

THE FUTURE OF

FINANCE STARTS

WITH YOU.

**REPORT TO MEMBERS
2013-2014**



**CFA Society
Edmonton**



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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 that started out in September with winning the Most Outstanding Society 200-399 members. This award recognizes societies with exceptional performance in: Administrative, Financial, and Technology Operations, Advocacy Efforts, Brand Awareness and Outreach Campaigns, Candidate Support, Education, Governance, Member Value and Membership communication.

We embrace that we are a member driven organization and as such we will continue to represent the views of our members'. Over the last two years the CFA Societies across Canada have worked closely together resulting in the creation of the Passport Program and the initial work on a national awareness campaign that should roll out next year. The Board continues to work closely with CFA Institute on a variety of items. Personal I am extremely proud of the work the CFA Institute has done with the "Future of Finance" with the goal of empowering the world of finance to restore trust and promote personal integrity.

This was the second year of focusing on the following strategic objectives:

- 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 Society ran another robust schedule of events throughout the year including our luncheon and breakfast programs, the 36th annual forecast dinner, two professional development course, a private wealth breakfast series, an assortment of networking events for members and candidates, candidate preparation activities and a career fair. Our 25th annual golf tournament is coming up on June 26th at the Ranch Golf and Country Club. 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 everyone who volunteered their time throughout the year at any of our projects or events. I want to take the opportunity to specifically recognize the 2013-14 Board of Directors and their ongoing contributions: Brett Kimak (Vice-President), Theresa Walton (Treasurer), Rod Babineau (Secretary), Aaron Brown (Past-President), Eric Pedde (Programs), Janie Angus (Professional Development), Chris Ozdoba (Programs - Major Events) Hardeep Gill (Student Outreach), Marshall McAllister (Private Wealth), Matt Evans (Employer Relations), Mark Regehr (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 Aaron Brown, Gary Smith, Marshall McAllister, and Theresa Walton for their contribution and leadership to the Board as they will not be returning next year. Combined the four of them have served over 35 years on the board and their contribution will have a lasting impression on the society for many years into the future. I want to welcome back the returning members of the board and new board member Stephen Thompson. I also want to thank our Event Coordinator, Lydia Mohoric for the amazing job she does allowing the board to focus on strategic initiatives.

In closing, it has been my honour to represent the Edmonton CFA Society as President for the past two years. We have a motivated and enthusiastic team that continuously strives to improve the quality of our events and promote the merits of the CFA designation.

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 five luncheons and breakfasts. Our society was privileged to have the following speakers:

1. May 27, 2014 - Aye M. Soe, CFA, Director, Index Research and Design at S&P Dow Jones Indices, "A Look Under the Hood of Canadian Preferred Indices"
2. March 24, 2014 - Elsa Goldberg, Vice President, Senior Product Manager, Franklin Templeton Investments. "Global Opportunities in a Rising Rate Environment"
3. November 18, 2013 - Philippe Ithurbide, Global Head of Research, Amundi Asset Management. "After the Euro Crisis"
4. October 15, 2013 - Danielle Smith, Leader of the Wildrose Official Opposition, "Ideas and Solutions: The Wildrose's View of Alberta's Finances."
5. September 19, 2013 - S. Donald Sussman, Founder & CIO Paloma Funds, "Hedge Fund Investing In A (Very) Dynamic World."

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 4, 2013 attended by 38 members.
New Charterholder Event held on March 5, 2014 attended by 30 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 16th and May 24th giving candidates the opportunity to experience a realistic test taking experience offered in a timed environment that mimics the actual testing experience. There were seven level one candidates registered for the Saturday November 16th and three level one candidates took home the Schweser Mock exam. Twenty-six candidates registered for the Saturday Boston Security Analysts Society Mock exam and seven registered for the Schweser Mock exam on May 24th.

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. seven 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

The team from the University of Alberta School of Business participated in the CFA Investment Research Challenge for the 6th consecutive year. Out of nearly 500 teams who competed in the Americas, our team placed in the final four at the Americas Regional competition held in Denver in March. This makes three times in six years that the Alberta School of Business team has reached the final four of the Americas. It is a remarkable level of achievement.

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 27, CFA Society Edmonton in collaboration with the Professional Risk Managers' International Association (PRMIA) Edmonton chapter hosted the second annual 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); Ernst & Young; Freedom 55 Financial; University of Alberta, CAPS; and Investors Group.

3.3.4 Alberta School of Business/Edmonton CFA Society Investment Research Competition

For the third time the Alberta School of Business and CFA Edmonton jointly held an investment research competition modeled on the CFA Institute Investment Research Competition. Teams from undergraduate and graduate students at the Alberta School presented their analysis on Maple Leaf Foods to panels of judges made up of local charterholders. As always, the students displayed remarkable maturity and presented excellent analysis. Our thanks go out to AIMCo for its support of this initiative.

3.4 Annual Forecast Dinner

The Society held the 36th annual Forecast Dinner on Wednesday, January 22, 2014 at the Shaw Conference Centre. The dinner continues to be the Society's signature event and drew over 580 charterholders and members of the investment community.

This year's keynote speakers were:

John Mauldin, President, Millennium Wave Advisors

Dan Roberts, Executive Managing Director, MacKay Shields.

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 Make-A-Wish Foundation Northern Alberta. The Society announced a \$5,000 charitable donation to Make-A-Wish, 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 Workun of Atomic Improv.

The Society collaborated with the CFA Society of Vancouver and CFA Society of Saskatchewan this year to bring in John Mauldin. This was very well received as a cost sharing measure and allowed all three 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 State Street and Guardian Capital; silver sponsors LSV Asset Management, Tory's and UBS Asset Management; bronze sponsors CIBC Asset Management and Pavilion Investment House; and our reception sponsor RBC Capital Markets.

3.5 Golf Tournament

The 24rd annual Edmonton CFA Society golf tournament was held on June 5th at The Ranch Golf and Country Club. There were 85 registered golfers for the Tournament, which was an increase of 25 golfers from the previous year. The Society would like to extend a special thanks to our prize sponsors and all those who helped to contact our sponsors for prizes.

The 25th annual Edmonton CFA Society golf tournament will be held on June 26th at The Ranch Golf and Country Club.

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 2014, the CFA Society Edmonton has 255 members, up from 253 at the same time in 2013. Of the total membership, we have 249 of our 255 members being charterholders, up from 235 at the same time in 2013. The rest of the membership is comprised of 6 affiliate members who are in the process of completing the CFA Program. The CFA Society Edmonton's membership is 14% female, up one percent 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 (2013 in brackets):

1. Alberta Investment Management Corporation – 59 (57)
2. ATB Financial – 19 (17)
3. The Alberta Teachers' Retirement Fund Board – 13 (10)
4. Government of Alberta – 13 (7)
5. RBC – 10 (8)
6. CWB Group (including Adroit Investment Management Ltd.) – 9 (8)
7. TD Bank Financial Group – 8 (9).
8. Workers Compensation Board, Alberta – 8 (7)
9. Capital Power Corporation – 6 (6)
10. Bank Of Montreal – 5

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

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 Financial modelling, Valuation and Data Manipulation using Excel

The Society brought in Tim Benson from the Marquee Group to teach for an intensive three days of modelling, valuation and Excel. Participants had the option of enrolling in the one day Excel class, the two day modelling and valuation classes, or all three days. The two modelling and valuation days took participants on a journey of valuing a company starting from building a basic model to formulating assumptions, highlighting common errors, creating forecasts and incorporating Excel functions to create a dynamic valuation model. Participants left with an arsenal of tips and tricks that could be applied to a variety of areas in addition to valuation. The third day was focused solely on advanced Excel functionality geared towards financial professionals. Topics covered included ways to summarize large volumes of data, advanced filters, intermediate and advanced Lookup and Offset functions, text functions to manipulate non-numeric variables, Pivot Tables, conditional formatting, logical functions to create complex formulas and much more. Participants left with additional tools to assist them with future modelling, analysis and data manipulation.

3.9.2 Risk-Adjusted Performance Measurement

After the success of last year's course Fundamentals of Performance Measurement and Attribution, the Society brought Carl Bacon, CIPM back this year to teach his follow on course. Structured as a one day course, Risk-Adjusted Performance Measurement provided a comprehensive overview of risks types and then took a deeper dive into specific metrics including the pros and cons of each and when to use them. To assist with development of the material, participants were given exercises to work through that were later reviewed as a group.

3.10 Private Wealth

During this operating year, our society hosted three breakfast sessions on the topic of Private Wealth. Each of these sessions was hosted at the Royal Mayfair Golf and Country Club. We decided as a board to move away from the half-day conference format to increase the attendance from our members and the professional advisor community. The three sessions were as follows:

February 27, 2014 ~ Wade Pfau Ph.D., CFA

Wade presented on the topic "The Two Schools of Thought on Retirement Income". His talk brought forward how academics and practitioners can have varied views of the use of capital market based investments when funding the retirement obligations of a retired private investor.

March 27, 2014 ~ Don Campbell

Acting as legal counsel to many investment counsel and dealer firms in Canada, Don had an excellent vantage point to how changing regulatory requirements will impact private wealth management firms.

April 8, 2014 ~ Julie Littlechild / Advisor Impact

For her second time presenting to the Edmonton CFA Society, Julie expanded on her research on client communications. Her talk highlighted was in which the advisors can have deeper and more meaningful client relationships.

The feedback from our membership and guests were very positive in regards to the breakfast format in comparison to the conference format.

4.0 Officers and Directors for 2013-14

The following paragraphs describe the professional background of the slate of officers and directors for 2013-2014. 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.

Rod Babineau, CFA, Secretary

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.

Aaron Brown, CFA, Past President

Aaron is the Director, Portfolio Management for Alberta Treasury Board & Finance. Aaron oversees a team that provides investment policy, research and strategic asset allocation for all of the province's investment funds. Aaron has also worked for Alberta Pension Services providing investment education and policy advice to some of Alberta's public sector pension plans as well as he spent three years managing the University of Alberta's endowment fund. Aaron sits on the City of Edmonton Investment Committee and previously served as a technical expert for the International Monetary Fund. 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 is Past President of the Edmonton CFA Society and was elected by his peers 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.

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 \$80 billion in pension and endowment assets. The External Fund Management team manages approximately \$14 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.

Mark Regehr, CFA, Director

Mark Regehr is a Vice President & Director with MNP Corporate Finance Inc, which he joined in 2006. In his current role, Mark assists mid-market clients preparing for succession, including the sale of their business, or planning for growth through acquisitions, mergers and financing. Mark has a proven track record of securing financing, finding buyers and assisting through the merger and acquisition process. He also offers expertise in the areas of business planning, financial structure and financial modeling. Mark obtained his Bachelor of Commerce degree from the University of Alberta in 2006 and obtained the CFA charter in 2009.

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.

