

# CFA Vancouver A Year in Review

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## Annual Forecast Dinner

*Alex Prodanovic, CFA*

The 28th Annual CFA Vancouver Forecast Dinner was held on January 18, 2006 at the Vancouver Wall Centre Hotel and was attended by close to 450 members and guests. This year's speakers provided a very entertaining evening with their differing views and perspectives. Our first speaker was George Vasic



Left to right - Mark Mullins, David Tice, Donna Jones, Alex Prodanovic, George Vasic and Don Ogden

from UBS who provided us with his views that "growth will slow to about trend" and "stocks were still positive but due for a breather." Mark Mullins of the Fraser Institute followed with his "consensus forecast" and discussed "politics and policies" and their influence on this consensus forecast. The evening concluded with David W. Tice who shared his views on several macro themes, including the US twin deficits and his opinion on a secular bear market in the United States, a bullish case for gold and "protecting yourself with gold / natural resources and reduced exposure to equities." Jeffrey Saut of Raymond James and David Schaffner of Leith Wheeler defended their previous year's forecasts. For the 5th consecutive year, Don Ogden moderated the Forecast Dinner. Don once again entertained the audience and efficiently managed the time, ensuring an enjoyable evening for all. I would like to extend a special thank you to Don Ogden, Sheila Hughson and the Forecast Dinner Planning Committee (Catherine Heath, Lisa Dempsey and Janine Guenther) for all their efforts in allowing The 28th Annual CFA Vancouver Forecast Dinner to be very successful. In closing, the CFA Vancouver Forecast Dinner continues to be our marquee event and a wonderful opportunity to socialize with your fellow members and entertain guests. Thank you for support and we look forward to seeing you at next year's event!

As President of CFA Vancouver, I am pleased to report that the Board had a successful year and made significant progress on both ongoing and new initiatives. Your comments and participation assist the Board tremendously in achieving the challenging task of serving the needs of a diverse and growing membership.

Membership at CFA Vancouver now stands at 900 up nearly 10% in the last year. With over 800 candidates registered for the June exam, we expect steady growth in our Society's membership.

Programming was a success in 2006 with over 30 events. CFA Vancouver offered 15 hours of programs qualifying for Professional Development credits. CFA Vancouver selected R. David Ranson, President, of H.C. Wainwright & Co. Economics and Martin Fridson, CFA, CEO Fridson-Vision LLC from the CFA Institute's Speaker Retainer program and hosted two free luncheons. Also, over 120 members attended the biennial Mike Ryan Speaker series to listen to Dan Reinhold, CFA. Special thanks to Janine Guenther, CFA for organizing this superb event.

Additionally, our 28th Annual Forecast Dinner was a great success. Attendance was close to 450 and the Forecasters made some very interesting and entertaining presentations. Also, this year, our Vice President secured Factset as a sponsor which allowed the event to run a small profit. Providing meaningful programs that challenge and educate the members remains our top priority.

Financially, CFA Vancouver had a tremendous year as demonstrated by our surplus of \$38,000. One notable revenue source is from employment posting fees. For 2006, this revenue is almost 90% higher than 2005, which was 140% higher than 2004. . We believe this reflects the strong local job market and employer awareness of the CFA designation as the global standard for investment knowledge, standards and ethics. The Board continues to manage the financial resources of the Society with the objective of providing maximum benefits to our growing and di-

verse membership.

For our Candidates, we hosted an information session and reception in early December with Bob McLean, Director University Relations at CFA Institute. We entered into an exclusive arrangement with prep course provider, Stalla/Becker Review Course. Stalla has demonstrated the highest commitment to helping candidates succeed in the CFA program and in partnering with our Society. CFA Vancouver offers 10 scholarships each year to local candidates. CFA Vancouver also offered the Boston Mock Exam to help candidates prepare for exam day. In 2005, CFA Vancouver congratulated 45 new Charterholders at the second annual Charter Award Ceremony.

CFA Vancouver worked hard to support the public awareness of the CFA designation. We hosted a media "boot camp" attended by Bloomberg, and the Vancouver Sun & Province reporters. Janine Guenther, CFA presented on technical analysis at the luncheon session. The Societies in the Canadian Region have coordinated efforts to build awareness of the CFA designation with High Net Worth investors. CFA Vancouver sponsored the B.C. Portfolio Management Competition for the second year. This competition is open to Universities and Colleges across the province with more than 200 teams participating this year. Thank you to those volunteered as mentors.

CFA Vancouver has a very dedicated and hard working board. We are thankful for the many volunteers and their employers who have donated countless volunteer hours. Leaving our board this year are: Doug Cronk, Al Hudec, Larry Stubbs, Alan Tynan and David Giesbrecht. Thank you also to CFA Vancouver Administrator, Sheila Hughson, for her hard work throughout the year.

Finally, I am pleased to remind you that Vancouver has been chosen to host the 61st Annual Conference of the CFA Institute from May 11-14, 2008.

Yours Sincerely,  
Donna Jones, CFA

## PRESIDENT'S MESSAGE

*Donna Jones, CFA*



## **Financial Report 2006**

*David Giesbrecht, CFA*

*Treasurer*

For the second year in a row, the financial position of CFA Vancouver benefited greatly from membership growth and industry hiring activity. Combined with on-budget and steady year-over-year expenditures, membership demand – and demand for our members – resulted in a surplus of \$38,000 for the 2005/2006 fiscal year.

In the past, CFA Vancouver has relied heavily on membership revenue to cover administrative costs, public aware expenditures, and any overruns from cost-recovery programming and the annual Forecast Dinner. With the phenomenal growth in job posting revenue, up over 220% from two years ago, the Board has been able to provide some no-cost programming for members, and to enhance service delivery through the purchase of a projector and lap top computer.

This year, the Board created an Investment Policy Statement for the management of the accumulated surplus, which now stands near \$150,000. Its growth has focused more attention on the prudent management of these funds, and after due consideration, the Board concluded that diversification beyond money market instruments was appropriate.

Although the variable nature of the Society's revenue can pose budgeting problems, the larger challenge for the Board in the short-term is how best to utilize our good fortune. To that end, CFA Vancouver continues to search for opportunities to enhance the services and programming for our growing and diverse membership.

### **Michael M. Ryan Lecture Series**

*Janine Guenther, CFA*

On March 21, 2006, CFA Vancouver hosted Daniel Reingold, CFA at the Terminal City Club. Reingold, a former Wall St. telecom analyst, recently published a book entitled, "Confessions of a Wall St. Analyst – A True Story of Inside Information and Corruption in the Stock Market". Over 125 mem-

bers and guests listened to Dan talk about his experiences on Wall St. and talk about the reforms that he believes need to happen in order to protect analysts and their independence. Dan's presentation and stories were entertaining and informative while highlighting the ethical concerns and pressures that our membership has to deal with on a daily basis.

The Mike M. Ryan Lecture Fund was set up in 1999 with the purpose of providing a bi-annual lecture for the benefit of all CFA Vancouver members. CFA Vancouver hosted four major conferences between 1986 and 1998: 3 Forestry Conferences and 1 Annual Conference for CFA Institute. These conferences generated surpluses and were the source of the Mike M. Ryan Lecture Fund. The initial monies for this fund were set aside at December 31, 1998. Initially, there was \$50,000 CAD and \$37,500 US.

The fund is named for Michael Ryan who was the second president of CFA Vancouver from 1966 – 68. Although he was not the first president; this honour goes to Arthur Phillips (1965 – 66), Mike was the person who went to Charlottesville, VA and applied for membership in the Financial Analysts Federation (FAF) on behalf of Vancouver. After lengthy debate, the membership was granted on July 15, 1967. We are all appreciative of the work our founders have done on our behalf.

## **EMPLOYMENT OPPORTUNITIES**

### **FOR CURRENT POSTINGS**

### **PLEASE VISIT OUR JOB BOARD**

<http://www.cfavancouver.com/>

[employment.html](http://www.cfavancouver.com/employment.html)

## Candidate Programs 2005/2006 Report

*Alan Tynan, CFA*

It was a busy year for Candidate programs. The past year focussed on four events; the annual December reception, scholarships for both the December and June exams, the rollout of an exclusive arrangement with Stalla Prep Course Providers, and finally a mock exam.

We are now in the process of evaluating the success of CFA Vancouver's partnership with Stalla, however I am pleased to report the other events were very successful.

The Candidate Reception in early December focused on bringing information regarding the CFA program to both current and potential candidates. Bob McLean from the CFA Institute spoke to the group about the program and the issues surrounding recent exam pass rates. We had a great turnout of over 100 individuals and feedback was very positive.

We awarded 10 scholarships split between the December and June exams, with scholarships spread throughout all three levels of exams. I am pleased to report we received over 60 applications for scholarships, an increase of 50% over the prior year. We hope to again increase the number of applications for 2006/2007 as this provides evidence of CFA Vancouver's ability to reach and communicate with its candidate base.

With exam pass rates having declined in recent years your Board opted for a new direction with respect to working with prep course providers. After a comprehensive review of all prep course offerings CFA Vancouver entered into a one-year exclusive agreement with Stalla. Stalla's program offers candidates not only study materials and courses, but has evolved to work with candidates to ensure they have an appropriate study schedule. CFA Institute continues to drive home the message of increased study time as a key driver of success on the exams. CFA Vancouver is reinforcing this message by partnering with a prep course provider whose focus is to ensure complete candidate preparation. As the June exam represented the first full exam cycle while working with Stalla, at the time of writing this message, we are reviewing the success of our partnership.

Furthering our drive to ensure candidate preparation,

early in May, CFA Vancouver held a mock exam. The exam was held at UBC, under normal test conditions. While not enjoying the experience, candidates reported they found the event to be extremely helpful in their preparation.

As a board member my name appears at the bottom of this report, however much of the heavy lifting was undertaken by Paul Dou and David West. Thank you to both of you.

## Membership Report

*Adam Pion, CFA*

As of June 28, 2006 CFA Vancouver had 898 members, up 9% from this time last year. Approximately 89% of our membership holds the CFA Charter and 92% are classified as Regular (voting) members.

### Industry Classifications:

Broker Dealer, Investment Banking	23%
Commercial/Retail Banking,	
Bank Trust Departments	11%
Consulting Firm	9%
Corporate/Public Sponsor & Foundation/Endowment	1%
Insurance Company	1%
Investment Company/Mutual Fund	17%
Investment Management Counseling	19%
Other businesses including government, academic, and miscellaneous	19%

### Titles and Occupations

Analyst, Equity & Fixed Income	7%
Analyst, Other	8%
CEO, Chairman, Partner, Principal	8%
Chief Investment Officer	5%
Investment Banker	8%
Investment Counselor	9%
Investment Firm Manager	6%
Portfolio Manager	13%
Sales/Marketing	6%
Securities Trader	8%
Other	24%

We welcome all members. For new members see our website: [http://www.cfavancouver.com/membership/new\\_members\\_charterholders.html](http://www.cfavancouver.com/membership/new_members_charterholders.html)

## 2005 CFA® Charter Awards Ceremony

*Catherine Heath, CFA*

This year's Charter Awards Ceremony was held on December 7th at the Metropolitan Hotel. Fifty-one candidates successfully completed the program and received their charters. Gordon Gibbons, CFA, V.P., Portfolio Manager, Leith Wheeler Investment Counsel Ltd. and Past President CFA Vancouver congratulated the new charter recipients on getting through such a tough series of exams and introduced speaker, Robert A. McLean, CFA, Director University Relations, CFA Institute. Mr. Mclean applauded the hard work charterholders had put into earning their charters and the patience and support of their friends and family during the (at times never-ending) exam years. Congratulations all new Charterholders!

### "Happy Grads"

On the left: Geoffrey Tham, Jason Bennett, Lynette Gould and Manmeet Bhatia

Donna Jones, Catherine Heath, Gordon Gibbons, Robert McLean



## Member Programs

*Programming Co-Chairs: Catherine Heath, CFA, Antony Cherian, CFA, Rob Edel, CFA*

It has been a good year for programs at CFA Vancouver. The programs committee focused on current topics in the investment industry such as the impact of high energy prices and increased demand from China. There was an average of two events per month this year, with at least one qualifying for Professional Development Credits (PD). In all, there were a total of 19.5 PD credits offered. Below is a summary of CFA Vancouver's programs this year:

### **CFA Institute Speakers:**

- Martin Fridson, FridsonVision LLC *"High Yield Bonds: The Growing Challenge."*
- David Ranson, H.C. Wainright & Co., Economics Inc. *"Using Markets to Forecast Markets"*
- Harry S. Marmer, Franklin Templeton, *"The Long and Winding Road: Canadian Institutional Investing in an Unconstrained Environment."*
- Bob Luck, CFA Institute, *"Ethics in the Investment Industry and the New Asset Manager Code of Conduct"*

### **CFA Institute Webcasts:**

- Marc Anson, CalPERS *"Positioning Institutional Funds for the Future."* Moderator: Mike Leslie
- Peter Tertzakian, Chief Energy Economist, ARC Financial Corp. *"Oil Supply, Oil Dependency and Global Politics."* Moderator: Bill Wheeler

### **Corporate-Sponsored Programs:**

- Absolute Software
- New Gold Inc.
- Dominion Bond Rating Service *"Credit Discussion with DBRS President."*
- The Spaulding Group *"Transitioning to the GIPS Standards"*
- Leading Advisor Inc. *"Start Your Year in Gear - A Step by Step System to Get 2006 in Order"*
- The Montreal Stock Exchange *"Option Strategies Basics and Beyond"*
- Hillsborough Resources Limited
- TSX Group *"Expanding Presence and Increasing Opportunities"*

### **Banker/Dealer Programs:**

- Don Drummond, TD Bank Financial Group *"Economic Presentation"*
- Paul J. Markowski, Global Strategies-Analysis Group, Inc., *"Impact of Increased Demand from China"*

### **Other Events:**

- David Russell, Advisor Responsible Investment, *"Socially Responsible Investing"*
- Mr. Yuen Pau Woo Asia Pacific Foundation, *"Building the Pacific Gateway"*
- John Gilfoyle, Watson Wyatt Canada, *"Liability Driven Investing"*
- Financial Planning Seminar Moderator: Peter Klein. Business Structures with David R. Baxter, Partner-Thorsteinssons LLP and Charitable Gift Giving with Christopher Richardson, FCA
- Paul Balfour, Phillips Hager & North Investment Management Ltd, *"Ensuring the Viability of the DB Pension Plan - A Proposal for Reform"*

### **Special Events:**

- Charter Award Ceremony, Bob McLean, University Relations, CFA Institute and Gordon Gibbons, Leith Wheeler Investment Counsel
- Networking Event with the Chartered Accountants Association of BC

**Planned Events:**

- Donald Straszheim, Straszheim Global Advisors Inc., “China, America and the Realities of Global Competition”

It has been a pleasure serving the society by delivering quality, educational programs. We would like to thank the volunteers who helped make our events a success. A special thanks to Sheila Hughson, (CFA Vancouver Administrator) for all her help in organizing this year’s events. Please contact Sheila Hughson if you would like to get involved or if you have a suggestion for a speaker or topics.

We look forward to seeing you at future events. Have a great summer.

**CFA Vancouver  
2006-07  
Board of Directors**

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Donna J. Jones, CFA  
Adam G. Pion, CFA  
Jeffrey L. Porter, CFA  
Alexander Prodanovic, CFA  
Ian M. Robertson, CFA  
Kenneth R. Trider, CFA

## University Liaison

*Larry Stubbs, CFA*

This is the first year for the office of University Liaison for CFA Institute and CFA Vancouver.

In December, Bob MacLean, who heads University Liaison for CFA Institute, attended the candidate receptions in Vancouver and Victoria. While in Vancouver, Bob was able to meet with several of the board members, as well as faculty from BCIT, SFU, UBC, and Malaspina College. This year, for the first time in several years, CFA Vancouver re-established connections with the faculty at UBC.

We held a number of student presentations at SFU, UBC and BCIT. At these presentations, students were given an overview of the CFA program and had the opportunity to ask questions of CFA charterholders regarding the program and job prospects within the industry.

We received a number of inquiries from potential candidates regarding CFA program enrolment. Furthermore, we were able to confirm with CFA Institute that a University degree is not required, and that candidates are able to enrol in the CFA program with a combination of education and appropriate work experience.

CFA Vancouver was a co-sponsor, (along with Odium Brown, Leith Wheeler, CSI, and the BC Securities Commission), of the BC Portfolio Management Challenge Competition. This competition is open to university, college, and high school students from across the province. This year's competition consisted of 19 student teams from seven universities, nine community colleges and three high schools located in the lower mainland, the interior and on Vancouver Island.

Each team was provided with \$1 million in hypothetical capital to manage from mid-October 2005 until March 2006. Teams could elect to trade common shares, options, or hold cash positions, and each team was limited to a maximum of 50 trades of which no more than 10 trades can be options. In order to promote the concept of diversification, the initial cost of any one security could not be more than \$100,000 and the holdings of options were limited to a maximum of \$50,000 each. Letters of commendation were awarded to all student teams who

outperformed the Dow Jones Industrial Average over the period of the competition.

As a value added component of the competition, for the first time this year, 20 members from CFA Vancouver, CFA Victoria, and CFA Kelowna, participated as mentors. Our members provided the students with investment advice and insights relating to experiences within the industry.

This year the University of Victoria won the university division for the second consecutive year with an average team portfolio of \$1,063,000, while in the college division Selkirk College won with an average portfolio of \$1,085,000.

Feedback from our participating members, who mentored, was very positive. They found the experience to be both educational and enjoyable. Watch next year for the call for volunteers and mentors.

## Simon Fraser University

The **Global Asset and Wealth Management (GAWM) MBA** is a specialized MBA that aligns its curriculum to a great extent with the CFA program, building on the engineering aspects of finance while also presenting the architectural framework for excellence in client relationship management.

For those who have already attained the CFA designation, the GAWM MBA adds conceptual and theoretical context to what you have learned, while those working toward the CFA designation will find that the GAWM MBA courses complement and supplement your CFA pursuit. Full time or flex time option.

The **Master of Financial Risk Management (MA)** represents an excellent choice for those who enjoy the more analytical aspects of managing financial risk. A one-year full time program, it prepares students with the essential tools to position themselves as professionals in this highly specialized area of financial management.

We invite you to learn more about these focused financial programs at [www.sfubusiness.ca/financial](http://www.sfubusiness.ca/financial)

## Public Awareness

Lisa Dempsey, CFA

CFA Vancouver continues to actively promote the Chartered Financial Analyst global brand, with the assistance and resources available to us through the CFA Institute.

This year, with CFA Institute and other societies across Canada, we commenced a multi-year, Canada-wide campaign to increase awareness of the CFA brand to high net worth individuals. The expertise of CFA charterholders was promoted in an advertisement placed in four professional theatre programs throughout the year, reaching approximately 40,000 readers for each production. The advertisement is shown on the next page.

CFA Institute and CFA Vancouver jointly hosted a Media Boot Camp in February this year. Jay Taparia, CFA presented a full day on "Financial Statement Analysis, Disclosure and Accounting Red Flags" to local media contacts from The Province, Bloomberg, and Business in Vancouver. CFA Vancouver's past president, Janine Guenther, CFA, presented a lunch hour talk on "Inter-relationships of Markets and the Use of Technical Analysis". Seven other media seminars were presented in North America, including a well-attended Toronto event with Canada-wide media contacts.

We hope that CFA Vancouver's continued promotion in the local and national media will broaden the awareness of the CFA brand. Suggestions and volunteer assistance are always welcome.

## Arts Club Theatre

### Program Ad

When you appreciate the value of *expert advice*.



You can pick your way through the average wine list with confidence. But, in a restaurant with a serious wine cellar? Surely you'd ask the advice of the sommelier. Someone who, you might say, has been immersed in the subject and can help you choose the perfect wine. But what's true in wine is also true in investing. Astute investors know that finding the right solution requires solid professional expertise. So, look for three letters after your investment advisor's name: CFA®. It's proof you're working with a professional who has not only passed the industry's most rigorous examinations, but



who also – every year – makes the commitment to put investor interests first. For more information on

CFA charterholders in the Vancouver area, simply visit [www.cfavancouver.com](http://www.cfavancouver.com).



Setting a higher standard for the Vancouver investment community

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**“Thank you for your participation, we look forward to hearing from you and seeing you during the coming season”**

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