



**CFA Society
Edmonton**

**REPORT TO MEMBERS
2012-2013**

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1.0 Mission and Vision

CFA Society Edmonton was established in 1976 to provide a professional association for individuals in the investment community. Our society is an association of local investment professionals, consisting of portfolio managers, security analysts, investment advisors, investment counselors, corporate treasury, pension fund managers and other financial professionals. As one of over 135 member societies of CFA Institute, our society connects members to a global network of investment professionals.

Vision

To lead the local investment community by embracing the highest standards of professionalism and creating linkages between members, the local financial community, the global investment community and the general public.

Mission Statement

The mission of CFA Society Edmonton is to

- Provide a forum for education, information and communication centered on the needs of investment professionals;
- Enhance awareness of the investment profession and the CFA Charter within the community;
- Promote professional excellence and the highest ethical standards;
- Support and advance the interests of its members; and
- Promote the CFA Charter as a career option

Values

- Community and Co-operation
- Diversity
- Excellence
- Integrity
- Professional Development
- Respect and Dignity
- Volunteerism

2.0 President's Report

I am pleased to report that the Edmonton CFA Society has had another successful year.

As a Board we continue to evolve focusing more time and effort on longer longer-term strategic objectives. This year we focused on:

- Deepening and expanding relationships with employers by increasing employer awareness of the benefits and activities associated with CFA Program and Charter.
- Promoting and developing a greater sense of community by continually enhancing the Society's value proposition to both members and candidates.
- Developing current and future members by expanding and continually improving the educational opportunities available for our members and other constituents.

The Board continues to work closely with CFA Institute on a variety of items. We embrace that we are a member driven organization and as such we will continue to represent our members' views to CFA Institute. The CFA Societies across Canada continue to look for ways to collaborate together in order to continue to increase the value we provide to our local members.

The Society ran another robust schedule of events throughout the year including six luncheon and breakfast programs, the annual forecast dinner, two professional development seminars, a private wealth conference, golf tournament, an assortment of networking events for members and candidates, candidate preparation activities and a career fair. Our goal is to provide a diverse cross section of events and seminars that provide functional skills, networking opportunities and topical events featuring leading financial professionals.

The Society is in solid financial health. As a non profit society, our goal is to provide value added events that are affordable for members while maintaining the financial strength and flexibility of the Society. Boards past and present have taken great care in managing your Society's balance sheet and this year was no different.

It is the volunteers that drive this organization. Therefore I want to take the time to thank the men and women who volunteered their time throughout the year at any of our projects or events. I want to take the opportunity to specifically recognize the 2012-13 Board of Directors and their ongoing contributions: Brett Kimak (Vice-President), Theresa Walton (Treasurer), Kirby Hill (Secretary), Aaron Brown (Past-President), Eric Pedde (Programs), Janie Angus (Professional Development), Rod Babineau (Programs - Major Events), Hardeep Gill (Student Outreach), Marshall McAlister (Private Wealth), Matt Evans (Communication & Public Awareness), Chris Ozdoba (Membership) and Dr. Gary Smith (University Liaison). I strongly encourage everyone to volunteer with the Society - I assure you it will be well worth the time.

I would like to personally thank Kirby Hill for his contribution and leadership to the Board over the past several years and want to wish him best of luck in his future endeavors. I want to welcome back the returning members of the board and new board members. I also want to thank our Event Coordinator, Lydia Mohoric for the amazing job she does allowing the board to focus on strategic initiatives..

I am running again for a second one-year term as President of the Edmonton CFA Society in hopes to continue on our achievements over the past year and to continue making progress on our long-term goals I look forward to seeing everyone out at one of our many events in the upcoming fiscal year.

Have a safe and enjoyable summer,

Chris Turchansky, CFA
President Edmonton CFA Society

3.0 Activity Report

3.1 Programs

3.1.1 Luncheons/Breakfasts

The Edmonton CFA Society is committed to provide our membership with various programs to enhance their knowledge and keep up on the issues within industry. Over this past fiscal year, there were a total of six luncheons and breakfasts. Our society was privileged to have the following speakers:

1. March 13, 2013 - Marvin Loh of BNY Mellon, highlighted "Fixed Income Strategies"
2. February 19, 2013 - Patrick Laforge, President and CEO, Edmonton Oilers, discussed the "Economics of Sports"
3. November 29, 2012 - Richard Sneller, of Baillie Gifford, discussed opportunities in Emerging Markets
4. October 24, 2012 - Mayor Stephen Mandel discussed the economics of running the City of Edmonton
5. September 7, 2012 - Andrew Feldstein, CEO & CIO of Blue Mountain Capital Management highlighted "Opportunities in Credit"

3.1.2 Networking/Social Events

In keeping with our commitment to provide our membership with various programs to enhance their roles within the industry, the Edmonton CFA Society had introduced networking/social events the previous year. Over this past fiscal year, there were a total of two networking/social events, both were well attended.

Member Social and Networking held on December 11, 2012 attended by 30 members.
Candidate Kick-off and Member Networking Event held on March 21, 2013 attended by 20 members.

3.2 Educational Programs

3.2.1 Pre Exam Support

The Society continued its strong support for candidates in preparing for all three levels of the CFA exams by providing candidates the opportunity to participate in both the Boston Security Analysts Society Mock Exam and the Schweser Mock Exam. It was a full day mock exam held at the University of Alberta on November 17 and May 11th giving candidates the opportunity to experience a realistic test taking experience offered in a timed environment that mimics the actual testing experience. There were six level one candidates registered for the Saturday November 17th and six level one candidates took home the Schweser Mock exam. Forty four candidates registered for the Saturday Boston Security Analysts Society Mock exam and eleven took home the Schweser Mock exam .

3.2.2 Post Exam Reception

This year's post CFA Exam reception is being held at the Uplinks Sports Bar at Northlands with the test moving to the new Northlands Expo Center. Refreshments and snacks are provided giving the candidates an opportunity to unwind, relax and network after the exam.

3.2.3 Society Scholarship Program

The Society continued its participation in the Society Scholarship Program. Ten candidates were awarded scholarships this year. The applications were scored based on the following criteria:

- Financial need;
- Charter/career goals;
- Effort;
- Academic; and
- Other involvement

3.3 University Relations

3.3.1 CFA Institute Investment Research Competition

For the fourth consecutive year, a team of students from the Alberta School of Business participated in CFA Institute's Investment Research Competition. The team, all members of the PRIME Program at the Alberta School of Business, placed third in the Canadian Prairie Regional Event in Calgary in March.

3.3.2 CFA Night

The Society sponsored an Information Night on the University of Alberta campus. Several charterholders volunteered to present information about the CFA Program and designation. Further, they offered their insights as to how the Program and designation have helped their careers. The event was well attended.

3.3.3 Finance and Risk Management Career Conference

On March 19, CFA Society Edmonton in collaboration with the Professional Risk Managers' International Association (PRMIA) Edmonton chapter hosted the first Finance and Risk Management Career Conference at the University of Alberta. The conference was a huge success with over 100 students registered to hear 12 speakers from the local investment community. Thanks to our sponsors Edmonton Economic Development Corporation (EEDC); Alberta Investment Management Corporation (AIMCo); Freedom 55 Financial; University of Alberta, CAPS; and Investors Group.

3.4 Annual Forecast Dinner

The Society held the 35th annual Forecast Dinner on Tuesday, January 22, 2013 at the Shaw Conference Centre. The dinner continues to be the Society's signature event and drew over 650 charterholders and members of the investment community.

This year's keynote speakers were:

Dennis Gartman
Editor and Publisher
The Gartman Letter

Dr. Leo de Bever
Chief Executive Officer
Alberta Investment Management Corporation

Kurt Schacht, managing director of the Standards and Financial Market Integrity division of CFA Institute, also provided insight from recent surveys conducted by the Institute.

In keeping with tradition, the audience received a forecast from the University of Alberta's PRIME program. Dinner patrons also heard a brief presentation from Youth Empowerment Support Services (YESS). The Society announced a \$5,000 charitable donation to YESS, which was matched by Canadian Western Bank. The Society is proud to be able to continue its tradition of supporting local charities.

The Master's of Ceremonies were Graham Neil of CTV and Donovan Workrun of Atomic Improv.

The Society collaborated with the CFA Society of Vancouver this year to bring in Dennis Gartman. This was very well received as a cost sharing measure and allowed both Societies to benefit from having a high profile speaker.

The dinner continues to be a financial success. The Society thanks its supporters: platinum sponsor Canadian Western Bank; gold sponsors PwC, RBC Capital Markets, RBC Investment Services and State Street; silver sponsors Blackrock, LSV Asset Management, Tory's and UBS Asset Management; bronze sponsors CIBC Asset Management and Pavilion Investment House; and our reception sponsor Russell Investments.

3.5 Golf Tournament

The 23rd annual Edmonton CFA Society golf tournament was held on June 6th at The Ranch Golf and Country Club. There were 60 registered golfers for the Tournament. The Society would like to extend a special thanks to our prize sponsors and all those who helped to contact our sponsors for prizes.

3.6 Communications

The CFA Society Edmonton distributed a number of member updates via e-mail throughout the year. The Society website was also maintained and updated with information on upcoming events, speaker presentations, CFA Institute news and job postings.

3.7 Membership

In addition to providing general contributions to the Board, the Membership Chair is also responsible for processing new Society membership requests and status changes.

As of May 2013, the CFA Society Edmonton has 253 members, up from 224 at the same time in 2012. Of the total membership, we have 32 new charterholders with 235 of our 253 members being charterholders, up from 203 at the same time in 2012. The rest of the membership is comprised of 9 affiliate members and 9 candidates who are in the process of completing the CFA Program. The CFA Society Edmonton's membership is 13% female, unchanged compared to last year.

Edmonton has a broad range of companies who employ charterholders. The following is a list of the Top 10 employers of CFA charterholders in Edmonton (2012 in brackets):

1. Alberta Investment Management Corporation – 57 (50)
2. ATB Financial – 17 (14)
3. The Alberta Teachers' Retirement Fund Board – 10 (7)
4. TD Bank Financial Group – 9 (9)
5. CWB Group (including Adroit Investment Management Ltd.) – 8 (10)
6. RBC – 8 (8)
7. Workers Compensation Board, Alberta – 7 (7)
8. Government of Alberta – 7 (<5)
9. Capital Power Corporation – 6 (5)
10. Canadian Imperial Bank Of Commerce – 6 (<5)

3.8 Public Awareness

The Society distributed a number of member updates via e-mail throughout the year. The Society website was also maintained and updated with information on upcoming events, speaker presentations, CFA Institute news and job postings.

3.9 Professional Development

3.9.1 Factor Backtesting

The CFA Society worked with Lee O'Dwyer from Bloomberg to provide an afternoon session on April 17 on factor back testing. Lee reviewed types of factors and how a factor model works. Participants heard Lee explain real life examples of how he has worked with portfolio managers in using factor models to test investment criteria, analyze portfolio decisions and implement the results. Discussions continued after the presentation over drinks and appetizers at a nearby restaurant.

3.9.2 Fundamentals of Performance Measurement and Attribution

The Society brought in Carl Bacon, CIPM to teach this one day course. Carl provided participants with an in-depth review of performance measurement using a combination of lectures and hands on problem solving exercises. The topics covered included: performance measurement methodologies, effects of cash flows, criteria for good benchmarks and the fundamentals of attribution.

3.10 Private Wealth

On April 11 of 2013 our society hosted the 4th Annual Private Wealth Conference titled Wealth Management at Latitude 53. We again hosted this conference in the theatre of the Art Gallery of Alberta. We had a total of 64 guests for the morning.

We were able to organize four speaker sponsors for a total of \$4500 in sponsorships. The sponsors were the following organizations:

- Alberta School of Business – University of Alberta
- Croesus Finansoft
- iShares
- ATB Investor Services

We had four speakers lined up to present on a variety of topics that we considered of value to Advisors of private wealth investors. The speakers were the following individuals:

- Jay Palter; Social Advisor – How to Build Social Capital in the Influence Economy
- Keith Sjogren: Senior Consult and Managing Partner, iINVESTOR ECONOMICS – Wisdom for Wealth Mangers from the Luxury Market
- William Moore; Staff Actuary Alberta Treasure Board and Finance – Revisiting the Rule of 4% in Light of Increasing Longevity
- George Hartman; Managing Partner of Accretive Advisors Inc – Your Practice Isn't Worth What You Think

The feedback from our membership and guests has been very positive and the society is excited about continuing on with conference geared towards investors and Advisors into the future

4.0 Officers and Directors for 2012-13

The following paragraphs describe the professional background of the slate of officers and directors for 2012-2013. According to the bylaws, they served a one-year term.

Chris Turchansky, CFA, President

Chris is the Managing Director of ATB Investment Management, which he joined in 2004. As Managing Director, Chris is responsible for ATB Investor Services high net worth and institutional offering as well as a team of investment analysts that provide financial planning, investment and portfolio support to advisors across the Province. Prior to joining ATB Chris spent 8 years in the wealth management arm of a large national bank. Chris is the Chair of the ATB Investor Services Investment Committee and served on ATB Financial's Defined Contribution Committee. Chris has his Bachelor of Commerce Degree from the University of Alberta, an MBA from Athabasca University, he is a CFA charterholder and an Accredited Investment Fiduciary (AIFP).

Brett Kimak, CFA, Vice President

Brett is the Vice President, Compliance with Alberta Investment Management Corporation. Brett oversees the investment compliance team and is responsible for managing AIMCo's corporate ethics program. Prior to joining AIMCo in 2011, Brett spent 10 years as a senior consultant in PwC's governance, risk and compliance practice. He started his career in financial services as an investigator in the Enforcement Branch of the Alberta Securities Commission. Brett has achieved Bachelor of Arts (1994) and MBA (1996) degrees from the University of Alberta, and obtained his CFA charter in 2004. In addition to his duties with the Edmonton CFA Society Board, Brett is also a member of the Canadian Advocacy Council to Canadian CFA Societies.

Theresa Walton, CFA, Treasurer

Theresa Walton is Sr. Portfolio Manager, Equities of TELUS Pension Investments. She began her career at TELUS as a Corporate Financial Analyst in the Treasury Department, prior to joining the Pensions Investments Department in 1998. She is a Certified Management Accountant (CMA) and earned a Bachelor of Commerce from the University of Alberta.

Kirby Hill, CFA, Secretary (until April 2013)

Kirby is currently Director, Investor and Public Relations, External Communications for Canadian Western Bank. Kirby has almost ten years of progressive financial services and investment industry experience. He has a Bachelor of Management (Finance) degree with great distinction honours from the University of Lethbridge as well as a Business Administration (Accounting) Diploma from Red Deer College. Kirby has been a CFA charterholder since 2006.

Aaron Brown, CFA, Past President

Aaron is the Plan Board Investment Officer for Alberta Pensions Services Corporation. In that role he is responsible providing investment education and support to three public sector pension plan boards. Prior to joining APSC in 2012, Aaron spent over five years as the Director of Portfolio Management for Alberta Finance. Previous to that, he held roles with the University of Alberta's endowment fund and RBC Royalbank. Aaron is an external member of the City of Edmonton Investment Committee as well as a member of Fringe Theatre Adventures Finance Committee. Aaron obtained his Bachelor of Commerce from the School of Business at the University of Alberta in 1997 and became a CFA charterholder in 2003. Aaron was elected by his peers in 2012 to represent Canada on the CFA Presidents' Council.

Matt Evans, CFA, Director

Matt Evans is Senior Manager, Investor Relations at CWB Group. Matt began his career in finance as an Investment Advisor at a Canadian bank-owned brokerage. He joined the CWB Group in 2010 as Director of Business Development at CWB's majority-owned private investment counsel, Adroit Investment Management. Matt obtained a Bachelor of Sciences from the University of Alberta in 2002, and received the CFA designation in 2010.

Janie Angus, CFA, Director

Janie is an Investment Analyst with the External Management team at the Workers' Compensation Board-Alberta (WCB). The WCB manages approximately \$8 billion and of this, two thirds is managed externally. Janie holds a Bachelor of Management (Finance) degree from the University of Lethbridge and is a CFA Charterholder.

Rod Babineau, CFA, Director

Rod graduated from the University of Alberta in 2000 with a B.Com. upon which he started his financial services career with TD Waterhouse. In 2006, he joined the Government of Alberta as a Performance Measurement Analyst in the Investment Management Division. In 2008, Rod became Manager of Portfolio Analysis for the Treasury Management Division. He received his CFA charter in 2005.

Hardeep Gill, CFA Director

Hardeep is a Finance Instructor at the Northern Alberta Institute of Technology. In this role, Hardeep provides instruction and leadership to NAIT's CFP core curriculum program. Since 2006, Hardeep has been a published textbook author. His textbook, *Personal Finance*, is currently being revised for a 3rd edition. Hardeep obtained his Bachelor of Commerce degree from the University of Manitoba and became a CFA charterholder in 2004. Hardeep also holds an MBA from the University of Alberta. Hardeep is also actively involved as a board member of the Edmonton Financial Literacy Society (EFLS), an organization dedicated to educating people in the community about financial literacy. Hardeep is currently enrolled in doctoral studies at the University of Alberta. The focus of his research is financial literacy education in a secondary education environment.

Marshall McAlister, CFA, Director

Marshall McAlister is a Private Wealth Counsellor and the Managing Principal of the Pavilion Investment House office in Edmonton. Marshall is a CFA Charterholder with several years' experience providing advice and wealth management services to affluent and high-net-worth clients. He received his Bachelor of Commerce (major Finance) from the University of Alberta and has completed several related educational designations including a Professional Financial Planning designation. Marshall is also the author of *The Brilliance of Boring Investing ~ An Academic Approach to Portfolio Design* (2nd edition 2011).

Chris Ozdoba, CFA, Director

Chris is a Senior Manager at the Business Development Bank of Canada (BDC), responsible for proactively managing loans through financial analysis, deal structure, risk mitigation and communication with internal partners, as well as managing client relationships and actively engaging with prospective clients. Prior to joining BDC, Chris was an Associate Director at ATB Corporate Financial Services, an oil and gas Research Associate with Westwind Partners, a consultant with Barretto Pacific Corporation (an institutional investor relations firm) and an Investment Advisor with BMO Nesbitt Burns Inc. Chris has an M.A. Economics and a B.A. Honours Economics major from UBC, and is a regular volunteer with Junior Achievement.

Eric Pedde, CFA, Director

Eric Pedde is a Portfolio Manager of External Funds Management at Alberta Investment Management Corporation (AIMCo), which manages approximately \$71 billion in pension and endowment assets. The External Fund Management team manages approximately \$11 billion of long-only equity mandates and hedge fund mandates. Eric is a graduate of the University of Alberta, and holds a MBA from McGill University, as well as a CFA designation.

Dr. Gary Smith, CFA, Director

Gary Smith joined the faculty of the Alberta School of Business as an Executive Professor in 2010. In this role, Gary teaches courses and liaises with the business community. He is also Program Director of the PRIME Program. Prior to joining the Alberta School, Gary was Chief Economist at Alberta Investment Management Corporation (AIMCo). Gary also has experience with Casgrain and Company Limited and Alberta Treasury. He completed his undergraduate and masters-level training at the University of Saskatchewan and received a Ph.D. in Finance from the University of Alberta. He is a CFA charterholder. In addition to his duties with Alberta School of Business, Gary is a member of the investment committees of a number of charitable and public sector organizations.