BIDS OVER £550M: REPORT

Syrian billionaire in lead as race for Aston Martin enters its last lap

Syrian billionaire Simon Halabi is leading the auction for **Ford Motor Co.**'s Aston Martin sports car unit, the *Sunday Express* reported, citing unidentified people close to the sale. The winning bid for the luxury brand may top £550-million ($1.3-billion), according to the newspaper. Final offers were submitted last week after the first round of the auction attracted bids of around £450-million, the Express said. Australian billionaire James Packer, Canada's **Magna International Inc.** and **Louis Vuitton SA** are also bidding for Aston Martin, according to the newspaper. The winner may be announced as early as today, the *Express* reported. *Bloomberg News*

MBA PORTFOLIO MANAGEMENT COMPETITION

UNIVERSITY OF VICTORIA
Victoria

Portfolio	$1,150,305
Return	15%
Sharpe ratio	5.25
Rank	1
Previous rank	1

Top holdings (Feb.)
- iShares S&P/TSX 60 Index Fund (XIU/TSX)
- iShares S&P 500 Index Fund (XSP/TSX)
- Claymore BRIC ETF (CBQ/TSX)
- EnCana Corp. (ECA/TSX)
- iShares MSCI International Fund (XIN/TSX)

HEC MONTREAL
Montreal

Portfolio	$1,111,175
Return	11.1%
Sharpe ratio	4.69
Rank	2
Previous rank	2

Top holdings (Feb.)
- Canadian World Fund Ltd. (CWF/TSX)
- iShares MSCI International Fund (XIN/TSX)
- United Corporations Ltd. (UNC/TSX)
- Claymore BRIC ETF (CBQ/TSX)
- World Financial Split Corp. (WFS/TSX)

DEGROOTE SCHOOL OF BUSINESS
McMaster University, Hamilton

Portfolio	$1,097,479
Return	9.8%
Sharpe ratio	3.59
Rank	3
Previous rank	4

Top holdings (Feb.)
- iShares S&P/TSX 60 Index Fund (XIU/TSX)
- George Weston Ltd. (WN/TSX)
- Bank of Montreal (BMO/TSX)
- Toronto-Dominion Bank (TD/TSX)
- iShares S&P/TSX Capped Materials Index Fund (XMA/TSX)

SEGAL GRADUATE SCHOOL OF BUSINESS
Simon Fraser University, Vancouver

Portfolio	$1,119,887
Return	12%
Sharpe ratio	3.33
Rank	4
Previous rank	3

Top holdings (Feb.)
- EnCana Corp. (ECA/TSX)
- Niko Resources Ltd. (NKO/TSX)
- Fairfax Financial Holdings Ltd. (FFH/TSX)
- Manulife Financial Corp. (MFC/TSX)
- Domtar Inc. (DTC/TSX)

UNIVERSITÉ LAVAL
Québec

Portfolio	$1,223,558
Return	22.4%
Sharpe ratio	3.17
Rank	5
Previous rank	9

Top holdings (Feb.)
- H20 Innovation (2000) Inc. (HEO/V)
- EnCana Corp. (ECA/TSX)
- Silver Wheaton Corp. (SLW/TSX)
- Suncor Energy Inc. (SU/TSX)
- Alcan Inc. (AL/TSX)

SCHULICH SCHOOL OF BUSINESS

ROTMAN SCHOOL OF MANAGEMENT
University of Toronto

Portfolio	$1,081,802
Return	8.2%
Sharpe ratio	2.11
Rank	7
Previous rank	8

Top holdings (Feb.)
- Bank of Nova Scotia (BNS/TSX)
- Shoppers Drug Mart Corp. (SC/TSX)
- Research In Motion Ltd. (RIM/TSX)
- Petro-Canada (PCA/TSX)
- Rogers Communications Inc. (RCI.B/TSX)

DESAUTELS FACULTY OF MANAGEMENT
McGill University, Montreal

Portfolio	$1,060,659
Return	6.1%
Sharpe ratio	1.81
Rank	8
Previous rank	7

Top holdings (Feb.)
- Shell Canada Ltd. (SHC/TSX)
- EnCana Corp. (ECA/TSX)
- iShares S&P/TSX Capped Gold Index Fund (XGD/TSX)
- Teck Cominco Ltd. (TCK.B/TSX)
- Cameco Corp. (CCO/TSX)

DALHOUSIE UNIVERSITY
Halifax

Portfolio	$1,056,323
Return	5.6%
Sharpe ratio	1.65
Rank	9
Previous rank	6

Top holdings (Feb.)
- iShares S&P/TSX Capped Financials Index Fund (XFN/TSX)
- iShares S&P/TSX Capped Energy Index Fund (XEG/TSX)
- iShares Cdn Scotia Capital Universe Bond Index Fund (XBB/TSX)
- Major Drilling Group International Inc. (MDI/TSX)
- iShares S&P/TSX Capped Information Technology Index Fund (XIT/TSX)

ASPER SCHOOL OF BUSINESS
U. of Manitoba, Winnipeg

Portfolio	$1,074,365
Return	7.4%
Sharpe ratio	1.01
Rank	10
Previous rank	12

Top holdings (Feb.)
- EnCana Corp. (ECA/TSX)
- Cameco Corp. (CCO/TSX)
- Imperial Oil Ltd. (IMO/TSX)
- Petro-Canada (PCA/TSX)
- Suncor Energy Inc. (SU/TSX)

SOBEY SCHOOL OF BUSINESS
Saint Mary's University, Halifax

Portfolio	$1,044,971
Return	4.5%
Sharpe ratio	0.91
Rank	11
Previous rank	11

Top holdings (Feb.)
- iShares MSCI International Fund (XIN/TSX)
- Royal Bank of Canada (RY/TSX)
- Teck Cominco Ltd. (TCK.B/TSX)
- Yamana Gold Inc. (YRI/TSX)
- Bank of Nova Scotia (BNS/TSX)

GOODMAN INSTITUTE

MARIE-FRANCE COALLIER / CANWEST NEWS SERVICE

In second place in the MBA portfolio competition, Team HEC Montreal, above, is closing the gap with Victoria, but you can't ignore Laval.

A dark horse is shaking up the race, thanks to the success of a little-known water technology company

Laval bets on the little stock that could

By David Berman

Just when you think that a stock-picking competition has become a race to the finish by the two leading teams, along comes another contender to shake things up.

In the *Financial Post*'s MBA Portfolio Competition, the teams from the University of Victoria and HEC Montreal hold onto first and second place, respectively. But a dark horse has emerged in the form of the team from Université Laval, which has vaulted into the top five, thanks to one soaring stock: little-known **H20 Innovation (2000) Inc**.

Most teams have opted for big, blue-chip stocks, which often give the benefit of stability. But Team Laval has gone for a slightly different approach, choosing a number of tiny stocks that trade on the Canadian Venture Exchange, in the hopes that one will blast off.

In January, H20 Innovation did just that. The water technology company, with a market capitalization of just $44-million, gains are second to none, it actually lags behind teams from Victoria, HEC, McMaster and Simon Fraser after volatility is factored in.

Team Victoria's risk-adjusted return, using a financial measurement known as the Sharpe ratio, is 5.25. But Team HEC's Sharpe ratio is a close 4.69. Over the past month, the gap between first and second place has narrowed considerably as HEC makes gains. This makes the final two months of the competition crucial.

Team DeGroote from McMaster University and Team Simon Fraser are also definite contenders here, with a Sharpe ratio of 3.59 and 3.33, respectively. And, of course, you can't ignore Team Laval: in the past month, their Sharpe ratio has jumped to 3.17 from just 1.44 at the end of December. Give them another month like January, and they could take control of this competition.

The competition began in October when we invited 12 MBA schools from across Canada to add one more task to their already busy schedules: We asked them to construct investment portfolios using $1-million in play money.