



# 15<sup>TH</sup> ANNIVERSARY SPECIAL

Volume 5 - Issue 1 May 2021

## PORTRAIT OF OUR FOUNDER AND INTERVIEW WITH THE CHAIRMAN OF THE BOARD



*Pierre Arbour 1935-2018*

### **About the Fondation Arbour**

Created in 2005

Since 2006  
we have granted more  
than 450 scholarships

We have granted  
in 2020: \$523,000  
in 2019: \$556,500  
in 2018: \$614,000

### **Management**

Philippe Arbour  
*Chairman of the Board*  
Marine Hadengue  
*Chief Executive Officer*  
Joëlle Dorais  
*Executive Assistant*

### **Board of Directors**

Philippe Arbour  
Michel Brunet  
Diane de Champlain  
Marine Hadengue  
André Laurin  
André Monette

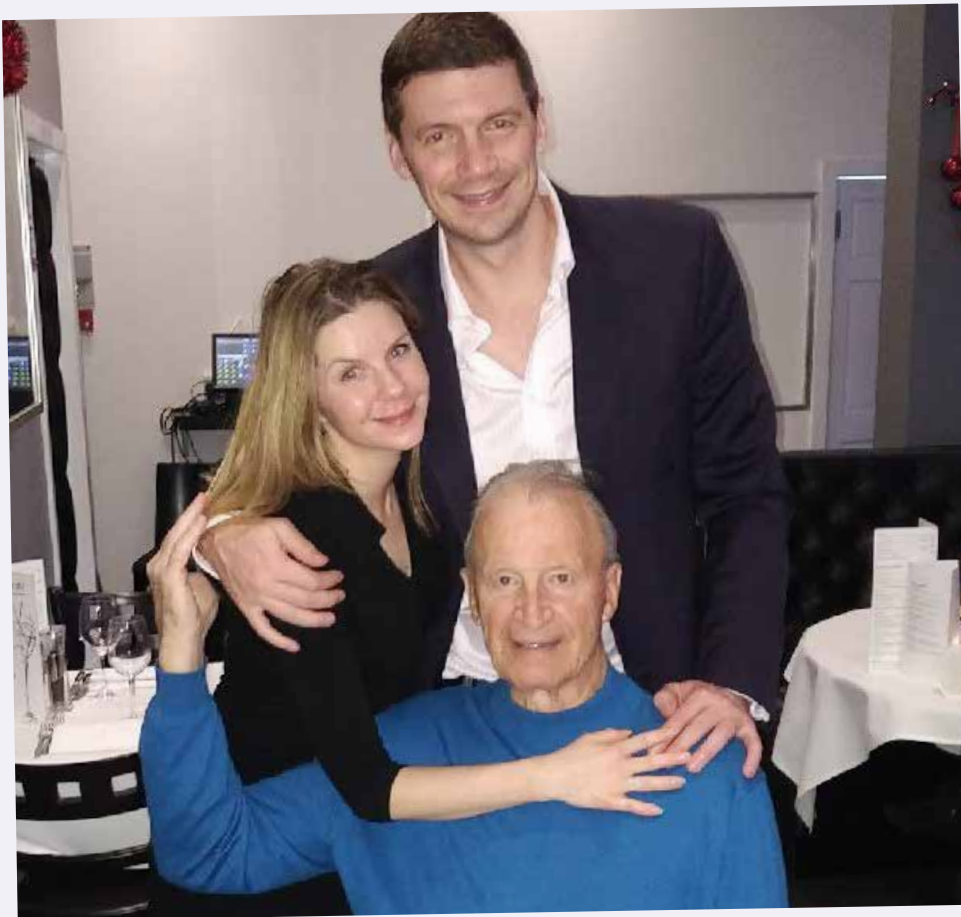
### **Assets 2021**

\$15 million



## THE WORLD OF TOMORROW IS A REFLECTION OF TODAY'S EDUCATION

15 years on, the Arbour Foundation has awarded over 450 scholarships worth in excess of 5 million dollars. The Foundation has changed the lives of hundreds of people by financing their education, which in turn has allowed these recipients to contribute to Quebec's economy.



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Pierre with Philippe and his spouse Ania (5 months pregnant) on New Year's Eve, December 31, 2017.

## **PIERRE ARBOUR, AN EXTRAORDINARY MAN**

*Text by Philippe Arbour, son of Pierre Arbour and Chairman of the Board of the Arbour Foundation*

Pierre was born on 30 August 1935 in Shawinigan. He was both the eldest and only boy in the family, son of Willie Arbour and Alida Ayotte, and brother to Rose-Marie, Susanne, and Francine. My grandfather Willie (who had already passed away before I was born) had met my grandmother while at the hospital, recovering from a hernia operation. My grandmother was his nurse and he courted her during his stay, culminating in their marriage soon after his release.

In 1942, at the age of seven years old, Pierre spent a year on his maternal grandparents' farm. This farm existed as it had been allocated to Pierre's great grandfather as a settlement lot, parcels of land which were being sold by the Quebec government to encourage early settlers to avoid crowded cities and to reclaim the countryside. For a young Pierre, living on the farm allowed him to experience the way many of our ancestors lived when they made the painful journey to establish New France.

Pierre attended the local one-room schoolhouse, located 100 meters from the farm, where his auntie Blanche was a teacher. Pierre was accompanied by a dozen children – from the second grade to the ninth, all in the same

classroom, with the youngest children seated on the first-row bench, in ascending order with the older children at the back. Back at the farm, auntie Blanche refused to help Pierre with his homework to avoid being accused of nepotism.

Back at the house, under the dim lighting of the oil lamp, my father recalled having come across a newspaper's front page that would produce an indelible memory...the image showed artwork of what looked like an octopus slowly wrapping its tentacles around the countries of France and Russia...The octopus symbolised the Nazis which had already managed to invade half of Europe. "They are going to take everything, they are going to take everything!", exclaimed Pierre's grandmother.

During the winter months, the grandparents lived in semi-darkness to save on lamp oil. The grandmother would take care of the house and milk the cows, while the grandfather would work in the fields with his beloved mare that they affectionately called Maggie. Maggie had helped to maintain the family by not only allowing it to labour the fields, but also to get around. As all good things come to an end, Maggie eventually died during a fateful cold winter day. My great-grandfather came back to the house looking down at the floor and went to hide behind the door. Pierre followed him without making a sound and realised that his grandfather had gone to hide so he could cry without being seen. Not wishing to bother or surprise his grandfather, Pierre tippy toed back towards the kitchen. It was the first time that Pierre had seen a man cry, and this was all the more dramatic as it was his own grandfather, the man that Pierre held in the highest regard in the entire world. This event was indelible in Pierre's mind.

During his teenage years, Pierre was sent to the Collège de Montréal as a boarder. He found this experience rather tough and often likened it to "a kind of prison run by priests". It is not particularly difficult to believe that this institution was still strict in the 1940s. After all, it should not be forgotten that 150 years earlier, Etienne Montgolfier, who was Sulpician and head of the College in 1778, mounted a coup against Fleury Mesplet, the French printer who had accompanied Benjamin Franklin to Montreal, and managed to have Mesplet imprisoned on the basis that the texts he was publishing were "impious". Mesplet can to this day be credited with bringing the first printer to Canada and was the founder of the Gazette littéraire de Montréal, now the Montreal Gazette. Furthermore, the Collège de Montréal was seen, until the 1960s, as the «Petit Séminaire», a source of Quebec talents who would become priests rather than pursue a secular life (i.e., attend university).

Pierre was an atheist from a young age, which is rather unusual for the time and place. A quick anecdote: Pierre had, as a young lad, once paraded around the school yard, with a banner around his chest which said "divorce lawyer". The priests had been said to be fuming at the gag that was never to be forgiven.

What is clear is that Pierre was non-conforming and had no qualms about testing the limits of acceptable norms at the time.



Pierre, his daughter Christine and Philippe with the long hair in 1995 (last year at Collège de Montréal).



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Eric's birthday party in 1999 on Redpath Crescent in Montreal. Philippe will soon turn 20 years old.

Pierre, Christine, Eric and Philippe watch television on Redpath Crescent (circa 1985).

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Pierre, Eric and Philippe on a vacation on the American East Coast (circa 1987).



## SUMMER JOBS

In 1952, at the age of 16, Pierre landed his first summer job in Toronto at the headquarters of the insurance company Excelsior Life. His parents did not hesitate to send him to Toronto despite the fact that Pierre could only speak a few words of English, but he managed anyway. He would get around town on a bicycle and would shop for food in some little grocery stores on Queen Street.

The following summer, Pierre went to work in La Tuque, a small town located 300 kilometres northeast of Montreal. Pierre would assume the role of gravel quality inspector for Consolidated Bathurst, for which he was paid \$1.25 an hour. This would not be the last time that Pierre's path would cross that of this company...

In 1954, Pierre started his basic training as an officer cadet. This was a fairly rigorous training, though the reward appeared to be that the young cadets would look forward to being able to go and flirt with the young women on the Dufferin Terrasse, in front of Château Frontenac in Québec City. And there you have the wonderful simplicity of the pleasures of life for a young man at the time.

It was during the summer of 1955, prior to undertaking his final year at Collège de Montréal, that Pierre completed the second part of his basic training in Shilo, Manitoba, where the Canadian Armed Forces still operate a military training base to this day. It was only then that Pierre began to learn English by reading magazines such as Reader's Digest. He obtained his promotion to Second Lieutenant and, at the end of the academic year, was awarded his BA (Séminaire de philosophie) from the Collège de Montréal.

The summer following his graduation during the ramping Cold War, while pursuing his cadet officer training, Pierre was stationed in the Canadian Arctic to work on the DEW Line (Distant Early Warning Line), a chain of radar stations through Alaska, Iceland, Greenland and Canada; its objective was to detect soviet enemy bombers which might try to fly over the arctic cap and threaten North American cities. Once the DEW Line had been completed, it was immediately obsolete as intercontinental ballistic missiles became capable of evading this sort of system without too much difficulty.

## MCGILL UNIVERSITY

Pierre completed his classical studies at the Séminaire de philosophie which was associated with the Grand Séminaire de Montréal and the Université de Montréal depending on the option chosen: the religious one to become a priest for some and the two-year BA one for the others. Obviously, Pierre was not among those who pursued a religious vocation.

After the summer, Pierre became among the first French Canadians to attend McGill University, where he perfected his English. McGill was a totally new world for Pierre as it was possible to hold "non-conventional ideas" as he would often say. This was a truly liberating experience for Pierre, during a period of Quebec's history that is often referred to as "The Great Darkness".

Perhaps unconsciously, but maybe in response to Duplessis's oppressive government at the time, Pierre would become the vice-president of the Liberal Club. In 1957, Pierre, accompanied by a McGill delegation, attended the Liberal congress in Ottawa. At this conference, Pierre met Prime



Philippe, 13 years old, with Pierre.

Minister Lester B. Pearson. Jean Chrétien, another young man from Shawinigan, was also present. When Jean saw Pierre in the crowd, he rushed over to greet him but also wanted to convince Pierre to vote for him. Pierre, in turn, attempted to convince his own McGill colleagues to vote for Chrétien. Invited to speak, Jean Chrétien walked briskly yet confidently up to the podium and gave a five-minute speech, despite knowing only but a few words in English. His passion and energy earned him a standing ovation. It was on this occasion that Jean Chrétien became Vice-President of the Young Liberals of Canada: proof that the importance of passion and self-confidence should never be discounted...

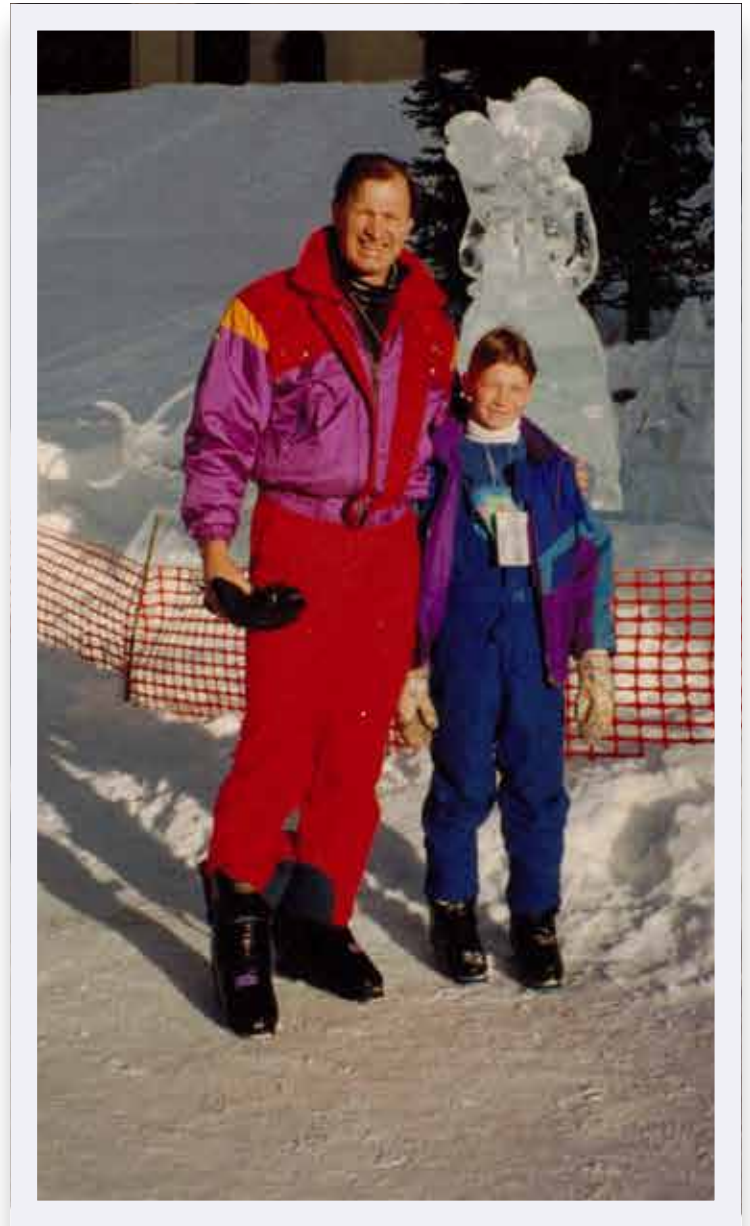
## A FALSE START TO HIS CAREER

Following his graduation from McGill during the spring of 1959, Pierre started his career at Alcan. However, Pierre had never intended to stay there very long. In fact, all he wanted was to save up enough money for a trip to Europe, something he had dreamt of since childhood. To the dismay of his employer, Pierre left Alcan in August to start his European tour which would last over two months.

Pierre's European travels were eye-opening. With a daily budget of \$15, he roamed freely, renting Vespas in Rome and Copenhagen, taking in the museums, the architecture and fine arts. And it was in Copenhagen, where Pierre saw a woman in a bikini for the first time; a sight that would have been more-or-less impossible in Quebec at that time. "If such a thing would have happened in Shawinigan, people would have called in the fire department" claimed Pierre.

After having visited Copenhagen, Amsterdam, Berlin, Zurich, Milan, Rome Barcelona and Paris, Pierre managed his way to London, with a single remaining British Pound to his name, and two days to go until his return flight to Montreal. Pierre was on his way to the Canadian Embassy to secure a loan of sorts, when by coincidence he bumped into an old McGill friend who lent him 10 Pounds, which an incredibly grateful Pierre reimbursed without delay as soon as he got home.

Living in Montreal in 1960, Pierre was 24 years old and had fallen in love with a woman by the name of Judith. In March, Pierre published the following poem in *Quartier Latin*, the students' journal at Université de Montréal:



Pierre and Eric, on a ski slope (around 1992).

**[translated from French]**

*"Why did God make me into a man?*

*So that I should endlessly adore him and burn perfumed incense beneath his vulgar idol?*

*So that I should bow before him in order to reassure him that He is God, while I am but a creature?*

*So that I shall walk on the burning path with ashes on my head, rags on my body and sadness in my soul?*

*No! This cannot be possible? I was not brought forward by the broad and tender woman*

*To be a slave to hurt, with my creator as executioner!*

*I have not come to this indifferent earth.*

*To languish without hope, waiting for saintly uncertainty from beyond.*

*No. I am a proud Sicambre with a blooming forehead and hair on my chest.*

*I am the salt from the earth from which I have arisen and to which I shall return.*

*I am the man with a proud gaze and the quivering lip.*

*Who is searching for the long-haired woman with tender eyes.*

*I continue on my path without looking down*

*And I look on with pity and sadness, on*

*Beings like me who swim in a mire of disarray*

*I know where I go and I go where I know*

*Without looking back, or at the ground.*

*I love life which gives me energy*

*To endlessly pursue these futile pleasures of this beloved earth.*

*I love but on God, and he*

*Is the God of life.*

*Of quivering and active life which tortures the poor being in Sunday clothing praying under the pallid light of the smoky lamps*

*Of the dazzling life that frightens the prudish and the beggar*

*Who languished the monk wrapped in his woman's clothing*

*Crawling under the shameful weight of suppressed desires".*

Could this poem have been a harbinger of the forthcoming Quiet Revolution? In any event, what is clear is that not all were impressed Pierre's poetic endeavours.

Here is a selection of reactions published in the Tribune Libre [translated from French]:

*"The pity and the sadness of your gaze when looking at these sad Christians, what a lie, what hypocrisy... Go ahead, forget all that you've been taught, and let your body roll in desire, content your suppressed desires, laugh at the poor soul in his Sunday clothing; and when fatigue will have caught up with you, you'll be so disgusted with yourself, disgusted with the smell of your own rotten body that you will no longer have the strength to start over again. Your body will have become a dried corpse and your soul, despair. And that is what human love had done for you: it has disrobed you of eternal love. Do not pretend that the reward was worth it."* Raphaël Bélanger, Medicine II

*"...In a university that calls itself Catholic, one cannot conceive such an attack against God, even under the guise of poetry... If Mr. Arbour is an atheist, so be it. Too few French Canadians take a firm position: they float between two seas, of atheism and faith. But at least can those who have definitively lost faith leave others in peace and no tempt to plunge them in the nihilism that they find themselves in. Part of the responsibility must be imputed to those who guide the destiny of the Quartier Latin. Are they forgetting that we send this publication to all graduating high school students? What a lovely reputation we are building in their eyes."* Serge Mongeau, Medicine II

One must not forget that this was a very conservative era in Quebec, but also a period during which the power of the Clergy was coming to an end.

## THE TRUE START TO PIERRE'S CAREER

Pierre was first an insurance broker for London Life in 1959 and Industrial Life in 1960 in London, Ontario. Pierre returned to Montreal to join Morgan, Ostiguy and Hudon Ltd., in 1962 as a financial analyst.

The beginning of Pierre's career took place during a period of great evolution and change in the province of Québec. The Quiet Revolution was on the move, and Pierre was the archetype of the young, ambitious, French Canadian who would maximally benefit from this movement that was shaking the *Belle Province*: a handsome, tall, bilingual man, with an education from both Université de Montréal and McGill University. It was in 1965 that Pierre would meet none other than Jacques Parizeau, who wanted Pierre to become his point man on Saint-Jacques Street to keep him abreast of all developments in the financial markets, which used to be the heart of the financial district in Montréal. Shortly thereafter, Mr Parizeau announced that he had a new project in mind for the province of Québec. This project would be called the Caisse de dépôt et placement du Québec (CDPQ), an organisation that would become the money manager for savings of those employed by the public sector in Québec. Pierre was recruited in 1966 as director of the common stock portfolio in an institution that would go on to become one of the largest institutions of modern-day Québec. During his career at CDPQ, Pierre sat on the board of various companies including Gaz Metro, Horne & Pitfield, M Loeb, Place Desjardins, Provigo. "Not bad for a kid from little town Shawinigan!"

Pierre left CPDQ in 1980 following the death of his mentor and former CEO of the Caisse, Claude Prieur. With a \$30,000 investment, he founded Alkébec Inc., a company which specialised in oil & gas exploration and tax structuring. In 1984, Alkébec would repurpose itself as a firm involved in private holdings and venture capital. During this time, Pierre was also CEO of Monterey Capital, a firm that was involved in the distribution of industrial equipment, and a member of the Board of Consolidated Bathurst, the company that had employed him as a gravel quality inspector for his second summer job, at age 16.

In 1993, Pierre published "Quebec Inc. and the Temptation of State Capitalism", a book in which Pierre criticised certain politicised investment decisions of CPDQ, guided by nationalist [i.e., Québec-centric] undertones, with the central argument being that such decisions might have led to worse investment returns for savers. He also cautioned that governments should resist the temptation to interfere in business and investment decisions.





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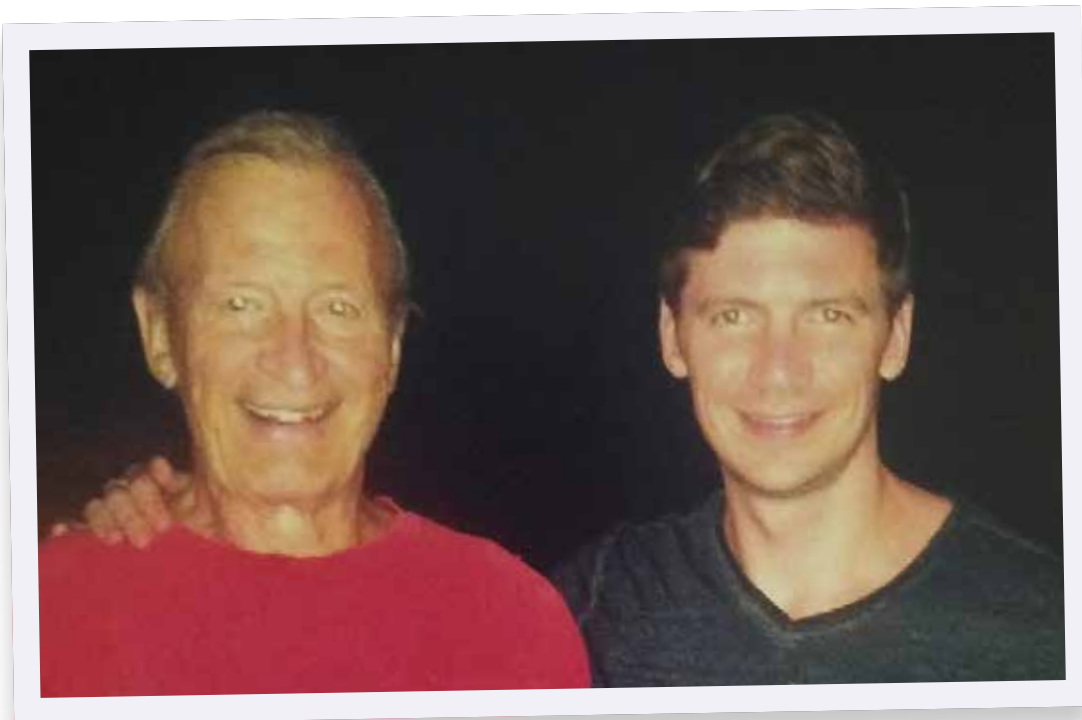
Pierre's graduation picture (McGill, 1959).

## THE ARBOUR FOUNDATION

In 2005, I was 25 years old and, following the completion of my master's degree in England, I had landed a job at a UK-based bank. One evening, Pierre called me on my mobile to communicate his new plan: he wanted to take \$ 9 million – which represented the vast majority of his net worth – to start a foundation which sought to help young people to finance their studies at the Master's and PhD level, in areas of study that he thought would be conducive to the economic development of Québec. He was keen to get my approval. After a few moments of hesitation, I told him "You had success in your life, it's your capital, the cause is honourable, who am I to tell you otherwise! ... Bravo, go for it!"

There you have it: the origins of the Fondation Universitaire Pierre Arbour, now called the Arbour Foundation. Since its beginning, its funds under management have increased from \$9 million to \$15 million, with more than 450 scholarships awarded for a total of more than \$5 million.

I have had the honour to become a member of the board in 2015 as vice-president and, in 2018, following Pierre's death, as Chair. This honour not only allowed me to dedicate my time to an honourable cause, but also to work very closely with Pierre. These are times and moments that I will forever cherish.



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Pierre and Philippe  
at the Florida condo  
in 2013.

## **PHILIPPE ARBOUR, CHAIRMAN OF THE BOARD, TALKS TO MARINE HADENGUE ABOUT THE ARBOUR FOUNDATION**

**HELLO PHILIPPE! ON THE MARKING OF THE 15TH ANNIVERSARY OF THE ARBOUR FOUNDATION, WE WISH TO HONOUR THE ARBOUR FAMILY, MOST NOTABLY YOUR FATHER, BUT ALSO YOUR OWN INVOLVEMENT WITH THE FOUNDATION OVER THE LAST FIVE YEARS. CAN YOU START BY TELLING US ABOUT YOUR STUDENT AND PROFESSIONAL JOURNEY.**

*With pleasure Marine.*

*I grew up in downtown Montreal, in a house located on the Mount Royal, which Pierre had built in the very beginning of the 1980s. My parents wanted my brother and I to have a bilingual education, and consequently sent us to a small kindergarten by the name of St-Andrew's in Westmount. For Pierre, owning a house in the downtown area first and foremost meant having the ability to walk to work, which he continued to do until the end of his life.*

*My mother was not a fan of carpooling and it was therefore convenient to all if my brother and I could walk to our primary school. The closest one was Académie Michèle-Provost on Pine Avenue in Montréal, which was walkable in eight minutes and runnable in six! Running would become my daily mode of transport.*

*In 6th grade, at the age of 12, I skipped a grade mid-semester, which represented a big adjustment for me: the boy was suddenly catapulted into the world of teenagers. That year was both mentally and physically taxing for me.*

*In 8th grade, wishing for a change of scenery, I chose to go to the Collège de Montréal, following in Pierre's footsteps. Evidently, the college was walkable in 15 minutes and runnable in 10. Prior to starting at Collège de Montréal, Pierre took it upon himself to call the rector of the school to tell him that I was not religious, and that he did not want the college to*

bother me with religion. I don't know whether that call was either necessary or useful as, in the 1990s, the college, which was a boys' school at the time, was not very religious in spite of being nominally a Catholic school. But it is true that it still employed a few priests as teachers. In fact, my French and Biology teachers were priests (yes, I had a priest explaining all the biological processes of young adults...). Thinking back on it, I suspect that my interactions with one of them may well have been tainted by Pierre's well-intended phone call.

There, I joined the basketball team and I wasn't really, actually not at all, serious about my studies, though I did manage to muddle through and maintain a GPA of around 75%. For me, high school was all about learning to socialise and trying to figure out how to become more attractive to the girls from nearby private schools. In any event, I really enjoyed my time at Collège de Montréal, especially the camaraderie amongst the boys.

After high school, I headed to Dawson College, parting ways with many of my friends who opted to attend the Collège André-Grasset instead. Dawson was located 20 minutes from home. However, walking was no longer on the cards as Pierre had given me the family's ageing Nissan Maxima for my 16th birthday, and this car would become my second home. Dawson was like entering a new world: gone with the school uniform and, perhaps of greatest importance for a young man, there were suddenly women in my daily environment.

I tried out for the AAA basketball team, coached by Olga Hrycak. I was selected, but, as I was only 16 years old, Olga sent me to play on the AAA farm team with young boys of my own age. We lost in the Montreal regional final that year (1996/97). In parallel, I was also playing in a music band.

On the academic front, I was fascinated by the fact that, at the start of each semester, I was able to stroll between rows of desks in order to choose my 7-strong course mix. I went ahead and signed up for anything that seemed interesting in the moment: from history, to algebra and sociology, not really giving any second thought to what the sum would amount to in the end.

After a semester, I remember bumping into Kayla, whom I would often pass by on the street since high school. I fancied Kayla, but I don't think the sentiment was reciprocated. I said: "Hey Kayla, what's going on?" She answered that she was looking at the Dean's List which had just been published on the corridor cork board. And I replied: "And you are telling me you are on there?" with a slightly sarcastic tone. To which she simply said "yes" and showed me her name on the list. I felt foolish, but from the corner of my eye, spotted a second list for students with a GPA of 80% (an Honour's list, if I recall correctly), and my name was on the list. I then felt less idiotic and, the following semester, concluding good grades could be sexy, my name would appear on the same Dean's list as Kayla's.

Towards the end of my first year at Dawson, I was considering the possibility of a four-year university degree, instead of the classic three-year programme for CEGEP graduates. The idea of going to UBC was appealing, but I ended up concluding that Vancouver was too far. Meanwhile, an old girlfriend by the name of Marie-Paul (whom I had accompanied to her Pensionnat Saint-Nom-de-Marie prom, while she had reciprocated a year later for my graduation), was already in her first year at Bishop's University and had invited me down to Lennoxville to party on a colourful autumn weekend. Having loved the setting, I binned the UBC idea and enrolled at Bishop's, where I started in the fall of 1998.

I still consider Bishop's to be one of the best experiences in my life. I enrolled for a business degree, living in campus residence for the first two years, which was a great way to make friends. After realising that the basketball team would require a 5-day a week commitment, including Christmas break, I opted for a more balanced student life, playing in a rock band, hanging out with my girlfriend and skiing at Jay Peak most winter weekends.

During my second year, I took the course of Finance 101 with Paul Leventhal. Bishop's was well known for its small class sizes of about 30 students. Leventhal looked at our small group and announced: "There are too many of you here. There is not enough space in the world of finance for all of you to succeed". These words became the source of my motivation to pursue a career in finance. I saw finance as being more mathematical and competitive than other disciplines which were required as part of the BBA curriculum.

In 2000, I undertook a semester abroad at San Diego State University (SDSU) in California. It was during that trip that I became friends with a girl from Barcelona called Raquel, who was also on exchange at SDSU. I had already started taking Spanish courses at Bishop's in my second year, but it was through my friendship with Raquel that my Spanish ability really moved up a notch.

Back at Bishop's for the winter semester, I was able to resume skiing on weekends. But I didn't feel that I was ready to graduate and to leave the Bishop's bubble, which is why I then decided to pursue a Bachelor of Business Administration, with Honours in economics, a concentration in finance and a minor in Spanish. The enlarged degree implied that I was able to stay at Bishop's for another year, which meant my program would be aligned with those of my friends from English Canada, where the grade 12 system and four-year undergraduate degree was the norm. To obtain the necessary credits inside the four-year timeframe however, I supplemented my Bishop's course load with a business law course at McGill and a business negotiations course at Concordia in the summer of 2001.

Still in my bid to delay entering the workplace and really enjoying studying, I had applied to different schools to pursue a Master of Finance. I had not been overly impressed with my American experience and found the idea of a two-year Master's programme rather long. I therefore opted for the intensive 12-month masters that is commonplace in Europe.

Thinking through my options, the United Kingdom felt like a logical choice: the courses would be taught in English, which is the language of high finance, and the universities had a good enough reputation to be useful internationally or back in Canada. But more than that, I chose the United Kingdom as it was the land of Adam Smith, father of capitalism, and the fact that the United Kingdom had been fertile ground during the age of the Enlightenment (starting with Magna Carta in 1215), which would create the conditions for the Industrial Revolution and all the progress the world has known since.

The other thing that I had decided to do during my last semester at Bishop's was to pass my first CFA (Chartered Financial Analyst) exam, the first Saturday of June following my graduation during the spring. The CFA Institute recommended a minimum of 240 hours of studying per exam, which meant for me 8 hours a day for 30 days. I had never made such an effort academically. In order to achieve the recommended study hours, I self-exiled to my father's Vermont condo during the entire month of May. My routine was simple: wake up, study, a bit of fitness and guitar.

Two weeks after my CFA exam, I packed my bags and flew to Europe on June 24th, not knowing that I would never set foot in Quebec again as a full-time resident. During that summer, I toured Europe (Spain, Portugal, Morocco and the Netherlands) and eventually arrived in the north of England in late September to start a Master's of Science, Finance and Investment, at Durham University, with a tanned complexion and having recently found out that I had passed my level 1 of the CFA programme. Durham University was created by an act of Parliament in 1832 and was the first university to have been created nearly 600 years after the founding of Cambridge. Durham is collegiate, with colleges scattered throughout this charming little medieval town founded in 995.

A month after my arrival, a colleague by the name of Mital explained that it was important to be applying for graduate programmes for intake in the fall. This is something I had not known from Bishop's. But 2003 was a tough year for graduate recruitment, with many usual prospect employers heavily curtailing their graduate intakes that year.

After quite the effort and a few disappointments, I was offered a shot at the two-day evaluation centre for Lloyds Bank, one of the largest banks in the UK. The evaluation consisted in numerical and written tests, as well as case studies over two days. A few weeks later, in the spring of 2003, Lloyds made me a conditional offer of employment starting in October of 2003, subject to satisfactorily completing my degree. I weighed in my options and found the Lloyds graduate programme was more appealing than the alternative of completing my PhD in finance under my thesis supervisor, Dr. Huainan Zhao. I was ready to go and live my life and to make some money.

The graduate scheme was called the Wholesale & International Banking programme and comprised four six-monthly rotations across different areas of the bank, and the idea was that one of the departments through which I would rotate would be sufficiently impressed by my work and would offer me a full-time position two years later.



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Pierre and Philippe  
at his Durham's  
graduation in 2003  
(Palace Green).

*After submitting my master's dissertation in August, I moved to London to make my start at Lloyds in the corporate bank. Lloyds previously had an important banking footprint in South America, but just as I was joining the Bank in October of 2003, Lloyds decided, to my great dismay, to get rid of most of its operations on the South American continent. After insisting and making my case (including to the then CEO Eric Daniels), I was sent on rotation to Montevideo, Uruguay, where I was responsible for leading the execution of a supplier finance product, based on a successful template from Lloyds' Brazilian operation. During the summer of 2005, I passed level II of the CFA in Buenos Aires. I had a great time in South America, but after a year would return to London, where the lungs and heart of the Lloyds operations were located.*

*After a year, I came back to London on rotation, to join a trade finance team, and successfully completed my level III of the CFA.*

*However, it was in 2006, following an internal process involving case studies, that I secured my first full-time job within the bank: as a credit analyst for acquisition finance – a role that would be pivotal for my career. A few months later, once I had accumulated sufficient work experience, I became a CFA charter holder.*

*Shortly thereafter, I joined a new team which had a mandate to underwrite transactions of up to £1 Billion each. While several bankers were losing their jobs, I managed to get promoted during the financial crisis, and our little team was able to gain significant market share in what became a "club market", where the few lenders that remained open for business would pool resources together to be able to finance much smaller acquisitions with financing packages limited to a total of about £200 million pounds. In 2011-2012, I was mandated to go on secondment with the British private equity firm 3i plc, who were keen to resume new investments in a post-GFC world.*

*Following this experience with 3i, I returned to Lloyds and I completed several transactions, but shortly thereafter decided to leave Lloyds to take up the position of Managing Director of structured finance for Palamon Capital Partners, a middle market private equity firm with a pan-European investment remit.*

*After 7 years at Palamon, and about 15 transactions later, I recently joined ICG as part of their direct lending team, with a mandate of deploying an EUR8.5 billion fund. At this time, I have returned to the roots of my career: the financing of acquisitions.*

## DESCRIBE YOUR INVOLVEMENT WITH THE FOUNDATION. HOW ARE YOUR SKILL SET AND EXPERIENCE BEING PUT TO THE BENEFIT OF THE FOUNDATION?

*When Pierre called me out of the blue in 2005 to tell me he wanted to take \$9 million of his capital to start a foundation, he also wanted the approval of his eldest son. So, I felt involved right from the start.*

*The Foundation had become his main professional endeavour. As Pierre and I were very close, he often talked about the Foundation and its challenges, and I soaked it all up with interest, until such time that Pierre invited me to join the board in 2015, as Vice-President.*

*Following my arrival, I pushed very hard to professionalise the Foundation and to propose rather simple improvements including the use of key performance indicators which would help the Board of Directors to make enlightened decisions. I also helped attract Michel Brunet to the Board, as well as Diane de Champlain, whom Pierre hoped to have become a member too.*

*Following Pierre's death, I thought about all of Pierre's actions, including the changing of the name to Arbour Foundation, and it was clear to me that Pierre wanted me to pursue the project that he had started. And as his eldest son, I felt (and continue to feel) responsible to ensure the continued success of the Foundation.*

*With your help Marine, I have worked really hard to put in place all the infrastructure, including processes and procedures, which had not been formally instituted by Pierre. This included the review of the statutes, formalisation of important KPIs, the creation of an interview scorecard to reduce the degree of subjectivity in the assessment of merit, the writing of an investment policy statement and the institution of sound financial principles which would allow the Foundation to increase yearly awards over time, the creation of calculations to aid the forecasting and bookkeeping procedures, while also creating and publishing a series of values that were consistent with the philosophy of Pierre, but ones that are also consistent with quality education and the concept of merit.*



Pierre and Philippe,  
11 years old, in 1991.

*My quantitative background and my experience as a professional investor were really helpful as the Foundation is not a particularly complex firm. Once the building blocks were put in place, the key for a Chairman is to ensure that all ideas can be aired during board meetings and that we have a good management team running the day-to-day operations. I think we have a great setup and team and I am delighted with the commitment of the members of the Board.*

*Despite its name change, the Foundation is the metaphorical statue of Pierre Arbour, its founder. The Foundation will continue to operate in perpetuity and to finance a greater number of students over time, while remaining faithful to its primary objective of helping the development of the Quebec economy: this creates a virtuous cycle of economic growth, and more corporate demand for people with qualifications that we are backing.*

## **HOW DO YOU PERCEIVE THE FOUNDATION? ITS ROLE IN SOCIETY, FOR YOU AND YOUR FAMILY?**

*My father was the first in his family to receive a university education (and his younger sister Rose-Marie has a PhD). This education enabled him to access opportunities which otherwise would have been off limits for guys coming out of Quebec's regions: opportunities which are consistent with the knowledge economy, which continues to take share in a long-term secular growth trend.*

*Pierre's talents, professional ambitions, work experience, combined with a bit of luck, have allowed him to achieve success in the business world and to accumulate an important level of capital and net worth, only to give back to the society in which he built his success; this process of giving back took the shape of the creation of Fondation Universitaire Pierre Arbour, which is now the Arbour Foundation.*

*In a first instance, the role of the Foundation is to encourage economic growth in Quebec and, to achieve this, it focuses on key areas for the knowledge economy. Next, the Foundation seeks to encourage excellence, meaning that it wishes to encourage students who have worked diligently and tenaciously throughout their lives – and we believe that such hard work is reflected in their academic success to date and that such success can be translated to their professional lives. In short, we finance deserving students who have displayed the values of effort, discipline, devotion, perseverance, positive attitude, competence and excellence in general. It is worth highlighting that we also consider financial need as well as overcoming adversity in our scorecard assessments; and it is the combination of all these characteristics which, in the eyes of the Foundation, constitute merit.*

*Our ambition is to support all those who display the attributes, talents, and necessary competencies to be able to contribute to Quebec's knowledge economy, living up to the motto: Financial assistance to match the level of your efforts.*

*By pursuing this goal, we are not only financing students but also the universities, and this is being achieved by using private capital that was overwhelmingly furnished by Pierre Arbour and consequently, I believe that the Foundation must adopt the role of defender of quality education, something which we must never take for granted.*

*At the risk of stating the obvious, Quebec's economy underwent a fundamental transformation once the Catholic Church lost its influence on government and, most of all, its dominating influence on the education sector. None of this is surprising: it's a phenomenon that has been observed elsewhere. At the university level, those who submit themselves to secular values and, in particular, the transcendental and proverbial God of reason, free expression, and the scientific method, within the boundaries of states that encourage free enterprise and respect individual rights, are able to conjure up solutions to the problems that beset humanity and consequently to move society forward. This is not to say that spirituality or religion have no role to play in society; on the contrary, we see emerging evidence that the lack of spirituality can be filled by secular ideologies. But in the sphere of university education, the secular model is the most promising.*

*As would write Isaac Newton in 1675, playing on the idea of *nanos gigantium humeris insidentes* "if I have seen further, it is because I was standing on the shoulders of giants". And this is why humans are extraordinary beings and a clear example of the importance of the transmission of knowledge. Knowledge, which is linked to comprehension, is the accumulation and the transmission of facts and the explanation of complex phenomena. These methods belong to everyone and should continue to be democratized and celebrated and, from a first principle basis, represent the fundamental pillar of quality education. I am keen to reaffirm the importance of such values with both our scholars and university partners.*

One does not have to look far to recognize the mission of universities, which is immortalized in their Latin slogans where the words *veritas*, *lux* or *scientia* appear, meaning respectively truth, light and knowledge. This is the role of the university.

It's easy to get discouraged, especially after a year like 2020. But it's also important to take a step back: the fact that we have at least half a dozen approved vaccines, with efficacy rates ranging from 75-95% (compared to a 40-60% efficacy rate for the annual seasonal flu vaccine), plus access to therapeutic treatments that reduce mortality for those with the severe form of the disease, while having been able to see each other through Zoom, Teams or otherwise, and all this in the 12 months since the pandemic began, is almost science fiction. But there is actually no coincidence in this story, each of these elements represent inventions that stem from the legacy of the Enlightenment, i.e., free speech, reason, and the scientific method, not ideology or activism.

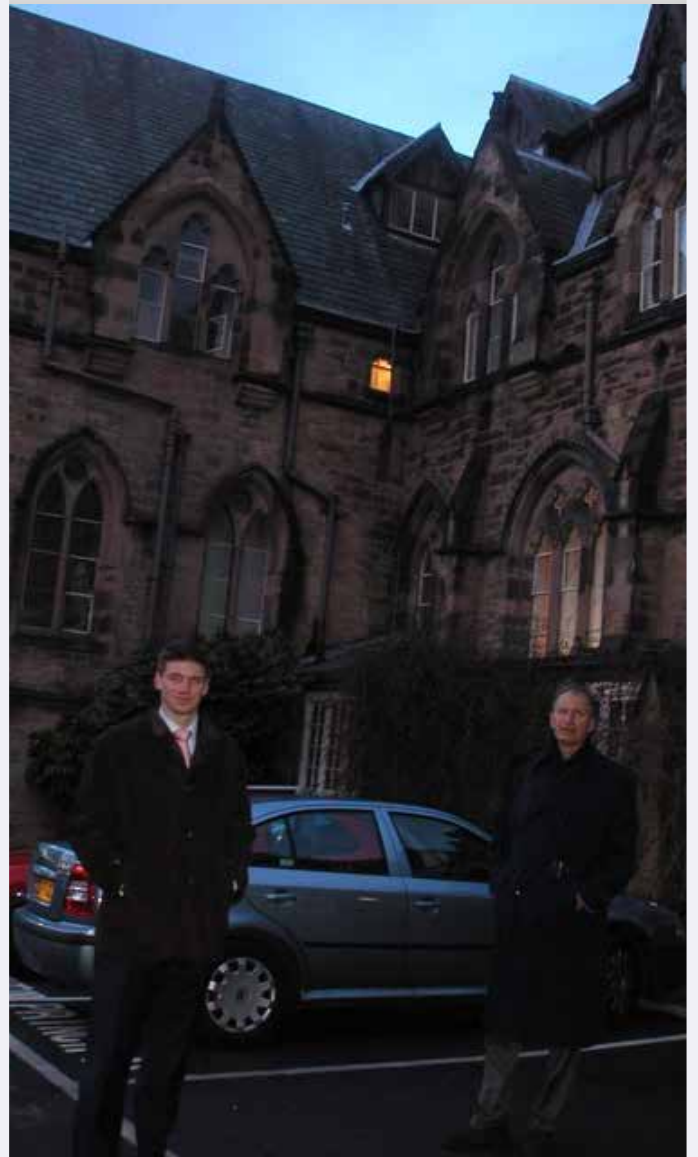
Few of us would choose to live during the middle ages or even during the time of our own grandparents, who had more than just the Spanish flu to worry about. As Steven Pinker said: "There has never been a better time to be alive, until tomorrow comes".

I consider that the Arbour Foundation must take on the role of defending the Enlightenment Principles, which are the only values in tertiary education which can help us pursue *veritas* which broadly speaking is a rank ordering of competing claims, using the scientific method as the principal tool; of *lux*, which is the opposite of darkness or ignorance; and *scientia* which is the accumulation, democratisation and sharing of knowledge, standing on the shoulders of giants.

In sum, the Foundation is for me a great source of pride, but also a great responsibility. It's the mythical statue of Pierre, which touches on a perpetual societal issue of great importance, but also represents a charitable cause in which I believe in, and in which I would hope that my children will one day become interested.

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Pierre and Philippe in 2003, at his graduation from Durham.





## **WHAT ARE YOUR HOPES FOR THE FOUNDATION?**

*I would love for the Foundation to have significantly more funds, to greatly increase the number of students and causes that we are able to finance each year.*

*Then, I would like Quebec firms to recognise and understand that the Arbour scholars are exceptional in every sense of the word, and for them to compete for our graduates, rather than possibly allowing them to leave the province.*

*Finally, I would love for our graduates to feel as though they are part of a community and a family, and for them in turn to give back to the same cause that they directly benefited from, allowing others to experience the same benefit.*

*The icing on the cake would be for Quebec and Canadian universities to adopt a statement of values corresponding to that of the Foundation, because I find them sometimes too timid when it comes to defending the principles of Enlightenment, especially freedom of expression and academic freedom, as they seem to want to respond to the slightest whim of the students.*

## **DID YOUR FATHER'S INITIATIVE INSPIRE YOU? WOULD YOU LIKE TO BE ABLE TO FINANCE A PARTICULAR CAUSE IN THE FUTURE, AND IF SO, WHICH ONE?**

*You bet. I believe in philanthropy but also to encourage behaviours and incentives which lead to a better society, in accordance with the principle of meritocracy. I would also like to be able to make an important philanthropic gift as did Pierre, but before getting there, I continue to give a substantial amount of time to the Foundation, and I also give to other charities such as Crisis at Christmas, which allows homeless people to be able to experience a nice Christmas meal, surrounded by good company and helps them get back on their feet. I think that it is important to recognise that even modest gifts can, over a large scale, make a difference. The Foundation has over 400 alumni, and we could be able to rapidly increase the total level of awards if we were able to raise funds with our alumni, again with the goal of allowing others to experience the same kind of financial support which they themselves have benefited from.*

*In terms of other causes that motivate me, I do not believe in asceticism and I like the idea of innovation with a large-scale impact and, therefore, technologies that may be able to turn the tide on environmental challenges including biodegradable materials, green agriculture, and renewable and clean burning energy sources such as nuclear and fusion in particular.*

*I am also interested in treatments that might lead to the eradication of physical and mental diseases.*

*Finally, I am in favour of the democratisation of information, knowledge, and research methods and meta studies, in a bid to counteract misinformation.*

*I would add that many elements of our history are often forgotten by those who do not have a particular interest in history, culture, art and philosophy, and I would love to be able to do more to ensure that the exploits of those on whose shoulders we stand are not forgotten or taken for granted.*

