

President's Report

For the Financial Year to 30 June 2014

In the CFA we aim

To lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

On a local level we seek to deliver to this as a Society, but also to support local members and candidates to do the same, whilst also providing social and networking opportunities. It's important also to remember that, in doing this, we now seek to support not just CFA charterholders and candidates, but also CIPM and Claritas members and candidates.

In this endeavour I am happy to report that we have again seen a year in which we have demonstrably developed and delivered. For this we have been particularly fortunate to have a number of volunteers who have given much to the CFA, thank you.

Vice Presidents	Kate Mistic	Australia Investment Conference	Phil Graham
	James Harman	Forecasting Dinner	Tina Yu
	Graeme Bibby		Wendy Fergie
Past President	Phil Graham	Future of Finance	Graeme Bibby
Secretary	Inna Zorina		Phil Graham
Asst Secretary	Tim Huang		Thomas Tam
Treasurer	Juan Dosio	Local Advocacy	Thomas Tam
Asst Treasurer	Desmond Goh	Putting Investors First	James Harman
Executive Director	Wendy Fergie	Social Committee	Shi Ong
Membership Chair	Stratton Bell		Migara Alles
Asst Membership	Tina Yu	Social Media & Web (Melbourne & Australia)	Chris Tse
Program Chair	Andrew Huang		Benjamin Listokin
Asst Program	Paul Kessell	Web (Australia) – CFA Research	Dennis Zeeh
Education Chair	Alexander Silinskiy	Newsletter	Ling Jin
Research Challenge Chair	James Harman		Melissa Mun
Board Members	Andre Roberts		
	Peter Wilmshurst		
	Daniel Levy		
	Oliver Antrobus		
	Lee Platek		

In delivering more, both to our members and to the wider business community, we have seen some new key initiatives over the past year:

- CFA Investment Conference – “Australia’s position in a low growth world”: For the first time in Melbourne, the second in Australia, we held a CFA Investment Conference, which was in October last year. This conference garnered the CFA substantial reviews and media attention given the quality of speakers it attracted. Our keynote speakers included Dr. William Poole (senior fellow at Cato Institute and previously a member of the US Federal Reserve), Dr. Philip Lowe (Deputy Governor, RBA), John Rogers, CFA (CEO, CFA Institute) and Brian Singer. A quick recap is at <http://www.cfa-australia.com.au/aic13/>
- Future of Finance - We have now established a permanent initiative of the Society to influence the conversation in and around financial services to improve the future of finance in Australia. In this we often join with the other Australian based Societies and we are conscious that this is a long term goal. In seeking the ultimate benefit of society we have, for example:
 - Future of Finance Sessions: We held a series of sessions with John Rogers (CEO, CFA Institute) and Paul Smith (MD, CFA Asia-Pacific) for two way conversations with selected Company Directors, Super Fund CEO’s and CIO’s, ESG specific staff and Asset Consultants. In these sessions we were able to gauge their concerns and to also share with them the initiatives of the CFA such as the Future of Finance. If you haven’t seen the Australian update on this you can download the document ‘Future of Finance – Increasing integrity in Australian Financial Services Summary’ at <http://www.cfa-australia.com.au/future-of-finance/>
 - Financial System Inquiry: No doubt you have read much on this Inquiry. Joining together with the other Australian Societies, as the CFA Societies Australia, we deliberately selected those areas where we felt we could have a greater voice and formulated our responses to both rounds of FSI submissions. You are welcome to review these at <http://www.cfa-australia.com.au/>

I should also note that the CFA won the MAX Award for the Best Marketing Communications of the Year (Trade Division) for this, the Future of Finance, initiative.

- Putting Investors First – Forms part of the Future of Finance initiative, but it also stands as a separate initiative in its own right. As of this year it is a global annual CFA event. As a part of CFA Societies Australia and New Zealand, we had a two-pronged approach for the initial year. Firstly we had Michael Woodford conduct a speaking tour across Australia and New Zealand. Michael was the CEO of Olympus Corp and pursued what came to be a \$1.7billion accounting fraud. To his credit he did put investors first, though it lead to his sacking by the Olympus Board and a messy 3 years since. An extreme example of needing to put investors interests first, but a great way to get the message out. We followed this up with a series of media events centred on putting investors first. Again this did much for the profile and awareness of the CFA. A quick recap is at <http://www.cfa-australia.com.au/investor-first-week/>

It is also important that we continue to provide learning opportunities for the future participants of our industry. In this we have the CFA Global Research Challenge, an annual competition for university students where they gain real-world analyst experience, supported through hands-on mentoring and training. At the time of writing the Melbourne finalists have not been announced, but we have again seen an excellent field of contestants and a generous group of volunteers who assist us in providing this opportunity. My particular thanks to the volunteers. An update can be found at <http://cfa-melbourne.com.au/resources/research-challenge/>

For the members, the lunchtime sessions continue to be well supported and a good way in which we can provide continuing education plus networking. One special opportunity we had this year was a series of sessions lead by Annie Lo, head of the CFA's Global Investment Performance Standards. During the year we also had Helga Birgden presenting on Mercers' research regarding the implications of Climate Change for Strategic Asset Allocations. Other topics from the lunchtime sessions included 'the Case for Investing in Frontier markets, including ESG', 'Smart Factor Investing' and 'Financial Shenanigans - Identifying Red Flags in Reported Financials'.

Catering to both members and the wider business community, we held our 11th annual Forecasting Dinner. This year we were particularly fortunate to have Heather Brilliant, CFA as the speaker. Heather is the Co-CEO of Morningstar Australasia and is a member of the Board of Governors of the CFA Institute. She is the co-author of a well-regarded book, 'Why Moats Matter' and spoke on it, offering key insights into economic moats for businesses, which are businesses with sustainable advantages.

More focused upon our members, but also available to anyone who may wish to subscribe, we have renewed and refreshed our Newsletter. This can help keep you up to date with the CFA in Melbourne, you can subscribe via the CFA Melbourne website (<http://cfa-melbourne.com.au/>). Keeping a wider perspective, we have also refreshed the CFA Societies Australia website (<http://www.cfa-australia.com.au/>) and, if you wish to stay abreast of the CFA in Australia, following on Twitter (@CFASocietiesAus) may be best.

For CFA candidates we have also continued our Post-Exam Results drinks, which continue to be well attended. At the end of this calendar year we will also have drinks for those who have been awarded a Charter. This function doubles as our festive season drinks and if you are able to attend, do please introduce yourself to me and the other Melbourne Board members.

Over the past 18 months we have evolved our public face to be more as 'CFA Societies Australia' presenting one bigger, bolder voice. However, that is our public face. Internally, when we talk to our members and candidates, we continue to talk through the local society, 'CFA Melbourne'. This enables us to have a bigger presence publicly (eg with Inquiry submissions), whilst also working locally with our members. You may recall that last year we established a CFA Australia Advocacy role, which continues. Currently, we are examining amalgamating our administrative and finance functions. We anticipate that this will save each local Society money and also enable us to secure better, full time services. In turn, this should enable us to better use our volunteers to continue to broaden our capacity to better serve both our members and the broader business community and, through that, to also push much greater awareness of the CFA and our values.

In terms of the year ahead? The CFA remains focused on building upon our gains, ensuring the CFA becomes increasingly better known and appreciated. In this we have enjoyed the help of many volunteers as noted above and to them I owe a particular "thank you".

Finally, if you have any comments or feedback as to how we can serve you better, I would welcome your advice.

Paula Allen

President, CFA Melbourne