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Members, candidates and partners of the CFA Society Ottawa are welcomed to share their stories, information and announcements in the next edition of the Newsletter. Please contact admin@cfaottawa.ca.
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SEPTEMBER 23, 2016
SOCIAL EVENT AT THE OTTAWA REDBLACKS
Ottawa Redblacks vs. Toronto Argonauts

The CFA Society Ottawa and the Ottawa Redblacks are pleased to announce a very special Networking Event. Come and support our Ottawa Redblacks and enjoy a networking pre-game social. The Redblacks are off to a great start this season and tickets are going fast. CFA Society Ottawa was able to obtain 25 seats, at a reduced price for our members. The member fee is $25.00 and this includes 1 game ticket as well as two free drinks and free appetizers. Networking/social starts at 5:00pm and the game begins at 7:00pm. Please order before they are all sold out. Refer to the CFA Society Ottawa website for more information. The Ottawa RedBlacks event is now sold out.

OCTOBER 12, 2016 | 11:45AM
RISK MANAGEMENT STRATEGIES FOR TODAY’S INVESTOR

From the initial security selection process to hedging techniques, managing risk is critical for all active managers. Current market events have led to substantial volatility in the world’s most predominant public markets; putting an even greater emphasis on implementing effective risk management strategies to gain consistent, risk-adjusted, long-term return. Please join us on October 12, 2016 to discuss Risk Management Strategies for Today’s Investor with Yorkville Asset Management’s Co-Founder, Hussein K. Amad. Mr. Amad will discuss the importance of timing and selecting quality companies as well as appropriate hedging strategies reflective of current market conditions.

Speaker: Hussein K. Amad CGA, CFA, President & CEO, Yorkville Asset Management

Hussein Amad is a co-founder of Yorkville Asset Management Inc. and serves as President and CEO. Mr. Amad brings over 20 years of investment and banking experience in senior positions at major Canadian and international banks. Prior to joining Yorkville, Mr. Amad was the Chief Investment Strategist and member of the Board of Directors at UBS Investment Management Inc. Mr. Amad has served as National Director of the Institutional Portfolio Group at Scotia Cassels Investment Counsel, a subsidiary of Scotiabank. Mr. Amad is also an award winning instructor at the University of Toronto where he lectures in the area of Enterprise Risk Management.
RECENT CFA SOCIETY OTTAWA EVENTS

MAY 14, 2016
CFA SOCIETY OTTAWA MOCK EXAM

On May 14th, the CFA Society Ottawa hosted a mock exam for candidates in the region to assist them in their preparation for challenging the CFA exams. The exam was held at the University of Ottawa and covered both morning and afternoon sessions for all three levels of the exam. Offered for only $20 USD, the mock exam was extremely well received with 53 participants in total. According to Ian Taylor, CFA, Education Chair of the CFA Society, “The mock exam is a great way for candidates to get ready for the official exams. The level of participation locally was fantastic. I think it reflects well on the charter and its increasing importance in the Ottawa region.”

MAY 18, 2016
PUTTING INVESTORS FIRST - COMPARING THE COSTS OF PUBLIC PENSIONS IN ONTARIO

May marked the third annual CFA Institute Putting Investors First Month. The goal of the Putting Investors First Initiative is to build awareness of the duty to protect investor interests at all times, and to ensure that all investment professionals understand their primary role is to serve and protect investors. As in past years, the CFA Society Ottawa held a luncheon to recognize the important themes of the Putting Investors First Initiative. On May 18, members gathered for a presentation by Philip Cross that focused on comparing the investment and administrative costs of the Canada Pension Plan (CPP) and other large pension plans in Ontario. Drawing on his years of experience at Statistics Canada and as a researcher, Mr. Cross cast doubt on claims that a CPP expansion presents a low-cost means of increasing retirement incomes. Philip’s presentation was preceded by an introduction by Harry Marmer, Executive Vice President and Partner of Hillsdale Investment Management. With governments contemplating a CPP expansion, the event could not have been more timely and was a great way to cap off a successful year of luncheon programming.

June 17, 2016
GOLF TOURNAMENT

Again in 2016, the annual CFA Ottawa golf tournament was a big success. On a warm sunny Friday afternoon at the Hautes-Plaines Golf club, close to a dozen foursomes competed for the title.

Wes Blight, Ian Taylor, Patrick Ercolano and Josh Moore were crowned champions. Aaron Porter won the closest to the pin competition and Jean Lemieux the longest drive.

See you all next year!
MESSAGE FROM THE OUTGOING PRESIDENT

I hope all of you are enjoying the summer.

The fiscal year ended on June 30th. Now is the time to reflect on the past year and look forward to the future.

We hosted a record number of programming events during the year. The most significant was the Forecast Dinner, made notable by having the CBC comic Steve Patterson moderate the event. As it turns out, a discussion on macroeconomics can be made funny!

Luncheon speaking presentations and the Forecast Dinner continue to be our primary programing events. However, not all members value the same thing or are able to attend these events due to logistic reasons. To recognize this fact, the Society tried a number of new programming events during the year to cater to a wider span of members. Examples include a members’ speaker series breakfast as well as networking socials at both the National Arts Centre and at an Ottawa Senator’s game.

The Society renewed its social media presence during the year via LinkedIn and Twitter. This will improve Society communication to and from its members. It will also allow members to better communicate with each other, facilitating member networking opportunities.

I look forward to seeing the realization of both the global and local level branding campaigns this fall. The campaign is entitled, “A Difference That Matters”. Expect to see the CFA Institute as well as the Ottawa Society become more proactive in branding the CFA designation going forward.

It has been a privilege serving as Society president during this past year. The experience was made all the more rewarding as a result of the high level of teamwork among Society volunteers.
Titled “A Difference That Matters”, the CFA Institute has launched a global branding campaign to distinguish CFA charterholders from the rest of the financial industry. The initiative not only promotes the benefit our members provide to investors and employers, but reinforces a number of the reasons why we, as investment management professionals, became involved in the CFA Program. Starting this fall, both the CFA Society Ottawa and the CFA Societies Canada will leverage the campaign and you’ll see promotional material in both local (ex. Ottawa Magazine) and national publications.

The above is one example of why I am excited about our initiatives for the upcoming year. Representing 380 members, our society’s dedicated group of board members and executive volunteers look forward to building upon the substantial opportunities that have been developed to fulfill our Society’s mission. A few examples include our focus on expanding the number of participants in our Mentorship and Ambassador Programs, providing support to local university students through our involvement with CFA Institute Research and Ethics Challenges, and continuing to host a wide variety of compelling programs.

As you reflect on the reasons why you became a CFA charterholder and how the CFA Society Ottawa can continue to provide you with strong value for your membership, we look forward to your active participation throughout the upcoming year.
<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT TYPE</th>
<th>SPEAKER</th>
<th>TOPIC</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/10/2015</td>
<td>Luncheon</td>
<td>Craig Bodenstab</td>
<td>The Perils of Forecasting</td>
<td>Rideau Club</td>
</tr>
<tr>
<td>03/11/2015</td>
<td>Luncheon</td>
<td>Robert Smithson</td>
<td>Debut and Delusion</td>
<td>Rideau Club</td>
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<tr>
<td>19/11/2015</td>
<td>Luncheon</td>
<td>Philippe Ithurbide</td>
<td>Looking Ahead to 2016</td>
<td>Rideau Club</td>
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<tr>
<td>02/12/2015</td>
<td>Social</td>
<td></td>
<td>Annual Holiday Social/NAC Networking Event</td>
<td>National Arts Centre</td>
</tr>
<tr>
<td>09/12/2015</td>
<td>Luncheon</td>
<td>Aly Alladina</td>
<td>Navigating Choppy Waters: An Overview of Canadian Equities from a Growth Perspective and Key Drivers of Expected Performance</td>
<td>Rideau Club</td>
</tr>
<tr>
<td>19/01/2016</td>
<td>Breakfast</td>
<td>Jeremy Klein</td>
<td>The Rise of Smart Beta</td>
<td>Rideau Club</td>
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<tr>
<td>26/02/2016</td>
<td>Luncheon</td>
<td>Benj Gallander</td>
<td>Understanding Why Businesses Fail... And Learning from It</td>
<td>Rideau Club</td>
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<tr>
<td>23/03/2016</td>
<td>Social</td>
<td></td>
<td>Member and Candidate Social</td>
<td>Arc Hotel</td>
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<td>30/03/2016</td>
<td>Luncheon</td>
<td>Jennifer Urdan</td>
<td>Filing the Return Void: The Role of Private Investments in Portfolio Strategy</td>
<td>Rideau Club</td>
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<tr>
<td>06/04/2016</td>
<td>Luncheon</td>
<td>Peter Hall</td>
<td>Market Volatility: A Necessary Evil</td>
<td>Rideau Club</td>
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<tr>
<td>07/04/2016</td>
<td>Social</td>
<td></td>
<td>Ottawa Senators Networking Event</td>
<td>Canadian Tire Centre</td>
</tr>
<tr>
<td>18/04/2016</td>
<td>Forecast Dinner</td>
<td>Megan Greene, Tom O’Gorman, Luc de la Durantaye</td>
<td>2016 Annual Forecast Dinner</td>
<td>Shaw Centre</td>
</tr>
<tr>
<td>18/05/2016</td>
<td>Luncheon</td>
<td>Philip Cross</td>
<td>Putting Investors First - Comparing the Costs of Public Pension Plans in Ontario</td>
<td>Rideau Club</td>
</tr>
<tr>
<td>17/06/2016</td>
<td>Social</td>
<td></td>
<td>Golf Tournament</td>
<td>Hautes Plaines Golf Club</td>
</tr>
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</table>
2015-2016 Year in Review

**MEMBERSHIP**

The Membership committee’s focus in 2015/16 was creating value for our local members. In response to that, we were able to provide our members with three new affinity relationships: National Arts Centre, Ottawa Senators, and the Ottawa Sports and Entertainment Group. These affinity groups provided our members and their families with admission and ticket discounts to their events. We were also pleased to announce that our active membership, over the past year, has increased 7%, bringing our total CFA Society Ottawa membership to 380 members.

**MENTORSHIP**

2015/16 was the inaugural year of our Mentorship program and we are very happy to announce that we exceeded our expectations, with 7 new Mentee/Mentorship relationships. The feedback we have received has been extremely positive and we look forward to developing and helping future Mentees, with their goals.

**BRANDING**

The CFA Institute’s Global Branding campaign is currently underway. At the local level, we will be leveraging this Branding campaign with local affiliations, ads, and promotions. The purpose being, to enhance and promote, the CFA designation and the difference a CFA charterholder can make.

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The CFA Society of Ottawa Mentorship Program is a year-long, volunteer program that will pair experienced mentors with entry- and mid-level professionals in the investment industry. This program is designed to help members network and exchange ideas between professionals of varying degrees of experience.

You might be a mentor candidate if you are open to sharing insights, experiences and lessons learned in your career.

You might be a mentee candidate* if you value professional development, are open to receiving guidance and want to be challenged professionally.

For more information, contact Graham Edwards, Mentorship Chair at: edwardsgraham8@gmail.com

* Eligible mentee candidates include, Level II candidates, Level III candidates, candidates that have passed all three levels of the CFA Program and new Charterholders
RECAP OF ELECTION RESULTS

On August 4, the CFA Society Ottawa concluded the election process for the 2016-2017 year. Wesley Blight was elected as the president and Sean Kulik will fulfill the role of the Vice President. The remaining positions on the board go to Bernhard Eichenlaub as Past President, Ian Taylor as Treasurer, and Alexander Taryshkin as the Society’s Secretary. The complete list of volunteers for this year is shown below.

<table>
<thead>
<tr>
<th>POSITION</th>
<th>NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Wesley Blight</td>
</tr>
<tr>
<td>Past-President</td>
<td>Bernhard Eichenlaub</td>
</tr>
<tr>
<td>Vice-President</td>
<td>Sean Kulik</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Ian Taylor</td>
</tr>
<tr>
<td>Secretary</td>
<td>Alexander Taryshkin</td>
</tr>
<tr>
<td>Membership &amp; Mentorship Program</td>
<td>Graham Edwards</td>
</tr>
<tr>
<td>Programming</td>
<td>Roxana Lund &amp; Charles Abraham</td>
</tr>
<tr>
<td>Education</td>
<td>Yuriy Zabolotnuk</td>
</tr>
<tr>
<td>Employer Outreach</td>
<td>Kevin Pei</td>
</tr>
<tr>
<td>Communications Chair</td>
<td>Michael Maltsev</td>
</tr>
<tr>
<td>Administration</td>
<td>Trevor Mulligan</td>
</tr>
</tbody>
</table>
CFA CHARTERHOLDERS IN OTTAWA
Where Do They Work and the Role of Women in the Society

The CFA Society Ottawa is proud to represent over 380 active and retired charterholders in the Ottawa capital region. The Society’s membership profile is unique compared to other societies in Canada due to Ottawa’s position as the center of many federal services. A breakdown of this membership can be found on the right.

Charterholders are employed in various functions within the public and private sector, along with a few who are self-employed. CFA Society Ottawa currently has 44% of members working in the private sector. Just under half of them work for Brookfield Renewable Energy, MD Financial Management, the Big Six Banks and Minto Properties, while the remainder work for smaller firms comprising of one to three charterholders.

Within the public service, approximately 10%, of our members work for one of the federal departments (including the Office of the Superintendent of Financial Institutions, OSFI), or the provincial or municipal governments. Another 45%, are employed by publicly-sponsored entities (including Crown corporations). Within this group, Export Development Canada (EDC) (65), Bank of Canada (32) and Canada Mortgage and Housing Corporation (CMHC) (25) are the largest employers of our society’s CFA’s. CBC Pension Fund and the Canada Deposit Insurance Corporation are also active employers of Society members.

The membership profile reveals that among the CFA charterholders in Ottawa, 18% are women. This is an important statistic and one that has been receiving a lot of focus from the CFA Institute and the financial profession in general. This fall, the CFA Society Ottawa is planning to join the CFA Institute’s initiative to promote women within the industry and will hold a “Women in Investment Management” event to promote women within the profession.
The following was originally published on Enterprising Investor; reprinted with permission from the CFA Institute.

FEELING MACHINES: THE EMOTIONAL COST OF BUYING AND SELLING

BY: Shreenivas Kunte, CFA

Any hypothesis about the future has inherent practical limitations. We don’t have a complete understanding of the past and the future is always uncertain. These are unavoidable constraints that burden our investment decision making and carry with inherent emotional costs.

These costs are compounded by our vulnerability to cognitive and emotional biases, both our own and those of everyone involved in the decision-making process.

But which of the basic investing processes—buying or selling—exacts the steepest emotional toll from us?

Emotions: Necessary inputs to decision making

Emotions, thoughts, and actions are inextricably tied together. Modern psychology and neuroscience confirm that emotions can be traced to the old reptilian parts of the human brain. As a consequence, we demonstrate an entrenched bias toward avoiding unpleasant or negative emotions, like guilt, fear, and regret, and seeking out positive ones, like pride and happiness. A lack of awareness about the interplay between emotions and actions can lead us away from logical, realistic choices. But idealizing cold rationality and treating emotion as a weakness may be counterproductive and a bias in itself. We need to appreciate that emotions are an evolutionary response to uncertainty and that they are actually necessary for reliable decision making. Indeed, some behavioral biases can be helpful.
We asked CFA Institute Financial NewsBrief readers to rank their investment activities based on the emotional difficulty they associate with them. The 711 responses we received from our global audience highlighted some interesting patterns.

Which investment activity is emotionally the most difficult?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling</td>
<td>43%</td>
</tr>
<tr>
<td>Selling short</td>
<td>41%</td>
</tr>
<tr>
<td>Buying on margin</td>
<td>13%</td>
</tr>
<tr>
<td>Buying</td>
<td>3%</td>
</tr>
</tbody>
</table>

An overwhelming 84% of respondents found selling, specifically selling and short selling, to be more mentally costly than buying. This result reflects our bias towards ownership, also known as the endowment effect. We tend to overvalue everything that is ours, from our thoughts to our investment assets—even if some of the things that we come to own are detestable.

Selling was ranked as the most emotionally taxing investment activity by 43% of participants. We can objectively calculate investment success at the point in time a sale is made. Obviously, given a limited time frame, there is at least a 50% chance that regret—an important emotional bias—might follow a sale. That sense of regret is immediate when the sell price is below our buy price. Of course, the pain could come later, if the asset’s value rises well above what we sold it for.

So how do we avoid these sorts of negative emotions? By doing the impossible: timing the market perfectly and always selling at or near peak value.

Selling short was rated hardest by 41% of participants, coming in second just behind selling. This was something of a surprise. After all, short selling tends to be a riskier activity and often involves playing with borrowed money. Barton Biggs, in his engaging book Hedgehogging, dedicates an entire chapter, “Short Selling Is Not for Sissies,” to the topic and provides an engrossing account of how short sellers risk losing their shirts. Obviously, our short sell call may be correct, but the perceived value of the asset being shorted may not fall as expected within our investment time frame.

Hedge fund manager Bill Ackman recently commented that short selling was “not worth the brain damage.” Buying on margin was rated the most emotionally difficult activity by 13% of poll participants compared to 3% who selected buying. Survey respondents were logical to weigh the mental costs of margin buying higher than simple buying. As with short selling, buying on margin involves using borrowed money and this opens us up to potentially losing more than what we invested.

Neuroscientist Antonio Damasio maintains that human beings “are not either thinking machines or feeling machines but rather feeling machines that think.” Every activity—not just the buys and sells in investing—leaves an indelible marker of pleasure or pain. These markers provide input for future decision making when we encounter similar situations.

Listening to and interpreting these markers and emotions influences our choices and helps lead to well-deliberated investment outcomes.
CFA SOCIETY OTTAWA LEADERSHIP & VOLUNTEERS

Wesley Blight, CFA ................................................................. President
Sean Kulik, CFA ................................................................. Vice-President
Alexander Taryshkin, CFA ...................................................... Secretary
Ian Taylor, CFA .................................................................... Treasurer
Bernhard Eichenlaub, CFA ...................................................... Past President

Yuriy Zabolotnyuk, CFA ...................................................... Education Chair
Graham Edwards, CFA ........................................................ Membership/Mentorship Chair
Kevin Pei, CFA ..................................................................... Employer Outreach
Roxana Lund ................................................................. Programming Chair
Charles Abraham ............................................................... Programming Chair
Michael Maltsev ............................................................... Communications Chair
Alexander Bonnyman ............................................................... Volunteer
Trevor Mulligan ............................................................. Administration