

Burgundy Asset Management Ltd.

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Burgundy Overview

Burgundy Asset Management Ltd. is a leading Canadian investment firm providing discretionary investment management services to private individuals, charitable foundations, endowments and pension funds. Our clients are located in North America and the UK.

We employ a value investment approach with a quality bias. In short, we attempt to buy companies with superb economics and great management teams when they are out of favour in the capital markets. We believe this investment approach is the best way to generate world-class, long-term investment returns.

We invest our clients' capital in North America, Europe, Asia and the Emerging Markets. While we invest globally, our entire investment team is based in Toronto. Our team in Toronto conducts deep, bottom-up due diligence on investment ideas, and we travel extensively to visit our portfolio companies and to source new investment ideas.

Our firm is fully independent and wholly owned by our employees. The firm was founded in 1991.

Internship Position

We are looking for enthusiastic candidates who have a strong passion for value investing and a keen desire to learn. Summer interns will report to the Director of Research and will be assigned various investment research projects that will cover a range of geographies and industries. Successful candidates will have the opportunity to work with many different members of investment team while being coached by the Director Research.

The internship position runs from the first week of May to mid-August. There is no flexibility in these start and end times. The process is open to students in their second or third year of study.

Position Requirements

- Passion for investing and a strong value orientation
- Strong analytical skills and business judgment
- The ability to analyze and interpret financial statements
- Excellent communication skills, both verbal and written
- Team player with strong interpersonal skills
- Ability to prioritize multiple projects and deadlines
- A strong work ethic

How to Apply

To apply, please submit the following documents to Robyn Ross at ross@burgundyasset.com by **October 28, 2016**:

- Cover letter
- Resume
- Transcript
- A reference letter from a prior employer or professor
- One investment idea trading at an attractive valuation in a 1,000-word response. The company you propose should exhibit some of the following qualities:
 - Non-cyclical end market
 - Attractive industry structure
 - Strong competitive position
 - Wide margins
 - Low reinvestment needs
 - Strong balance sheet
 - Honest, capable management team
 - Significant inside ownership

Frequently Asked Questions

How do we research investment ideas?

We are looking for companies with strong business and financial characteristics. Ideally, our companies have enduring competitive advantages which enable them to earn high returns on invested capital for long periods of time. We also aim to own economically resilient companies that can remain profitable during recessions. Evidence of competitive advantage and economic resilience emerge in financial characteristics like wide profit margins, low capital intensity, and minimal revenue cyclicality.

As a result, our research process involves understanding competitive positioning and industry dynamics. We often interview customers, competitors and suppliers to understand the competitive intensity of an industry. Moreover, we conduct site visits to enhance our knowledge of the business. We also attempt to understand the risk of technological disruption and the sustainability of industry profitability levels. Our research process also involves studying financial statements to quantify and assess business quality.

Finally, we aim to own companies with outstanding management teams and boards of directors. As a result, we spend considerable time assessing the managerial and capital allocation acumen of executives. We conduct this assessment through in-person interviews and by analyzing executives' corporate track records.

To us, independent investment research is much more than reading publicly available documents.

What kind of financial analysis and valuation work is involved?

We value companies using various valuation models, of which discounted cash flow models are the most common. We use our understanding of the business and industry to make informed financial projections. Ultimately, our objective is to buy companies below our estimate of intrinsic value. While financial modeling experience is valued, it is not required.

How do other great value investors describe it?

Find Quality: “What you want is something that will earn a high return on capital for a very, very long time. If you want a really great sled ride, you pick a long hill. It’s the same in investing.”

– *Charlie Munger*

Be Contrarian: “Value investing is at its core the marriage of a contrarian streak and a calculator.”

– *Seth Klarman*

How is the investment team organized and how do investment decisions get made?

We are organized geographically. We have a portfolio manager (“PM”) overseeing each geographic region. That portfolio manager has decision making authority over his or her geography. Each PM is supported by 1-3 analysts; this group is responsible for all of the investment decisions and investment returns of the geographic region. Each analyst reports to a single PM.

Great investment opportunities do not last for long, and we believe this autonomous team structure allows us to act quickly and decisively. Importantly, there is no investment decision making by committee.

How are portfolios structured?

Our portfolios are concentrated. It is our experience that there are relatively few high quality companies “on sale” at any time. As a result, our portfolios tend to own between 15-40 companies at a time. We are benchmark agnostic: we do not attempt to mimic an index and are solely focused on absolute returns.

Is Burgundy a mutual fund manager?

No, we do not offer public mutual funds.

What are the professional backgrounds of the investment team?

We have 25 investment professionals who come from a wide range of backgrounds, including consulting firms, investment banks, equity research groups, private equity firms, accounting firms and other investment firms.

What should I read to learn more about Burgundy’s investment style?

To understand competition and competitive advantage: *The Little Book that Builds Wealth* or *The Five Rules for Successful Stock Investing* (both by Pat Dorsey), *Competition Demystified* (by Bruce Greenwald), *The Innovator’s Dilemma* and *The Innovator’s Solution* (by Clayton Christensen), *Good Strategy, Bad Strategy* (by Richard Rumelt) and *The Warren Buffett Way*

To understand accounting and valuation: *Warren Buffett and the Interpretation of Financial Statements* and the *Essays of Warren Buffett* (specifically the sections on accounting), *Financial Shenanigans* (by Howard Schilit) and *Valuation* (by Tim Koller, Marc Goedhart and David Wessels)

Books by other investors we respect: *The Most Important Thing* (by Howard Marks), *Margin of Safety* (by Seth Klarman), *The Intelligent Investor* (by Benjamin Graham), *Beating the Street* (by Peter Lynch), *There’s Always Something to Do* (about Peter Cundill, by Christopher Riso-Gill)