PRESIDENT’S LETTER

As we close FY2015 for the CFA Society of Indianapolis, I reflect on the past year and look forward to the future of the Society.

The past year has brought progress and change to the CFA Society of Indianapolis. We began the year with an organizational meeting for the new Board of Directors in July 2014 at which we developed the Society strategic plan for the next three years.

This plan focuses our efforts in four primary areas:

· Outreach, especially with regard to University Relations

· Member engagement; Board and volunteer engagement

· Education

· Programming

Programming has always been an area of strength for the Society and the past year was no exception. Brad Ferguson did an outstanding job on the past year’s events, which are summarized elsewhere in this report.

Membership growth: while membership in the Society had plateaued somewhat in recent years, we have added a significant number of members in the past year. Our member retention rate is better than the national average. This is a testament to the quality and value delivered to our members.

Education and Outreach: we have in the past two years put forth significant effort to reach out to university finance students at several Indiana schools in order to make them aware of the CFA charter and the CFA program. This effort is described elsewhere in the report by James Glueck who leads this effort.

Adjunct membership: In support of our effort to further develop outreach to university students and university professors and others who may have interest in the CFA Charter and our events such as monthly luncheons and the Investment Forum, the Board recently passed amended By Laws to incorporate a new class of Society members. Adjunct Members may now be included in our membership and may attend events on a regular basis without having to be a CFA Charterholder, CFA Candidate or guest of a Regular Member. The Adjunct Membership allows us to greatly expand our field of membership to many parties who may be interested in our program content but may not be interested in the CFA program. Adjunct Members may not vote on Society matters nor be elected an Officer in the Society.

In the past few years, we have had several long-serving Board members leave leadership positions with the Society including several past Presidents who served on the Board for many years. This year we say farewell to Bill Wendling, who served as President in 2009-2010 and has served on the Board since 2005. We are grateful for Bill’s long dedication and service to the Society. When you see Bill or other Past President’s at future events, please let them know you appreciate their service to the Society.

As I pass the gavel to the next generation of leaders for the CFA Society of Indianapolis, I see a bright future for the Society. The current group of Board members and officers will ensure continued financial health and quality programming for many years to come, further developing the CFA Society of Indianapolis as a strong mid-size Society and advocate for the CFA Charter and its strong educational and ethical underpinnings.

Timothy Voegele, CFA
Minutes from 2014 Annual Meeting
June 19, 2014

Location:
Indianapolis Colts Grille
110 W. Washington St.
Indianapolis, IN 46204

Attended:
21 members in attendance

Todd Sears, CFA President of CFA Society Indianapolis presided and made opening remarks.

Meeting called to order at 12:10pm

Minutes from 2013 annual meeting were reviewed. Motion made to approve the minutes, motion seconded and motion passed.

Treasurer’s report was reviewed. A recap of Programming for 2013-2014 was provided and a preview of FY2014-15 programming was presented. Secretary provided a report as well as reports by Technology, Scholarship and Outreach. Details of these reports may be found in the 2013-14 Annual Report which can be provided upon request. (Please email info@indianapolis.cfasociety.org)

The Nominating Committee of the CFA Society of Indianapolis respectfully submits the following individuals for the 2014-2015 officer and board positions:

Officers
President Tim Voegele, CFA
Vice President Brad Ferguson, CFA
Treasurer Mitch DePoy, CFA, CPA
Secretary Andy Thorne, CFA

Board of Directors
Anthony Bykovsky, CFA*
Mitch DePoy, CFA CPA
Brad Ferguson, CFA
Ryan Fuhrmann, CFA
James Glueck, CFA
Sunjay Goel, CFA
Matt Henry, CFA*
Tony Huang, CFA
Rachel McGuire, CFA
Dan Sailer, CFA, CPA
Todd Sears, CFA
Andy Thorne, CFA
Tim Voegele, CFA, CFP
Bill Wendling, CFA
George Wild, CFA

*new Board members

Motion made to approve slate of nominees, motion seconded and then motion passed unanimously by those present. 51 members also cast their absentee votes online ahead of the annual meeting. All 51 voted to approve slate of nominees Slate is approved as required by ByLaws.

President Sears made closing remarks and passed the Presidency to Tim Voegele, CFA
SECRETARY’S REPORT
Andrew Thorne, CFA

The Secretary is responsible for maintaining all records of meetings and communication with the appropriate members, officers, and board members.

FY 2015’s activities also included:

· Supporting the incoming Programming Chair with event planning and accommodations.

· Recording the minutes of all meetings of the board of directors.

· Attended America’s Regional Leadership Conference in New Orleans.

· Updating the society website.

· Distributing job postings on behalf of employers to CFA charter holders, candidates, and associated persons with CFA Society of Indianapolis – collecting fees for the service.

CFA INDY SCHOLARSHIP COMMITTEE REPORT
Bill Wendling, CFA
Scholarship Chair
2014 Scholarships for use in 2015

In 2014, applicants were required to submit financial information, including an income statement and a balance sheet. Applicants were also given a chance to provide a personal statement.

Upon reviewing the seven applications, the committee concluded that five applicants met the qualification of being a needs based applicant. Without this scholarship, these five people would be unable to afford the exam. This represents an underutilization of scholarships, as we were allotted eight. The committee went through the applicant list on two separate occasions. Each time, we reviewed each person's qualifications and indicated whether they should be eligible or would be ineligible due to financial resources. Each review yielded the same results, so we are comfortable with the selections.

For certain, there are rejected applicants that could use the scholarship, but they don’t financially qualify and can afford to pay for the scholarship on their own. CFA Institute’s policy may be flawed in that we don’t give much weight to qualitative factors, but their policy probably does come close to maximizing their scholarship pool of funds.

MEMBERSHIP COMMITTEE REPORT
Anthony Bykovsky, CFA
& Dan Sailer, CFA

In FY2015 we continued to see strong membership interest and inquiries regarding the CFA program. The society added 22 new members of which 18 were new charterholders. Overall, the membership base grew by 6.2% to bring the total to 276 currently active members within the CFA Indy society.

In general, the Membership Committee focused on developing strategies for attracting and retaining members as well as fostering a stronger membership network and engagement. More specifically the committee launched the development of a new Mentorship Program. The committee conducted a survey to gauge the level of interest across the membership base in matching potential mentors with potential mentees within the Society to assist with career direction, best practices, or other issues. Given the positive results, the committee will continue to look for opportunities to build and expand the Mentorship Program in FY2016.

TREASURER’S REPORT
Mitchell D. DePoy, CFA

As the fiscal year 2015 comes to a close, it is my pleasure to report that the CFA Society of Indianapolis remains in sound financial condition. Our budget entering the year anticipated approximately $50,000 of revenue, comprised of member dues ($20,000), CFA Institute funding ($17,000) and fees/sponsorships ($13,000). Our revenue covers the cost of events ($40,000) and operating/administrative initiatives ($10,000) each year. We are on track to perform favorably to our plan for FY15 as a result of higher than expected sponsorship sales, lower than expected event costs and higher than expected job posting fees. The society continues to maintain approximately 2 years’ operating expenses in reserve.

In addition to the ongoing management of the society’s finances, the board of directors undertook two value-added projects in the past year. The first was the formation of an audit committee and implementation of an internal audit process. Details on the committee’s activities and results of audit findings can be found under the audit committee section of this annual report.

Secondly, the society implemented a mobile payment system, allowing event attendees to pay by credit card at the door. This alleviated the need for board members and/or our operations assistant to handle any petty cash.
PROGRAMMING HIGHLIGHT
INVESTMENT FORUM 2015 - MARCH 4TH, 2015

Our premier programming event of the year the 2015 CFA Indianapolis Investment Forum was held on Wednesday, March 4th, at the Conrad Indianapolis in downtown Indianapolis. The event ran from breakfast until the end of lunch and the four speakers gave the event a global flair. Our speakers covered multiple investment disciplines including fixed income, emerging markets equities, US equities, and short equities (deep due diligence). They've overseen the strategy on trillions of investments, managed billions, and three of them have founded their own firm.

Our first speaker, Matthew Tucker, CFA, is Managing Director and the head of Americas iShares Fixed Income Strategy and a member of the Strategy Team within BlackRock's Fixed Income Portfolio Management Team. He discussed the current fixed income landscape showing the supply/demand imbalance created in part by central bank policy. Like many, Matt did not have an explanation for negative interest rates in Europe. He showed some historical studies on the cost of trading individual bonds vs the bid-ask spread on ETFs combined with their expense ratio and provided a compelling case for the use of ETFs to lower costs in fixed income investing.

The next speaker, Andrew Foster is Founder, Chief Investment Officer, and Portfolio Manager of Seafarer Capital Partners. Andrew founded Seafarer Capital Partners in 2011 and launched the Seafarer Overseas Growth and Income Fund in 2012. Andrew Foster's presentation offered practical advice for those investors that still seek to allocate capital to the developing world: the difficulties posed by indexing (emerging market indexes don't represent a majority of the EM universe); the perils associated with chasing macro themes (currency adding to the risk); and the keys to assessing whether a given emerging market manager strikes an appropriate balance between risk and reward in their underlying investment strategy.

After a brief coffee break, Thomas Lee, CFA presented. He is the Managing Partner and Head of Research at Fundstrat Global Advisors and has over 20-plus years of experience in equity research. Mr. Lee served most recently as Chief Equity Strategist of J.P. Morgan Chase & Co. from 2007 through 2014. He presented "10 Reasons to be Bullish" which discussed the case for US equities to gain again in 2015 on the heels of a strengthening US consumer and corporate capital spending cycle. The presentation included 10 multi-colored and multi-faceted charts. Thomas Lee believes the market will be surprised by reflationary pressures, which favor Technology, Healthcare, Financials and Consumer Discretionary.

Our luncheon speaker was Carson Block who is Director of Research and founding partner of Muddy Waters Research LLC. Muddy Waters is a due diligence-based investment and research firm that conducts extensive accounting and on-the-ground investigations of public companies. Mr. Block presented "Avoiding Blue Pill Investing" which discussed how unaccountable managements and boards of directors combined with outside auditing and law firms tilt the playing field against investors. He showed how this phenomenon is especially relevant with Chinese publicly listed companies with a particular focus on fraud in emerging markets. Lastly, Carson shared his views on how to avoid getting burned on companies shading the truth, including detailed examples from his own work.

- Bradford Ferguson, CFA
2014-2015 HIGHLIGHTS
Education and Outreach Activities

During the past year, the Education and Outreach Committee presented to students at Purdue University's Krannert School of Management as well as to students at Ball State University in conjunction with an Adam Smith Symposium sponsored by the BSU Economics department. Mentoring and outreach to students followed for both university programs. Additionally, a preliminary slate of Society Board member liaisons was established for the following academic institutions: Purdue, Ball State, IUPUI, IU Bloomington, University of Indianapolis, Depauw, and Notre Dame. Starting with the 2015 Fall term, the Education and Outreach Committee will have completed formal outreach initiatives featuring engagement of Board member liaisons with key faculty members and student organizations in disciplines aligned with the Society’s mission and outreach goals. A presentation deck targeted to university outreach was updated as well. Leveraging the Board member liaisons, the Committee expects that formal presentations will be made to students at all local universities during the 2015-2016 year.

The Education and Outreach Committee also endeavored to expand the Society's social media presence using Twitter. Active followers of the Society's Twitter feed (@CFAindy) totaled 81 as of month-end May 2015. For the upcoming year, the Committee intends to expand its outreach efforts to include local recruitment and human resource departments (e.g., career opportunities and networking), as well as participation in the annual CFA Challenge competition, the CFA Institute-sponsored competition for university students which “provides training and mentoring in financial analysis and professional ethics” (@CFAchallenge).

Respectfully submitted,
James L. Glueck, CFA, PRM
Education and Outreach Chair

PROGRAMMING REPORT
Mitchell D. DePoy, CFA

Looking ahead to fiscal year 2016, the society has several exciting events already on the schedule. Beginning in August, our annual golf outing will be held at the Hawthorns Country Club and feature a lunch presentation by Bill Strauss, Economist for the Federal Reserve Bank of Chicago. In September, the society will again partner with the FPA Society of Indiana on a multi-speaker forum at Barnes & Thornburg. Committed speakers include Glenn Reynolds, CEO of Creditsights, discussing the corporate bond market, and James Ware of Focus Consulting Group offering best practices for high-performing investment teams. Lunch events in October and November will feature Ron Peyton, CEO of Callan Associates, and Brian Welch of Pershing Square. Our fall schedule will be rounded out with our annual new charterholder ceremony at the Alexander Hotel in downtown Indianapolis. Members will not want to miss some helpful perspective from CFA Institute President's Council Chairman Dan Fasciano, along with some fun entertainment for spouses/significant others provided by Comedy Sportz improv team.

Other speakers committed for events in the spring of 2016 include Nick Sargen, Chief Strategist for Fort Washington Investment Advisors, Chen Zhao, Chief Strategist for Brandywine Global, Jeff Rosenberg, Chief Fixed Income Strategist for Blackrock, and Matt McLennan, Portfolio Manager for the First Eagle Global Value Fund. The programming committee continues to work diligently to secure compelling programming for FY16, and we are excited about the caliber of speakers desiring to attend our events in Indianapolis.
SPONSORSHIP

The Society’s foray into Sponsorship proved to be a huge success and a valuable educational experience. Starting July 1 of 2014, the Sponsorship committee opened up 5 slots for year round sustaining sponsors who would receive brand recognition throughout the fiscal year through email communications, website placement, and recognition at our speaker series, in addition to complimentary tickets to attend our events. In December of 2014 the committee opted to change the sponsorship dates to a calendar year format to better align with the budgets of our sponsors. The committee is happy to report that for calendar year 2015, we sold 4 of these 5 slots to Blackrock (Gold Sponsor), AMG Funds (Silver), JP Morgan Funds (Silver) and Janus Capital Group (Silver) for a total of $5417. In addition, for the 2015 Spring Forum we raised $5500 from the following sponsors: Jensen (Platinum), Blackrock (Gold), Goldman Sachs Asset Management (Silver), Fund Evaluation Group (Silver) and Trust Investment Advisors (Silver). The forum sponsors were highlighted in email communications, in our first digital campaign through the IBJ and at the forum. These sponsors also received complimentary tickets to attend the forum, and the Platinum and Gold sponsors hosted tables in the registration area. The committee is already planning our calendar year 2016 campaign and we have received interest from several potential sponsors. Our goal for 2016 will be to exceed the $10,917 figure for 2015 by 20%. 
April 21, 2015

Dear Member:

The bylaws of the CFA Society of Indianapolis require we notify you of the officer and board of director nominations in advance of our annual meeting. Therefore, the Nominating Committee of the CFA Society of Indianapolis would like to recommend the following persons be brought before the voting membership at the 2015 annual meeting for the purpose of being approved as officers and/or board members for the 2015-2016 year.

Officers

Brad Ferguson, CFA President
Mitch DePoy, CFA Vice-President
Andrew Thorne, CFA Secretary
Daniel Sailer, CFA Treasurer

Board of Directors

Anthony Bykovsky, CFA
Mitch DePoy, CFA, CPA
Brad Ferguson, CFA
Ryan Fuhrmann, CFA
James Glueck, Jr., CFA
Sunjay Goel, CFA
Matthew Henry, CFA
Tony Huang, CFA
Colin King, CFA
Daniel Sailer, CFA
Todd Sears, CFA
Andrew Thorne, CFA
Timothy Voegele, CFA

Respectfully Submitted,

Bill Wendling, CFA
Chair, Nominating Committee