



Rotman FinanceLink

NEWS FROM THE BONHAM CENTRE FOR FINANCE

NOVEMBER 2000

Donation creates \$8 million expansion of finance research and teaching centre at U of T

The Rotman School will see a major expansion of its finance research and teaching activities as a result of a new \$5-million donation. With matching funds from the University, the total impact of the gift will be more than \$8 million for the Finance area at the Rotman School.

The donation, from **Mark Bonham** (BCom '82), CEO of Bonham & Co. Inc. Asset Management, will establish two endowed chairs, enhance research funds, and help support a financial research and trading lab. Funding of the two chairs



Mark Bonham's generous donation will help draw great business minds to Canada.

A remarkable gift to the Rotman School of Management from BCom alumnus Mark Bonham

(\$3 million) has been matched by U of T. The remainder of the gift — \$2 million — will support research and the expansion of the Bonham Centre for Finance, as well as establish an annual lecture series. The Bonham Centre was originally founded in 1999 with a \$1 million donation from Mark Bonham.

"This is a remarkable gift to the Rotman School of Management," says Rotman Dean **Roger Martin**. "The work of these new chairs, coupled with the enhancement of our research capability, will not only add to our award-winning academic and research complement, but will help protect our coveted position as a top Finance School into the new century."

"Mark's generosity will enable us to continue drawing great minds to Canada and the University of Toronto, and ensure that the next generation of business leaders has the tools necessary to compete in the rapidly globalizing new world order," says

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Generous Bonham donation expands finance research and teaching centre at U of T

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Bonham Centre Director **John Hull**, who was named the 1999 IAFE International Financial Engineer of the Year. "We are extraordinarily grateful to Mark and his company for their role in helping to keep Rotman on the cutting edge of international finance education."

The Financial Research and Trading Lab will help researchers improve methods of managing and interpreting large amounts of financial data, and create the environment of a real commercial trading floor. Students will gain hands-on experience working with financial data and software. The Rotman School will also be home to the \$500,000 MBA Fellowships, established as part of Bonham's 1999 donation and matched by the University.

The chair in international finance will study the factors that make global markets competitive, provide an understanding of global capital flow, foreign direct investment, foreign exchange risk management and the management of foreign exchanges. The chair in asset management will teach students to assess a company's or an industry's long-term earnings growth potential, the evaluation of portfolio returns, valuation levels and asset allocation, as well as methods to reduce investment risks.

"The Rotman School of Management has some of the greatest minds in the world in finance education," says Bonham. "The more students understand about the theory of business, the better they will be in the practice of business. But the real world is also the classroom — your last, best chance to learn by failure, to ensure that the experience gained will sustain you throughout your working life. I'm glad that we can provide a place for that to happen for the next generation of finance leaders."

Bonham, 41, is one of the youngest major donors in the history of the University and one of its most committed volunteers. With matching funds, Bonham's long-time support of the University has provided more than \$9.5 million in funding to the Rotman School's Finance area. Bonham is a member of the Rotman School's Campaign Cabinet and sits on various committees including the selection committees of the Chancellor's Award and the Moss Scholarships.

Committed to investor and financial education in Canada, Bonham and his company — together with the Rotman School and Rogers Media — have published an annual Advisor's Guidebook in conjunction with the Bonham Centre's activities (see page 7). The guidebook now has a circulation of over 55,000 copies and is published in both English and French. ■

Bonham & Co. Inc., together with the Rotman School and Rogers Media, publish an annual *Advisor's Guide* in conjunction with the Bonham Centre's activities. For details on the newly released *Advisor's Guide to International Financial Research*, see page 7.



The Bonham Centre for Finance was established and endowed through a generous gift by Mark S. Bonham, CEO of Bonham & Co. Inc.

FinanceLink

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EVAN DION

Rotman Professor Tom McCurdy's new course in Interactive Finance will enhance the understanding of valuation concepts and investment principles.

New course in Interactive Finance

Rotman Professor of Finance **Tom McCurdy** has introduced a new elective course for MBA students called *Interactive Finance for Practitioners*.

This experimental course features hands-on learning using the resources of the Bonham Centre's **Financial Research and Trading Lab** (of which McCurdy is also the founding academic director).

The Finance Lab's resources include detailed information (quotes, research, news, etc.) associated with financial securities and markets from around the world. This information is accessed using data feeds provided by Bridge Information Systems' Telerate Plus package, an open Bloomberg terminal, and a wide array of historical data from Datastream, Compustat, CRSP, Financial Post, etc. In addition to data links, students have access to a growing stock of applications software and to electronic textbooks with interactive exercises.

The objective of the new course is to enhance one's ability to identify and measure value (associated with potential investments or projects, mergers and acquisitions, etc.); to add value by effective management techniques; and to maintain value through risk management. Many of the applications developed in the course relate to constructing and managing an investment portfolio. However, additional applications such as adding value through project evaluation (use of funds) and capital re-structuring (liability management) can also be explored.

According to McCurdy, "our primary focus is to provide an opportunity for our students to implement the material that they are learning in the classroom." Hands-on learning activities include applying typical industry tools and learning how to develop new applications. Students will also have the opportunity to learn from visiting experts. Although some time will be spent exploring how markets work through virtual trading, this course is not about "training traders". The emphasis will be on using the Lab to enhance understanding of valuation concepts and investment principles.

"Applications linked to actual markets provide important experience in designing strategies for portfolio objectives and solving asset management problems such as exposure to risk," says McCurdy. "The information infrastructure has become globally integrated. We think that students' training will be enhanced by providing them with real-time access to worldwide information about markets and the range of securities that they will experience in the workplace." ■

Did you know?

The Financial Research and Trading Lab now has a fully functional Bloomberg terminal as well as Bridge/Telerate feeds. The Lab is part of the Bonham Centre for Finance.

"...students' training will be enhanced by providing them with real-time access to worldwide information," says McCurdy.



EVAN DION

Professor Jin Chuan Duan hopes his research and teaching will contribute to the intellectual development and professional competency of Rotman students.

Introducing Manulife Financial Chair Jin Chuan Duan

Renowned researcher **Jin Chuan Duan** has joined the Finance Department as **Manulife Financial Chair** in Financial Services and professor of Finance.

As Chair in Financial Services, Professor Duan's research and teaching will focus primarily on the efficient management of capital and risk. He will help produce trained managers who have expertise in the increasingly complex and inter-related areas of profitability, risk, and international finance. "I plan to actively share my knowledge with students both in and out of the classroom," says Duan. "Hopefully, my involvement will contribute to both their intellectual development and professional competency."

Professor Duan will also allow the School to intensify and focus study in specialized and strategic areas in order to assist large financial institutions in providing innovative new client services.

The Rotman School already provides solid established academic programs in corporate lending, asset and liability management, and the principles of insurance. With Professor

Duan as chair, the School will also be able to concentrate academic research on the emerging internationally competitive environment of financial institutions. Professor Duan will develop targeted course specializations in global risk management strategies, capital markets and institutions, and the management of Canada's financial services.

Prior to joining Rotman, Duan was an assistant professor and then associate professor of Finance at McGill University between 1986 and 1996, and associate professor of Finance (1996-1998) and Professor of Finance and Senior Wei Lun Fellow (1998-2000) at the Hong Kong University of Science & Technology.

Professor Duan pioneered the development of the GARCH option pricing model in the early 1990s, and his research was published in *Mathematical Finance* in 1995. His paper, "Pricing Hang Seng Index Options Around the Asian Financial Crisis — A GARCH Approach", which will appear in the *Journal of Banking and Finance*, won two international awards in 1999: The Sydney Futures Exchange Award for best paper, presented at the 12th Australasian Finance and Banking Conference; and the Best Paper Award at the 8th Conference on the Theories and Practice of Securities and Financial Markets.

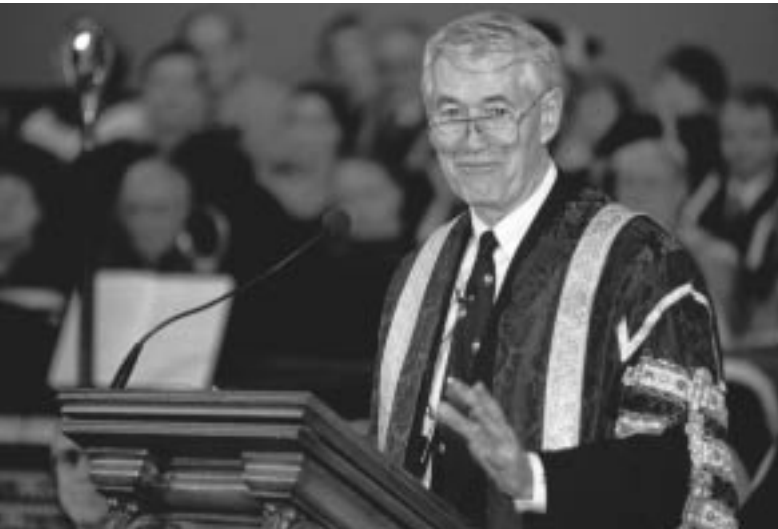
Duan's current research focuses mainly on derivatives pricing theory, numerical techniques for time-series based models, and risk management models and valuation of guarantees for financial institutions. Recent papers include "American Option Pricing under GARCH by a Markov Chain Approximation" (with J. G. Simonato), which will appear in the *Journal of Economic Dynamics and Control*, and "Volatility and Maturity Effects in the Nikkei Index Futures" (with Y. J. Chen and M. W. Hung), which appeared in the *Journal of Futures Markets* in 1999.

Professor Duan is among nine new faculty members who joined the Rotman School this Fall, bringing fresh perspectives to the faculty complement at one of the most exciting times in the School's history, as Rotman attempts to reinvent business education by developing the world's first truly integrative business school curriculum.

"The Rotman School's long tradition of excellence in Finance is what drew me here, and its goal to be one of top-ranked business schools in the world is particularly impressive. I can feel the momentum and energy here, which makes it a very exciting place to be." ■

"The Rotman School's long tradition of excellence in Finance is what drew me here..." says Professor Jin Chuan Duan.

U of T welcomes new President



STEVE FROST

At his October 12th installation as U of T's 14th president, Robert Birgeneau said that over the next ten years, the University of Toronto will position itself among the world's top public universities through the pursuit of excellence in research and education, equity in its recruitment of faculty and staff, and outreach through greater voluntarism. "I am a deep believer in the concept of the research university... and by this I mean excellence in research, education and public service," said Birgeneau, a U of T graduate who was previously dean of science at MIT since 1991. "Great researchers bring to the classroom a depth of understanding and a passion for the subject which is simply not obtainable otherwise," he said. "We must have a faculty who both play a leadership role internationally in research and scholarship and who are committed educators."

Course tackles "cycle of growth and disillusionment" of VC industry

Venture Capital and Private Equity, a new experimental course for second-year MBA students offered for the first time this fall, examines what Professor of Strategic Management **Terry Amburgey** calls "the cycle of growth and disillusionment" that has created so much instability in the VC industry over the past fifteen years.

"Understanding these patterns — and their impact on investor behaviour — is critical for an entrepreneur who intends to receive money from private equity funds," says Professor Amburgey, who co-teaches the course along with **Sunil Selby**, Managing Director at Trellis Capital Corporation.

The course focuses on the tremendous boom in the private equity industry over the past fifteen years, which saw the pool of

U.S. private equity funds grow from \$5 billion in 1980 to about \$200 billion in 1999. New records were set in the Canadian venture capital industry in 1999 as well, notes Amburgey. "The amount of capital invested rose to \$2.7 billion, and the amount of capital flowing into Ontario-based firms more than doubled to almost \$1.3 billion."

"Venture capital is an important subject for the leaders of tomorrow because it is the catalyst for entrepreneurial activity," says co-instructor Selby. "A better understanding of the subject will enable leaders to understand the role it can play in the growth of their companies, equipping them to make better decisions on matters such as the amount of funds they should raise, the structures they should negotiate, and the valuation they should accept."

"Sound knowledge of venture capital also contributes to the maximization of shareholder wealth," says Selby. "It improves the ongoing relationship between entrepreneurs and their venture capitalist investors, facilitates strategic decision-making disciplines and corporate governance procedures, and helps position companies for future liquidity through avenues such as public markets or strategic sales."

The first module of the course considers the interactions between entrepreneurs and the private equity investors that finance them — interactions that are at the core of what private equity investors do. The course provides a theoretical framework, which identifies the critical factors that make it difficult for the types of firms backed by private equity investors to meet their financing needs through traditional mechanisms, such as bank loans.

"The Venture Capital course offers a strategic perspective to the financing topics, like IPOs, deal structuring, securities regulation and corporate valuation, discussed in more detail in the Investment Banking courses," says **Laurence Booth**, Professor of Finance. "It furthers the Rotman School's goal of integrating learning across disciplines and seeing finance in action, in a format slightly different from that of conventional corporate financing." ■

Did you know?

The incoming Full-Time MBA Class of 2002 is more global than ever before, and includes students from India, France, Colombia, Pakistan, Russia, Hong Kong, Mexico, Korea, Jamaica, Romania, Singapore, Trinidad, China, and England.



KEN MCGUFFIN

Rotman MBA Finance Association President Martin Cecchetto (MBA '01) welcomes guests to the annual Finance Industry Reception. The reception is seen by recruiters as a great opportunity to meet Rotman's strong MBA candidates.

New Accounting Diploma Launched in Partnership with CICA and HEC

The Rotman School is teaming with the Canadian Institute of Chartered Accountants (CICA) and the University of Montreal's École des Hautes Études Commerciales (HEC) to offer Canada's first ever graduate-level Diploma in Investigative and Forensic Accounting. The two-year part-time program is designed for Chartered Accountants.

Graduates will earn a new designation of CA-IFA. Apart from an introductory in-residence session, the bulk of the program will be taught through distance learning using the latest technology. Professor Len Brooks, executive director of the Masters in Management & Professional Accounting program, serves as the Rotman program director. "This diploma breaks new ground in helping chartered accountants meet new demands in their profession," says Professor Brooks. For more information, please call Enola Stoyles at (905) 569-4331 or send an e-mail to enola.stoyles@utoronto.ca.

Finance Industry Reception a resounding success

MBA Finance Association attracts five platinum level sponsors and five gold sponsors — an all-time high

The Rotman School's student-run **MBA Finance Association** held the best-attended Industry Reception in its history on October 5th. Organized entirely by the student association, the annual event drew more than one hundred students to network with 95 professionals representing 30 potential employers.

"Representatives from the sell-, buy-, and corporate-sides all came out," says **Chris Cullen** (MBA '01), vice-president of the MBA Finance Association. "We had people from all levels — ranging from associate to chairman & CEO. And they were all open to questions from our students."

An important feature of the event is its informal atmosphere. "The ratio of students to professionals is almost 1:1. Students feel free to ask in-depth questions, and they receive more candid answers than they would at a formal recruiting reception — questions about lifestyle, career progression, company culture, anything," says Cullen. "All in all, it's a very useful information-gathering tool for our students."

Corporate sponsorship for this year's Reception, a key measure of industry interest, was outstanding. The Association managed to attract five platinum level sponsors and five gold sponsors, an all-time high. Platinum sponsors included The Globe and Mail, CIBC World Markets, National Bank Financial, UBS Bunting Warburg; and Yorkton Securities. Gold sponsors included TD Securities, Schwab Canada; Manulife Financial; Scotia Capital; and RBC Dominion Securities.

"These students should be commended for organizing a highly professional event. They did their fellow students — and the Rotman School — proud," says **Karen Theriault**, Director of the School's Career Development Centre.

"The current Finance Association Executive can't take all the credit for this strong showing," says Cullen. "The efforts of organizers in previous years have resulted in a tremendous amount of goodwill surrounding the Reception, and we've attempted to build on that."

"Also, the quality of the Rotman MBA program is piquing serious interest among recruiters, and this event is seen as a great opportunity for representatives to meet our strong MBA candidates." ■

News Briefs

from the Bonham Centre for Finance

Risk Management Conference

The Bonham Centre for Finance, in partnership with *The Canadian Investment Review*, sponsored the second annual **Risk Management Conference**, held north of Quebec City at the Manoir Richelieu this past August. The event attracted over 70 risk management and pension fund professionals from across North America and Europe.

“These events advance the field of Risk Management by bringing together the business and academic communities to share new developments and emerging needs,” says Bonham Centre Director **John Hull**.

Representing the Bonham Centre and the Rotman School were several Rotman Finance faculty members. **Alan White**, professor of Finance, made a presentation entitled, “Waltzing with an Elephant: The Use of Derivatives”. He discussed the difficulties involved in changing the characteristics of a large investment fund (a process he compares to waltzing with an elephant) and how, as a result, it is difficult to undertake an active risk management process for a large fund.

Assistant Professor of Finance **Alexandra MacKay**’s presentation, developed in conjunction with Professor of Finance **Eric Kirzner**, “Hedge Funds”, described what hedge funds are and what investment goals they attempt to achieve. The presentation highlighted some of the risks associated with hedge funds as an investment vehicle for pension fund managers. Professor Kirzner was unable to attend the conference but participated in the question period via phone link.

The PowerPoint presentations for Professors White and MacKay are available on the Web at www.investmentreview.com/risk2k/present.html. Also in attendance was Finance Professor **Tom McCurdy**, who moderated two sessions, and Finance Professor and Director of the Capital Markets Institute **Paul Halpern**, who provided a wrap-up at the end of each day.

The winter 2001 issue of *The Canadian Investment Review* will contain short articles from each of the presenters as well as Professor Halpern’s wrap-ups. *The Canadian Investment Review* is Canada’s leading forum for academics, institutional investors and industry practitioners to exchange ideas on the capital markets, investment and economic theory and the related sociology and demographics.



Second edition of Advisor's Guide launched

Following on the success of the *Advisor's Guide to Financial Research*, the **Advisor's Guide to International Financial Research**, edited by Rotman Professors **Don Brean** and **John Hull**, was published in early October and launched at the Rotman School on November 21st. Produced by the Bonham Centre for Finance with the financial sponsorship of Bonham & Co. Inc. Asset Management, the *Guide* was published in association with Rogers Media Inc. Like its predecessor, it is a unique compilation of some of Canada's leading academic research in investment theory.

Subtitled “An essential handbook of leading foreign investment research”, the *Guide* includes chapters by Rotman professors including “Going Abroad: The Attractions of Foreign Investment”, by **Donald Brean**; “Picking the Right Foreign Stocks”, by **Laurence Booth**; “A Passive Approach to Global Investing” by **Eric Kirzner**; and “Using Derivatives to Achieve International Diversification” by **John Hull** and **Alan White**.

Mark Bonham (BCom '82), CEO of Bonham & Co. Inc. Asset Management, also contributed a chapter entitled, “Challenges Facing the Active Global Investment Manager”.

To order the *Advisor's Guide to International Financial Research*, please call Bonham & Co. at (416) 862-2662, toll-free 1-877-926-6426, or send an e-mail to: info@bonhamco.com.

Doris Lau Fellowship awarded

The **Doris Lau MBA Fellowship** for 2000-2001 has been awarded to **Marcella Riveros** (MBA '02). This award is given annually to an incoming Full-Time MBA student with an impressive background and career interest in the finance industry, and carries a value of \$7,500.

Marcella overcame many obstacles to attend the Rotman School, including learning to speak English and leaving her family and friends in her native Colombia to start a new life in Canada. "Studying for an MBA requires a great investment of time, effort, and resources. I have striven very hard to get to the Rotman School because I am convinced it will benefit me immensely," says Marcella.

"I am very thankful to Doris Lau and the Rotman School for this fellowship," she says. "I truly believe it will contribute to the achievement of my goals. It also gives me enormous personal satisfaction to receive this honour." After finishing the MBA program, Marcella plans to work as a financial consultant.

Doris Lau (Order of Ontario), is managing director and senior vice-president at BMO Nesbitt Burns. She is a long-time supporter of the University and a member of the U of T Campaign's Executive Committee.

News from the U of T Capital Markets Institute

The future of Canadian capital markets was the topic of discussion at the inaugural conference of the University of Toronto Capital Markets Institute (CMI), held at the Rotman School in February. The conference gathered some of Canada's leading experts in capital markets, as well as Rotman alumni, to discuss the equity and venture capital markets and market regulation.

"Capital markets are becoming more global, more competitive and influenced by technological changes including Internet access to information and growth of trading systems. These changes are all happening at the same time as business is becoming more global," says **Paul Halpern**, Toronto Stock Exchange chair in Capital Markets, Professor of Finance, and director of the CMI. "This backdrop is the context in which the CMI has developed its vision to investigate the impact of technology and the globalization of business on Canadian capital markets. With events like this, the CMI will become an important resource in the policy discussions directed at the future structure and regulation of Canadian capital markets."

On other fronts, the CMI ushered in the millennium with a new Web site aimed at facilitating communication between the Institute and the constituents it serves. Located at www.rotman.utoronto.ca/cmi, the site contains event listings, research papers, and an on-line discussion forum which allows users to provide their input on the hottest capital markets issues of the day.



Pictured at the CMI Conference are, from left, Paul Halpern; David Brown, chair of the Ontario Securities Commission; Tom Hockin, president of the Investment Funds Institute of Canada; and Rene Sorell, partner, McCarthy Tetrault.

KEN MCGUFFIN

"Our discussion forum encourages interaction between researchers, regulators, financial institutions, and individuals," says **Jeffrey MacIntosh**, Associate Director of the Institute and Professor of Law. "We hope people will visit it to give their opinions, and to see what others are saying." Presentations and speeches from the CMI's inaugural conference are also available on the site, under the "News and Events" section.

The University of Toronto Capital Markets Institute was established in 1998 through a donation from the Toronto Stock Exchange to the University of Toronto. The Institute is a joint initiative of the Rotman School of Management and the Faculty of Law. ■

The University of Toronto's Capital Markets Institute, together with The Centre for Innovation Law and Policy, is presenting a roundtable series entitled "Financing Innovative Ventures in Canada". The series focuses on legal and policy issues that affect the ability of Canadian technology and other innovation-based companies to raise capital effectively at various stages, from seed capital through to IPO. Two roundtables have been held to date, and their outcome is available on the Web at www.innovationlaw.org/lawforum/pages/roundtable_angel.htm. For information on upcoming events in the series, please contact Carol Oblak of the Centre for Innovation Law and Policy at (416) 978-3724.

Faculty & Research News

Finance Professor **Tom McCurdy's** research was presented at eleven conferences and invited workshops since the last issue of *FinanceLink*, including CIRANO-MITACS Finance Day, Montreal; Centre of Advanced Studies in Finance, University of Waterloo; the NBER Financial Econometrics Summer Workshop, Boston; Econometrics Society World Congress, Seattle; as well as various Business Schools. His paper with John Maheu, "Volatility Dynamics under Duration-Dependent Mixing", which was presented at a risk management conference in Albufeira, Portugal, is forthcoming in the *Journal of Empirical Finance*. Tom was also a successful co-applicant for two SSHRCC Research Grants for the April 2000 – March 2003 period.

This past June, Associate Professor of Finance and Business Economics **Don Brean** delivered the President's Invited Address to the Finance Association of France in Paris, entitled, "International Financial Architecture". He also edited two volumes of papers, including *Advisor's Guide to International Financial Research* (with John Hull), co-sponsored by the Bonham Centre, and has a paper forthcoming in the *National Tax Journal* entitled "Tax and Expenditure Forecasts: Biases, Randomness and Correlations". During the summer Don was an academic visitor at both the University of Ulm and the University of Siena.

Newcourt Chair in Structured Finance and Professor of Finance **Laurence Booth** has given presentations at a number of professional meetings and has a paper (with Rotman Professor Varouj Aivazian) forthcoming in the *Journal of Finance*, entitled, "Capital Structures in Developing Countries". He has also had a number of professional papers published in *Canadian Treasurer* and contributed a chapter called "Picking the Right Foreign Stocks" to the *Advisor's Guide to Financial Research* series.

Alex MacKay, assistant professor of Finance, was a guest speaker on real option valuation for a select group of Financial Executive Institute members who attended an executive briefing session at the Rotman School in September. She was also

asked to speak to a group of pension fund experts in August. Her research on bond valuation is beginning to make headway in the academic literature, where she has papers under review at several major academic journals including the *Journal of Banking and Finance*.

Professor of Finance **Alan White** was a keynote speaker at The Credit, Counterparty & Default Risk Forum 2000, held in Paris, France in September. He also gave a presentation in the Financial Minds Forum of the Canadian Annual Derivatives Conference, hosted by the Bourse de Montreal in October, and presented a one-day workshop on modeling credit risk to the Capital Markets Group at the Office of the Superintendent of Financial Institutions in October. On the research front, his paper, "Valuing Credit Default Swaps I: No Counterparty Default Risk," appeared in the Fall issue of the *Journal of Derivatives*. Its companion piece, "Valuing Credit Default Swaps II: Modeling Default Correlations," will appear in the Spring edition of the *Journal*. Alan's research on term structure modeling, "Forward Rate Volatilities, Swap Rate Volatilities, and the Implementation of the LIBOR Market Model," appeared in the September issue of the *Journal of Fixed Income*. Another paper on term structure modeling, "The General Hull-White Model and Super Calibration" is forthcoming in the *Financial Analysts Journal*. This research is done jointly with John Hull.

Mike Berkowitz, professor of Finance in the Department of Economics, has been working on two papers, "Managerial Quality and the Structure of Management Expenses in the U.S. Mutual Fund Industry" and "Common Risk Factors in Explaining Canadian Equity Returns". Mike continues to be the director of the Masters Program in Financial Economics and is the chair designate for the Department of Economics.

Associate Professor of Finance **Ray Kan's** work on "Tests of Mean-Variance Spanning" is generating significant professional interest. It recently placed in the Social Science Research Network's "Top 10 Download List" in three different categories. Ray presented the paper recently at the Northern Finance Meetings and will present it again at the upcoming American Finance Meetings. Along with colleague **Kevin Wang**, assistant professor of Finance, Ray recently won the "Petro Canada Young Innovators Award." ■

Finance Prof. John Hull, director of the Bonham Centre for Finance, is on sabbatical during the 2000 – 2001 academic year. In his absence, Prof. Laurence Booth is the acting Bonham Centre director.

Investment Banking Stream #1 with students

In a business environment where functional areas are constantly being reshaped in response to market and competitive forces, the need for an integrative approach to business education has never been more relevant. When facing complex decisions, successful business leaders do not think narrowly or discipline-by-discipline. They must have the capability to think integratively, across the disciplines, to produce robust choices. While the Rotman curriculum is teaching tomorrow's leaders how to think integratively, the School is also committed to ensuring that each individual student is able to structure their learning experience to suit their personal interests.

Second-year MBA students are now able to focus the final year of their studies on one of seven "streams", including Brand Management; Consulting; HR Management & Information Technology; Financial Engineering; E-Business; and New Ventures. In recent years, many have chosen to take advantage of the School's strength in Finance by pursuing the Investment Banking stream, which attracted 70 per cent of the Class of 2000. Students who select this stream must complete four courses: Financial Accounting; Corporate Financing; Financial Management; and Mergers and Acquisitions.

Professor **Laurence Booth**, who heads up the IB stream, says, "Its main strength is the mix of content and instructors. Students are exposed to a strong dose of financial theory, yet they get to apply it in a classic case setting as well as by doing 'live' current cases." The mix of instructors, which includes a former senior investment banker and other senior professionals, "ensures that the learning experience is not one dimensional: students get to see the whole picture, warts and all," he says.

Rotman Finance in the news

Dean **Roger Martin** was profiled in the September 11th, 2000 issue of the *Financial Times* of London as part of a series of interviews with deans from leading business schools. He also contributed a commentary on the Canadian capital markets to the *Financial Post* that appeared on September 14th, and wrote an article on tax reform for *The Globe and Mail* on November 3rd.

Among **Eric Kirzner**'s many media appearances was an interview with **Sir John Templeton**, founder of the Templeton family of mutual funds for the September 11th issue of *Maclean's*. He also taped a series of segments on investing for *MoneySense TV*, which appeared during the last part of the year. On October 17th, he wrote in *The Globe and Mail* on the recent round of merger, takeover and joint venture activity among the world's stock exchanges in addition to commenting on a wide range of financial issues.

Laurence Booth has commented recently on a wide range of financial and investment issues. Highlights include a series of interviews on the RT Capital Management scandal during the summer with *CBC Newsworld*, *Canadian Press* and the *Toronto Star*. He was quoted in the September 15th issue of the *Financial Post* on the possibility of bank mergers in Canada and also commented in several newspapers on the Nortel Networks stock meltdown in October.

Other finance professors in the news include appearances by **Don Brean** and **Paul Halpern** on *ROB-TV*, and **Michael Berkowitz**'s comments on investment and the stock market in several Canadian newspapers. ■

Did you know?

A record 47 companies are making recruiting presentations to Rotman MBA students this fall, up from 28 last year and 19 in 1998. Companies recruiting here for the first time include Goldman, Sachs & Co., Nortel Networks, J.P. Morgan, Lucent Technologies, and March First. The Career Development Centre has already posted over 100 jobs specifically targeting Rotman's graduating class of 2001. Interviews began the first week of October.

Rotman School launches redesigned Part-Time MBA Program

Beginning with a class starting in May 2001, the Rotman School will launch a redesigned Part-Time MBA Program to allow busy working professionals to acquire an MBA in an unprecedented three years.

Subject to necessary approvals, the planned curriculum for the Part-Time MBA will incorporate the School's trademark "Integrative Thinking" approach to modern management education, as well as allowing students to choose one of the Rotman MBA's three more popular specialty streams: corporate finance/investment banking, E-business/marketing, and entrepreneurship/new ventures — the School's newest innovation stream.

"Today's rapidly changing business economy demands accomplishments in a shorter time frame than ever before," says **Roger Martin**, Dean of the Rotman School. "Jobs and careers aren't what they used to be. Markets are global, competitors and collaborators regularly change places, and new ventures arise out of nowhere while traditional organizations downsize, outsource and re-assess their core competencies. These trends symbolize the environment of constant change that is the essence of business in the New Economy."

Professor **Harvey Kolodny**, Part-Time Program director and head of the curriculum redesign, adds: "Not everyone can leave their full-time job to pursue an MBA. Now, ambitious professionals with 5 to 8 years of work experience can enjoy all the benefits of the Rotman community, while continuing to work. The influx of a great Part-Time class of 60 top students who are actively engaged in the business world helps create a rich and vibrant learning community encompassing a broad range of experiences in all industry sectors."

Like the Rotman Full-Time MBA, the Part-Time Program will emphasize "integrative thinking" — the ability to look beyond traditional business disciplines to approach problems in a holistic manner. The program will continue its emphasis on team-based learning.

To attend an information session on the new program, call (416) 946-7443 or see the list of dates on our Web site at www.rotman.utoronto.ca/degree/parttime.htm. ■

New gifts announced

In honour of Helen J. Rotenberg

E-L Financial Corporation has made a gift of \$50,000, matched by the University to create a \$100,000 endowed MBA Scholarship in Investment Management. The Scholarship will bear the name of **Helen J. Rotenberg**, who is retiring from the firm after fifteen years of service.

The scholarship is specifically geared toward students who plan to pursue a career in the investment management of equity portfolios. "Because approximately 50 per cent of our graduates pursue careers in the finance field, scholarships such as this one have an enormous impact on our ability to attract the very best students" says **Peter Pauly**, the School's associate dean of research and academic resources.

Says the Hon. **Henry N. R. Jackman**, chair and president of E-L Financial Corporation, and chancellor of the University, "This is a wonderful way for E-L Financial to celebrate the contribution of one of its finest leaders. Through this scholarship, Helen's legacy of excellence will continue to inspire students for generations to come at U of T."

The Gordon M. Watson Entrance Award

John H. Watson (MBA '67), made a recent gift of \$25,000, which has been matched by the University. This gift has been added to his existing award at the Rotman School, which now has a combined endowment of \$275,000.

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John H. Watson (MBA '67) recently added to the award he established in his father's honour, The Gordon M. Watson Entrance Award, bringing its combined endowment to \$275,000.

Visit the Finance Web site at www.rotman.utoronto.ca/finance
and the Capital Markets Institute at www.rotman.utoronto.ca/cmi.

New gifts *Continued from page 11*

Watson established the award in honour of his father, an individual who had a tremendously positive impact on his life and who instilled in him a great belief in the value of education in general and long-term investing in particular. He fondly remembers receiving a couple of share holdings from his father when he was eight or nine years of age and tracking their performance through the daily newspaper.

The **Gordon M. Watson Entrance Award** is given annually to a student entering the MBA program who has successfully completed the Canadian Securities Course and has previous work experience in the fields of finance, investment banking or securities analysis. Mr. Watson also has established an award in honour of his mother at Victoria University, at U of T, where he completed his undergraduate B.Com degree.

John Watson is managing partner of Sprucegrove Investment Management Ltd. ■

Did you know?

The Cormex Analysis of Media Coverage of Canadian Universities for the period covering September 1999 to April 2000 found that the Rotman School had obtained approximately 36 per cent share of voice among Canadian Business Schools. When a university business expert was quoted, it was a U of T voice 67 per cent of the time and Rotman's Eric Kirzner was among the top experts quoted. Dean Roger Martin and Professor Michael Berkowitz were also among U of T's top 15 experts quoted nationally, for the period September to December 1999.

Upcoming Events

Monday, November 27, 2000

Rotman E-Biz Forum

5:00 to 7:00 pm, Fleck Atrium, Rotman School

SPEAKER: Doug Steiner, Chair and CEO, VERSUS Technologies Inc. (operates E*Trade Canada)

TOPIC: You Too Can Own a Financial Institution: How Technology is Wrecking the Club

COST: \$95 per person

PRESENTING SPONSOR: The Toronto Stock Exchange

CONTACT: Register online at https://secure.torweb.com/rotman/registration/form_ebiz_forum.htm

Tuesday, November 28, 2000

Lecture by Ed Lazear of Stanford Graduate School of Business

4:00 to 6:00 pm, Classroom C (Room 374), Executive Education Centre, Third Floor, Rotman School

TOPIC: The Role of Economics in the Business School Curriculum

LECTURER: Ed Lazear, Jack Steele Parker Professor of Human Resources Management and Economics; Michael and Monica Spence Faculty Fellow for 2000-01; Senior Fellow, Hoover Institution, Stanford Graduate School of Business

COST: None

CONTACT: All are welcome. To register, e-mail Jack Thompson at thompson@rotman.utoronto.ca or call (416) 978-0240.

Thursday, November 30, 2000

Lecture & Reception to Launch the Rotman School's Maple Partners Chair in Derivatives and Risk Management

6:30 to 7:30 pm (Lecture and Q&A), 7:30 to 8:30 pm (Reception), Classroom TBA, Rotman School

LECTURER: John Hull, Professor of Finance; Director, Bonham Centre for Finance; Maple Partners Chair in Derivatives and Risk Management

TOPIC: Derivatives Disasters: What Lessons Can We Learn?

COST: None

CONTACT: All are welcome. To register, e-mail Jack Thompson at thompson@rotman.utoronto.ca or call (416) 978-0240.

Tuesday, December 5, 2000

Joint Executive MBA/Part-Time MBA Information Forum

6:30 to 8:00 pm, Classroom C, Third Floor, Rotman School

CONTACT: To register, please call (416) 978-6586, or contact us via e-mail at emba@mgmt.utoronto.ca

Friday, January 26, 2001

Rotman MBA Business Conference: "The Consolidation Paradigm – A Path to Global Competitiveness?"

8:00 am to 4:30 pm, Fleck Atrium, Rotman School

An annual winter event organized entirely by Rotman MBA students, the conference brings together members of the business community and students to discuss important topics and trends in business and to challenge each other's viewpoints. For information on sponsorship opportunities, or to be added to our list of invitees, please send your name, job title, organization name, office address, phone, fax and e-mail address to michelle_stinson@embanet.com.

Friday, January 26, 2001

Capital Markets Workshop

2:00 to 3:30 pm, Ernst & Young Caseroom (Room 157), Rotman School

SPEAKER: Stuart Turnbull, CIBC

TOPIC: Capital Allocation and Risk Performance Measurement In a Financial Institution

CONTACT: Rosalita Jones, e-mail: jones@rotman.utoronto.ca