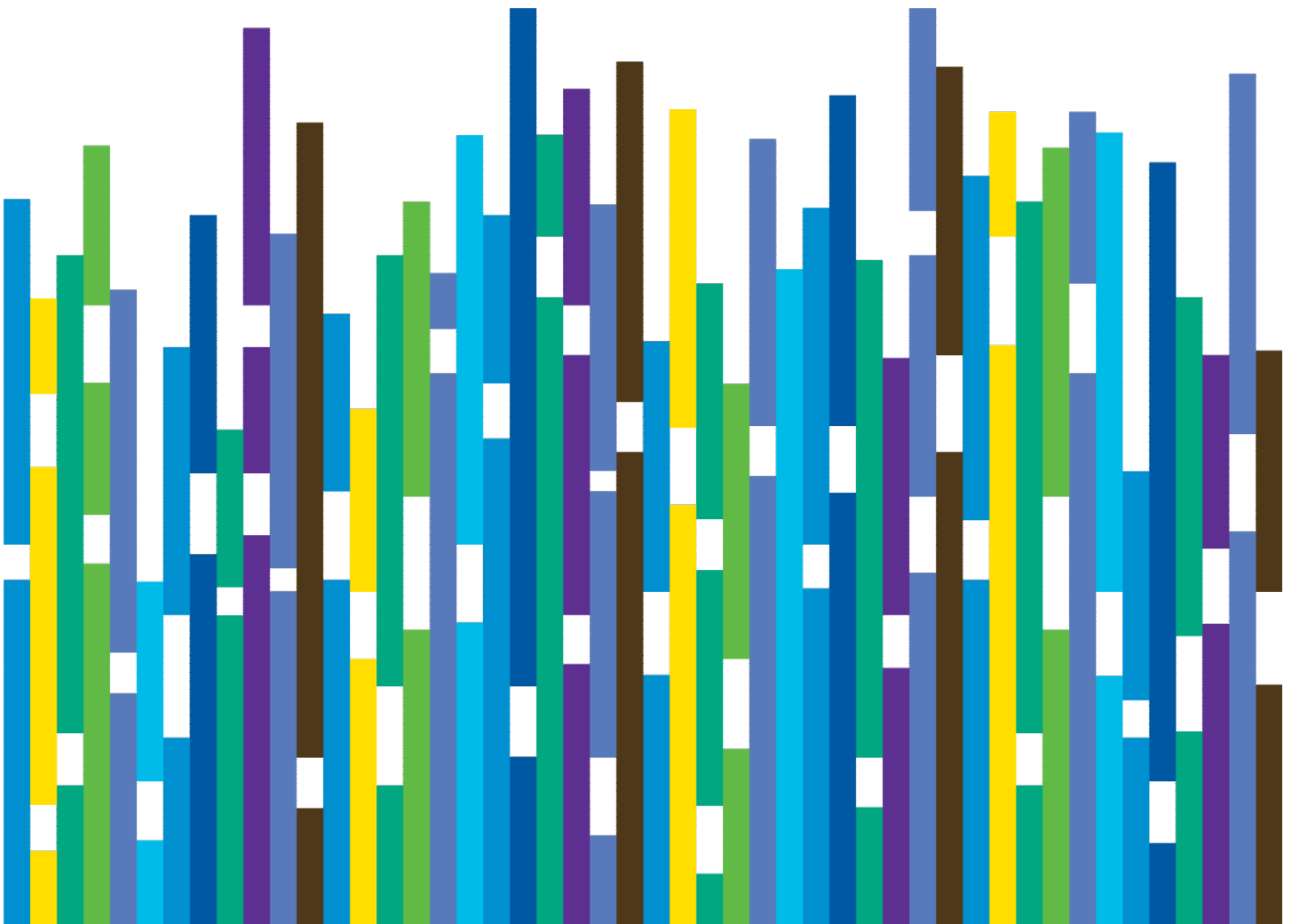


ANNUAL REPORT

July 1, 2015 – June 30, 2016

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ANNUAL REPORT

President's Letter

Dear Members:

It has been a pleasure and honor to serve as the 42nd president of CFA Society Seattle over the past year! As I reflect on my term, I am pleased to report that we have made progress on many fronts, continuing the good work of prior Society leaders. Two guiding principles for the year have been **“to serve our members”** and **“to provide tangible member value.”**

With the critically important assistance of our two dedicated staff members - Amber Fowler (Executive Director) and Pam Cahill (Operations Director), our board aims to be more strategic and to focus on more than the “flavor of the month” or “the latest fire to put out.” To that effect, one of the key steps has been to identify a common mission/vision toward which we could pedal together. We went through a strategic planning process and united around a new mission statement that is more memorable, more representative of who we are, and guides where we will direct our limited resources going forward:

“To advance our members’ investment knowledge and careers by providing educational and networking opportunities, while promoting the CFA charter and investment ethics in the Puget Sound region.”

As I highlight some of the significant developments of the year below, I hope you will see the link between them and our revised mission:

- Co-hosted the inaugural **“Gender Diversity in Financial Services Conference”** in May, with the attendance of 129 professionals (with Russell Investments)
- Hosted a series **Putting Investors First Month** activities in May, including a keynote address, ethics panel, Governor’s Proclamation, NPR advertising campaign, and an inaugural conference on gender balance in financial services
- Around the same date when we celebrated the 40th anniversary of our Society’s incorporation on May 14, we crossed the symbolic threshold of **1000 dues paying members** for the first time in our history
- Conducted the **7th Annual CFA Research Challenge** where six college teams participated from September to March and the local winner Seattle University went on to compete in the Americas Finals in Chicago in April
- Secured for CFA Society Seattle the right to host the **11th Americas Region CFA Research Challenge Final Competition** that will bring 90+ business school teams from North and South America to Seattle in March, 2017



Dr. Ufuk Ince, CFA, speaking with an attendee at the inaugural Gender Diversity in Financial Services event in May, 2016.

- Hosted the **13th Annual Economic Forecast Dinner** in January, which was attended by 354 and generously supported by leading area firms
- Launched a **live review session for the 3rd level of the CFA exam**, completing our review session line up for all three levels (with Seattle University Albers School of Business)
- Welcomed a record **68 new CFA charterholders** to our community in a ceremony held in December
- Co-hosted the **4th Seattle Alternative Investment Summit** in November, where Mason Morfit, CFA, headlined a sold out event (with SAIA-Seattle Alternative Investment Association)
- Started a new initiative titled “**Ethics in Finance Project**” that brings together faculty from five area universities, investment practitioners, and the CFA Institute to generate and distribute open source online content for ethics education and training
- Hosted **23 educational and social events** throughout the year with a marked increase in average attendance to 30+
- Our society leaders attended **national, regional and global CFA Institute conferences** to develop their volunteer skills and contacts, as well as outreach events at **area companies, regulatory agencies, and business schools** to promote the CFA charter

As we pass the baton to a new team of leaders this summer, I am certain that they will continue our progress. However, please note that Society leaders do not grow on trees! They come directly from you, the members. We continue to be a volunteer led organization that relies on the sacrifice, initiative and ideas of our members and welcome your help in achieving our goals.

To remove some of the mystery from how we operate and to increase transparency, we restarted the practice of posting our monthly board meeting minutes on our website. Please know that this is your organization, it is serving you, and you are always invited to attend our monthly meetings to share ideas or just to observe.

As we are transitioning to a larger-size Society with more professional operations, we need you, our members to contribute your skills and time to our progress at all levels. We are certain that we can find a (one-off or ongoing) volunteer role for you that will prove satisfying and beneficial for you as a local career professional.

Please join us!

Ufuk Ince, Ph.D, CFA

CFA Society Seattle Mission

Mission Statement

To advance our members’ investment knowledge and careers by providing educational and networking opportunities, while promoting the CFA charter and investment ethics in the Puget Sound region.

(Revised May, 2016)

Membership Profile

With multiple types of membership available, joining CFA Society Seattle provides today's investment professionals with a network of over 1,000 local colleagues. Additionally, membership offers access to the exciting educational programs, career resources, and social opportunities, serving our members with the most current industry and CFA Institute information.

Our members are a diverse mix of Puget Sound area finance professionals, consisting largely of CFA charterholders. The job functions represented by our membership are as diverse as their demographic differences: covering everything from equity, fixed income, and alternative investments in job functions such as investment analysts, portfolio managers, sales and marketing partners, principals, and CEOs.

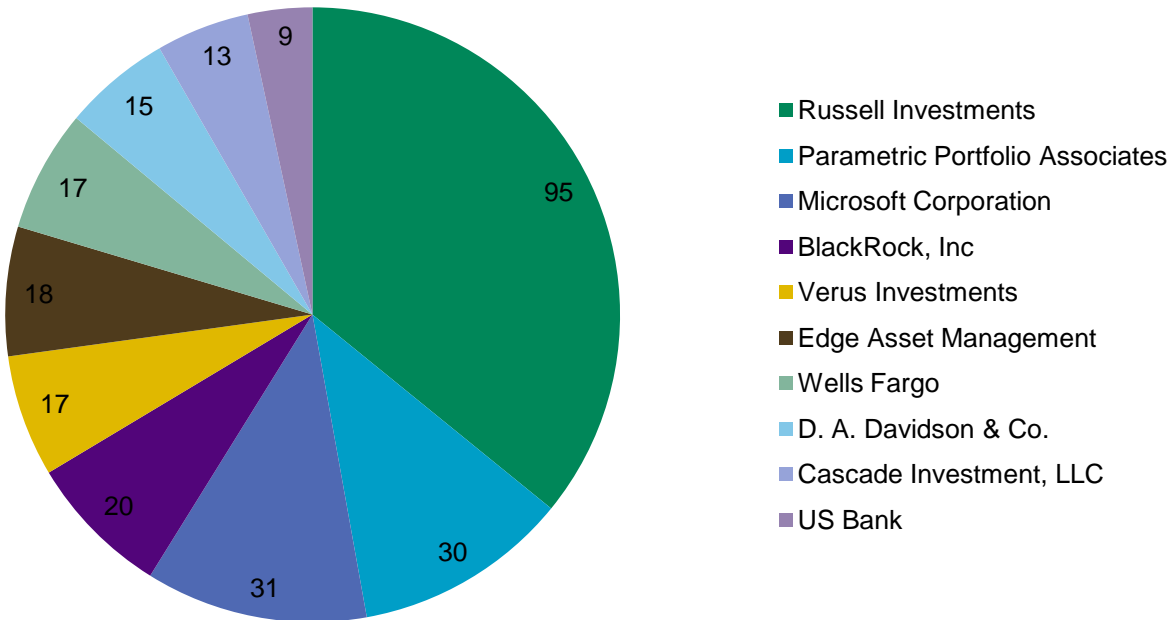
Member Statistics:

- Total number of active members: 1004
- Total number of student members: 20
- Total number of charterholders: 937
- Annual membership growth: 2.2%
- Member retention rate: 93%

Member Demographics:

- Average age: 45
- Average years with the charter: 12
- Percentage of female vs. male members: 19.4% vs. 80.6%

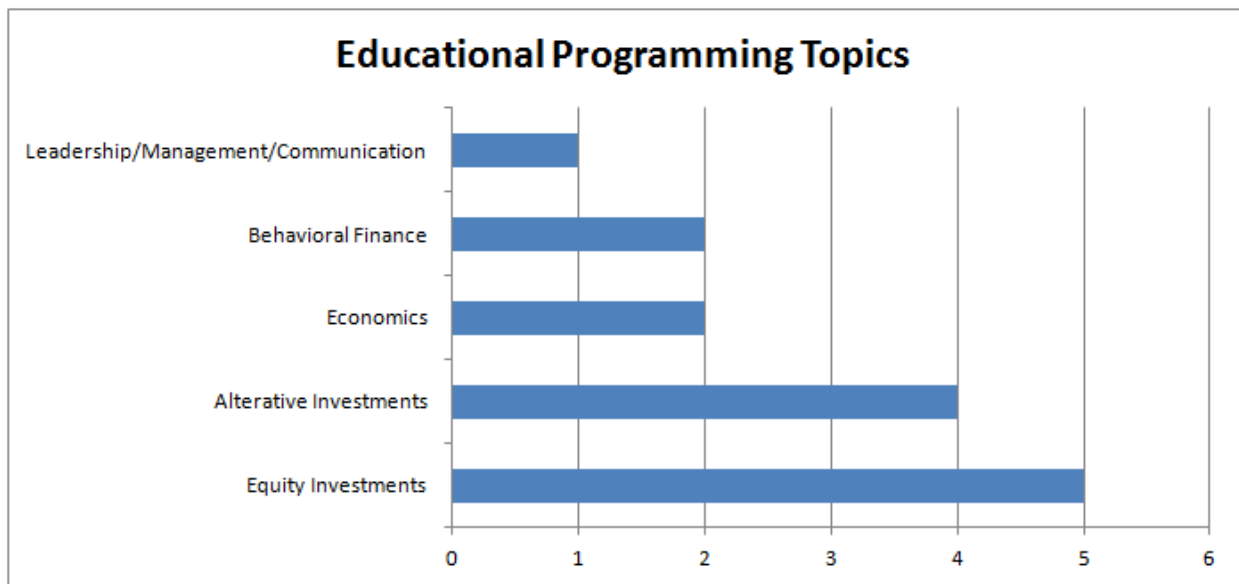
Top Employers of Local CFA Charterholders



Events

CFA Society Seattle has offered a variety of programming events this year to meet the needs of our members. (Average attendance in parenthesis.)

- Educational Programming: 14 events (29 attendees)
- Networking/Social: 3 events (37 attendees)
- Book Club: 3 events (7 attendees)
- 4th Annual Seattle Alternative Investment Summit: (136 attendees)
- 13th Annual Economic Forecast Dinner: (354 attendees)
- Inaugural Gender Diversity Conference: (129 attendees)



University Relations/CFA Candidates

CFA Society Seattle supports our local universities and CFA Candidates by offering several programs, scholarships, and educational sessions throughout the year.

- Number of Candidates Sitting for the June 2016 Exam: 572
- Number of New Charters Awarded: 68
- Number of Scholarships Awarded: 11
- Number of Candidates Enrolled in Seattle University Review Course: 34
- Number of Candidates Taking the June 2016 Mock Exam at Seattle University: 99
- Participant Schools in the Investment Research Challenge: 6



New CFA Charter Holders at the December, 2015 New Charter Holder Ceremony and Holiday Social.

CFA Institute Research Challenge

This year, CFA Society Seattle hosted the 7th annual local competition of the CFA Research Challenge. The Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis. Students work in teams to prepare a research report on a local publicly traded company. This year's subject company was Bellevue-based aerospace company Esterline Technologies (NYSE: ESL).

Starting in September, students from the six participating universities – Pacific Lutheran University, Seattle University, University of Puget Sound, University of Washington Bothell, University of Washington Computational Finance and Risk Management, and University of Washington Foster Business School – worked together with a dedicated industry mentor to analyze publicly available data to form the basis of their recommendation, and later met company management to learn more about the company's strategy and ask questions. They then presented written and oral reports to a group of Seattle professional investors.

Seattle University's team – Yichen Fan, Andrew Frank, Kayla Kerr, Gian-Luke Tessaro, and Christopher Zweigle, advised by Dr. Ruben Trevino, and mentored by Jamelah Leddy, CFA (Cohen & Steers) – advanced from the local competition and traveled to Chicago to present at the Americas Regional Finals. The regional finals featured over 90 universities, including the global winner from the University of Waterloo, Ontario Canada. This is the fourth time the team from Seattle University has advanced to the Americas Regional, a record for the CFA Society Seattle local competition.

The local competition would not be possible without the local CFA Society Seattle members and management teams that give their time to support this event. These include several industry mentors, faculty advisors, written report graders, and oral presentation judges. Thank you to those of you who were involved with the 2016 Research Challenge!

Other Noteworthy Items

Cybersecurity Training

CFA Society Seattle held its first cybersecurity training event this year. Led by Alan Randell, CFA, this new program introduced members to the landscape of growing cyber threats and the impact on today's asset manager. Members learned about common attacks used by cybercriminals as well as strategies to protect clients and their data.

Job Board

Did you know that CFA Society Seattle's Job Board, using Boxwood Technology, is a free resource to members? For a nominal fee, local employers posted 44 jobs during the 2015-16 fiscal year. This generated revenue for CFA Society Seattle in addition to enhancing our mission of advancing our members' investment knowledge and careers.

Book Club

After a one year hiatus, the CFA Society Seattle Book Club was revitalized thanks to the help of Andy Frey, CFA, who accepted the volunteer role of leading the book club. Three quarterly book clubs were held at the White Horse Trading Company near Pike Place Market, over beverages and pizza. The books discussed were Michael Lewis' *Flash Boys*, Dani Rodrik's *Economic Rules: The Rights and Wrongs of the Dismal Science*, and Charles MacKay's *Extraordinary Popular Delusions and the Madness of Crowds*. We are taking a break from meeting over the summer, but welcome you to join us in the fall of 2016.

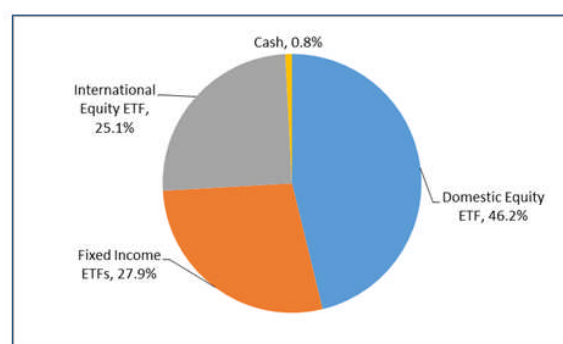
2015-2016 Fiscal Year Financial Statements

Non-GAAP, Cash Basis Financial Statements

REVENUE	July 1, 2015 to June 1, 2016		July 1, 2014 to June 17, 2015		July 1, 2013 to June 13, 2014	
	Membership Revenue	\$	54,722	\$	85,075	\$
CFA Institute Operational Funding		48,630		35,913		34,567
Programming Revenue		8,509		12,164		6,962
Economic Forecast Dinner Revenue		108,926		103,050		56,804
Other Programming Revenue		22,059		12,186		37,225
Social Revenue		2,827		7,133		7,588
CFA Review Course Revenue		1,484		4,399		2,629
Investment Research Challenge Sponsorship Revenue		4,750		5,084		4,500
Miscellaneous Revenue		339		4,947		-
Dividends & Interest		2,671		2,556		1,693
Ethics in Finance Project		35,000		-		-
Job Board Revenue		5,941				
TOTAL REVENUE		<u>295,859</u>		<u>272,508</u>		<u>218,605</u>
EXPENSES						
Contract Labor		55,750		57,524		56,522
Programming Expenses		23,697		20,749		17,591
Economic Forecast Dinner Expenses		79,553		94,193		41,713
Other Programming Expenses		17,181		22,878		39,411
Social Expenses		15,812		18,923		16,036
Administrative Expenses		6,945		4,421		7,867
Investment Research Challenge Expenses		7,769		2,378		3,571
Outreach and Awareness		16,603		-		-
Board of Director & Committee Expenses		20,3015		9,402		6,198
TOTAL EXPENSES		<u>243,627</u>		<u>234,470</u>		<u>188,909</u>
NET OPERATING PROFIT	\$	<u>52,232</u>	\$	<u>38,038</u>	\$	<u>29,696</u>

	As of June 7, 2016	As of June 17, 2015	As of June 13, 2014
Assets			
<u>Current Assets</u>			
Cash & Cash Equivalents	\$ 196,297	\$ 125,794	\$ 58,060
Accounts Receivable	8,468	30,407	63,499
Total Current Assets	<u>204,766</u>	<u>156,201</u>	<u>121,559</u>
<u>Noncurrent Assets</u>			
Investments (at cost)	120,032	117,319	113,963
Property & Equipment	1,850	1,850	1,850
Total Noncurrent Assets	<u>121,882</u>	<u>119,169</u>	<u>115,813</u>
Net Assets	<u>\$ 326,648</u>	<u>\$ 275,370</u>	<u>\$ 237,372</u>

INVESTMENTS at MARKET VALUE as of 5/31/2016 \$145,678



Board of Directors

Executive Committee

President	Ufuk Ince, CFA
Vice President 1	Dylan Kelly, CFA
Vice President 2	Thomas Garrett, CFA
Treasurer	Rey Santodomingo, CFA
Secretary	Sherrie Trecker, CFA
Trustee	Alan Randell-Chen, CFA
Trustee	Matthew Griffith, CFA
Past President	Andy Loechl, CFA

Staff

Amber Fowler	Executive Director
Pam Cahill	Operations Director

Committee Chairs

Advocacy	Olga Bystrova, CFA
Forecast Dinner Programming	Andy Loechl, CFA
Community Outreach	Dylan Kelly, CFA
Employer Outreach	Thomas Garrett, CFA
Membership and University Outreach	Roy Hamrick, CFA
Technology and University Outreach	Paul Herber, CFA
Investment Research Challenge	Dylan Kelly, CFA
Media Relations	Alan Randell-Chen, CFA
Social Media	Matthew Griffith, CFA
Book Club	CJ Hall, CFA
	Matt Lowe, CFA
	Andy Frey, CFA

Past Presidents

Andy Loechl, CFA	2014-2015	Sandra L. Hanower, CFA	1993-1994
Kristi Lord, CFA	2013-2014	Lynette Dashiell Sagvold, CFA	1992-1993
Brian Rowe, CFA	2012-2013	George A. Haloulakos, CFA	1991-1992
Leisa Sánchez Western, CIPM	2011-2012	Steven M. Koenig, CFA	1990-1991
Jeffery L. Lippens, CFA	2010-2011	Carol L. Beers, CFA	1989-1990
Phillip Vitale, CFA	2009-2010	Darcy S. MacLaren, CFA	1988-1989
Doug Hockersmith, CFA	2008-2009	William B. Whitlow, Jr., CFA	1987-1988
Jay Turley, CFA	2007-2008	Joseph T. Suty, CFA	1986-1987
Dan Rutter, CFA	2006-2007	Ralph E. Purvis, Jr., CFA	1985-1986
Aimée Huff, CFA	2005-2006	Craig S. Hobbs, CFA	1984-1985
Michelle Rubesch, CFA	2004-2005	George B. Kauffman, CFA	1983-1984
Elaine Heller, CFA	2003-2004	David A. Anderson, CFA	1982-1983
James Simone, CFA	2002-2003	Gary R. Bech, CFA	1981-1982
Roy Hamrick, CFA	2001-2002	Carolyn W. Hamilton, CFA	1980-1981
Rae Lyn Stannard, CFA	2000-2001	Jeffrey Atkin	1979-1980
Sharon Rowley, CFA	1999-2000	David A. Veterane, CFA	1978-1979
Neil J. Beaton, CFA	1998-1999	J. Michael Flinn	1977-1978
Linda C. Selegue, CFA	1997-1998	Richard W. Hubbard, CFA	1976-1977
Linda K. Mauzy, CFA	1996-1997	Louis M. Lundquist, CFA	1975-1976
Peter M. Musser, CFA	1995-1996	F. Tomlinson White, Jr., CFA	1974-1975
Harvey G. Bateman, CFA	1994-1995		



CFA Society Seattle President Ufuk Ince, board members, volunteers, and staff at a recent monthly meeting.