



Setting a higher standard

Annual Report 2009

1 Introduction to the Annual Report

Léon Kirch
President



Dear members,

2009 was another turbulent year in our industry. Despite the professionally challenging environment, my fellow Board members once again committed a lot of their scarce available time and energy to our common cause, the Luxembourg CFA Society. I wanted to thank all of them for their efforts.

In particular, the Board wants to thank Frank Lee and Miro Zivkovic, who have contributed significantly as Board members over the years to build Luxembourg CFA Society. Due to increased professional commitments, they prefer to make room for a new generation of Board members and subsequently decided to resign from the Board. I respect their decision and believe this is part of a healthy process of renewal of the Board.

I am happy to be able to report that our Society is well alive and doing well. As non profit organization, its success can not be assessed by an analysis of financial ratios. I nevertheless wanted to provide you with three figures I believe reflect well the progress achieved:

- 1) 7 years after the foundation of our Society, our membership continues to grow. Luxembourg CFA Society has reached a total membership of 160.
- 2) We organized a total of 10 events during the year 2009. This is almost one event per month covering topics from private equity to candidate support, not to forget the pure networking events.
- 3) Interest in the CFA program is still very high. Last year we had more than 300 candidates registered in the CFA program. These candidates will eventually reinforce the membership of our Society as, hopefully many of them, earn their Charter.

I believe success can also be gauged by other important elements that are not reflected in these figures.

First, the visibility and awareness of the CFA Society has increased substantially over the years in the local market place. For example, the press conference organized in fall 2009 where the conclusions of the white paper on the future of asset management in Luxembourg were presented by our Society was well attended by journalists and got extensive press coverage. Luxembourg CFA Society enjoys good relationships not only with the relevant associations representing the local finance industry like for example the bankers and fund industry associations but also the different universities in the neighborhood.

Second, the different events organized by our Society have been well attended showing that the content we provide to members and candidates is relevant for them.

Third, even a small Society like ours is able to influence and represent its members in a worldwide organization like CFA Institute as we have built strong relationships over the years. Also the collaboration with neighboring Societies like the Belgian one is strong.

And lastly, the efforts put into the support of CFA candidates is paying off as the preparatory courses gain more interest, study groups and Mock exams are being organized by Luxembourg CFA Society.

As a Board, we collectively feel that Luxembourg Society has reached a size now we need to rethink our practices in order to continue to be able to provide the increased level of services and support you, as our Members, can reasonably expect from us.

That is the reason why we went through the exercise of a strategic review in 2009. First we run a survey with our members to identify their needs. Based on the outcome of this survey, we clarified the priorities for the work of the Board for the years to come. We thought this was a very positive and beneficial process to go through and are convinced the strategic review will help us to build a strong foundation for our Society for the years to come.

Our Society depends on you as Members. I would like to flag once again that Luxembourg CFA Society offers numerous opportunities to volunteer, be it in working groups or directly on the Board level.

On behalf of the Board,

Léon Kirch
President Luxembourg CFA Society

2 Strategy day overview

During May 2009, the Luxembourg Society conducted a survey with its members and CFA candidates. The aim was twofold: providing an opportunity to voice expectations from our members and assessing the satisfaction of the current service level.

Frequent events and fostering the employment offers were the main needs expressed throughout the questionnaire with a strong majority (75%) of the members who participated (59% of 139) indicating that the services delivered were valuable.

In conjunction with the survey, the Board also organised internally a brainstorming day to set the Society strategic goals together with an appropriate action plan as summarised as follows:

- Serving our members

The Luxembourg Society aims at organising 1 event per month. In that context, a dedicated committee with the assistance of volunteers from our members has been set up during the second 2009 quarter with the objective of implementing a rolling 12-month event calendar.

With regard to the job market, we contemplate to arrange networking sessions among members and with professionals from the human resources fields. Besides, you may have noticed that some open position ads have been circulated to you as we made a top priority to distribute all relevant opportunities we came across.

- Serving the candidates

Assisting the candidates to increase the pass rate is being achieved through a partnership with a reliable course provider, coaching session, possibility to attend an in-house mock exam, etc.

- Increasing the awareness of the CFA in the Luxembourg market

Recognition of the CFA Charter and its curriculum is important for our members as well as the appreciation of our role from the Luxembourg financial sectors and authorities. Liaising with the local bodies and associations, producing white papers and leveraging the CFA events are some examples of actions that we will strengthen.

To achieve the aforementioned goals the Board is welcoming all volunteers, which also offer the opportunity to become an active board member once some seats are available. This year, two volunteers will become board members at the annual general meeting.

On behalf of the Board

Yohann Adolphe



Successful 2009 level III candidates and CFA charterholders were congratulated on 1 December at the panoramic Sofitel restaurant.

3 Society Financials

Our association has three main sources of funding: membership dues, financial support from CFA Institute and sponsorship. Sponsorship has become more important as the number of activities has increased. Most of the larger events held during the year were sponsored by corporations that were directly targeted during the organization of the respective event.

These financial statements are primarily cash based, with some accruals considered specifically provided for.

The annual accounts for the years ended December 31st, 2008 and December 31st, 2009 were audited independently by Roland Werdel and Yves Bodson. Both statutory auditors issued unqualified auditor's letters.

Income Statement for the year ending December 31, 2009

(in EUR)	2009	2008
INCOME		
Membership dues	5,530	5,425
CFA Institute	8,927	-
Interest income	98	768
Miscellaneous	-	-
Total income	14,556	6,193
EXPENDITURE		
Events & presentations	13,944	2,040
Computer purchase	599	1,094
Administrative expenses	565	1,070
Legal cost	-	-
Exchange (gain)/loss*	353	(327)
Exceptional items re 2008 events	1,541	-
Total expenditure	17,002	3,877
Surplus / (Deficit)	(2,447)	2,316

Balance Sheet at December 31, 2009

(in EUR)	2009	2008
ASSETS		
Cash accounts	27,397	29,152
Total assets	27,397	29,152
LIABILITIES & EQUITY		
Equity at beginning of year	26,671	24,355
Surplus of the year	(2,447)	2,316
Equity at the end of year	24,224	26,671
Short term creditor**	3,173	2,481
Total liabilities & equity	27,397	29,152

* 1) Foreign exchange rate USD/EUR as at 31.12. 2008: 1.3971 and as at 31.12.2009: 1.4407

* 2) Expenditure: Exchange (gain)/loss represents the effect of the strengthening/weakening exchange rate on USD cash and income during the respective year.

** 3) Short term creditor represents certain expenditures accrued during the year.

4 AGM Agenda and Proxy Statement

Each individual listed as a regular member of Luxembourg CFA Society is being sent the document on hand, which includes a meeting agenda as well as a Proxy Statement and the Proxy, which are also posted on Luxembourg CFA Society's website.

The enclosed Proxy is solicited on behalf of the Luxembourg CFA Society Board of Directors. For the Proxy to be voted it must be received by April 30th, 2010. Each eligible member is encouraged to vote by the enclosed Proxy even if the member is also planning to attend the Annual Meeting in person.

4.1 Approval of the minutes of the 2008 Annual meeting

The minutes of the 2008 AGM will be made available on the Society's website and on site before the Meeting.

://: Motion to be approved

4.2 Annual report

The Annual report consists of section 2 and 3 of this document.

4.3 Exoneration of the Board

://: Motion to grant exoneration to the current members of the Board

4.4 Election of the Board of Directors

Election of Officers. The following paragraphs describe the professional background of the Board members. According to the by-laws, the President, one Vice President and the Secretary were elected for three years; the other Vice President for 2 years; the remaining members of the Board for one year. For the current election the terms are staggered so that at least one-third (1/3) of the directors will be renewed or re-elected each year. The nominees for this year's election are:

Position	Name	On the board since	Current term expiring*)	New term expiring*)
President	Léon Kirch	2002 (founding member)	2012	not up for re-election
Vice President and Treasurer	Knut Reinertz	2002 (founding member)	2012	not up for re-election
Vice President	Philippe Bernard	2002 (founding member)	2011	not up for re-election
Secretary	Birthe Bruhn-Léon	2005	2012	not up for re-election
Director	Yohann Adolphe	2006	2010	2013
Director	Matteo Candolfini	2009	2010	2013
Director	Marc Fohr	2007	2010	2013
Director	Antonio Grieco	2005	2010	2013
Director	Arndt Nicolaus	2002 (founding member)	2010	2012
Director	José Luis Velasco	2008	2010	2011
Director	Carolyn Linnevers	new	-	2011
Director	Elke Valila	new	-	2011

*) The table refers to the calendar year, i.e. a term expiring in CY 2012 runs until the Annual General Meeting scheduled to be held in the spring of 2012.

President

Léon Kirch, CFA, was born in Luxembourg in 1972. He studied at the Ecole de Commerce Solvay and the Université Libre de Bruxelles, graduating with a Masters degree in Sciences Management in 1996. Following a five-year stint in the Asset Management Department of Banque de Luxembourg, where his main functions included managing in-house equity investment funds and buy-side equity analysis, he joined Nordea S.A. Luxembourg at the beginning of 2002 as co-fund manager of Nordea European Value Fund, an award winning investment fund with assets in excess of 1 billion EUR. At the beginning of 2008, he left Nordea to set up European Value Partners, an investment boutique focussing on investing in European equities. European Value Partners sub-advises the Nordea European Value Fund and manages the European Value Partners FCP-SIF Polaris Equity fund. He also chairs the following: Strategic Planning, CFA Institute Liaison, Public Awareness, Fund Raising.

Vice President and Treasurer

Knut Reinertz, CFA, was born in Luxembourg in 1963 and grew up in Belgium, Luxembourg and Finland. He graduated in 1987 from the University of Trier in Germany with majors in Finance and Banking. After working for BGL in Luxembourg in the institutional portfolio management department until 1990, he spent some years in Finland and Canada. In 1993 he rejoined BGL, this time in Hong Kong where his last position held was Chief Representative and General Manager. Knut became a CFA Charterholder in 1996. In 2002 he moved back to Luxembourg, heading the department in charge of New Markets in Fortis private banking division. At the end of 2007, he started Edison Capital Partners s.a., a Luxembourg-based Private Office, advising a handful of UHNWI. Knut is Society Vice President and Treasurer. He chairs the volunteer committee.

Vice President

Philippe Bernard, CFA, is Manager of Credit Suisse AG Luxembourg Branch and member of Senior Management at Credit Suisse (Luxembourg) S.A., where he oversees asset management, financial consulting and treasury activities. Mr Bernard joined Credit Suisse in Luxembourg in 1995 as head of portfolio management and chair of the investment committee. He previously gathered experience at UBS in different locations. Mr Bernard is also a founding member of the Swiss CFA Society. He has graded CFA exams for several years and was representing Europe at the Private Wealth Advisory Committee. In addition to holding a CFA charter, Mr Bernard is "Eidgenössisch Diplomierter Bankfachmann".

Secretary

Birthe Bruhn-Léon, CFA, was born in Germany, in 1966. She graduated in Economics ("Diplom-Volkswirtin") at the University of Passau. She joined Deutsche Bank (DB) in 1992, where she held different functions in the corporate and structured finance areas and in investment banking in Madrid and Frankfurt. During her last five years at DB, she was a senior transaction manager responsible for the origination, structuring and syndication of corporate and structured Euromarket financings. In 2003, Birthe joined the European Investment Bank (EIB) in Luxembourg as Senior Risk Management Officer. In April 2009, she became Head of Mandate Management at the European Investment Fund (EIF). Birthe gained the CFA charter in 2004 and serves on the Board of Luxembourg CFA Society since 2005.

Directors

Yohann Adolphe, CFA, FRM, MBA, "Ingénieur Génie Chimique", is currently working as Group Treasurer within IKANO Group (conglomerate held by the Kamprad family – Ingvar Kamprad founded IKEA). He is heading the Corporate Finance department and the Internal Bank (of which he is the Managing Director). Before joining the head office of IKANO in 2005, Yohann was a manager within the Corporate Finance department at Deloitte, Luxembourg, where he worked since 1999. He is chairing the Memberships.

Matteo Candolfini, CFA, was born in Cesena, Italy, in 1980. He studied at the University of Bologna and graduated in Computer Science in 2003. After briefly working as an IT Business Consultant, he moved to Luxembourg and joined Eurizon Capital (formerly known as Sanpaolo Asset Management S.A.). Here, he started as a quantitative analyst and then became more involved in the portfolio management activities, focusing on North American and Global Information Technology equity mutual funds. In August 2007, Matteo joined ING Private Capital Management as Portfolio Manager of two asset allocation funds for private banking clients. He recently moved to a position of Fund Analyst within the same company, focusing on the selection of hedge funds. He holds the Technology Chair.

Marc Fohr, CFA, was born in Luxembourg in 1973. He studied at the University of the Saarland, Saarbrücken, and graduated in 1998 with a Major in Business Administration. After being European Equity Portfolio Manager for 6 years at Salomon Brothers/Citigroup Asset Management, Frankfurt/Main, Marc joined Allianz Global Investors, Frankfurt/Main, in 2004 where he was responsible for managing institutional and mutual funds with global equity exposure. Since 2006, he has been working for Sanpaolo Asset Management (renamed as Eurizon Capital), Luxembourg, as Senior Portfolio Manager for retail funds with European equities. Marc became CFA charterholder in 2002 and is a Board Member of the Luxembourg CFA Society since 2007. He chairs the following: University Liaison.

Antonio Grieco, CFA since 2003, holds a University degree from both the University of Parma (Italy) and EHSAL Business School (Brussels). He started his career in the financial sector in 1999 as an equity analyst in the high tech sector for CONSEUR S.A., a non-profit organization set up by several European Associations of consumers. Two years later, Antonio joined Dexia Bil's dealing room as an equity analyst and sales officer to Institutional Customers. In 2001 Antonio moved to Dexia's Private Banking Department where he was in charge for the Mediterranean Market. Apart from advising private banking customers, Antonio was also member of the Global and Local Asset Allocation Committees, which set the asset allocation policies for the discretionary managed accounts. In September 2006 Antonio joined Fidelity International S.A. where he worked in the Pan-European Communication Department and focused, among other things, on fund analysis, fund positioning and research and product strategy. Since June 2008 Antonio is the Senior Institutional Sales Manager at Dexia Asset Management looking after the distribution of Dexia fund in Luxembourg.

Arndt Nicolaus, CFA, was born in Montabaur (Germany) in 1967. He studied finance in Germany and in the US and received a Bachelor of Commerce Degree in Business Administration (Diplom-Kaufmann) from the University of Trier in 1993. After starting his career at Fidelity Investments (Luxembourg) S.A., Arndt was employed as a Senior Portfolio Manager with Credit Suisse (Luxembourg) SA for 10 years. In July 2005, he joined LRI Invest S.A. as a Senior Fund Manager overseeing all equity products. He was awarded the CFA charter in 1998 and has been actively involved in CFA Institute since by serving on the Candidate Curriculum Committee Working Body, as a Standard Setter for the Level I&II exam and as an exam grader for Level II&III. He is a Director of Luxembourg CFA Society and holds the following chairs: Program, Continuing Education and Scholarship.

José Luis Velasco, CFA, is member of the Executive Committee of RBC Dexia Investor Services Bank in Luxembourg where he supervises the financial markets activities, the product management activities and fund distribution support. He also serves as board member of RBC Dexia IS Spain and RBC Dexia IS Banque France. Prior to coming to Luxembourg, José Luis Velasco served as CEO of the RBC Dexia IS subsidiary in Spain, and from 2003 to 2005, he was also responsible for RBC Dexia French operations. Prior to RBC Dexia, Mr. Velasco's professional experience covered the areas of portfolio management, securities sales and research, commercial banking and auditing. He has served on the Board of Directors of the CFA Institute and he is an active member of the Editorial Board of the CFA Digest. Prior to that he has served on the former AIMR Global Council, on the European Investment Performance Committee, as Chairman of the SIPC (Spanish Investment Performance Committee), and also as Chairman and Vice-Chairman of the CFA Institute Society Spain. In addition to holding a CFA charter, Mr. Velasco is a Spanish CPA, holds a BSc in Economics from the Universidad Autonoma de Madrid and an MBA from the IMD Lausanne.

Carolyn Linnevers, was born in the United States and holds dual American and Dutch nationalities. She graduated from the University of Connecticut in 1986 with a BA cum laude in Latin American Studies with a concentration in economics. She has been a long standing member of the CFA Institute (formerly AIMR) dating back to the early days of her career in New York. She worked in the asset management business in New York as an assistant portfolio manager for non-US equity investment funds for NSM Lepercq and as an asset management specialist and relationship manager for ABN AMRO Securities from 1987 to 1991. She then moved on the Coutts & Co (Jersey) Ltd where she headed the private client portfolio management department and was a member of the Coutts offshore global asset allocation committee. During a brief period in the Netherlands she passed the Level 1 CFA exam and was an investment adviser for Smith Barney in Amsterdam. After coming to Luxembourg in 1995, she was a volunteer board member and President of the American Women's Club and founded an investment club. In 2001, Carolyn joined Clearstream Banking as Vice President, Product Management and today specialises in custody, tax, and connectivity products. She is a regular participant in the CFA Institute continuing education program and volunteers for the Luxembourg CFA Society in its ethics work group with LIGFI (Luxembourg Institute for Global Financial Integrity). Carolyn is a candidate for the Luxembourg CFA Society Board in 2010.

Elke Valila, CFA, was born in Austria in 1969. She holds a Master's degree in International Economic and Business Sciences from the University of Innsbruck, Austria, and received her CFA charter in 2001. Prior to the current family break, Elke worked in Private Real Estate Finance (Bausparkasse Wüstenrot, Salzburg, Austria), Corporate Banking (Rabobank Deutschland, Frankfurt/Main, Germany), Capital Markets (Rabobank Deutschland, Frankfurt/Main, Germany; World Bank, Washington, DC) and Private Banking (Nordea Bank SA, Luxembourg). She volunteers for the Luxembourg CFA Society in its ethics work group with LIGFI (Luxembourg Institute for Global Financial Integrity) and is a candidate for the Luxembourg CFA Society Board in 2010.

4.5 Strategic Plan 2010

Based on a survey conducted among members and CFA candidates the Board worked out a Strategic Plan 2010 for the local society. The Plan will serve as a basis for feedback and comments during the Annual General Meeting.

4.6 Linking into the Global CFA Network

The Luxembourg CFA Society is one of 136 societies worldwide, comprising over 98,000 members. An update on recent developments will be given by Emily Dunbar, who joined CFA Institute as Director, Society Relations EMEA (Europe, Middle East, and Africa) in 2007. Her role is to support the 34 societies which make up the Europe, Middle East and Africa region, and to develop strategies to enable them to build their capacity to serve members locally. A language graduate, she was previously Head of Fundraising at a leading UK social welfare charity where she was responsible for developing partnerships with major statutory and corporate funders.

4.7 Adjournment

4.8 Cocktail