

SPRING 2017 NEWSLETTER

MAY 29, 2017



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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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CFA Society Ottawa



CFA Society
Ottawa

UPCOMING EVENTS

JUNE 1, 2017

CANADIAN ETHICS CHALLENGE

The Canadian Ethics Challenge is designed to increase student's awareness of the ethical dilemmas they may face as investment management professionals. Teams consisting of students from Finance or Business programs are given an ethics case to study and evaluate. Each team then presents its analysis and recommendations to a panel of judges. Following a question and answer period with each team, the judges then select a winner. Their decision is based on the quality of the team's understanding of the ethical issues involved, their recommendations, and the quality of their analysis, presentation, and responses to the judges questions. The winning teams from each local level across the country have advanced to compete in the inaugural Canadian Ethics Challenge.

JUNE 30, 2017

ANNUAL GOLF TOURNAMENT

Please join us for an afternoon of fun, sun and networking at the CFA Society Ottawa Golf Tournament to be held on Friday, June 30, 2017 at GreyHawk Golf Club. See page 4 for more details.

JUNE 24, 2017

WOMEN IN INVESTMENT MANAGEMENT

The CFA Institute has established the Women in Investment Management initiative with the aim of improving investor outcomes by encouraging diversity in the investment management profession. The goals of the initiative are to:

- Increase the number of women who join the profession and earn the CFA charter
- Retain women in the profession and influence culture from within
- Create demand for diversity as an industry imperative

CFA Society Ottawa members and candidates are invited to a social luncheon on June 24 to discuss this important topic. Together we will tackle questions such as the competitive advantages of workplace gender diversity and advice for overcoming obstacles for women financial professionals. The event will be social and casual, with small format facilitated discussions. The luncheon is open to all and we look forward to hearing your opinions! More information on this event can be found on the CFA Society Ottawa website, including registration information.

SOCIETIES NEARBY

FINDING VALUE IN ACTIVE MANAGEMENT: THE SEARCH FOR SUSTAINABLE ALPHA

JUNE 6, 2017 | TORONTO

FORECAST DINNER

JUNE 9, 2017 | MONTREAL

INVESTING FOR THE FUTURE: CARBON PRICING

JUNE 15, 2017 | TORONTO

GLOBAL

CFA INSTITUTE AND HARVARD BUSINESS SCHOOL: INVESTMENT MANAGEMENT WORKSHOP

JUNE 25-29, 2017 | BOSTON, MA, USA

CFA INSTITUTE: 62ND ANNUAL FINANCIAL ANALYSTS SEMINAR

JULY 24-27, 2017 | CHICAGO, IL, USA

WEBINARS

FINANCIAL CRISES: HARVESTING LESSONS FROM HISTORY

JUNE 7, 2017

ETHICAL DECISION-MAKING WEBINAR PART I: INTRODUCTION TO ETHICAL DECISION MAKING

JUNE 14, 2017



CFA OTTAWA

GOLF TOURNAMENT

JUNE 30, 2017 | GREYHAWK GOLF CLUB | 11:00AM
<http://greyhawk.clublink.ca>

Open to members and non-members, our annual golf tournament includes lunch, 18 holes of golf (w/ cart), a cocktail reception, and a chance to win a prize

11:15 AM: registration
11:30 AM: lunch
1:00 PM: tee times begin
5:30 PM: cocktail reception

Price per golfer: \$100 [for Clublink members, the cost is \$50]
please send your Clublink member number to Wesley.blight@cma.ca
If you're registering a foursome, please send player names to admin@cfaottawa.ca

Sponsorship opportunities

We are looking for sponsors to contribute raffle prizes to this event.
If you are interested, please contact Wesley Blight at Wesley.blight@cma.ca

RECENT CFA SOCIETY OTTAWA EVENTS

FEBRUARY 27, 2017

FINANCIAL MODELING COURSE

The CFA Society Ottawa partnered with The Marquee Group, a leading provider of financial modeling training in Canada, to host three 1-day courses from February 27 to March 1 to promote the continuing education of members and candidates locally. The sessions provided participants with intensive training on building models, company valuation and advanced Excel techniques. According to CFA Society Ottawa Treasurer, Ian Taylor, “feedback from participants was extremely positive with many commenting that anyone involved in finance would benefit from the training and we hope to build on this through future events”.

MARCH 3, 2017

MEMBERS' SPEAKER SERIES: WINNING COMBINATIONS: FINDING THE RIGHT MIX OF MANAGERS FOR OUTPERFORMANCE

Our second Members' Speakers Series breakfast of the year was held on March 3. Craig Maddock, Vice President and Senior Portfolio Manager with MD Financial Management, presented on the topic of active manager selection, outlining the process he and his team undertake at MD. This was a great interactive discussion and participants walked away with excellent insight to a practical framework for selecting active managers.

MARCH 21, 2017

EXAMINING THE VALUE OF THE ESG INFORMATION

On March 21, CFA Society Ottawa members gathered for a luncheon presentation by Vikram Puppala, Associate Director, Carbon Solutions, Indexes, Green & Social Bonds at Sustainalytics. Vikram introduced the concept of Sustainable/Responsible Investing and reviewed the drivers behind the increasing adoption of ESG investing. The presentation also covered different approaches to implementing ESG. As more and more of our clients demand to look “beyond the financials”, this luncheon provided a timely discussion!

APRIL 26, 2017

PUTTING INVESTORS FIRST PERFORMANCE REPORTING: FROM BASICS TO BEST PRACTICES

Each year, the CFA Institute and CFA societies worldwide participate in the Putting Investors First campaign to build awareness of the duty to protect investor interests and to ensure that all investment professionals understand their primary role is to serve and protect investors. CFA Society Ottawa activities kicked off this year with a luncheon presentation by Emil Vassenine, CIM, CIPM, and Founding Principal of EVIV Group on April 26. Emil introduced the basics of performance reporting and demonstrated the value and attainability of GIPS compliance.

RECENT CFA SOCIETY OTTAWA EVENTS - CONTINUED

APRIL 28, 2017

SSIF ANNUAL ALUMNI EVENT

CFA Society Ottawa sponsored the annual networking event organized by the Sprott Student Investment Fund (SSIF). The fund was established in 2007 to give Carleton University students an opportunity to engage in real investment management. The SSIF is currently composed of approximately 20 Business students, many of whom are determined to pursue the CFA designation.

MAY 10, 2017

MEMBERS' SPEAKER SERIES: BUSINESS SOLUTION FOR HEALTH RISK

For our final Members' Speakers Series breakfast of the 2016-17 year, members joined John Kitcher, an independent financial advisor sponsored by Desjardins Financial Security Independent Network, for a discussion about managing health risks on May 10. Proving the diverse skill set of CFA Society Ottawa membership, John introduced members to using insurance products as part of a well balanced portfolio, with a focus on Executive Health Savings Plans.

MAY 13, 2017

MOCK CFA EXAM

More than 60 local candidates participated in the semi-annual Mock CFA Exam organized by the CFA Society Ottawa and Sprott School of Business. The candidates had an opportunity to test their readiness by writing a 6-hour Schweser Mock Exam that is very close to the actual CFA exam in format and difficulty.

May 24, 2017

Putting Investors First: Importance of Risk Culture

As part of the Putting Investors First initiative, CFA Society Ottawa members gathered on May 24 for a luncheon presentation by Kent Andrews, Senior Vice President, Regulatory Risk, TD Bank Group. Kent discussed the critical role positive culture plays in the success of an organization and an industry, and why sometimes well intended efforts such as executive compensation can have perverse impacts on risk culture. Kent challenged us to ask tough questions about root causes to get to the bottom of and resolve organizational issues.



On April 18, 2017, the CFA Society Ottawa hosted its Annual Forecast Dinner at the Shaw Centre. It is the premier financial networking event in Ottawa and this year brought together 500 investment professionals from across Canada. The night was hosted by the very talented and funny comedian Dave Hemstad, known for his success on CBC's "The Debaters". He made the evening very entertaining even for those completely unfamiliar with financial markets, himself included.

The keynote speech was delivered by Steve Eisman. Steve was played by Steve Carrell in the movie *The Big Short* and is featured in the book of the same name written by Michael Lewis. Steve shared his insight into how he could foresee the 2008 global financial crisis (GFC) and successfully invest accordingly. Steve professed that our insights are often driven by our personal experiences, as his early career responsibilities demonstrated where he was an analyst responsible for coverage of financial lenders. Steve acknowledged that he wasn't smarter than other investment professionals, but that what he saw in the financial markets pre-2008

crisis reminded him of the many companies he had performed research on that eventually went bankrupt early on in his career. His unique experience made an impression on him and gave him that distinct perspective to foresee the GFC.

This year's Forecaster of the Year awards were also presented with Pavel Aleksandrovich being recognized as the winner for his astute predictions for the period of July 2016 to March 2017. Second place winner was Laura Hurst and third place was awarded to Sylvain Senechal. We thank all participants for casting their forecasts. We would like to thank our title sponsor, MFS, and all of our gold, silver and bronze sponsors who are presented on the following page. Sponsors for the Forecast Dinner in 2018 are welcomed and the outline of sponsorship packages will be provided in the coming months.

Sean Kulik, CPA, CA, CFA, CAIA
Vice President

We would like to thank our sponsors for making this event a huge success:

TITLE SPONSOR



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LOCAL CFA SOCIETY INITIATIVE: ETHICAL DECISION MAKING

On March 22nd and 23rd, the CFA Society Ottawa was proud to host, Dr. Michael McMillan, Director, CFA Institute, Society Ethics Training, who delivered three presentations, to our students at the University of Ottawa and Carleton University.

The subject of the presentation was entitled: “Ethical Decision Making”. This engaging and interactive seminar focused on real life case studies from recent events in the financial community. The students were encouraged to participate through discussions on how they would be approach these Ethical challenges. Feedback from students and professors was extremely positive.

The CFA Society Ottawa is also pleased to announce that through these presentations and other prerequisites, we are one, of only a few Societies in Canada, to be able to provide our members with Ethical Training. These Ethical seminars can be customized to our local employer’s needs and specific criteria.



The following was originally published on Enterprising Investor; reprinted with permission from the CFA Institute.

CONSCIOUS COMMUNICATION: HEADLINE SPEAKING AND WRITING

By Jim Ware, CFA

Some of you will be grateful for this piece, not because it helps you, but because you can forward it to a long-winded colleague.

We are busy people, and we appreciate it when others get to the point. You never expect to hear a client say, “I enjoy an inartfully delivered, vague, and winding message with digressions and personal updates about your private life.” And yet that’s how some advisers communicate with them. Maybe not the private part, but certainly the vague and winding part.

Investment teams often ask our consultants about communication—how, when, and what to say. So as a public service message, I offer this advice: Learn headline speaking and writing.

To do this you need to be more conscious when communicating. Put yourself in the other person’s shoes, and remind yourself that he or she doesn’t know what you’re going to say or write next. Therefore, it’s helpful to give them a headline so they have an immediate context. For example, if you want to deliver a message about your firm’s next town hall meeting, start with, “On the topic of our next town hall . . . [insert your message].”

I recently heard someone say, “You know, I’ve been thinking about how we communicate with the staff, and how we often get questions about strategy and what our firm is doing. So it occurred to me that we ought to clarify our strategy—especially the Asian piece, because that’s where most of the general questions occur—and then present a strategy update in our next town hall meeting. What do you think?” As the speaker presented his idea, I looked around the room and saw three furrowed brows. Clearly, we were all wondering, “Where is he going with this?” The headline was contained in the last 10 to 15 words. The first 50 words had listeners asking, “Is there a depot for this train of thought?”

One CEO felt so strongly about headline speaking—he referred to it as brevity—that verbose speakers didn't make it past the hiring interview with him. Candidates were coached up front by human resources to be succinct or they were out. This CEO was smart enough to realize that some people are naturally more loquacious, so he stated publicly that people could speak however they wanted after work, but in the office, brevity ruled. Staff members were expected to toggle their communication styles on and off.

Headline speaking can also be customized. One colleague uses this form: "The big idea is . . ." Then he will usually list three points: For example, "The big idea is that we ought to be over-weighted in energy stocks. The three stocks I would choose are A, B, and C." Then, if someone wants more details, fine, he'll provide them.

Also, eliminate verbal tics when speaking.

Far too many professionals are a continuous stream of "um," "ah," "er," "you know," and my favorite as the father of two teenagers, "like." I once counted 14 "likes" in a 30-second conversation. "Like, c'mon, that's just, like, too many 'likes' in, like, one exchange. You know?"

When writing, the same advice applies.

Most portfolio managers want a short summary of an investment idea, with the thesis up front and a few supporting points. Provide enough information to provoke interest but not to overwhelm. In discussing this approach, one manager responded, "We pride ourselves on giving our analysts autonomy. Telling them how to prepare their reports seems a bit controlling." Fair enough.

I believe in autonomy as well, but I reminded this manager that he is effectively the client for the analyst's work product — the research reports. Yes, he should aspire to keep analysts motivated and engaged, but he must also find a balance between autonomy and a suitable report, with the end goal being portfolio performance. I recommended

that the manager have a respectful conversation with his analysts and negotiate the guidelines for research reports. Most analysts like working in an environment where the rules are clear.

With both headline speaking and writing, aim for clarity. Again, put yourself in the other person's shoes and ask, "Is there any way they could misunderstand my message?"

I regularly hear comments like, "He told her that they weren't going to accept his proposal." If I stop the conversation and ask, "Is everyone clear about what was just said?" often each listener has a different view of who the "he," "her," "they," and "his" were. It is better to train yourself and your colleagues to be deliberately explicit in communication. Don't assume everyone will know what you mean. State it clearly: "John told Mary that the investment committee wasn't going to accept Frank's proposal."

It's well worth asking, "Could anyone misunderstand my message?" If so, make it clearer.

Print this post and leave it on your long-winded colleague's desk. I think they'll get the message. It's pretty clear.

Read online: <https://blogs.cfainstitute.org/investor/2017/05/03/conscious-communication-headline-speaking-and-writing/>

CFA SOCIETY OTTAWA LEADERSHIP & VOLUNTEERS

Wesley Blight, CFA, CIM, FCSI	President
Sean Kulik, CPA, CA, CFA, CAIA	Vice-President
Ian Taylor, CFA	Treasurer
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