking, entrepreneurship, consulting, tech, and see what resonates with you. That's the power of the co-op program really – getting to explore different things. Figure out what your strengths and what you like – the rest will follow.

Have you ever encountered obstacles in your career because of gender and how have you overcome them?

Yes, I've definitely encountered obstacles. For example, as a female founder, I always knew it was going to be harder for me to raise money for my startup because the well-publicized stat that only 2% of venture funding goes to women-founded companies. From my time in VC, I was also familiar with studies that showed how female founders often face defensive leading questions during investor pitches compared to their male counterparts. I definitely experienced these types of questions in meetings such as, "this market seems saturated, what makes you think you can infiltrate it?" vs. a more open question like "clearly this is a huge market, what's your strategy to tackle it?". Overtime, I learned how to reframe these conversations to help navigate the fundraising process and I am very lucky to be backed by some incredible investors.

In a perfect world, I wish these biases didn't exist and I'm committed to making sure the next generation of founders don't have to tiptoe around this kind of environment. But in the short term, it's been helpful to figure out the hurdles and build a pragmatic approach to getting to the next level.



Dalhousie commerce students Ryan VanderVliet, Allia Mohamed and Cam McDonald, outside the K.C. Rowe Building on Tuesday, have created the Dalis Fund. (INGRID BULMER / Staff)

Could you share a memorable experience from your time at Dalhousie?

Founding DALIS stands out as one of my most memorable experiences. It was one of my earliest ventures into building something from the ground up. Working closely with Rick Nason and fellow students, we created a fund where we could simulate trading, build portfolios, and familiarize ourselves with tools like the Bloomberg terminal. I'm really happy to see how DALIS have evolved and grown – even beyond the commerce program.

Another great memory was participating in the Scotiabank-sponsored interview competition. This event involved multiple rounds of mock interviews, culminating in a final round where finalists were interviewed by Scotiabank executives in front of a live audience. Winning this competition not only earned me a \$1,000 prize but also secured my first co-op term with Scotiabank.

As for favorite spots during my university years, Thursday nights at The Pogue were a staple. Although the bar has since closed, it was our go-to spot. The other usual suspects, Lower Desk, occasionally The Dome, and Splitcrowe on Saturdays! But as a Nova Scotian, it was also great to escape student life and have dinner and a night in with my family.

How do you stay motivated during the ups and downs of entrepreneurship?

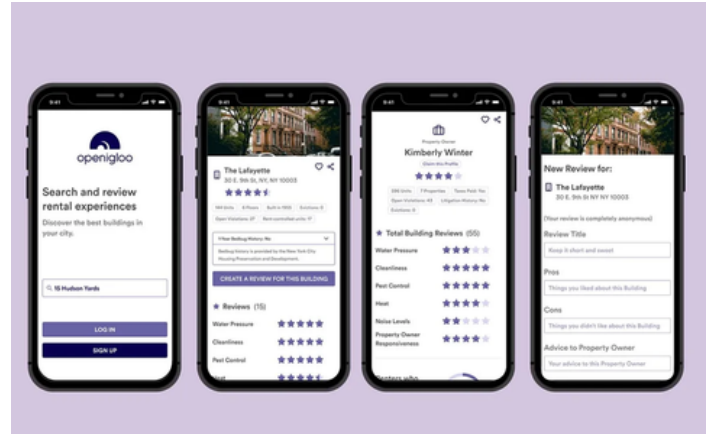
Entrepreneurship is like a rollercoaster, so many highs and lows. The workload is nonstop, and everyone is doing a job that would normally be done by 5 people. Whenever I'm feeling deflated, I remember our "Why?" – the purpose behind our company, the people we're helping, and the impact we're making.

Personally, I've adopted a practice of collecting every positive message a user has sent to the openigloo team, whether it's through Instagram DMs or emails. Renters have written us telling us how we helped them avoid a horrible apartment, or how we helped them learn about a housing law they didn't know about. I've created an album on my phone titled "Openigloo Inspo," where I store these messages. It's a great reminder of our why.

What are the greatest strengths that a woman can bring to leadership roles in startups, specifically? How do you amplify these strengths in your own leadership style?

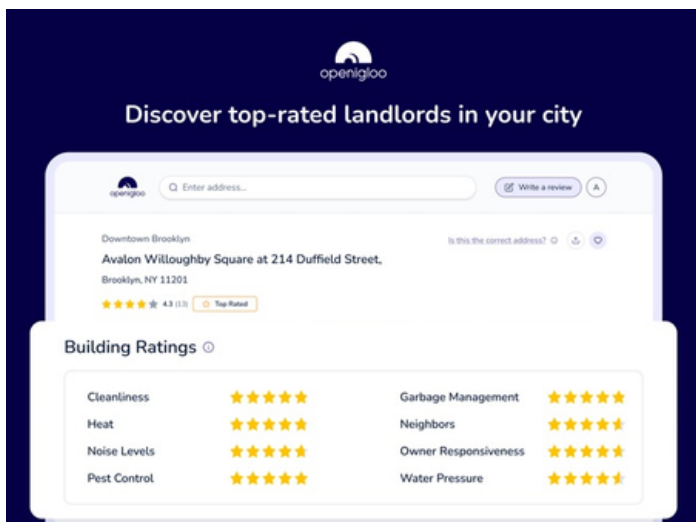
As I've progressed in my career, I've moved away from the notion that women inherently lead differently from men or possess certain traits to a greater extent. From my experience, I've seen that such narratives often don't align with reality. For instance, in the case of biased questioning I mentioned earlier, both men and women investors do this. This isn't because women harbor animosity towards other women, but rather reflects how individuals are influenced by their training and environment.

So regardless of gender, I believe it's crucial for people to build a leadership style that's authentic to who they are and complementary to the type of environment they want to create. Micromanagement, authoritarianism, or fostering a fearful environment doesn't align with my natural tendencies or the kind of culture I want to build. While I've encountered leaders, both male and female, who thrive in such environments, it's not a style that resonates with me. I think it's important to deploy a style that fits your personality and understand the benefits and limitations of that style.



The next one is, can you share a story about a woman who has inspired you in your career journey?

A woman I greatly admire is Whitney Wolfe Herd, the founder of Bumble. I was always drawn to her very ambitious vision for Bumble - to end misogyny. Not an easy task for a dating app, but she been bridging tech, marketing, and even politics to make that a reality. For example, she played a pivotal role in advocating for legislation that made receiving unsolicited nude photos illegal in Texas. Historically, big companies have tried to be apolitical, usually lobbying in the background – but I love how she's committed to helping her users even if it involves stepping outside the normal bounds of company building. I think about this case study a lot when I think about openigloo's future. I love to ideate on how we too can we leverage tech and policy to address the imbalance of power between renters and landlords.



And then the final question we have for you here are what positive changes do you hope to see for women in your industry in the near future?

Firstly, I want more women to become entrepreneurs and to get funded. I don't think women are encouraged to start and fail in the same way young male founders are. I expect a future where more women can access funding and pursue entrepreneurship as a viable career path. Entrepreneurship shouldn't be reserved for the overly connected or privileged; it should be an inclusive space where anyone with drive and innovation can succeed. There are many people and organizations fighting to address these imbalances and I'm really excited to see this vision come to life.

Student Spotlight



Fall 2023 Analyst

Margaux Hamel

Bachelor of Commerce

Candidate 2026

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Can you tell us a bit about yourself?

I am a second-year Bachelor of Commerce student pursuing a major in Finance and a minor in Economics. I grew up in Montreal and came to Dalhousie after hearing great experiences from family friends and for the co-op program. For my first co-op, I am currently working at TD Securities in Money Markets and Corporate Bonds in Toronto.

What is your biggest learning takeaway from joining DALIS?

I joined DALIS in my second year after many recruiters and industry professionals recommended that I join my school's investment society. I didn't think too much of it but decided if I was to join, I was going to be fully committed. I applied for an analyst position in the fall, which I got, and was able to learn a lot more than I expected. DALIS encouraged me to pursue things I was interested in; write in the Schooner about topics I want to talk about and research new subjects. No one knows everything, everyone is at DALIS meetings hoping to learn and it doesn't matter that people are at different knowledge levels, they all have the same objective.



What do you most enjoy about DALIS?

I would say what I enjoy the most about DALIS. Both The people and The learning curve. The community surrounding DALIS is what makes it great. Alumni as much as current students provide you with a network of people with different backgrounds and so many diverse career paths that you can connect with, and they will not hesitate to help if you need. I have met many people I probably wouldn't have talked to if it wasn't for DALIS. The general meetings as much as portfolio meeting ones give you more knowledge than any classroom could provide. Yes, at the beginning I was super confused and didn't understand a single thing, but if you don't get discouraged you learn so much knowledge that can be applied in your co-ops for example. I came into my first co-op so much more confident about using Bloomberg or talking about yield curves than I would've without joining DALIS.

How did you obtain your first co-op at TD?

Early on, I interviewed in Investment Banking and Sales & Trading at large banks and some smaller firms, but my technical skills did not seem to match the level of recruiting. Last Spring, I had the opportunity to attend the Dalhousie Toronto Corporate Tour where I got the chance to network with plenty of Dalhousie alumni who had been in my shoes before. After that, I decided to keep fostering those relationships and connections as my first co-op search approached. Thanks to that, when the Money Markets desk at TD Securities was looking for a co-op, I received a call asking if I was interested in the role. I was then lucky enough to get an interview and get an offer on the same day. People often talk about the importance of networking, and this is proof that reaching out to people and building those relationships can pay off in the long run.

What has your experience been being a woman in finance?

Having heard stories about being a woman on Bay Street, I was surprised on my first day of co-op learning that 3/6 of the people on my desk were women. Does that mean the whole street is reflective of that statistic? Not at all. But it's encouraging that evolution is being seen. I got involved with Women in Capital Markets (WCM) in my first year because I loved what they stood for and what they were passionate about. I decided to also become a Campus Ambassador with them to help students who didn't think they had a place on the trading floor or in a DALIS meeting like I did in the first year, realize they do.

What advice would you give to students going into their first co-op?

I remember being told at the beginning of my first co-op search that it didn't matter what I did for my first co-op, to just get a job to put on my resume and concentrate on my second and third one as the important ones. The first Co-op is not easy to find but it is important to know on as many doors as possible. It does get easier once you have your foot through the door for the second and third internships. I remember passing technical interviews for my first co-op and studying hard for those, but still finding them difficult. Once you have a role in a field that interests you, in my case fixed income, many technical questions will become easier. If I had to do it all over again, I would concentrate on the application part (going to the Bloomberg lab, looking at charts, coffee chatting, and asking about the economy and their market views) rather than studying 400 IB Interview questions. An interviewer can tell if it's a subject you are comfortable with and are interested in versus something you crammed in the night before. For advice for during your first co-op, I would say yes to coffee chat, but make sure you have a purpose. For me, coffee chats are about quality and not quantity. I concentrated on key people with jobs I could see myself doing and built those relationships. Also, from my experience, shadowing has been a lot more beneficial than coffee chats. Of course, it's not as easy to set up, but if the opportunity comes, jump on it because you get to understand the complexity and the work that someone does.

What are some goals you have?

My short-term career goal would be to find myself in the Fixed Income world, probably in Trading. I would love to work somewhere outside of Canada for a couple of years and immerse myself in a different market. In the long term, I hope I stay passionate about my job and stay excited to go to work every day and get challenged. On the more fun side, I would like to be able to frequently go sailing and ski in the Alps!

Meet, CDOR:

Margaux Hamel, General Member (Student Spotlight)
margaux.hamel@dal.ca

In June 2023, the United States went through a transition when they shifted away from LIBOR also known as London Interbank Offered Rate and began using SOFR which stands for Secured Overnight Financing Rate Data. Like the Canadian Dollar Offered Rate (CDOR) in Canada today, LIBOR was unsecured and based upon quotations provided by a group of banks. Whereas SOFR is a stable interest rate benchmark that is not subject to the vulnerabilities of LIBOR and instead is based on the rates U.S. financial institutions pay each other for overnight loans. This transition took over a decade to finish but was initially provoked due to the significant role LIBOR played in worsening the 2008 financial crisis, in addition to many scandals involving its manipulation among the rate-setting group of banks. But this transition didn't run as smoothly as hoped for. The main reason is that SOFR was contested due to its lack of credit component which means it tends to fall when markets experience a financial crisis or when the economy tips into a recession. Also, SOFR is not available for a tenor of less than a month, which is another disadvantage on the US money market side.

In comparison, on the Canadian side, people often talk about the Bank of Canada overnight rate as the key rate. That's not false but one of the main engines of the economy are the CDOR and CORRA (Canadian Overnight Repo Rate Average) rates which dictate all the Canadian borrowing in the market (loans, mortgages, long term debt hedging...)

So, what are these rates and why are they less spoken about than the overnight rate?

CDOR measures the rate that Canadian banks are willing to lend to clients with existing credit agreements via banker's acceptances. Bankers' acceptances are a money-market product which is a commitment by a bank to make a requested future payment. Easier explained, a Bankers acceptance is a loan to a company that can be then sold as a security that is backed up by the bank in question. CDOR is also a survey-based rate amongst the top 6 banks in Canada which intends to reflect the transaction rates. But the survey-based concept also poses a problem since it lacks transparency.

That's why, on June 28th, CDOR and Bankers Acceptances' will disappear and will transition into using CORRA. CORRA is a risk-free rate that reflects the overnight risk-free rate and closely tracks the BOC's policy rate. This rate is determined on a transaction basis which means it's a lot more transparent since it reflects actual market transactions. The Bank of Canada is the administrator of this rate and publishes the daily rate every business day between 9:00 and 11:30 ET.

This change from CDOR to CORRA, what does it really entail?

First, Bankers Acceptances will cease to exist. It is very unlikely that a single instrument will emerge to fully replace BAs, especially in the 1-month range, which is the majority of BA issuance (85-90%). BA's is also currently the biggest notional outstanding in the Canadian money market consists currently around 20%, followed by Government of Canada treasury bills. But BA's have always remained more attractive due to the yield while also still being liquid and well-rated.

Also, this means all new derivative contracts and securities will be priced using the CORRA rate moving forward. Starting in September, Term CORRA will be published for commercial financing and will be at a forward-looking rate, like CDOR currently is while CORRA is currently backward-looking overnight rate. The difference here means that forward-looking looks at the future and holds agents accountable for what is expected to happen which is based upon data from swaps and futures markets to determine the rate.

Whereas backward-looking looks at the past and holds accountable for a specific realization of the system and an outcome of interest, such as profitability in the last quarter or year.

CDOR	CORRA (overnight funding rate)
Includes both a term premium and a risk premium	Doesn't include a risk premium
Forward-looking rate	Daily rate compounded in arrears
According to CARR, 'The determination of that rate... is base predominantelt on expert judgment'	Based on actual market transactions
Term Rate	Overnight rate

Another difference is that CORRA will never include a bank credit risk premium like CDOR does, which means it still won't contribute equivalently to CDOR. The transition translates to going from an unsecured rate to something much more robust that will not be easily manipulated.

Desjardins published a table that compares the differences and similarities between CDOR and CORRA in summary.

So now the question is, what's next?

Summary table – Potential investment substitutes for BAs

Options	Term	Predictability/ Consistency of Issuance	Secondary Market Liquidity (equal or stronger than BA)	Credit Quality (equal or stronger than BA)*	Yield (vs. BA for a given tenor)	Single Security with Identifier (CUSIP / ISIN)
Existing Instruments**						
BDN	Mostly ≥ 3M	Varies by issuer	Tenor dependent	Yes	Similar*	Yes
Regular GoC treasury bills	≥ 3M	Yes	Yes	Yes	Lower	Yes
Provincial Bills	Mostly ≥ 3M	Varies by issuer	Yes	Yes (in general)	Lower	Yes
ABCP	Varies	No	No	Yes	Higher	Yes
Commercial paper	Varies	No	Issuer dependent	No (in general)	Issuer dependent	Yes
Term Deposits	Flexible	No	No	Yes	Varies	No
Bilateral Reverse Repo	Flexible	No	No	Yes	Lower	No
Tri-Party Reverse Repo	Flexible	No	No	Yes	Lower	No
Potential New Instruments						
Regular 1M GoC treasury bills	1M	Yes	Yes	Yes	Lower	Yes
CDCC GC Basket Units	1M to 3M	TBD	TBD	Yes	Lower	Yes
Structured Deposits	Flexible	No	No	Yes	Varies	No
Floating Rate BDN	> 3M	TBD	TBD	Yes	Varies	Yes
Structured BDN	Flexible	TBD	TBD	Yes	Varies	Yes

* Assume from the same issuer for applicable products issued by commercial banks.
 ** Table only includes CAD denominated instruments. See section 4.2 for potential foreign currency option.
 * Normally within 5bps

BA issuance has started being tapered off since November 2023 in order to limit the negative impacts to the functioning of the market. But we have seen a huge decline since the start of this process in 2019 where BAs were yielded about 30 bps over Government of Canada treasury bills at equivalent maturity, while we currently see a spread of 20 bps. The decline of inventory and yields of short-term treasury bills has been prominent since the beginning of 2024 due to the decrease in BA issuance. Another solution discussed was the increase of Bearer Deposit Notes (BDNs) and term deposits but the preferred tenor here is 3 to 12 months instead of the 1-month prevalent in BAs. The Bank of Canada created a chart to summarize the potential investment substitutes for BAs.

As we approach June 28th, the goal will be to scale up the existing products and look for opportunities to develop those potential new instruments. Money markets will have to be proactive in this transition to make sure it runs smoothly and doesn't recreate a situation like our neighbors below.

Want to Start a Hedge Fund? Consider Hiring a Meteorologist.

Sam Tanner, General Member
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If you happened to be walking the streets of Halifax about a week ago, particularly on North Street, you may have noticed a tree that looked a bit off. This tree, once standing tall, was now sprawled horizontally, uprooted by nearly 110 km/h winds that tormented Halifax through the night. Some hot gossip from the r/Halifax Reddit server leads me to believe the tree was scheduled to be removed later that week; thank you, u/SoNoWeRo for giving me the inside scoop on one of Nova Scotia's hottest headlines.

Damages were minimal, but not negligible, it seems like the tree caught wind (pun intended) that it was going to be brought down later in the week, so it also took out two telephone poles and a costly amount of electrical wiring - one last triumph for our great tree against the municipality of Halifax.

With the price of telephone poles seeing no end to increase, preemptive tree removal would have been cheaper, but who could ever predict such an event?

While the incident wasn't a result of a freakish weather event, it's a reminder of the unpredictability that nature brings, especially when June 1st rolls around, and Nova Scotia becomes increasingly vulnerable to hurricanes. I'll be watching r/Halifax to see if I can pick up any gossip of trees set to be removed; then, if successful, I will promptly stay away from those roads. But, when and where will Nova Scotia be hit by a hurricane and to what degree will the damage be? - nobody knows.

It seems Wall Street has a way of taking seemingly useless information and turning it into a gold mine, for those who are willing to pay enough attention. John Seo is one of those people; his hedge fund Fermat Capital, which he began with his little brother Nelson, cemented 2023 as its best year ever pulling in near 20% gains. To fully appreciate Fermat's outstanding year, we need to go back to the 90s before Fermat had achieved over \$10 billion in assets under management, and before the inception of the mid-2000s banger "SexyBack".

On August 26th, 1992, Hurricane Andrew made landfall in southern Florida, as 1 of 40 Category 5 hurricanes in Atlantic history it was responsible for 65 deaths and \$27.3 billion in nominal damage. Andrew was unlike anything ever observed in the United States and it caused insurers to re-evaluate the risks of coastal coverage. Homeowner's premiums increased significantly, and while some insurers and reinsurers went bankrupt, others pulled their services from coastal regions altogether. It was clear a solution was required and luckily, one had already been in the works, ironically Andrew was the precedent it required. Karen Clark had foreseen the industry's inadequate approach to catastrophic risk. Modelling for catastrophic events was never required, and therefore, extremely overlooked. At the time models were based on historic catastrophes, where nominal damage wasn't crippling to an insurance company. As people began to flock to coastal cities for luxury beachfront homes, liabilities increased, and insurers' worst-case scenarios became massively undervalued. For example, if you reran the hurricane that struck Miami in 1926 in today's world, it would take out not the few hundred million dollars of property it destroyed at the time, but \$60 billion to \$100 billion.

Clark's forecasting created the catastrophe modelling industry, and others were quick to join in. We've found that on a mass aggregate scale, humans are very predictable, whether it be life, health, auto, or home insurance, insurers have no issue taking on those liabilities and paying out claims from a pool of premiums. In contrast, mass catastrophes are not predictable, they are almost entirely random and as insurers learned in the early 90s, extremely costly. Extra capital in the industry was required, but reinsurers with less exposure to Andrew had already been tapped dry, thus the catastrophe bond (CAT bond) was created.

A CAT bond is an insurance-linked security (ILS) issued predominately by reinsurers to transfer the liability of insurers to investors. CAT bonds will pay the issuer if a predefined disaster risk (trigger) is realized before maturity, such as a Hurricane causing over \$900 million in damage. After funds are raised for a given issuance, the investor's money is invested in US Treasuries, this eliminates credit risk for both the investor and the insurer. Because of their nature (pun intended, again), they are attractive to investors for a slew of reasons, for some, it's a great way to diversify, as a CAT bond's risk is not correlated with other risks like equity market risk, credit risk or interest rate risk; these qualities are desirable for pension funds. Because the trigger for a CAT bond can be so diverse, so can its coupon. Generally, pension funds are not buying up insanely risky CAT bonds, and for certain geographical regions that pose a higher risk of catastrophe, the pensions steer clear.

Some firms, however, like to play with fire. CAT funds and hedge funds alike are continuing to warm up to the idea of trading risky types of these bonds, largely in part due to John Seo and his firm's continued success in pioneering the trading of this niche security. Some even "live trade" these bonds during the underlying event, leading to massive gains or depressing losses. Just last year the SwissRe CAT Bond Total Return Index increased an eye-popping 20%, making US corporate bonds 13% look small and belittling the US Treasuries 4%. With the average coupon of Q4 2023 issuance hitting 9.2%, it's not hard to imagine how ILSs are contributing to many funds 2023 gains. Today, \$44.2 billion in CAT bonds are currently outstanding, providing stability in the ever-changing world of insurance.



As catastrophes become more frequent, the market for CAT bonds is poised to grow significantly. This market isn't just about mitigating risk; it's a testament to the ingenuity of financial markets to evolve and create solutions for unpredictability. I for one, am excited to see how the market adapts to these continuing challenges and I encourage you to keep an eye on this space as well.

This article was heavily influenced by Michael Lewis' New York Times Magazine piece "In Nature's Casino", I strongly suggest you give it a read!

Attention

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Attention

One resource has become particularly scarce over the past few decades, attention. The result, a full body contact battle fueled by billions of dollars to ensure you watch one more TikTok or read one last tweet before bed. Of all companies participating in the war on attention, one may be lacking recognition for their achievements over the past 20 years: Reddit.

Reddit is the third most trafficked site across the USA and holds the seventh spot across the globe. But the 800 million MAU (Monthly Active Users) were only awarded with a market cap of \$7.8 billion after the company's first few days of trading, valuing each user's attention short of \$10. In comparison, Pinterest's 500 million MAU holds a market cap of \$25 billion, valuing each user's attention at \$50. Snap, who also struggles to turn on the monetization jets, has a value of \$23 per MAU.

In the short term, these valuations carry merit, with Reddit's multiples including Price to Sales aligning with peers. However, these multiples signal investors may be overly bearish on Reddit's ability to grow. It is true that work is left to be done, but the hard part has been accomplished: attention. Reddit has figured out how to garner the attention of nearly a billion individuals across the globe. If I were to give you \$7.8 billion (Reddit's market cap) and twenty years, I'd be willing to bet you would struggle to accomplish the same.

Critiques around Reddit seem obvious, with claims echoing sentences similar to, "LinkedIn doesn't want their ads next to a link for adult content." Reddit still has templates that make it difficult for advertisers to post ads. If you can harness the attention of nearly 12% of the world's population, I'm willing to bet these problems can be solved.

The Problem

The fact that Reddit hasn't solved the monetization issue signals there may be an underlying problem in management, and the dual-class shareholder structure, awarding CEO Steve Huffman the majority of the vote, adds to the argument. It's a difficult problem to be solved, though they may not realize they found the key last week by going public. With Reddit in the public eye, Huffman's ability to think for himself diminishes, as his fiduciary duty will be held under a much finer lens. Going public should put pressure on the company to bring in individuals who understand the issue, and there is no shortage of those people.

Savior?

It's a bold prediction, but I have one individual in mind who could come to Reddit and spark change: Linda Yaccarino. While holding the CEO title, Yaccarino has been more of a circus clown cleaning up after the elephant (Elon) for far too long. She has a great relationship with advertisers from past positions and is wishing she had a platform to work with them. Unfortunately, however, when the owner of your platform tells Bob Iger to "Go **** himself," that becomes quite difficult. The chances are low, but I wouldn't be surprised.

Potential

Whether it be Yaccarino or another who understands these struggles, the added pressure of going public should push Reddit to solve these problems. Reddit doesn't have to do much either to be treated the same as snap or Pinterest who struggle to monetize their users: clean up the dirty content, make the interface prettier, and integrate ads more seamlessly into the platform (the hardest issue of the three to solve, only Pinterest has got this right).



Google and YouTube (Alphabet) monetize so well that the market awards a market cap of \$325 per user. Obviously, users don't spend nearly as much time on Reddit as they do on Google, but they do on Pinterest. What I'm getting at is Reddit could be a stock that could register 5X-like gains over the coming years, provided they can figure out their remaining problems.

Obviously, this is not investment advice, and most likely I am wrong as there are many other variables to consider, but that's not what this is about. These pieces are meant to catalyze a larger conversation, so what are your thoughts?

From Desert Dweller to Pioneering Pharmaceutical Breakthrough:

A GLP-1 Overview and Its Reptilian Origins

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Residing deep within the arid deserts of North America, a vibrant orange reptile boasting beaded scales and a venomous jaw carries much of the basis for contemporary understandings of several rife and chronic diseases. The Gila Monster combats food scarcity with a salivary hormone which lowers blood sugar and regulates appetite allowing it to sustain life on just 5 meals per year. In a paragon display of biomimicry, researchers established a connection between Gila Monsters appetite suppressant hormone Exendin-4 and an analogous human hormone known as Glucagon-like peptide 1 (GLP-1). The GLP-1 agonist drug breakthrough has cemented itself as one of the marquee public health stories of the decade sparking debate as to whether obesity and Type 2 Diabetes (T2D) is a problem which pharmaceutical companies can simply inject away.

Obesity is now understood to be a disease characterized by hormonal, environmental, and biological factors and in many ways is a by-product of human innovation. For the first time in human history daily life is characterized by consumption and surplus instead of rationing and scarcity, a rapid shift which has surpassed the body's ability to adapt.

We are experiencing decreasing physical demands, limitless consumer options, and a cultural inability to address widespread obesity and T2D on a lifestyle or behavioral level. The absence of a universal, organic solution has been the catalyst for a robust pharmaceutical industry attempting to capitalize on the continually expanding target market.

Despite ongoing attempts from competitors such as Sanofi, AstraZeneca, and Viking Therapeutics, we are witnessing Eli Lilly and Novo Nordisk form a global duopoly in real time. Oftentimes GLP-1 drugs are understood as an aggregate, but it is paramount that the GLP-1 industry be understood as two distinct markets, the original use case of T2D management, and the emerging weight loss market for obesity and cardiovascular (CV) issues.

Each company developed its own unique GLP-1 compound in the form of Novo Nordisk's Semaglutide, and Eli Lilly's Tirzepatide. From these, Novo Nordisk has derived 2 primary drugs: Wegovy for weight loss and CV health, and Ozempic for T2D control. Eli Lilly also sells two versions of their drug Tirzepatide which mirror its competitor, Zepbound for weight loss and Mounjaro for T2D. While off-label prescriptions do distort some user data, it is well established that the T2D market is demonstrably larger than the weight loss market. Of the 5 million Americans currently using GLP-1 drugs roughly 4 million of them have been prescribed the T2D variants.



Simply put, hormones are chemicals that function as messengers in the body. Hormones travel throughout the blood to enact a response in applicable regions. Both Semaglutide and Tirzepatide work by mimicking the naturally occurring GLP-1 hormone. Organic GLP-1 hormones have a short half-life lasting just 1-2 minutes in the blood which usually results in either a weak signal or the failure to stimulate a response. In contrast, GLP-1 drugs have a half-life exceeding 5 days. In the presence of high blood sugar (usually after a meal) GLP-1 hormones initiate 3 primary responses: triggering the release of other hormones which regulate blood sugar and metabolism, increasing satiety in the brain (the feeling of being full), and slowing motility (the movement of food through the digestive tract). Most research suggests the latter 2 of these are the leading causes of weight loss.

The efficacy of GLP-1 drugs is that of an aberration which even its largest critics do not refute. GLP-1s reliably demonstrate 15-20% weight loss in longitudinal studies, with Tirzepatide based drugs typically yielding slightly greater results. GLP-1 agonists have swiftly rendered the ineffective, side effect-ridden weight loss drugs of the 1990s and early 2000's obsolete. To the benefit of pharmaceutical giants, users who stop taking GLP-1s consistently experience a reversion of weight, appetite, and blood sugar. This, in conjunction with FDA clearance for long term usage has led to many physicians warning patients that beginning treatment could very well mean adopting the drugs for life.

The weight loss efficacy of GLP-1s is axiomatic, but a more perplexing by-product has left researchers and market analysts alike stumped. It is thought that GLP-1s primarily act in the brain not the gut, and that resulting weight loss is primarily due to increased satiety and enigmatic neurological responses. This is to say that not only do GLP-1s directly combat appetite, but they also impact reward centers in the brain resulting in behavioral changes in food and vices which cannot be ignored. Morgan Stanley has investigated anecdotes of radical behavior changes through various surveys. Some of their findings include reductions in candy and sugary drink consumption by over 50%, and a significant increase in vegetables consumed and exercise frequency.

Additionally, 62% of respondents consumed less alcohol with nearly 25% of the total survey population abstaining entirely. Moreover, there have been enough instances of reductions in smoking, drug use, gambling, and nail-biting to induce GLP-1 research targeting these phenomena specifically. Over the last decade, animal trials and preclinical human trials have supported these findings, primarily in the observed aversion to alcohol and nicotine.



Explanations of this phenomena are varied but as it pertains to food, GLP-1 agonists are thought to act as vessels which change users' relationship with food from that of comfort to sustenance. With respect to other reductions, any attempt to answer is speculative at best. This has led some to redesignate GLP-1 agonists from weight loss drugs to anti compulsion drugs.

While competition is emerging, Eli Lilly and Novo Nordisk are primed for success for years to come in an industry projected to see 53% CAGR. Their patents ensure that they will retain exclusivity well into the 2030s. Ongoing efforts involving litigation and drug augmentation are already underway to safeguard their respective drugs from the threat of generics. To further this, it takes an average of 12 years to develop a drug and complete all phases of clinical trials and receive FDA clearance, a feat which only 10% of drugs will ever achieve. As it stands both companies are experiencing demand severely outweigh supply which is expected to persist for years to come. J.P. Morgan estimates show the GLP-1 market will grow to over a \$100 billion industry by 2030, with as many as 30 million users in the US alone. Moreover, Novo and Eli are the only companies with GLP-1 drugs FDA approved specifically for weight loss and obesity, which is proving to be the market with the greatest upside for growth.

Cost data on the drugs is difficult to discern as healthcare and insurance providers are actively working through coverage options and deals with the pharmaceutical giants. Semaglutide and Tirzepatide solutions in both forms cost over \$1,000 USD/month, a price seldom paid by users or healthcare providers. Most receiving treatment are insured and benefit from reduced copayments which start at as little as \$25/month. Morgan Stanley estimates have pinned a 1.24 trillion-dollar American GDP deficit (3.6%) on obesity via lost productivity which may incentivize both public and private sectors to adopt GLP-1 coverage.

While many GLP-1 reports can lead optimists to believe that a panacea has been discovered, researchers are learning more about the drugs in real time. With obesity, T2D and CV health being deemed epidemics and leading causes of preventable death, many are quick to adopt or promote the drugs as an effective treatment citing that immediate upside outweighs hypothetical long-term consequences.



Truthfully GLP-1s are not a new class of drugs. In 2005 AstraZeneca commercialized Exenatide (a synthetic recreation of Gila Monster saliva) for T2D marking the first available GLP-1 drug. Moderate term use of GLP-1 drugs seems to yield comparatively fewer side effects than its predecessors and complications associated with obesity, T2D, and CV health. As of now there are 2 main worries regarding sustained use of GLP-1s that go beyond speculative longitudinal uncertainty: the unknown effects on the brain's reward center, and suspected loss of muscle and bone density (sarcopenia and osteopenia respectively). Instances of sarcopenia and osteopenia are primarily indicative of a larger question as to whether weight loss by any means, including what is effectively injectable starvation is safe. GLP-1s cause weight loss to occur at an unnatural pace, which may invariably result in sarcopenia and osteopenia as a symptom.

For better or worse people want these drugs, and many physicians are reporting patients coming in for treatment earlier than ever before. This on its own is a positive as prediabetes is reversible, and obesity and CV complications are easily treated if addressed early and proactively. To merely suggest reptilian saliva would transpire into a market disturber sending shockwaves as broad as grocers, airlines, and MedTech sounds make believe. The dystopian thought of a population being supported by weight regulating cardiometabolic drugs may seem like fantasy, but the 50 million Americans who took a statin this morning, or the 30 million others who took a beta blocker may disagree.

Is Argentina the next big emerging market investment?

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Is the current state of Argentina's economy a warning of the consequences of hyperinflation and systematic spending issues, or a potential goldmine for investors under the new leadership of Javier Milei?

Argentina has faced horrendous inflation, over 100%, since March 2023, the worst it has been since 1991. In addition, the Argentinian government has been running a deficit of 2.4% of GDP since 2022. Could the new leadership of recently elected Milei bring the wanted and needed change that Argentina has been waiting for? If so, it could potentially be a big-ticket investment in emerging markets.

Javier Milei won office with big promises; his campaign slogan was to, quite literally, slash inflation with a chainsaw, while rewinding and flailing around a chainsaw at rallies. He deems himself a "self-declared, anarcho-capitalist" who is here to bring about substantial change, the very thing most Argentinians are more than ready to see and the reason he received so many votes. Argentina saw poverty rates of 40.1% during the first six months of 2023. Moreover, inflationary pricing soared by 124.4% in a 12-month period through August 31, 2023. This is where Milei's "Chainsaw Plan" comes into play; the goal is to slash government spending, with an even more impactful goal of scrapping half of the government's ministers. On top of these, he wants to sell state-owned companies and erase the central bank. These moves are noticeably big and very risky, but in the current state of Argentina's economy, people are apparently willing to try them.

Could these radical policies lead to a promising change for bonds and investment in the country? It could be, but the situation should be approached with caution and skepticism, especially with large investments. It is important to first look at the issues the nation faces. Argentina currently faces an extremely ailing economy: soaring inflation, corrupt government officials, and high taxes with frivolous government expenditures.

It is very unlikely that there will be any quick change for the better, and most would argue that investing in the country at this time is risky and unlikely to pay off. Between 1950 and 2016, the country has had 14 recessions. The probability that a purchased bond will depreciate within one year is 35%, and within a five-year period, it shoots to an 88% chance of depreciating.

The question remains: is it possible for the new president to fix rapid inflation, overvalued currency, corrupt government officials, and a mile-deep deficit? The last one is the hardest challenge that he will have to face. Currently, Argentina owes the International Monetary Fund \$44 billion, the amount of their loan program trying to resuscitate the nation.

On top of that already impossible amount, they owe \$6.5 billion to China and \$250 billion to external creditors. To purchase a bond would be to place yourself at the bottom of the waiting list; their government has historically defaulted nine times on its government debt; there is a 63% chance that they will default next year on bond payments for the tenth time; and there is a 95% chance in the next five years. Unfortunately, the government has little tax income to help subsidize these mounting costs. With a nation that has a poverty rate of 40% and a globally unappreciated currency, it will take more than his lifetime to pay all of Argentina's debts.

The current issue is that since there is practically no money circulating in the nation domestically, it is exceedingly rare to see international or external investors putting money in. Argentina's redeeming quality is its' untapped natural resources, including lithium deposits and the world's second-largest reserve of shale gas, but to extract these, the nation either would need to spend on infrastructure and capital (rare after Milei has already promised to slash spending) or settle on an agreement with an external investment company or nation that would extract the resource (an equally unappealing decision).

While the situation seems dire, Rob Citrone, founder of U.S.-based hedge fund Discovery Capital Management, views Argentina as a promising opportunity within emerging markets. His perspective lies in the fact that Argentina is supporting a leader with very radical perspectives towards true open markets and a smaller government, which are very liberal ideas and have the potential to initiate notable change, especially for the long term.

The substantial risk of Argentina's bond market does show in its prices; in October, they were selling at (in cents on the dollar) within the range of 20s and 30s.

Countries that are currently in a deficit, like Sri Lanka, trade in the 40s. Others, like Thomas Haugaard, a portfolio manager for Janus Henderson Investments, see the depression as an opportunity to view the market with a bullish attitude. Armando Armenta, an analyst for Latin American fixed income at Alliance Bernstein, says "the performance of Milei and Bullrich (Minister of Security) acts as signals of a demand for change from the current unsustainable policies and should be welcomed by investors. However, Milei's plans and ability to deliver such change are not clear yet moderating the positive impact of the expected outcome."

So based on some positive outlooks from investment professionals, although it is still an incredibly risky bond, there could be a lucrative opportunity. Morgan Stanley has big hopes for the bonds; a dream scenario is that the Argentinian bond will double in value by next year. The merit of this dream is the fact that they have jumped by 40% (reflecting the exceedingly high risk and interest Argentina is paying) since Milei won the presidency, but this is still a 60% discount to face value. For returns on the bonds to materialize, the yield would need to fall to approximately 11% by the end of 2024, from 40%. The U.S. federal bank's analyst commented that it would require both an extraordinarily supportive external environment and perfect domestic adjustments.

Overall, it would be an interesting situation to have a small quantity of investment within the Argentinian bond market. After all, this is somewhat of a rare case study to be observed: a country in such a tremendous economic trough but with potential means, a strange method, and a will to rise out; to follow the situation would provide insight and education on the potential gain and risk of emerging markets and nation-states as a whole. Professional investors and hedge fund managers view the potential to make a big return in this scene, but this should be followed with further investigation and analysis as Milei is a radical politician, often compared with Donald Trump.

Quick and radical change is not always a friend when it comes to politics and international relations. I will leave the decision up to the reader as to whether to invest, but now you have a small portion of information regarding the fascinating political and investment situation unfolding in South America.

Book Review: How to Get Rich By Felix Dennis

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Covered with Hidden Gems and Witty Humour

This book is written by Felix Dennis, a British entrepreneur, publisher, and author. He was best known for co-founding Dennis Publishing, which produced a variety of magazines including Maxim, The Week, and Computer Shopper. Most importantly known for his flamboyant nature and witty poetry which you will come to enjoy.

Firstly, don't let the title fool you!

As most people will assume it's another marketing scheme to help only the author to get rich. Initially, I found myself not openly sharing the title of the book for fear of judgment until the hidden gems started to appear.

It is not just about the psychology you need to start and grow a simple small business into a successful one, but also filled with practical tips when it comes to identifying market gaps, negotiation, improving cashflows, cutting costs, hiring and managing talent, etc.

Mr. Dennis explains his ideas using poetry, his experiences, and his observations all while being very blunt and self-aware as he calls out his mistakes. He often mentions in the book about costs of getting rich, ranging from relationship and family issues to health problems caused due to overbearing stress. It's almost as if he tries to convince you that it isn't worth it if you just want a happy life.

Following is a summary and some of the many chapters I liked from the book:

Where Are You?

In Dennis' categorization of people, he identifies three main types: the "Young, Penniless and Inexperienced," the "Slightly Better Off & On the Way Up," and the "Senior Manager or Professional." The "Young, Penniless, and Inexperienced" highly resonates with all of us students at Dalhousie University as we are best positioned to become wealthy, as they have little to lose and much to gain, while fear often hinders the other two categories from achieving greater success.

Dennis emphasizes the importance of overcoming fear, particularly the fear of failure, as a crucial step towards wealth accumulation. He asserts that developing resilience and seizing opportunities despite feeling scared or inadequate is essential for success. Many opportunities pass by unnoticed or are missed due to fear, highlighting the significance of recognizing opportunities and boldly pursuing them as key secrets to success.



The Fallacy of the Great Idea

Great ideas are not enough to make you rich. That's because the success of your endeavour is not about the idea. It's about how you execute the idea and grow it into something that you could never predict in the beginning. While some planning and debate can help you reduce the risk of a business venture, this often leads people to avoid the most important step of making things happen and getting rich — taking action.

Moreover, it isn't wrong to emulate/copy a winning strategy laid out by a company even if it's your rival as this will give you the chance to capitalize on the opportunity and build on top of the idea.

The Art of Negotiation

"Let us never negotiate out of fear, let us never fear to negotiate" is a quote Dennis lives by. In the book, he always suggests saving serious negotiations for serious occasions to prevent professional relationships from turning sour.

A serious negotiation is taking place, this implies that there is a weakness in the position of at least one of the parties involved. You need to first establish where the weakness lies, then iron out the weakness, and improve the balance of power in negotiations.

Here are some of the golden nuggets Dennis shared in the chapter:

- Remember that most people are not good at detailed negotiations. If you are a poor negotiator, then set a limit on what you will pay or accept and, on any conditions, attached. Do not deviate.
- Do your homework. And do it rigorously. What you don't know or haven't bothered to find out can kill you in any type of serious negotiation.
- Never fall in love with the deal. A deal is just a deal. There will always be other deals and other opportunities.
- The negotiator opposite you is not a friend, partner, or confidant. You'll get robbed if you think he is.
- Permit no weakness in your camp, otherwise the other party will use it to draw a wedge
- Have a rouge element to your advantage and introduce it into the negotiation at a late stage if needed. This works surprisingly well but make sure it's not in bad faith.
- Fulfill whatever bargain you agree to in a negotiation. Do not be a weasel.

The Joy of Delegation

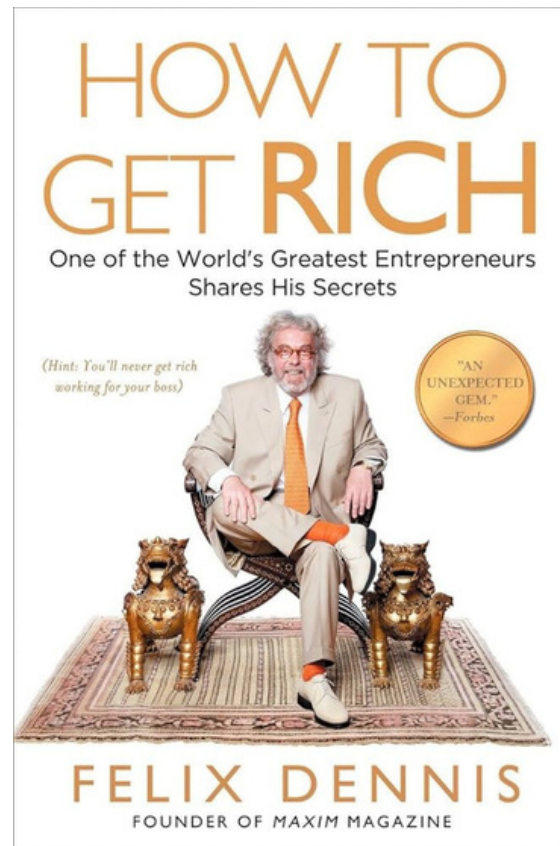
You need to identify and retain good talent. When you come across real talent, it is sometimes worth allowing them to create the structure in which they choose to labor. This is an opportunity to prove themselves, and to run the show retains talent. This can also apply to us students when we're in a leadership position for assignments, societies, and perhaps projects outside of school.

Aryan's Review

In conclusion, I feel this book isn't just meant for future entrepreneurs but also for young professionals looking to understand how companies function and why some leaders act the way they do.

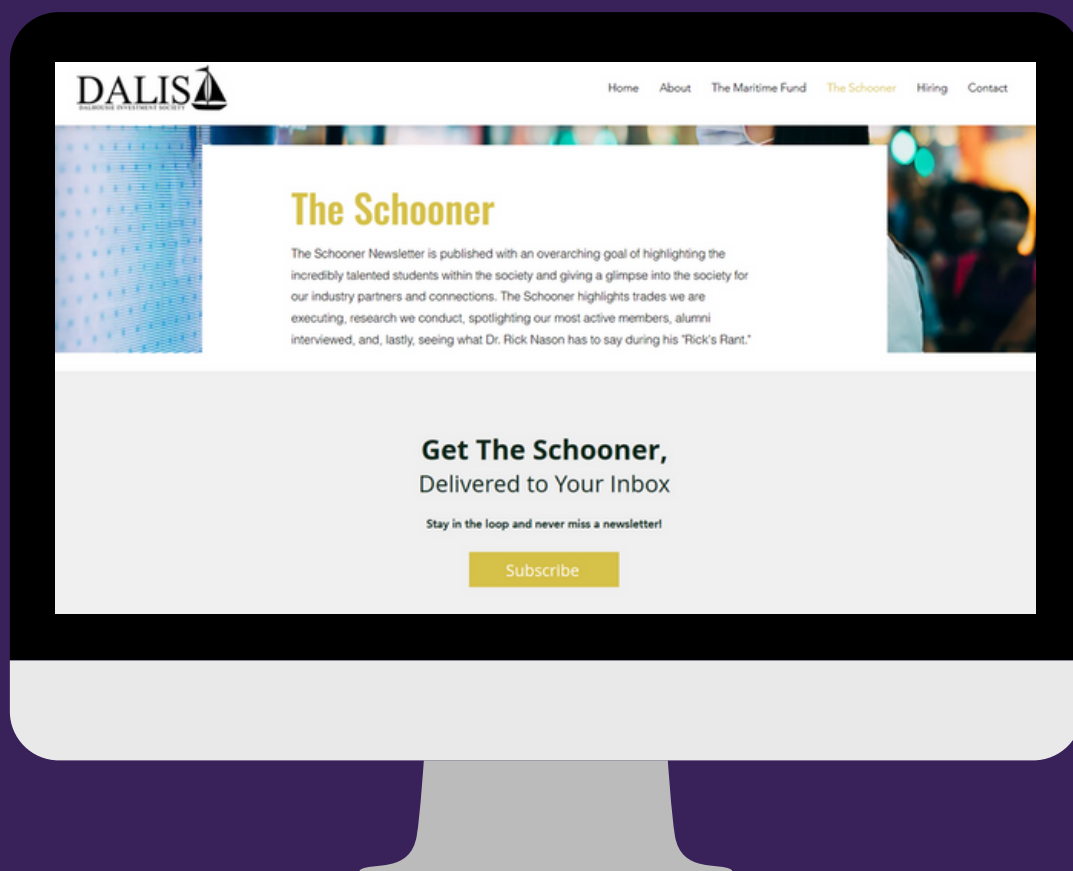


Overall, How to Get Rich by Felix Dennis gets a rating of 4 boats out of 5!



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