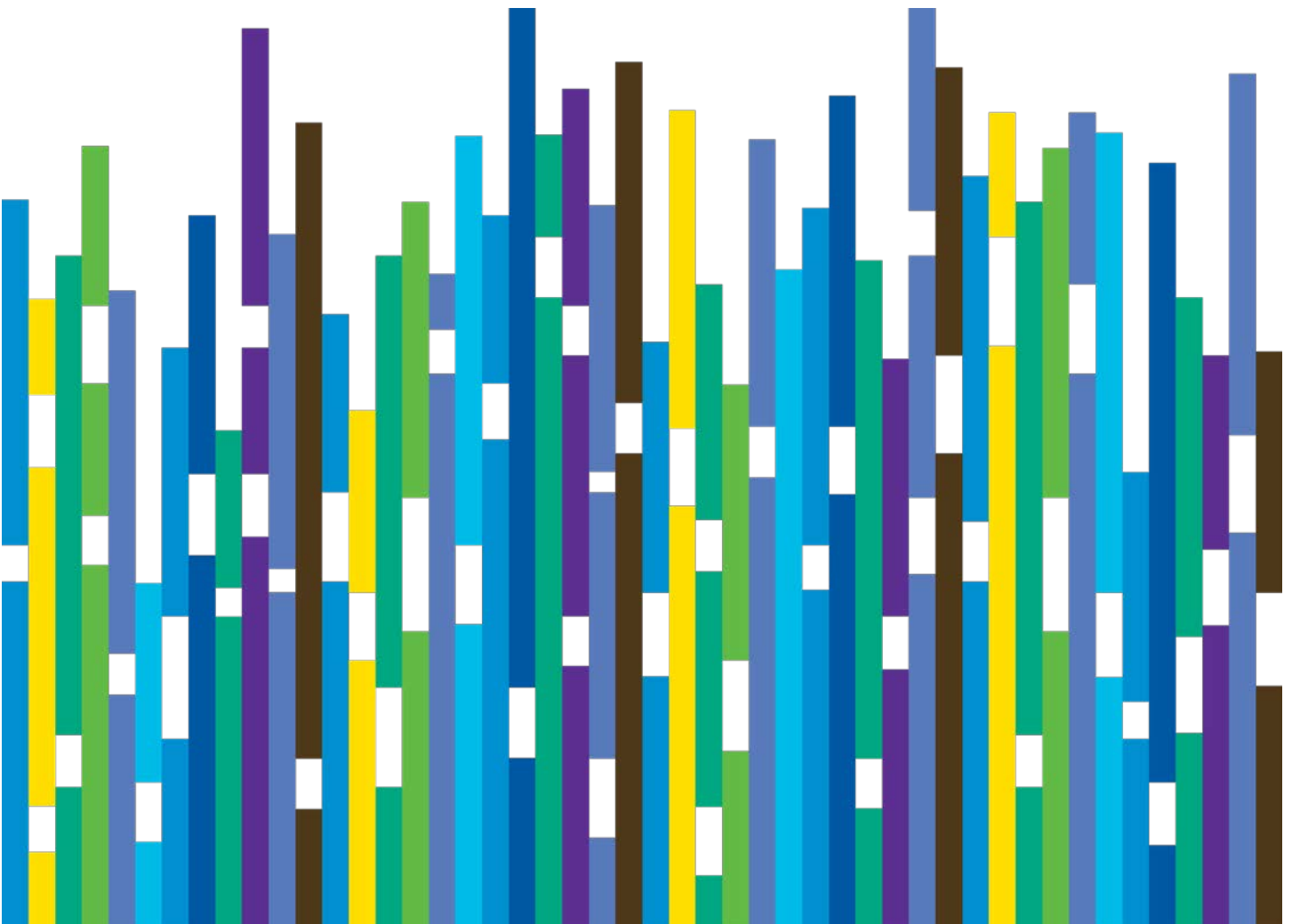


# ANNUAL REPORT

July 1, 2016 – June 30, 2017

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# ANNUAL REPORT

## President's Letter

Dear Members,

It has been a pleasure to serve as President of CFA Society Seattle this past year. It has been a year full of ambitious ideas, amazing teamwork, and an end result I hope you are proud of.

We have spoken several times about our efforts to transform the board from operational to strategic in nature. Following the foundation established in previous years (the hiring of our current staff, redefining of our mission and vision, etc.) and the implementation of a long range strategic plan this year, we continue to move towards our end goal.

Some of the key initiatives that embrace this focus on strategic, long-term benefits for our society include the *Brand Campaign*, aimed at raising the profile of our designation in this evolving environment; the *2<sup>nd</sup> Annual Gender Diversity Conference*, with impact that can be felt today and years down the road; and the *Ethics in Finance Project*, an ambitious effort to implement full credit ethics courses at university finance programs.



Dylan Kelly, CFA, addressing members at the Annual Meeting in 2016.

One of our priorities while planning this shift was not to lose sight of the activities that you find so valuable today. In fact, we set aggressive goals to provide even more value in areas such as Educational Programming, Networking Activities, and University Relations. We hope you were able take advantage of some of these offerings throughout the year and will continue to do so in the future.

A standing ovation would not be enough to recognize the efforts our board members and volunteers. This year was only possible thanks to their countless volunteer hours and unbelievable passion. We have been featuring our volunteers in the weekly newsletter and I would encourage you to connect with one of them and learn more about what motivates them to contribute their time and energy despite their busy schedules.

Our two staff members, Amber Fowler and Pam Cahill, continue to be the backbone of our society. Now in their fourth year of service, they are always striving to find better ways to serve you, our membership.

Through this transformative period, our society has maintained excellent financial health with strong reserves.

I am looking forward to continuing to serve next year while helping with the 15<sup>th</sup> Annual Forecast Dinner and sitting on the new board. I am confident next year will set new records in strategic initiatives and delivering member value.

If you have any feedback or want to learn more about getting involved, please reach out!

Best regards,

Dylan Kelly, CFA

## CFA Society Seattle Mission

### Our Mission

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)

### Our Vision

Trusted community of knowledgeable investment experts 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.

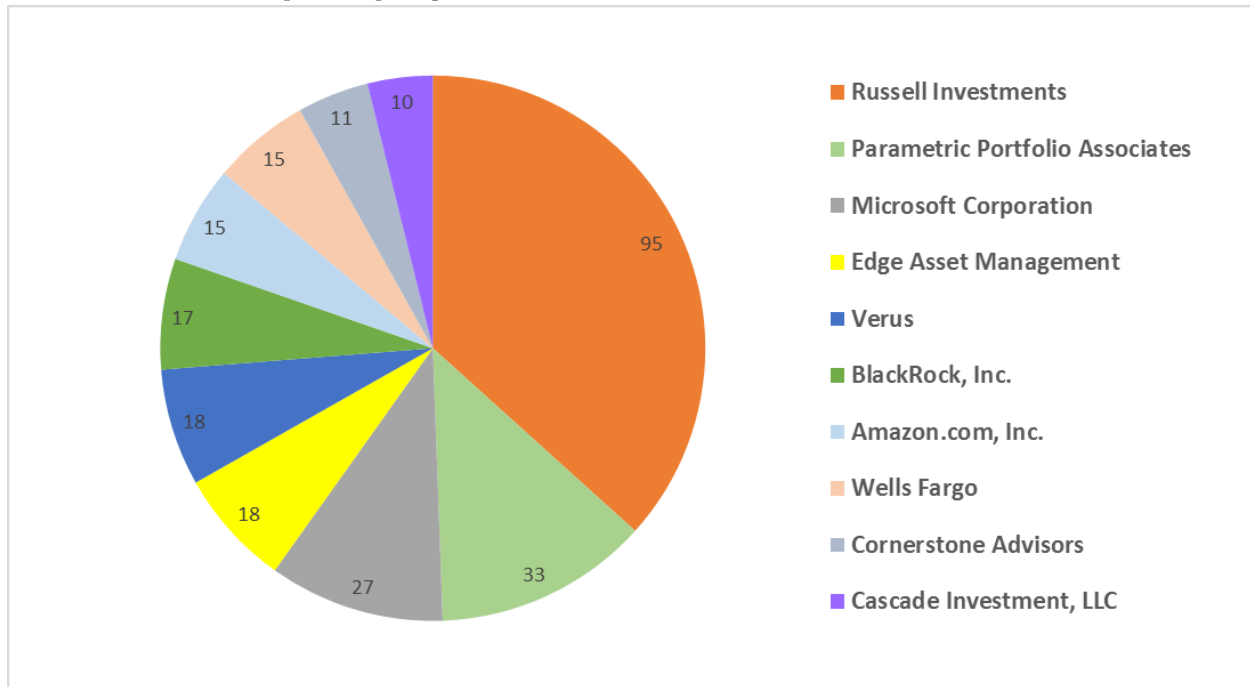
### Member Statistics:

- Total number of active members: 1049
- Total number of student members: 22
- Total number of charterholders: 983
- Annual membership growth: 4.1%
- Member retention rate: 93.3%

### Member Demographics:

- Average age: 45
- Average years with the charter: 11.7
- Percentage of female vs. male members: 19.5% vs. 80.5%

## 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: 15 events  
Topics included MLP's, Ethics in Finance, Behavioral Finance, Commodity Investing, Deflation and Negative Rates, and many more
- Networking/Social: 2 events
- Volunteer Recruitment Event: 55 attendees
- 14<sup>th</sup> Annual Economic Forecast Dinner: (360 attendees), see photos below
- 2<sup>nd</sup> Annual Gender Diversity Conference: (115 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: 558

- Number of New Charters Awarded: 69
- Number of Scholarships Awarded: 11
- Number of Candidates Enrolled in Seattle University Review Course: 21
- Number of Candidates Taking the June 2016 Mock Exam at Seattle University: 65



New CFA Charter Holders at the December, 2016 New Charter Holder Ceremony and Holiday Social.

## CFA Institute Research Challenge

This year, CFA Society Seattle hosted the 8th annual local competition of the CFA Research Challenge on February 13th at The Rainier Club. 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 Issaquah-based Costco (COST).

In October 2016, 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 – learned about the competition and met their local industry mentor, one of whom was paired with each team. In addition to gathering publicly available data to form the basis of their recommendation, the teams also are able to meet company management to learn about the company's strategy. Costco's Chief Financial Officer Richard Galanti generously made himself available for two hours to speak about the company and give the students the opportunity to ask questions. Following the meeting with management, students worked with their faculty advisors and industry mentors to finalize their report ahead of its submission in January.

Following evaluation of the written reports by a panel of volunteer local investment professionals, the teams with the top three written report scores – Seattle University, University of Washington - Computation Finance and Risk Management, and University of Washington - Bothell – prepared an oral presentation which was given in front of a panel of three local portfolio managers. The event was attended by over 50 people and was followed by a networking reception for CFA Seattle members interested in equity research. Seattle University's team – Qiuyu Huang, Drew Nordstrom, Avinash Ram, Justin Tatura, and Enderson Wong, each won a Kindle loaded with classic investment books.

The local competition would not be possible without the local CFA Seattle members and management teams that give their time to support this event. Thank you to those of you who were involved with the 2017 Research Challenge!



Thanks to our oral presentation judges Touk Sinantha, CFA, Lesa Sroufe, CFA, and Tim Thomas, CFA.



Congratulations to Seattle University, winners of the 2017 local competition.



## Other Noteworthy Items

### Americas Regional CFA Research Challenge

In addition to hosting the local competition of the CFA Research Challenge, Seattle was also the site of the Americas Regional Competition. Seattle University advanced to the Americas Regional competition on April 7, 2017. This year, the winning teams from over 50 local competitions in North and South America came to Seattle to compete for two spots in the Global Final. The winners of the Americas Regional advanced to the Global Final in Prague, Czech Republic

### Gender Diversity Event

On May 24, 2017, CFA Society Seattle and Russell Investments co-sponsored the second annual Gender Diversity in Financial Services Conference: IMPACT at the Washington Athletic Club. Nearly 160 attendees had the opportunity to hear keynote speaker Kathleen Powers Dunlap, CEO of Girls Who Invest, speak on how to inspire positive change and close the gender gap in asset management. Breakout sessions covered important topics such as coaching for inclusion, women entrepreneurs, responsible investing, and advocacy. Attendees also had the opportunity to hear a panel discussion on diversity efforts at local firms. The evening closed with a networking event where attendees had the opportunity to discuss what they heard during the day.



## Meet the Professionals

The Meet the Professionals event brought together corporate executives from across the region for an evening of networking and mentorship with the Society's young professionals. In an informal and interactive setting, the senior leaders shared advice and key lessons learned on the route from analyst to executive. A host of different sectors, roles and career paths were represented at the event, reflecting the diversity of the Society membership and allowing members from a variety of industries to engage with leaders relevant to them.



Thank you Shelly Heier, CFA, Phil Anderson, CFA, Neil Beaton, CFA, Jamie Boyd, CFA, Jeff Hussey, CFA, Jason Malinowski, CFA, Troy Schell, CFA, and Phillip Vitale, CFA for participating in this event. Your insight and guidance was much appreciated.

## Annual Forecast Dinner



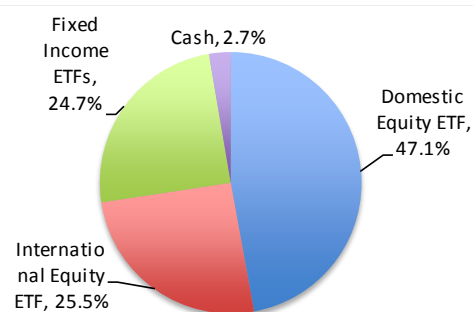
## 2016-2017 Fiscal Year Financial Statements

### Non-GAAP, Cash Basis Financial Statements

<b>REVENUE</b>	1 July, 2016 - 1 June, 2017	1 July, 2015 - 1 June, 2016	1 July, 2014 - 17 June, 2015
Membership Revenue	59,037.5	54,722.3	85,075.0
CFA Institute Operational Funding	73,210.0	48,630.0	35,913.0
Programming Revenue	8,528.5	8,508.5	12,164.0
Economic Forecast Dinner Revenue	92,710.2	108,925.7	103,050.0
Other Programming Revenue	785.0	22,059.2	12,186.0
Social Revenue	1,700.0	2,827.4	7,133.0
CFA Review Course Revenue	6,454.3	1,484.4	4,399.0
Investment Research Challenge Sponsorship Revenue	5,350.0	4,750.0	5,084.0
Miscellaneous Revenue	0.0	339.1	4,947.0
Dividends&Interest	2,178.4	2,724.4	2,556.0
Ethics in Finance Project	4,475.0	35,000.0	
Job Board Revenue	6,084.2	5,941.5	
<b>TOTAL REVENUE</b>	<b>260,513.0</b>	<b>295,912.4</b>	<b>272,508.0</b>
<b>EXPENSES</b>			
Contract Labor	82,622.7	41,643.1	57,524.0
Programming expenses	44,114.8	45,281.6	62,550.0
Economic Forecast Dinner Expenses	99,364.7	79,553.0	94,193.0
Other Programming Expenses			
Social Expenses			
Administrative Expense	7,294.8	7,233.2	4,421.0
Investment Research Challenge Expenses	6,056.7	7,769.0	2,378.0
Outreach and Awareness	30,807.2	26,385.7	
Board of Directors & Committee Expenses	11,027.5	21,409.0	9,402.0
<b>TOTAL EXPENSES</b>	<b>281,288.4</b>	<b>229,274.5</b>	<b>234,470.0</b>
<b>NET OPERATING PROFIT</b>	<b>-20,775.4</b>	<b>66,637.9</b>	<b>38,038.0</b>

<b>Assets</b>	1 June, 2017	1 June, 2016	17 June, 2015
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	214,982.3	225,399.5	125,794.0
Accounts Receivable	0.0	22,658.1	30,407.0
<b>TOTAL CURRENT ASSETS</b>	<b>214,982.3</b>	<b>248,057.5</b>	<b>156,201.0</b>
<b>NON-CURRENT ASSETS</b>			
Investments (at cost)	120,006.3	117,549.0	117,319.0
PP&E	1,849.8	1,849.8	1,850.0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>121,856.2</b>	<b>119,398.8</b>	<b>119,169.0</b>
<b>NET ASSETS</b>	<b>336,838.7</b>	<b>365,789.7</b>	<b>275,370.0</b>

### INVESTMENTS at MARKET VALUE as of 5/31/2017





## Executive Committee

President	Dylan Kelly, CFA
Vice President 1	Matthew Griffith, CFA
Vice President 2	Thomas Garrett, CFA
Treasurer	Olga Bystrova, CFA
Secretary	Annika Williams
Trustee	Alan Randell-Chen, CFA
Trustee	Lesla Sroufe, CFA
Past President	Ufuk Ince, CFA

## Staff

Operations Director	Pam Cahill
Executive Director	Amber Fowler

## Committee Chairs

Advocacy	Jorge Valcarcel, CFA
Forecast Dinner	Ufuk Ince, PhD, CFA
Programming	Thomas Garrett, CFA
Women's Network	Sherrie Trecker, CFA
Employer Outreach	Phill Rogerson, CFA
Membership	Niyada Taraka
University Relations	Alan Randell-Chen, CFA
Technology	Alan Randell-Chen, CFA
Research Challenge	Matt Griffith, CFA
Volunteer Recruitment	CJ Hall, CFA
Social	Heather McClellan
Ethics in Finance	Giorah Bour, CFA
Young Prof. Network	Michael Steingold, CFA



## Past Presidents

Ufuk Ince, PhD, CFA	2015-2016	Harvey G. Bateman, CFA	1994-1995
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