

**THE FUTURE OF**

**FINANCE STARTS**

**WITH YOU.**

REPORT TO MEMBERS  
2014-2015



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.

The Society ran another robust schedule of events throughout the year including our luncheon and breakfast programs, the 37<sup>th</sup> annual forecast dinner, two professional development courses, an assortment of networking events for members and candidates, candidate preparation activities and a career fair. Our 26<sup>th</sup> annual golf tournament is coming up on June 25<sup>th</sup> 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.

One of the events I am most personally proud of is the mini Investment Research Challenge sponsored by the Society which, in 2015, was expanded to include teams from the University of Alberta and Grant MacEwan University. The challenge is an excellent opportunity for (hopefully) future charterholders to have an opportunity to practice their craft. While the Society sponsors this event, it would not take place if not for the efforts of several volunteers including key organizers Gary Smith, Aaron Brown and James Alder.

I would like to congratulate the team from the University of Alberta that won the Canadian Prairie Research Challenge. It was particularly satisfying to be able to say that members of the winning team also participated in Mini Investment Research Challenge in 2014.

The Society is in solid financial health. As a not-for-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 2014-15 Board of Directors and their ongoing contributions: Rod Babineau (Vice-President), Eric Pedde (Treasurer), Stephen Thompson (Secretary), Chris Turchansky (Past-President), Janie Healey and Mark Regehr (Programs and Professional Development), Hardeep Gill (Membership), Chris Ozdoba (Post-secondary Relations / Candidate & Student Outreach) and Matt Evans (Communications). 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 Hardeep Gill and Chris Ozdoba for their contribution and leadership to the Board as they will not be returning as directors next year. However, I am excited that they have agreed to stay on as committee members for the upcoming year so that we can continue to benefit from their past leadership. They will join a number of new volunteers in our expanded committee structure. I would also like to welcome seven new Board members: Rex Alex, Jonathan Braams, Liliana Tvetkova, Tiago Lage, Amir Sajedian, Christophe Voegeli and Chad Yaskiw. I would 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 over the past year. 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,

Brett Kimak, 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 stay current on the issues affecting the industry. Over this past fiscal year, there were a total of eight luncheons and breakfasts. Our society was privileged to have the following speakers:

1. On September 16, 2014, Paul Britton, CEO at Capstone Investment Advisors presented “Uses of Volatility in Institutional Investment Portfolios.”
2. On October 29, 2014, Kim Shannon, CFA, President & CIO at Sionna Investment Managers, presented “Value Proposition in a Low Rate Environment.”
3. On November 19, 2014, Harry Marmer, CFA, Executive Vice President and Partner at Hillsdale Investment Management Inc. presented “Fire! Fire! Are Low Volatility Trades a Crowded Trade?”
4. On December 18, 2014, Craig Bodenstab, Head of the Investment Counsellor Group at Orbis Investment Management Ltd., presented “The Perils of Forecasting.”
5. On February 19, 2015, Hilliard MacBeth, Director and Portfolio Manager with Richardson GMP Ltd., presented “When the Bubble Bursts: Surviving the Canadian Real Estate Crash.”
6. On March 26, 2015, Anil Rao, CFA, Vice President of Index Applied Research at MSCI Research, presented “Global Small Caps.”
7. On April 23, 2015, Robert Smithson, partner and Fund Manager at Taube Hodson Stonex, presented “A Brave Old World: What’s Really Happening in Europe?”
8. On May 7, 2015, Marvin Loh, Managing Director and Senior Fixed Income Strategist at Bank of New York Mellon Global Markets, presented “Volatility, Monetary Policy Divergence Brings the Return of a Long Lost Friend.”

#### 3.1.2 Ethics Events

On Tuesday, March 3, 2015 Edmonton CFA Society hosted Dr. Michael G. McMillan, CFA, Director, Ethics and Professional Standards, CFA Institute for the information interactive ethics seminar “*How to do the right thing even if no one is watching*”. Close to 40 people came out to have the most fun allowed to obtain an SER credit.

#### 3.1.3 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 has continued to offer networking/social. 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 16, 2014 attended by 40 members.
- New Charterholder Event held on March 31, 2015 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 22<sup>nd</sup> and May 23<sup>rd</sup> giving candidates the opportunity to experience a realistic test taking experience offered in a timed environment that mimics the actual testing experience. There were 16 level one candidates registered for the Saturday November 22<sup>nd</sup>. 32 candidates registered for the Saturday Boston Security Analysts Society Mock exam and the Schweser Mock exam on May 23<sup>rd</sup>, 19 level 1, 10 level 2, and 3 level 3.

### 3.2.2 Post Exam Reception

The annual post-exam reception was held at Playbook Lounge at Northlands Park immediately following the June 6<sup>th</sup> exam. Over 400 people were writing the exam this year and attendance at the reception was up from last year to approximately 45 candidates, three Board Members, the CFA Institute's Canadian President's Council Representative and several of the membership supporting their candidates. Luck was in the air as the Triple Crown ran and refreshments were enjoyed. Our congratulations to candidate Kane Rao who won the door prize of a foursome in Society's Annual Golf Tournament running June 25, 2015.

### 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 7<sup>th</sup> consecutive year. The U of A team placed first in the Canadian Prairie Research Challenge in Calgary on March 7<sup>th</sup>.

### 3.3.2 CFA Campus Nights

The Society sponsored the first ever Information Night on the NAIT campus on October 29<sup>th</sup>, 2014. Four 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 attended by over 30 students.

The Society sponsored the annual Information Night on the University of Alberta campus on February 5<sup>th</sup>, 2015. Four 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 attended by over 100 students, the largest ever to date.

### 3.3.3 Alberta School of Business/Edmonton CFA Society Investment Research Competition

For the fourth time the Alberta School of Business and CFA Edmonton jointly held an investment research competition modeled on the CFA Institute Investment Research Competition, which for the first time ever, included a team from Grant MacEwan. Teams from undergraduate and graduate students at the Alberta School presented their analysis 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.

### 3.3.4 Finance and Risk Management Career Conference

On March 31<sup>st</sup>, 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 6 speakers from the local investment community. Thanks to our sponsors Edmonton Economic Development Corporation (EEDC); Alberta Investment Management Corporation (AIMCo); ATB Financial, Canadian Western Bank, Freedom 55 Financial; MBA Finance Association-University of Alberta.

## 3.4 Annual Forecast Dinner

The Society held the 37<sup>th</sup> annual Forecast Dinner on Wednesday, January 21, 2015 at the Shaw Conference Centre. The dinner continues to be the Society's signature event and drew nearly 500 charterholders and members of the investment community.

This year's keynote speakers were:

**Doug Porter, Chief Economist and Managing Director, Bank of Montreal**

**Ed Devlin, Managing Director, Head of Canadian Portfolio Management, PIMCO**

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.

A new Master of Ceremonies was chosen for this year's event. Ryan Jespersen, co-host of Breakfast Television on City TV and host of The Ryan Jespersen Show on 630 CHED did a masterful job of keeping things running on time and moderating the discussion that followed the speakers' presentations.

The Society worked with both PIMCO and Bank of Montreal in securing the speakers for the event. A special thank you goes out to Patrick Ercolano who used his contacts in the industry to help secure the speakers.

The dinner continues to be a financial success. The Society thanks its supporters: platinum sponsor Canadian Western Bank; gold sponsors State Street, Guardian Capital, Torys LLP and LSV Asset Management; silver sponsors UBS Asset Management; bronze sponsors CIBC Asset Management and Witten LLP; and our reception sponsor RBC Capital Markets.

### *3.5 Golf Tournament*

The 25th annual Edmonton CFA Society golf tournament was held on June 26th at The Ranch Golf and Country Club. There were over 100 registered golfers for the Tournament, which was an increase of almost 40 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 26th annual Edmonton CFA Society golf tournament will be held on June 25th at The Ranch Golf and Country Club.

### *3.6 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 285 members, up from 255 at the same time in 2014. Of the total membership, we have 278 of our 285 members being charterholders, up from 249 at the same time in 2014. The rest of the membership is comprised of 7 affiliate members who are in the process of completing the CFA Program.

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 (2014 in brackets):

1. Alberta Investment Management Corporation – 64 (59)
2. ATB Financial – 18 (19)
3. The Alberta Teachers' Retirement Fund Board – 14 (13)
4. Government of Alberta – 12 (13)
5. RBC – 10 (10)
6. CWB Group (including Adroit Investment Management Ltd.) – 9 (9)
7. TD Bank Financial Group – 9 (8).
8. Workers Compensation Board, Alberta – 8 (8)
9. Canadian Imperial Bank of Commerce – 5 (-)
10. Bank of Montreal – 4 (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.

### *3.7 Public Awareness & Communications*

The CFA Society Edmonton continued to distribute member updates on a regular basis via e-mail throughout the year. Subscriptions to the Society mailing list increased during the year, with distributions aimed at raising awareness for continuing education opportunities, visiting speaker presentations, and social/networking functions. The Society website was also kept current with information related to these events, as well as CFA Institute news and job postings. Website traffic increased 2% compared to the prior year. Edmonton CFA Society continues to utilize social media channels such as Linked in and Twitter.



## *3.8 Professional Development*

### **3.8.1 Financial modelling, Valuation and Data Manipulation using Excel**

The Society brought in Tim Benson from the Marquee Group to teach an intensive, hands-on 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.

### **3.8.2 Networking: For Career and Life Enhancement**

This was a different type of course for the Edmonton CFA Society to host as it focused on soft skills rather than technical training. Jim Keene, CFA from Atherton Consulting led participants through a three hour interactive course that covered the benefits of networking, personality types, strategies for initiating and maintaining meaningful conversations, suggestions for how to keep in touch with people that you meet and tips for updating online profiles such as Linked In profiles. After the classroom session, participants were invited to meet at BLVD restaurant and bar on Jasper Avenue to grab a bite to eat and practice some of their newly learned skills.

### **3.8.3 Advanced Attribution**

After the success of last year's course "Risk-Adjusted Performance Measurement", the Society brought Carl Bacon, CIPM back this year to teach his follow-on course. Structured as a one day course, "Advanced Attribution" provided a comprehensive overview of types of performance attribution, common issues and industry practices. The types of attribution covered included multi-period, multi-currency, equities, fixed income and derivatives. To assist with development of the material, participants were given exercises to work through that were later reviewed as a group.

## **4.0 Officers and Directors for 2014-15**

The following paragraphs describe the professional background of the slate of officers and directors for 2014-2015. According to the bylaws, they served a one-year term.

### **Brett Kimak, CFA, President**

Brett is the Chief Compliance Officer with Alberta Investment Management Corporation. Brett oversees the compliance, internal controls and enterprise risk management teams 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.

**Rod Babineau, CFA, Vice President**

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.

**Stephen J Thompson, CFA, Secretary**

Stephen is the Executive Director of Capital Markets for the Province of Alberta Department of Treasury Board and Finance. In that role he oversees the execution of all treasury related market activities for the Province of Alberta with a focus on the debt primary issue markets, derivatives and alternative financing. Prior to coming to Alberta from his roots in Nova Scotia in 2013, Steve managed the derivative and structured funding portfolios for the Province of Nova Scotia Department of Finance for 13 years and prior to that worked in Commercial lending for Scotiabank.

**Eric Pedde, MBA, CFA, Treasurer**

Eric is the Portfolio Manager leading the four person External Fund Management team at Alberta Investment Management Corporation. The External Fund Management team manages over \$15.8 billion of long-only equity mandates and hedge fund strategies. Eric joined AIMCo on July 1<sup>st</sup>, 2006 from a major Canadian bank. Eric holds a CFA designation, an MBA from McGill University, and a BCom from the University of Alberta. In his spare time, Eric has been involved with the Edmonton CFA Society since July 2010 and is currently the Treasurer of the Society.

**Chris Turchansky, CFA, Past President**

Chris is the Managing Director of ATB Investment Management, which he joined in 2004. As Managing Director, Chris's is responsible for ATB Investor Services high net worth and institutional offering as well 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 Professional (AIFP).

**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.

**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 3<sup>rd</sup> 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.

**Janie Healey, 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.

**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.

**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.



## 4.0 Annual Report to Members – Canadian Advocacy Council

By way of background, the Canadian Advocacy Council (CAC) is a group of volunteers that come from various Canadian CFA Societies and work in all sectors of the capital market. Currently we are made up of 15 members and we are geographically dispersed across Canada. The CAC responds to request for comments from securities regulators, standard setters and SRO.

In retrospect, fiscal year 2013/2014 was filled with regulatory changes that offered both industry registrants and investors alike much needed focus on developing higher standards of fairness and integrity. The proliferation of new proposed rules reflect that both regulators and industry groups are responding to increased demand by investors and registrants for better harmonize regulations, enhanced disclosures to investors, and fiduciary responsibilities of advisors.

This year the CAC responded to 24 letters and reviewed close to 50 public requests for comments. In addition to formally published requests for comments, the CAC often is forwarded unofficial questions and consultations by CFA charterholders, CFA Institute staff and other committees and organizations in Canada.

Over the past few years Canadian regulators' focus has shifted away from the post-global financial crisis management and towards domestic capital markets issues. Some of these issues include order protection rules, harmonization of regulations across provinces, systemic risk, shadow banking, derivatives, OBSI oversight, proxy voting systems review, mutual fund fees and point of sale disclosures, CRM II, fiduciary duty for advisors, and high frequency trading. The CAC has responded to requests for comment on the majority of these topics over the fiscal year and anticipates related requests to continue. As IIROC and the MFDA continues its slow roll-out of the CRM, we can expect additional opportunities to comment on the details of proposed new rules, especially those pertaining to retail and private clients. In September, the CAC responded to the comments regarding the new securities exchange, Aequitas and anticipates Canadian regulators will continue their overhaul of the exempt markets, adding innovations such as crowdfunding and harmonizing exemptions across provinces.

If you are interested in learning more about the CAC please visit: [www.cfaadvocacy.ca](http://www.cfaadvocacy.ca)

Cecilia Wong, CFA  
Chair, Canadian Advocacy Council