



“In the Arena”

John Rogers, President & CEO, CFA Institute

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Good morning, everyone. It is great to be here in Seattle. Weird and wonderful things happen when you spend a few days in this city: clothes magically and surprisingly get ruffled, and if you are fortunate enough to have hair, it gets kind of frizzy and out of control. I am very proud to announce to you that we have broken the all-time attendance record for a CFA Institute Annual Conference. The last-highest conference attendance occurred just north of here in Vancouver, British Columbia, so there is something about the Northwest that attracts members, CFA charterholders, and others.

In addition to welcoming you, I would like to spend a few minutes talking about being in the arena. I know that you are often asked, and you may even wonder yourself, why in this industry does it feel like one step forward and one step backward or sometimes even two steps backward? You might be asking yourselves whether the struggle is really worth it. Thinking about that made me think about a speech given by Theodore Roosevelt, former US president, about 104 years ago. In the speech, he said, “It is not the critic who counts; not the one who points out how the strong person stumbles, or where the doer of deeds could have done them better. The credit belongs to the person who is actually in the arena....”

These next few remarks are really meant as a tribute to you for being in the arena. Together we have started a journey toward industry change in the form of a movement to reclaim finance as a force for good. This is the arena in which we are doing our deeds. It has been two years since the first call to action that we made back at our Annual Conference in Chicago, and it has only been 14 months since we formally launched the Future of Finance project. Let me thank you for rallying around this initiative, for raising our collective profile, and for making progress in many communities around the world. Your actions are making a difference.

Since the launch of the Future of Finance initiative, CFA Institute and member societies around the world have organized 78 events focused on the Future of Finance. They have taken place all over the world—from Singapore to Switzerland, from St. Louis to São Paulo. I want to give you just a few examples of these fantastic events.

In the Philippines, local CFA Institute and society members organized an innovative financial fitness run to enhance awareness of investor rights within the financial community. More than 4,000 runners ran the course, along which 1 of the 10 investor rights was highlighted at each kilometer marker. The Philippine Stock Exchange, the Insurance Commission, and other highly regarded industry associations participated in a signing ceremony commemorating investor rights. The event was sponsored by major businesses, including MSCI, Nivea, Quaker Oats, and other respected local companies.

Last week, CFA Institute teamed up with the New York Society of Security Analysts to ring the closing bell at the NYSE with a ceremony commemorating Putting Investors First month, which takes place this month. In Pakistan right now, CFA Institute members are partnering with a local university and reaching out to regulators and others in the financial industry to participate in webcasts, attend meetings, and attend Putting Investors First workshops in Lahore, Islamabad, and Karachi. Next week, CFA Society Netherlands and the Amsterdam Institute of Finance will hold a Future of Finance symposium to discuss solutions to issues of industry effectiveness and adaptability in an effort to move toward a sustainable financial ecosystem.

As this initiative unfolds, the focus in the media has shifted from articles about the project launch to coverage of the actual themes that we are tackling. Since the launch, there have been nearly 300 media articles and our advertising and social media efforts have resulted in more than 3.3 million click-throughs to the Future of Finance website. This click-through rate is four times the industry average.

As you can see, we are already in the arena. Today, we are asking you to stay engaged so we can keep the pressure on because we still have a long way to go. The global financial industry can be an amazing force for good, and there is still work to be done to shape the industry for future generations.

The fact is that we cannot do it alone. We have learned that partnership with regulators, employers, teachers, and investors in members' local markets is necessary for change to occur. Each of these groups is struggling with major issues, and we can help them. Regulators want to hear our voice as they seek to protect investors. They welcome our input. Employers are looking for business models that can be more sustainable in the long term. Teachers and universities are working to keep students interested in our profession in the face of weaker employment opportunities. Many investors still do not believe that their interests are the primary concern of those responsible for managing and growing their savings and investments. We have a wonderful opportunity to build partnerships.

Let me share two examples that demonstrate our members in action—Cyprus and Turkey. Fallout from the global financial crisis has dramatically changed the fortunes of both these nations. In response, our members in these countries are actively engaged, working with regulators, universities, investors, and employers to right the ship and turn around what has really been a dire situation for the people living every day in these two nations.

In Turkey, leaders from the CFA Society of Istanbul are using the Future of Finance platform to contribute to the strategy and action plan for the Istanbul International Financial Center. This important project, which is supervised by the Turkish government, has ambitions to improve local financial markets and help establish Istanbul as an international financial center. Our members in

Turkey are also organizing a conference series around the Future of Finance theme and drawing on three of the major project areas—retirement savings, investor protection, and capital market development.

In Cyprus, leaders of CFA Society Cyprus are united in using the Future of Finance initiative as a channel for influencing and leading positive change in their country. They have positioned the Cyprus society at the center stage of the local financial industry to increase its influence and impact. In March, they held a high-level market forecasting event and launched a Future of Finance initiative. This event was attended by Cyprus’s minister of finance and other high-profile officials. They formed a Future of Finance committee with efforts focused on collaborating with other organizations, such as the University of Cyprus, and increasing the awareness of the CFA designation as a way to raise the level of knowledge and competence in the industry.

Given these two inspirational examples, if you want to get further into the arena, how can you help? You can talk with your clients, your co-workers, and the people in your community and social networks about the importance of putting investors first. We have developed tools that you can take advantage of, such as the Statement of Investor Rights, the Asset Manager Code of Professional Conduct, and the Claritas Investment Certificate. These are highly relevant and highly actionable. Right here at this conference, you can step out of this room and tell the world how you put investors first by being part of our Twitter blitz over in the member pavilion. Take a few minutes to record a short video in our video booth. You can support activities, events, and outreach during the month of May as part of Putting Investors First month. This is a global effort to call attention to the needs and rights of investors and those in the investment profession who are committed to protecting and serving investor interests.

So far, activities for Putting Investors First month are scheduled to be held in 58 cities around the world by CFA Institute member societies representing more than 35,000 investment professionals. You can also volunteer at CFA Institute, at your local member society, or in other roles in your community. We are proud that one of our own managing directors, Kurt Schacht, recently accepted the role of chair of the US Securities and Exchange Commission’s Investor Advisory Committee. So, now we have a very important seat at that table. The opportunities are everywhere; you just need to seek them out.

In closing, let me quote Theodore Roosevelt again from that same speech. He went on to say that the individual “who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Thank you.