



CFA Society
Luxembourg

Annual Report 2015

Introduction to the Annual Report

Dear Members,

The year 2015 was a successful year for the Luxembourg CFA Society for both existing members and aspiring members. For members, increased participation in the various society activities was clearly evident, which was facilitated by the engagement of our volunteers. For aspiring members, the record number of candidates reflects high interest in both earning the CFA charter as well as joining a recognized global association for investment professionals. The following pages will provide more color on these topics as well as details on last year's events, membership activity and candidate trends.

However, I would like to look forward and acknowledge the opportunities as well as the duties that lies ahead of us.

The investment management industry, like all globally interconnected businesses, must adapt to meet the needs of a changing economic climate. It must address issues such as new technologies, transformation in the way we invest, serve investors and manage the risk/return trade-off in a negative interest rate environment. An increasingly complex risk and regulatory environment, coupled with a crisis of investor trust, has reinforced a lack of understanding of the value the industry brings to society.

At this pivotal time for the global investment community, CFA Institute has set up priorities to advance the investment management profession and create impact. These priorities are enumerated as follows:

- 1. Develop future professionals**
Better demonstrate what it means to be a profession by promoting globally relevant, practice-based education to develop competence, underpinned by the highest standards of ethical conduct.
- 2. Deliver member value**
Work smarter with CFA Societies to relentlessly serve our members, so that they better serve their clients. In 2015, 10,310 activities were delivered by 146 societies worldwide.
- 3. Build market integrity**
Foster the health and future success of the investment profession by 1) engaging with employers to develop professionalism at every level, and 2) advocating for policy, research and thought leadership that benefits investors and society at large.

In addition, a global advertising campaign was launched. It is designed to drive greater awareness among industry firms and investors about the importance of hiring rigorously trained and proven investment professionals, namely CFA Charterholders.

What does this mean for you, me and our society? We will be better supported by CFA Institute, which should result in fostering deeper engagement in Luxembourg in line with our VISION and MISSION statements, which are what the Board strives to do each year, namely:

- Offering opportunities for continuing education to maintain member's expertise;
- Building a professional community allowing members to meet for mutual benefit;
- Raising awareness of the CFA brand so that it is recognized and valued; and
- Providing career support to help members achieve their potential.

To help our organization develop future professionals and build market integrity, **your individual engagement** is required – particularly in raising awareness. At your firm, with customers, with other investment professionals, tell people why the three simple letters “CFA” mean so much more than the words behind them. Namely, tell them how those three letters make a difference – because of the most rigorous investments certification program, members' commitment to continuing education and to the highest standards of ethics!

Last but not least, I would like to recognize the contribution of Antonio Grieco, past Vice-President and Matteo Candolini, Membership and Technology chair. After many years, engagements and volunteering in several functions, they are retiring from the Board.

I would like to thank all of you members and volunteers who have contributed on different levels.

I look forward to meeting you at one of our upcoming events.

Sincerely,

Philippe Bernard

1 Activity report

The Society aims to provide tangible services and value to the membership, to offer continuing education, networking opportunities, job opportunities and points of contact in the local banking and financial sectors.

The Board has set the goal of having one event per month on average. Most events attracted an audience of between 20 and 50 members, with networking events typically even more than that. These events would not be possible without the support of our sponsor **FactSet**, a leading provider of financial information, which has supported our continuing education events by providing a venue and catering.

On the career development side, it is worth noting that 20 job opportunities were communicated to members.

The Society continues to inform and help our CFA candidates to successfully prepare for their exams, while new CFA Charterholders are celebrated at the occasion of our Annual Charter Award Ceremony.

The table below gives an overview of the events held in the financial year 2014-2015:

	Date	Event	Speaker(s)	Type of Event	Number of Participants
1	30/09/2014	Back2work drink		Social event	56
2	8/10/2014	Contingent Convertibles Bonds: What are they and how do they impact corporate governance and pricing?	Prof. Theo Vermaelen (INSEAD Business School) and Mouctar Bah (PhD researcher - Ghent University)	1 CE/SER credit	52
3	27/11/2014	From Credit Risk to Counterparty Credit Risk	Alonso Pena, PhD Professor at SDA Bocconi School of Management.	lecture, 1.5 CE credits	70
4	8/12/2014	Charter Award Ceremony	Josina Kamerling, CFA Institute	new charterholder welcome	55
5	16/01/2015	Free Live Webcast of James Bullard, President & CEO Federal Reserve Bank of St. Louis	James Bullard	Webinar 1 CE Credit	N.A.
6	02/02/2015	Annual General Meeting	Paul Smith, CFA, President and CEO CFA Institute	AGM	21
7	11/02/2015	Traveling Conference: A discussion of On- and Offshore Renminbi Bond Markets	Jot Yau, PhD, Seattle University, Glenn Ko, CFA, UBS Hong-Kong Bing Li, CFA, ICBC	Conference 2 CE Credit	46
8	28/04/2015	Megatrends in Passive Investments	Various speakers from Morgan Stanley, Bloomberg, PwC & Deutsch AWM	Seminar	N.A.
9	12/05/2015	MIFID II: Changes for investors and the industry	Philip Warland, Head of Public Policy, Fidelity Asgeir Thordarson, Head Northern Europe, Fidelity Christina Rulfs, CFA; Director Society Advocay engagement CFA Institute	Conference 1.5 CE/SER credit	50
10	19/05/2015	Future of Women of Finance	Barbara Stewart, CFA, Partner, Cumberland Private Wealth Management	1 CE Credit	22
11	28/05/2015	Global Society Alliance Webinar: Risks, Opportunities and outlook in the Private Equity Industry	Jointly hosted by: CFA Societies Beijing, Boston, Brazil and Luxembourg (speaker Yves. Courtois, CFA, Partner KPMG)	Webinar	N.A.
12	02/06/2015	Live Broadcast: Women in Investment management	Heather Brilliant, CFA		N.A.
13	10/06/2015	Post-Exam Happy Hour		Social event	76

A continuously updated calendar of upcoming events can be found on our webpage: www.cfasociety.org/luxembourg.

2 Society Financials

Our association has three main sources of funding:

- Membership fees,
- Financial support from CFA Institute &
- Sponsorship

Sponsorship has become more important as the number of activities has increased.

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

The annual accounts for the years ended August 31, 2015 were audited independently by Allan Saustrup Jensen and Yves Bodson. Both statutory auditors issued unqualified auditor's letters, added at the end of the report.

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

Income Statement for the year ending August 31,2015

INCOME (in EUR)	31.08.15	31.08.14
Membership fees	13.204	9.077
Local candidate membership fees	1.354	943
Member contribution to events	-	250
CFA Institute	18.938	12.452
Interest income	33	18
Exchange gain	74	783
Other exceptionnal income	727	-
Total income	34.330	23.522
Expenditure (in EUR)		
Events & presentations	23.565	13.327
Equipment purchase	625	702
Administrative costs	2.819	4.831
Exchange (gain)/loss		
Total expenditure	27.009	18.859
Surplus / (Deficit)	7.321	4.663

Balance Sheet at August 31,2015

ASSETS (in EUR)		
Cash accounts	64.985	53.826
Other receivables	2.286	5.937
Deferred charges	333	1.333
Total assets	67.604	61.096
LIABILITIES & EQUITY (in EUR)		
Short term creditor	860	3.000
Deferred income	5.163	3.836
Equity at beginning of year	54.260	49.597
Surplus of the year	7.321	4.663
Equity at the end of year	61.581	54.260
Total Liabilities & equity	67.605	61.096

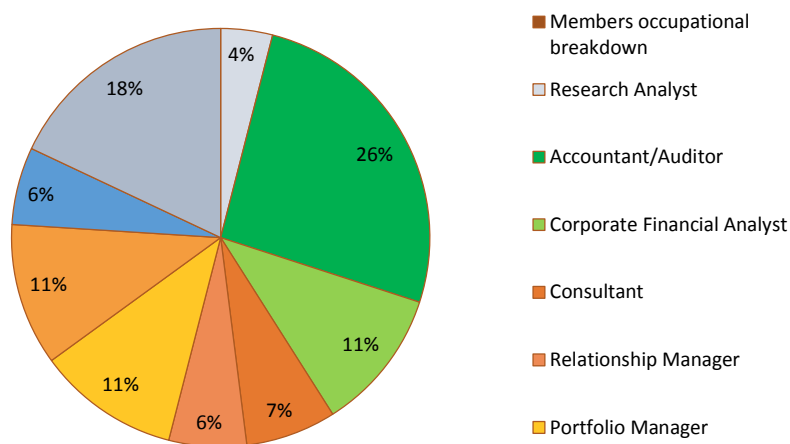
3 Luxembourg Society Statistics

3.1 Membership

3.1.1 Membership trends

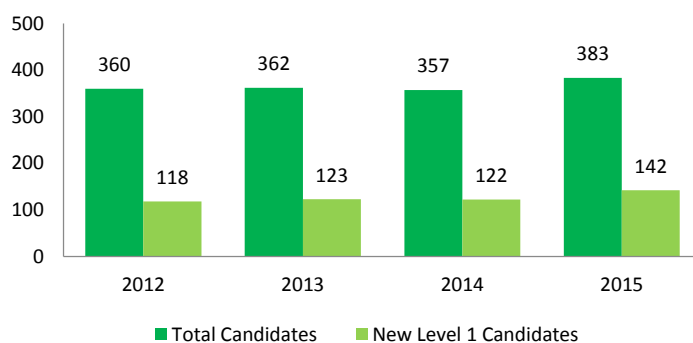
Members – as end-of-exercise 2015, there were 284, comprised of 260 Regular, 0 Affiliates and 24 Local.

3.1.2 Member occupation



3.2 Candidates

Candidates – from June 2015, there were a total of 383 Candidates of which: 215 Level 1, 108 Level 2 and 60 Level 3.



4 Board of Directors

Position	Name	On the board since	Current term expiring*)	New term expiring*)
President	Philippe Bernard	2002	2017	
Vice President	Arndt Nicolaus	2002	2017	
Treasurer	Léon Kirch	2002	2017	
Secretary	Adela Baho	2012	2015 (for election)	2018
Director	Marc Fohr	2007	2016	
Director	Chris Lemke	2012	2015 (for election)	2018
Director	Robert Zipp	2014	2016	
Director	Michael Mekhaeel	2015	2017	
Director	Camille Dumas		New	2018
Director	Peter Lamass		New	2018

*) The table refers to the calendar year, i.e. a term expiring in financial year 2015 runs until the Annual General Meeting scheduled to be held.

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". He holds the chair for Advocacy.

Vice President



Arndt Nicolaus, CFA, joined Credit Suisse in 2015 as Conducting Officer in charge of risk management & compliance of its 3rd party ManCo, MultiConcept Fund Management S.A. He was awarded the CFA charter in 1998 and has since been actively involved in CFA Institute by serving on the Candidate Curriculum Committee Working Body, and as an exam grader for Level II&III. He is a founding board member of the CFA Society Luxembourg and holds the following chairs: Program and Continuing Education

Secretary General



Adela Baho, MSc, FRM, was born in Tirana, Albania. Multilingual, she graduated from the University of Geneva and HEC Lausanne School of Business in Switzerland, where she obtained a Post-Graduate Degree of Sciences in Economics. She was awarded the Prize for the excellence of her studies in 2004. She firstly worked as Basel II Credit Research analyst at Hypo Real Estate Group, before taking on responsibilities as Senior Fixed Income Fund Manager within the KBL European Private Bankers. Recently, she has taken on responsibilities in the quality of Senior Financial Risk Manager at Credit Suisse's Management Company, MultiConcept Fund Management, in Luxembourg. She also teaches the theory of portfolio choice and risk management in the Master's Program at Aix-Marseille School of Economics, in France. She is contributing to different activities within the Luxembourg CFA Society Board since 2012 and holds the Career Development Chair.

Directors



Marc Fohr, CFA. After being European Equity Portfolio Manager at Salomon Brothers/Citigroup and Allianz Global, Marc Fohr, CFA, has worked as a Senior Portfolio Manager and Head of Developed Market Equities for Eurizon Capital. In 2013 he joined BCEE Asset Management where he is currently the Head of Investments. Marc became CFA charterholder in 2002. He holds the University Liaison and Scholarship chair.



Chris Lemke, MBA, was born in Hamburg (Germany) in 1967. He studied Political Science and Economic History in Bonn and Saarbrücken, graduating in 1994 with an M.A. and state teacher's exam, adding an MBA in 1999. Chris has lived and worked in Germany, Estonia, and the US, and is specialized in the design and delivery of learning and development programmes for professionals, including the financial sector. He now works as Senior Manager Learning & Development at SES, the Luxembourg-based provider of satellite communications and broadcasting services with a fleet of currently 54 satellites in geostationary orbit. His previous jobs include Director of the Language Department and Head of Organisational Development at the Estonian Business School in Tallinn from 1994 to 1999, Manager of Training and OD at Goodyear here in Luxembourg from 1999 to 2005, and Senior Manager Product Development at PwC's Academy (the client training unit of PwC Luxembourg) from 2005 to February 2013. Chris describes himself as an ambassador for high-impact training and learning. He's been involved with the Luxembourg CFA Society since 2009 and currently chairs Employer Outreach.



Robert Zipp, CFA, FRM was born in Texas (USA) in 1975. He studied at Texas A&M University (main campus) where he earned a BBA in Management, Magna Cum Laude. Later, he earned a MBA in Finance at Sacred Heart University at Luxembourg. His professional experience is primarily focused on investments and covers activities such as portfolio strategy, investment analysis and stock selection. He has accumulated over ten years of experience working at local banks such as KBL and BIL. Prior to that, he spent some time at Arthur Andersen in consulting. Presently at BIL, he is responsible for equity strategy and stock selection and manages equity-focused portfolios. He will hold the Volunteer Chair.



Michael Mekhaeel, CFA, FRM is Assistant Department Head of BBH Luxembourg's Depository Bank and responsible for managing the implementation and execution of the Depository's responsibilities surrounding asset safekeeping, other assets supervision, cash flow monitoring, and oversight duties. He is an active member of the ALFI Depository Bank working group forum and currently involved in the development of industry guidelines. Prior to joining BBH in June 2006, Michael was a VP, Senior Audit Consultant at Bank of America responsible for leading teams through audit reviews of the Private Wealth & Trust, Asset Management, Brokerage, and Investment Banking businesses. Before that, he was an expatriate in Latin America within the Operational Risk Management division of BankBoston (sub of FleetBoston Financial) specializing in internal audits of treasury and capital markets businesses. He also completed a two year Management Development Program sponsored by the CFO of Fleet Financial Group. Michael has a B.S. in Finance from Providence College. Michael will chair Advocacy.



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 Master's 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 fund manager of Nordea European Value Fund, an award winning investment fund. He held that position till 2014 before joining European Capital Partners S.A in Luxembourg as Chief Investment Officer and Lead Portfolio Manager to develop the value franchise inside the firm. Léon is the founding President of the Luxembourg CFA Society and will serve now as Treasurer.

New Directors running this year:



Camille Dumas, CFA was born in France in 1984. She studied at the University Paris Dauphine, graduating with a Master's degree in Asset Management in 2007. She worked 6 years in the private banking sector for various banks in France and Luxembourg namely HSBC Private Bank, BIL and Crédit Agricole Luxembourg as financial analyst and portfolio manager. She also worked in the investment fund industry at Dexia Asset Management Luxembourg S.A. for 2,5 years where she was in charge of the competitive market watch at the company and product level. Camille joined Deloitte in 2015 in the Luxembourg Consulting unit dedicated to the financial sector. Camille is foreseen to hold the Candidates – Candidates courses Chair.



Peter Lamass, CFA, CAIA, was born 1984 in Germany. He studied at the SKEMA Business School Lille, graduating with a Master in Management – Financial Markets in 2008. After experience in research and fund of fund management, Peter is working as portfolio manager by IPM Group since 2009 in the areas of strategic and tactical asset allocation, as well as investment product research. He is also Chartered Alternative Investment Analyst (CAIA). Peter is foreseen to be in charge of the Technology chair.

5 Auditor's letters

5.1 Allan Saustrup Jensen, CFA, CAIA

Audit of accounts of CFA Society Luxembourg

Luxembourg, 20/3/2016

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ended 31. August 2015. Accordingly, I have note that the anual accounts are in agreement with the accounting records and associated documents which I have received in the context of the audit.

Best regards,



Allan Saustrup Jensen, CFA



To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year that ended August 31st, 2015.

Accordingly, I have noted that the annual accounts as of August 31st, 2015 are in agreement with the accounting records and associated documents, which I have received in order to conduct the audit of the annual financial statements.

Kind regards,



**Yves Bodson, CFA
Statutory Auditor**

Luxembourg, April 21st 2016