



Setting a higher standard for the  
Edmonton investment community

# ANNUAL REPORT 2011-2012



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## 1.0 President's Report

The Edmonton CFA Society continued its track record of excellence in 2011-12.

In May at CFA Institute's annual Strategic Leadership Retreat, the Edmonton CFA Society was again recognized with a Society Award, combining with CFA Saskatchewan to win the Collaboration Award for our partnership in regards to our respective Forecast Dinners. This marks the 4<sup>th</sup> consecutive year that the Edmonton CFA Society has won a Society Award as we strive to be a best in class society.

The Board continues to try and implement a longer-term planning cycle. We were fortunate to return all fourteen board members this year. That continuity and familiarity helped us keep the focus on broader issues while we work through a multi-year strategic plan. More and more of the operational activities are being handled by our Event Coordinator, Lydia Mohoric and our Executive Administrator Debbie Kunert and the results have been markedly positive.

One key planning success the Society had this year was the completion of a marketing/branding review by Acton Consulting. This project combined with the rebranding efforts of CFA Institute will help the Society build a well-defined image and set of key messages that we can use to raise the profile of both the Society and the CFA charter in the Edmonton community.

Some of the key operational highlights for the year were:

- The 2012 Forecast Dinner drew 540 attendees (up from 470 the year before) and a record \$50,000 in sponsorship
- The expansion of our professional development program to include three courses this year.
- The introduction of set of networking events targeting both members and candidates. The attendance at the networking events has exceeded expectations so far.
- Our second year of **Wealth Management @ Latitude 53**. This half-day seminar targeted at private wealth practitioners had increased attendance and sold out sponsorships. The project broke even a year ahead of schedule.
- The Investment Research Challenge that we co-present along with the Alberta School of Business saw both an increase in the number of students participating as well as the overall quality of the presentations.

Most importantly though 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 2011-12 Board of Directors and their ongoing contributions: Joe Francese (Vice-President), Theresa Walton (Treasurer), Eric Pedde (Secretary), Dave Lawson (Past-President), Chris Turchansky (Education), Chris Ozdoba (Programs), Pierre-Michel Edmond (Professional Development), Scott Reed (Forecast Dinner), Rod Babineau (Student Outreach), Marshall McAlister (Private Wealth), Brett Kimak (Communications & Public Awareness), Kirby Hill (Membership) and Dr. Gary Smith (University Liaison).

I am now at the end of my two-year term as President of the Edmonton CFA Society. I hope that I have built upon the legacy of the excellent men and women who served before me and added my little piece to the Edmonton CFA Society. It has been a pleasure to serve our members and the Edmonton investment community and I look forward to seeing where our Society goes from here.

Aaron Brown, CFA  
President, Edmonton CFA Society



## 2.0 Activity Report

### 2.1 Programs

#### 2.1.1 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 seven luncheons and breakfasts. Our society was privileged to have the following speakers:

**Harindra de Silva, Ph.D., CFA, President and Portfolio Manager, Analytic Investors, LLC** on September 21, 2011 - Exploiting the Volatility Anomaly in Financial Markets

**Ian Toner, CFA, Director, Research & Communications for Russell Implementation Services** on October 12, 2011 - Conscious Currency™: A New Framework for Currency Decision Making.

**Eric Bonnor, Senior Vice President, Private Funds Group, Brookfield Asset Management, Seamus Foran, Senior Vice President, Brookfield Asset Management, David Stalter, Vice President, Brookfield Asset Management, and David Glicksman, Partner, PricewaterhouseCoopers** on November 3, 2011 - Investing in global real estate: a market update & a focus on U.S. real estate including tax structuring issues for Canadian investors.

**Sophie Mayrand, CFA, CGA, Senior Portfolio Manager, State Street Global Advisors, Ltd.**, on November 25, 2011. - How Irrational Behaviour Affects Investment Decisions and What To Do About It.

**Robert Mah Senior Vice President, Infrastructure and Timber Investments, AIMCo**, on February 28, 2012. - Infrastructure and Timber Investing: An Emerging Asset Class for Institutional Investors.

**Harry Marmer, BBA, MBA, CFA, Executive Vice President, Institutional Investment Services, Partner Hillsdale Investment Management Inc.**, on April 18, 2012. - Lessons From Capital Market History.

**Stephen Murchison, Deputy Chief, Canadian Economic Analysis Department, Bank of Canada**, on May 16, 2012 - Modelling Canadian monetary policy in a changing global economy: Lessons learned and outstanding challenges.

#### 2.1.2 CEO Roundtable

The previous year, we decided to move our CEO roundtable from the spring to the fall in an effort to highlight it in our schedule by moving it further away from the forecast dinner as this has become a key event for the society. The event was held on September 27, 2011 at the Edmonton Petroleum Club, and was attended by over 120 individuals.

**Alberta's Energy Infrastructure - understanding the current state of Alberta's energy infrastructure, and the future need for capital investment. Featuring:**

**Bob Gomes, CEO of Stantec**  
**James Houck, CEO of Churchill**  
**Brian Vaasjo, CEO of Capital Power**



### **2.1.3 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 three networking/social events, both were well attended.

**ECFAS Member Social** on September 15, 2011.

**ECFAS Member Networking** on December 13, 2011.

**Candidate Kick-off and Member Networking Event** on March 21, 2012

## *2.2 Educational Programs*

### **2.2.1 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 May 12th giving candidates the opportunity to experience a realistic test taking experience offered in a timed environment that mimics the actual testing experience. There were forty four registered for the Saturday Boston Security Analysts Society Mock exam and fourteen took home the Schweser Mock exam.

### **2.2.2 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.

### **2.2.3 Society Scholarship Program**

The Society continued its participation in the Society Scholarship Program. Ten candidates were awarded scholarships this year. Education Chair Chris Turchansky reviewed the applications with each candidate being scored based on the following criteria:

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

### **2.2.4 Study Notes Group Order**

The Society continued its participation in the Schweser Study Note program. Candidates were able to directly order Schweser notes off the Society's website with a group order discount to receive 20% off the regular price.

### **2.2.5 IFRS For Financial Analysts, Portfolio Managers & Financial Statement Users**

At the beginning of the year, in partnership with Knowledge Plus, the Society organized a IFRS vs GAAP seminar. The course was well received and was rated as valuable by most participants. As per its mission statement, the course was organized to keep the members updated about changes in the financial industry.



### **2.2.6 The Marquee Group Financial Modeling Seminar**

The Society and the Marquee Group, for the second year in a row, held a financial modeling course. The two-day training was held on March 13-14, 2012. A dozen of candidates and charterholders attended the course with the majority rating the course as valuable.

## ***2.3 University Relations***

### **2.3.1 Mini Investment Research Competition**

For the second year, the Society, in conjunction with the Alberta School of Business, sponsored a Mini Investment Research Competition. This competition, a modified version of CFA Institute's Investment Research Challenge, was open to students who are involved in finance programs at the Alberta School of Business. Competing teams were charged with providing a valuation of Canadian National Railway and presenting their findings to panels of judges. The Competition was well-received, with several teams of students from undergraduate and MBA programs taking part. The Competition offered an excellent opportunity for the Society membership to volunteer as judges. Judges commented on the very high quality of presentations and on the improvement from just a year ago.

### **2.3.2 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.

### **2.3.3 CFA Night**

The Society sponsored an Information Night on the University of Alberta campus in conjunction with the Business Finance Association BFA. 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 with approximately 70 students attending. We look forward to continuing to work with the BFA on this event in the future.



## *2.4 Annual Forecast Dinner*

The Society held the 34th annual Forecast Dinner on Wednesday January 25, 2012 at the Shaw Conference Centre. The dinner continues to be the Society's signature event and drew over 500 charterholders and members of the investment community. This was the first time the event drew over 500 people and is a testament to the Society's standing in the investment community

This year's speakers were:

**Marc Faber, CFA**  
Founder & CEO  
Marc Faber Limited

**Dr. Helima Croft**  
Director, Commodities Research  
Barclays Capital

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

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

In keeping with tradition, the audience received a forecast from the University of Alberta's PRIME program.

The dinner continues to be a financial success. The Society thanks its supporters: Canadian Western Bank, PricewaterhouseCoopers, State Street, RBC Capital Markets, Blackrock, RBC Dexia, Russell Investments, S&P Capital IQ, and Edmonton Economic Development Corporation.

At the Forecast Dinner, the Society announced a \$5,000 charitable donation to the Kid's Kottage Foundation. The Society is proud to be able to continue its tradition of supporting local charities.

## *2.5 Society Documents*

During the 2011-2012 fiscal year of the Edmonton CFA Society, Eric Pedde, Secretary, maintained all the records of the Society. These records include monthly agenda and meeting minutes, strategic planning documents and the Annual Report to Members.

## *2.6 Golf Tournament*

The 23rd annual Edmonton CFA Society golf tournament will be held on June 6th at The Ranch Golf and Country Club. The Society would like to extend a special thanks to our prize sponsors and all those who helped to contact our sponsors for prizes.





## *2.7 Communications*

The Edmonton CFA 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. Additionally, the Edmonton CFA Society received exposure to a broader audience through sponsorship of the Financial Leadership Summit organized by the University of Alberta.

## *2.8 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 June 2012, the Edmonton CFA Society has 224 members, up from 211 at the same time in 2011. Of the total membership, 203 are charterholders. The rest of the membership is comprised of either affiliate members or candidates who are in the process of completing the CFA Program. The Edmonton CFA Society'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:

1. Alberta Investment Management Corporation (50)
2. ATB Financial (14)
3. CWB Group (including Adroit Investment Management Ltd.) (10)
4. TD Bank Financial Group (9)
5. RBC (8)
6. The Alberta Teachers' Retirement Fund Board (7)
7. Workers Compensation Board – Alberta (7)
8. BMO Financial Group (5)
9. Capital Power Corporation (5)
10. Scotiabank Group (5)

The Society welcomed the following new charterholders in 2011/12:

Janie Angus, CFA  
David Bawol, CFA  
Benjamin Hawkins, CFA  
Stephen Kinsey, CFA  
Candy Leung, CFA  
Lucas Matheson, CFA  
Curtis Palmer, CFA  
Andrew Plokhii, CFA  
Michael Rauf, CFA  
Ying Mei Tao, CFA

## *2.9 Public Awareness*





The Edmonton CFA Society completed a project with the help of an external consultant to help improve its public awareness and branding strategy. The report noted that our members are a tangible representation of our brand, and provided recommendations for consideration by the Board as to how we can provide better value to both our core and secondary audiences.

In addition, 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.

## *2.10 Private Wealth*

We are pleased to report that the 3<sup>rd</sup> Annual Private Wealth Conference titled Wealth Management at Latitude 53 was a success. On April the 12<sup>th</sup>, we hosted this conference in the theatre of the Art Gallery of Alberta. We had a total of 79 guests for the morning.

We were able to organize five speaker sponsors for the day at \$1000 each. The sponsors were the following organizations:

- Alberta School of Business – University of Alberta
- TD Institutional
- IShares – Blackrock
- ATB Investor Services
- MNP

We had five speakers lined up to present on a variety of topics that we considered of value to a Private Wealth practitioner. John Nicola, Nicola Wealth Management - winner of Ernst & Young's Pacific Entrepreneur of the Year was our keynote speaker for the day. Other speakers for the conference were the following:

- Daryl Diamond, Diamond Retirement Planning;
- Julie Littlechild; Advisor Impact;
- Christopher Philips, CFA, Vanguard Investment Strategy and
- Dr Gary Smith, CFA, University of Alberta School of Business.

The feedback from our membership and guests has been very positive and the society is excited about continuing on with this conference into the future.

## *2.11 Treasurer's Report*

The financial position of the Society for the fiscal year ending June 30, 2011 remains very strong with net unrestricted assets of \$111,598. Net earnings continued to improve mostly due to increased sponsorships which was partially offset by the costs associated with the re-launch of the annual Wealth Management Conference and commencement of the sponsorship of a Investment Research Challenge at the University of Alberta.

The financial statements for the year ended June 30, 2011 were audited by an external auditor, Romanovsky & Associates. The auditor's letter, the audited statements and notes to the statements are included in this report.

If the by-laws are approved, the audited results for the fiscal year ended June 30, 2012 will be available to the membership in the fall of 2012.



### **3.0 Officers and Directors for 2011-12**

The following paragraphs describe the professional background of the officers and directors for 2011-2012.

#### **Aaron Brown, CFA, President**

Aaron is the Director of Portfolio Management for Alberta Treasury Board & Finance. In that role he oversees the development of investment policy for all of the government's investment assets – most notably the Heritage Fund. Prior to joining the government in 2007, Aaron managed the University of Alberta's endowment fund for three years after beginning his career with RBC Royal Bank. Aaron chairs the investment committees for both the Alberta Special Forces Pension Plan and the Judges and Masters in Chambers Pension Plans, as well as being an external member of the City of Edmonton Investment 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 recently elected by his peers to represent Canada on the CFA Presidents' Council and takes office September 1, 2012.

#### **Joseph Francese, CFA, Vice President**

Joe is the Chief Investment Officer of PROFORMA Capital and helps manage a proprietary investment product developed by PROFORMA. Joe's expertise and experience has been sought after in the past being quoted numerous times in the Edmonton Journal and Sun, contributing many articles on financial planning to the St. Albert Gazette and was a regular guest for 5 years on "Help TV", a nationally broadcasted television show on ACCESS Television. Joe has served the community on various organizations, having served as a Trustee for the Sturgeon Hospital Foundation, Director of the St. Albert Help Society, and Board Member of Edmonton Catholic Cemeteries. Joe obtained his Bachelor of Arts Specializing in Economics from the University of Alberta and has earned the Certified Financial Planner (CFP) designation and the CFA Charter in 2004.

#### **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.

#### **Eric Pedde, CFA, Secretary**

Eric Pedde is a Portfolio Manager of External Funds Management at Alberta Investment Management Corporation (AIMCo), which manages approximately \$68 billion in pension and endowment assets. The External Fund Management team manages approximately \$8 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.

#### **Dave Lawson, CFA, Past President**

Dave is the Chief Investment Officer at the Workers' Compensation Board – Alberta (WCB). Prior to joining the WCB in 2004, Dave held investment management positions at the City of Edmonton and the City of Regina. In addition to being a director of the Edmonton CFA Society since 2005, Dave is on the Board and Chair of the Investment Committee for the Province of Alberta Management Employees Pension Plan. Dave graduated with a Bachelor of Administration (Finance) degree from the University of Regina, and received the CFA designation in 2001.



### **Brett Kimak, CFA, Director**

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.

### **Scott Reed, CFA, Director**

Scott completed his Bachelors of Commerce degree at the University of Alberta with a major in accounting and a minor in finance. While at the U of A he was involved in the PRIME program (Program for Research and Investment Management Excellence) for his last two years. Scott began working on obtaining the Chartered Financial Analyst designation while he was finishing his undergrad. He became a CFA charterholder in May 2006. Scott has worked at BearingPoint in a compliance and audit role, Proforma Capital in various positions, and is currently employed as Corporate Risk Manager for Nordic Mechanical Services.

### **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. Marshall's practice within Pavilion Investment House unites financial science with the practical experience of seasoned investment management. Using research from academic leaders in the field of finance, portfolios are constructed with a strong recognition of market efficiency, a requirement for diversification, the importance of costs management along with an integrated financial planning methodology. 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).

### **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.

### **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. Gary hails from Saskatoon. 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 City of Edmonton's Investment Committee.



**Chris Turchansky, CFA, Director**

Chris Turchansky began his career in the financial services industry in 1996 after graduating from the University of Alberta with a Bachelor of Commerce degree. He received his CFA charter in 2003. He joined ATB Investor Services in 2005 from a large national bank. As the General Manager of ATB Investment Management he works with Portfolio Managers across the province to provide private wealth solutions to high net worth families. He currently sits on ATB Financial's Defined Contribution Committee and ATB Investor Services Investment Committee.

**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, as a consultant with Barretto Pacific Corporation (an institutional investor relations firm) and as 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.

**Pierre-Michel Edmond, CFA, Director**

Pierre is currently an Associate, Real Estate with Alberta Investment Management Corporation (AIMCo). He has been working with AIMCo for 3 years. Pierre has an MBA from the University of Alberta and is a CFA charterholder.

**Kirby Hill, CFA, Director**

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.

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