



**CFA Society  
Melbourne**

ANNUAL REPORT &

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2019







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## About us

The CFA Society Melbourne represents the interests of more than 750 local members of the investment profession.

Our mission is to serve members of the Society and enhance the reputation of the CFA® designation in Australia by promoting ethics, integrity and professional excellence; and to improve the competency and standards of the investment profession in Australia. Our independent voice aims to ensure the integrity and efficiency of the capital markets that underpin our profession and the broader economy.

Our vision is to make the CFA Society Melbourne an indispensable part of the investment profession in Australia.

The Society, which was founded in 2000, is a leading member society of CFA Institute. There are more than 168,000 CFA® charterholders worldwide in 164 markets; the CFA Institute has nine offices worldwide and there are 157 local member societies, making it the world's largest association of investment professionals. The local society serves members' best interests through the education of investment professionals, by informing policy-makers and the public about the profession and through the promotion of high professional and ethical standards.

Being an association of local investment professionals, encompassing portfolio managers, security analysts, investment advisors, and other financial professionals, we promote:

- ethical and professional standards within the investment industry;
- professional development through the CFA Program and continuing education;
- exchange of information and opinions among people within the local investment community and beyond; and
- public recognition of the CFA designation.

### Board Members

Graeme Bibby, CFA	<b><u>President</u></b>	Thomas Tam, CFA	<b><u>Advocacy</u></b>
Inna Zorina, CFA	<b><u>Vice President</u></b>	Leila Lee, CFA	<b><u>Member Education</u></b>
Linda Trusler, CFA	<b><u>Secretary</u></b>	Nick Gill, CFA	<b><u>Membership</u></b>
William Nigro, CFA	<b><u>Treasurer</u></b>	Huey Miin Lim, CFA	<b><u>Candidate Education</u></b>
Kate Mistic, CFA	<b><u>Immediate Past President</u></b>	Andre Roberts, CFA	<b><u>University Outreach</u></b>
		Elaine Xu, CFA	<b><u>Special Functions</u></b>
		Juan Dosio, CFA	<b><u>Social Events</u></b>
		Benjamin Listokin, CFA	<b><u>Website &amp; Social Media</u></b>
		Melissa Mun, CFA	<b><u>Newsletter</u></b>

### Executive Staff

Lisa Carroll	<b><u>CEO, CFA Societies Australia</u></b>		
Graeme Miller, CFA	<b><u>Executive Director,</u></b> <b><u>CFA Society Melbourne (July 2018-</u></b> <b><u>June 2019)</u></b>		
Mary Masters	<b><u>Executive Director,</u></b> <b><u>CFA Society Melbourne (appointed</u></b> <b><u>July 2019)</u></b>	Emma Philips	<b><u>Events &amp; Marketing</u></b> <b><u>Manager (co-opted from CFA</u></b> <b><u>Society Sydney)</u></b>

## Message from Managing Director, CFA Institute Asia Pacific



As the theme of this year's Australia Investment Conference highlighted, disruption is everywhere, affecting every aspect of our lives. From technological and business innovation, to globalisation and demographic shifts, these forces are constantly evolving and accelerating at significant pace. On the bright side, disruption reinforces the important value and essential role that we, as investment professionals, bring to clients and the market. Rapid changes in our profession and our industry make CFA Institute and its network of CFA societies ever more vital to the long-term success of our capital markets and the global economy.

As per our joint mission, our organisations are here to lead the investment management profession by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. This means we ought to understand the disruptive forces our profession and industry face, and play a pivotal role to help institutions, regulatory agencies, and all investment professionals be equipped for the future. In 2019 we published the final report of our *Future of Finance* trilogy – '*Investment Professional of the Future*' – which explores the changing roles, skills, and organisational cultures that affect the career path for investment professionals. Keith Watt was recently appointed as Senior Head of Professional Learning and Nick Bartlett as Senior Director of Professional Learning Competencies. They will be working with the regional leadership in 2020 to launch our competency framework that will help guide our professional learning pathways and content strategies.

2019 has been a great year for CFA Society Melbourne – they continue to grow significantly in influence and in size, exceeding 750 members in FY19. The proportion of female CFA charterholders has increased, now at 18.2% for Melbourne compared to 14.6% for Australia nationally. Continuing to move this curve upward is important for long-term contribution to gender diversity in our evolving industry. 2019 also welcomed new leadership with Mary Masters appointed as Executive Director, taking over from Graeme Miller – we are thrilled to have Mary as part of the team and thank Graeme for his work in 2018-2019.

As the professional body for investment professionals in Victoria, CFA Society Melbourne continues to demonstrate a strong vision to help members and the industry continuously enhance professionalism. For members, the Society delivers robust value by providing access to high-quality continuing professional development and networking opportunities. For the industry, the Society contributes to the discussion on key issues such as the Hayne's Royal Commission via the recent report '*Professionalising Financial Advice*'. If you haven't read this report, I encourage you to do so. In these discussions, we ensure that regulatory bodies align regulations and policies with the core CFA Institute principles of building a strong, ethical, fair, transparent, and trustworthy investment management industry. These initiatives guide and contribute to the CFA Institute global advocacy agenda, tap into its rich content resources, and support our partnership.

The above is only a short list of endeavours accomplished this year with CFA Society Melbourne. It goes without saying that the Society lives and breathes the theme of our collaboration between CFA Institute and CFA societies: 'Partnership in Action'.

We wish to convey our sincere thanks to outgoing President Graeme Bibby for his many years of service and leadership, and thanks also to the entire board and management team for effortlessly leading the Society forward over the past year. We continue to value our partnership with CFA Society Melbourne and look forward enormously to another successful year in 2020. Thank you all for your work, dedication and commitment to our mission

**Nick Pollard**  
Managing Director Asia Pacific, CFA Institute

## Message from President, CFA Society Melbourne



Welcome to our Annual Report for the 2018-2019 financial year. It has been an active year with many events and engagements undertaken by CFA Society Melbourne for our members.

I'd like to thank our board members, volunteers and staff for their efforts throughout the year, and for the support of CFA Institute. There are reports in the pages that follow on CFA Society Melbourne's activities in detail.

It has been the first full year of our National CEO, Lisa Carroll. The board congratulates her on this milestone and the achievements in drawing together the individual societies into more nationally oriented activities as CFA Societies Australia. These include leading the national strategy development for CFA Societies Australia, the formation of several national councils, including a National Diversity and Inclusion Council and a National Employer Engagement Committee.

There has also been a change in our Executive Director role with Mary Masters joining us in July 2019 to contribute to a further uplift in our capability in delivering services and events to members and supporting the board and committees. Mary takes over from Graeme Miller, who joined us in July 2018. Graeme helped us ramp the process of taking over operational activities from committees and board members in the last year.

Selected highlights of our activities include three diversity and inclusion events, our annual forecasting dinner, the university student CFA Research Challenge, GIPS and CIPM performance workshops and numerous other member education sessions.

Members may not be as aware of the behind the scenes work the Society board, volunteers, CEO and Executive Director have undertaken. This includes engagement with regulators and employers to raise the profile and recognition of the CFA designation, and with universities through sponsorship of best paper awards for select academic conferences.

Locally we have taken a more strategic focus at the board level and undertaken an uplift in the governance of our society. Board members undertook a governance training workshop in August 2019, led by Dr. Judith MacCormick of AICD and BoardFocus advisory. Following on from this we formed a Governance Subcommittee to guide our action plans from this workshop, including review of our board structure, board rules, and reshaping the format of our board meetings. More visible to members will have been the call for nominations for vacant board positions, which has been managed by a new Nominations Committee. We want to ensure an improvement in our board structure, strategic focus and transparent processes so that members can feel able to engage more easily through board representatives and through volunteering for projects and committees.

As a final note, this is my last year as President of CFA Society Melbourne. From the Annual General Meeting 2019, I will step down, and Inna Zorina has been nominated as incoming President, subject to the member vote. It has been an honour and a pleasure to serve as President, representing my peers, and helping to guide the Society forward. Key milestones have been building up national and local staff with the hire of our first National CEO, bringing back our Executive Director last year, supporting formation of national committees, and seeing our CFA Society Melbourne membership move closer to 800 members.

**Graeme Bibby, CFA**  
**President, CFA Society Melbourne**

# CFA Societies Australia: CEO Report



This was my first year in the role of Chief Executive for CFA Societies Australia, and the first year of this national collaboration among CFA Society Melbourne, CFA Society Perth and CFA Society Sydney on strategic and operational matters.

Our focus was on developing a coherent national strategy and finding ways to work more effectively across all Societies. As the inaugural CEO, I was tasked with leading this activity and ensuring we operate with one voice in the Australian market on key areas such as brand and communications, our advocacy work on behalf of members, the profession and ultimately our clients, and to more strongly engage with employers and industry.

Following strategic planning workshops held by each Society, representatives of the Melbourne and Sydney boards joined with Society and key CFA Institute staff, for a full day strategy workshop held in Sydney in late March. The outcome is a three-year national strategy focusing on six goals. Each goal has a series of initiatives – long and short term – to build

on our aim to ensure CFA Societies Australia, representing CFA Institute, is the leading professional body for investment management professionals. This strategy has been adopted by all three Australian CFA societies with separate annual business plans developed to guide activity in line with the national plan.



Key activity during the year focused on advocacy efforts – particularly in response to the Hayne Royal Commission and our ongoing engagement with FASEA regarding the new standards and education requirements for financial advisers. We also established a national Employer Engagement Advisory Council to provide guidance to our work to engage with employers and industry groups.

In October 2018 we hosted Paul Smith, CFA, then CEO and President for CFA Institute, and Tony Tan, CFA, Co-Head of Ethics and Professional Standards to meet with members, the Melbourne board and key stakeholders. We also welcomed Sonia Gandhi, CFA, Director – Ethics Education in March 2019 to conduct member and employer ethical decision-making workshops. Our successful International Women’s Day events in March 2019 were complemented by c-suite HR roundtables featuring Rebecca Fender, Head of the Future of Finance initiative at CFA Institute featuring the research report *Driving Change: Diversity & Inclusion in Investment Management*. We were pleased to have two Melbourne firms – VFMC and Frontier – join the Experimental Partner Program to provide data for future updates of this report.

In August 2019 we ran a brand campaign across social and digital channels, focusing on the newly launched Jobs Board available to members on our website, and aimed at employers and recruiters to promote the value of employing CFA charterholders. Our media presence has increased with coverage of our advocacy work, CFA Institute research reports, exam results, our events and the Australian Investment conference.

It has been an exciting first year getting to know our members and taking on new operational and strategic challenges across all our Australian Societies. I look forward to continuing to lead our strategy and to working closely with CFA Society Melbourne in pursuit of our shared goals.

**Lisa Carroll, CEO,  
CFA Societies Australia**



## Candidate Spotlight: Dylan Mitchell



### What does your day look like?

A regular day consists of working with our Regional Directors in assisting our clients and prospective clients with various requests. This can include helping conduct portfolio analysis on client mandates or working with simulations for bespoke solutions. The role is a mix of business development, client service, and analysis. This helps break up the day as one hour can be completely different from the next.

### Why are you pursuing the CFA charter?

I pursued the CFA charter to further develop my financial literacy across the investment and analysis space. I have also been interested in pursuing further education and the investment focus of the CFA Program curriculum really resonated with my goals.

### What has your experience been so far?

When I started in the investment space in Canada as a Graduate Analyst, I had a mentor who is a CFA charterholder and they had instilled the importance of the designation for furthering my understanding of finance, the credibility that comes with it, and the personal development and character building associated with the journey. When I moved to Australia, I decided this would be the perfect time to take on something that appeared so daunting. As I progressed through the levels, I had a colleague (and CFA Society Melbourne board member) Ben Listokin, mentor me through the rollercoaster ride. In Level III, a study group was formed as a break off from a Kaplan hosted study event. The group had a strong bond and we guided each other through the difficult final months. Our battling through the first two levels really brought us together and demonstrated that we were all committed to the end goal of the CFA charter!

### How has being a CFA Society Melbourne member and interacting with Society members benefited you?

Ben Listokin was very influential in keeping my emotions in check and my study plan on time. He knew not only when to pitch in with some helpful advice but also when to stay away during those final weeks. Being a member of the CFA Society Melbourne has really opened a network of like-minded individuals. Being an immigrant from Canada with no strong ties here, it was difficult to form friendships and professional networks. As I attended the Society events, whether they were lunch sessions or the evening networking ones, I was able to build out my professional network in Australia while making some great friends along the way (including the study group mentioned above).

### What do you hope the CFA charter will do for you?

The pursuit of the CFA charter was something that meant a lot to me personally. I too often found myself looking into the future trying to determine what my career would look like or how I could progress to the next level. The CFA charter taught me to be in the present and focus on controlling what you can control. That said, the CFA charter has already done what I hoped it would do in that it taught me that hard work, determination, and focus will achieve much more than any 'shortcut' could ever do.

Going forward, I hope the CFA charter will continue to bring credibility to not only myself but to all of those who hold the designation. As we have seen, the industry has been fraught with controversy and being able to maintain a sense of credibility in the face of adversity is something that I feel the CFA charter will continue to uphold.



Kevin Swampillai, Dylan Mitchell and Allan Ruvuga are a few of the newest CFA charterholders and members of the CFA Society Melbourne. Congratulations to you all.



Ben Listokin and Dylan Mitchell share a happy snap at the Melbourne Graduation ceremony.

## Candidate Spotlight: Penny Tao

### Why did you decide to do the CFA Program?

I decided to take Level I CFA exam in Dec 2006 when I worked as a management trainee (MT) in HSBC China. Back to that time, all the graduated MT would achieve a better career development if they held a CFA charter. I just followed the trend. The beginning of the CFA Program journey went very smooth as I completed Level I and Level II exam in only 6 months. However, things never happened as you planned. Unfortunately, I failed in Level III twice in 2008 and 2009 when I went through the big life change, getting married and migrating to Australia. To start a new life in a new country was very exciting but also made me too busy to study. After that, life became even busier when I had my first child, then a second child. I almost gave up my CFA Program until I joined the CFA Society Melbourne in 2018. I went to a CFA Society social networking event, attended the AGM and was inspired by the great people from the community. I made up my mind again to continue pursue the CFA charter and set as my 2019 New Year resolution. I was so glad that my dream came true.

### Please talk about your CFA Program journey from the time you commenced to your obtaining the CFA charter this year.

It was a very tough journey with tremendous amount of late nights. The first stage, I studied the curriculum every day except on weekends. As a full-time working mum with two little children, I chose to study at night after the kids went to bed instead of weekends – to try to minimize the impact on my limited family time with the children. The second stage was three weeks of intensive study. I received big support from work and was able to take three weeks annual leave before the exam. I also invited my parents to come from overseas to share some house work and look after the kids so I could concentrate on studying. I pretty much studied from 8am to 3am the next morning every day.

### Who are the special people in your life (personal or professional) who helped you along the way?

I would like to thank lots of people, my colleagues, my parents, my husband and my kids for their support during my CFA Program journey. A special mention to my university alumni, Liming Cao, CFA, who is a new CFA charterholder in 2019 too. We live in two different cities, Melbourne and Brisbane, but work on the same goal and with the same difficulty of juggling children and family life. She was very organised with planning the study and would also finish ahead of the plan, which motivated me to work harder to catch up with her schedule. We discussed the problems, shared the best practise, encouraged each other along the way. We actually didn't know each other back at university, but the CFA Program formed a life-time friendship between us. After the CFA exam, we changed the common topic to career development, kids' education and raising family outside of home town. She recently found a job after the exam and is a happy working mum now.

### How do you feel now, and how has this experience helped you?

I feel very happy and more confident in myself for accomplishing such a challenging task. Through the study, I boosted my finance credentials and achieved higher competency on analytical skills, quantitative methods, economics, financial reporting, investments analysis, portfolio management, ethic and professionalism. The overall experience released lots of potential which I didn't believe I could do. Nothing is impossible and you're never too old to learn.

I brought my children to the CFA Society Melbourne Charter Award event. On the way back home, my 8-year-old daughter said to me: "Mum, I am so proud of you! I remember those days you worked so hard. Now I know that hard work paid off." My tears flew out after hearing it. I am truly glad the experience also motivates my girl to be determined and dedicated.

What do you hope the CFA charter will do for you?

The CFA designation is the most widely known and respected qualification for finance and investment professionals. It gives the world-wide customers and employers the confidence on my strong knowledge base and top-notch technical skills as the CFA charter is truly global. Being the member of CFA Society will also give me the unparalleled network to learn from industry leaders to develop my professionalism and career.



Penny Tao and her two children celebrate her amazing achievement.

## Policy Response to the Hayne Royal Commission

CFA Societies Australia and CFA Institute released policy recommendations in response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia.

The report, entitled *'Professionalising Financial Advice'*, was developed following extensive consultation with CFA Societies Australia Advocacy Council and other investment management industry leaders, and in collaboration with the global CFA Institute advocacy team. It proposes a series of policy reforms and structural changes that should run simultaneously to improve outcomes for customers accessing financial advice and rebuild trust in the industry.

Stephen Dunne, Chair of CFA Societies Australia Advocacy Council highlighted the significant opportunity to professionalise the industry in response to the findings of the Royal Banking Commission.

Dunne said: "The interests of firms were often put ahead of the interests of customers, leading to compromised outcomes for customers which severely diminished confidence in the investment industry and caused loss of trust in its professionals."

The policy recommendations report highlights that a genuine long-lasting impact cannot be achieved with a single solution. Rather, a series of policy reforms and changes should run simultaneously to improve outcomes for customers including strengthening best interest duty and ensuring appropriate consequences; outlawing conflicted remuneration practices; ensuring independence of advice; and importantly enhancing the professionalisation of the financial advice industry.

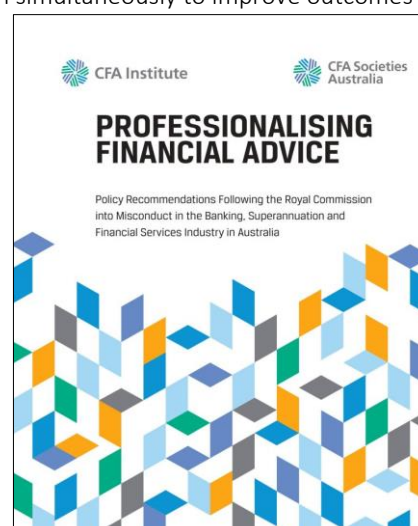
For policy to deliver positive outcomes, the remuneration of both advisers and senior executives should be aligned to the interests of customers. This requires banning 'product pushing' and rewarding ethical practices and decision making.

CFA Societies Australia and CFA Institute also hold the view that the duty to act in clients' best interest should be an imperative commitment made by all advisers.

Dunne stated that, "We believe policy needs to establish strong deterring consequences for those who act against the interests of customers, including suspension or banning from the industry. In the long term, the industry should aspire to a principles-based approach to managing adviser–customer relationships, and the adoption of the fiduciary duty standard should be considered."

Lisa Carroll, CEO, CFA Societies Australia added, "We strongly believe that customers should be made aware of the ownership structure or exclusive product relationships that advisers may have with other organisations. At present, we think that a ban on vertical integration is not warranted, however, it should remain under active consideration based on an assessment of the progress made."

In the report, CFA Societies Australia and CFA Institute call for the set-up of an independent industry body that individually registers and monitors its professionals to ensure ongoing and long-term professionalism of the financial advice industry as a recognised profession.





**CFA Societies  
Australia**  
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This multichannel, multi-year campaign incorporates the 9,800+ local activities already occurring in 147 societies, including all CFA Societies in Australia. For more information, visit [www.letsmeasureup.org](http://www.letsmeasureup.org)





# COMMITTEE REPORTS



## Advocacy

It's been another active year on the advocacy front as we continued to pursue higher ethical behaviour, integrity and professionalism to regain our community's trust in light of the findings from the Hayne Royal Commission. Our submission to the Royal Commission last year highlighted the root cause of the issue as stemming from unethical conduct and a misalignment of incentive structures. We continued our work on this important issue this year and formalised a report '*Professionalising Financial Advice*' which details recommendations focused on key areas to improve outcomes for clients of financial advice firms. These recommendations sought to strengthen best interest duty with appropriate consequences, outlawing conflicted remuneration practices, independence of advice and professionalism of the financial advice industry.

You may have seen us in the media (*The Australian, Financial Standard* etc.) being vocal about this topic and we also engaged Stephen Dunne, the Chair for the Advocacy Council, to be our spokesperson. We feel it is important to have an independent reputable industry expert like Stephen to advocate the significance of financial advice firms adopting recommendations from our report in order for these firms to achieve best practices.

We also heard that a very meaningful number of members were either unaware of the ethics courses our society offers or had never received ethics training from their employers. In this regard, we've been working extensively with the CFA Institute to offer an interactive in-person ethics course that deals with real-life dilemmas faced by practitioners like yourselves. We're also building out our local ethics expertise in this area so that we can offer these courses more frequently and on demand to better meet your needs.

We are constantly striving to increase the awareness and recognition of the CFA designation to improve the value it gives to members. We have been consulting with the Financial Adviser Standards and Ethics Authority (FASEA) for a period of time on the recognition of the CFA charter. It's pleasing to say we have made some progress whereby the CFA designation has now been awarded one credit (against a maximum of two credits available for professional qualifications) towards the FASEA education requirements.

Furthermore, we've intensified our efforts on the employer engagement front with a targeted brand campaign focused on delivering website content and employer toolkits and resources emphasising the value that CFA charterholders can bring to employers. Our efforts have adopted a multi-channel approach using social media (LinkedIn, Facebook) as well as in-person events such as HR roundtables, which we believe leaves a lasting impact with your employers.

Finally, given the importance of employer engagement, we also established a national Employer Engagement Advisory Council to set a nationwide engagement strategy to strengthen employer relationships. The remit of the council is to identify the best way to show the value that our members bring to their employers, and to forge partnerships with key employers to ensure they provide ongoing opportunities and support for our members.

### Committee Chair

Thomas Tam, CFA

UniSuper

# Global Investment Performance Standards

## Global Investment Performance Standards

The Global Investment Performance Standards (GIPS®) are voluntary standards based on the fundamental principles of full disclosure and fair representation of investment performance results. A global standard for investment performance reporting gives investors around the world the additional transparency they need to compare and evaluate investment managers. To date the GIPS Standards are the one of the CFA Institute's most successful standards with over 1,700 organisations across 46 markets, claiming compliance.

Melbourne based volunteers are playing an active role in the standards through participation in various GIPS Subcommittees. Kate Mistic, CFA, is chair of the GIPS Asset Owner Subcommittee which acts as a forum for understanding the important issues facing investors (and those representing investors) when evaluating investment performance information. Damien Damiano, CIPM is member of the GIPS Standards Promotion Subcommittee, which serves to actively engage with GIPS Standards Sponsors on outreach activities.

## 2020 GIPS® Standards

Set to take effect on 1 January 2020, the changes in the 2020 GIPS Standards are the most significant in almost a decade and will hopefully see more asset managers and owners embrace investment performance transparency, industry-wide comparability and self-regulation.

The new structure includes three separate chapters, one for Firms, Asset Owners and Verifiers. Firms now have the choice of classifying their portfolios as either segregated accounts or pooled funds and depending on certain criteria being met can choose to present money-weighted or time-weighted returns. These changes will be welcomed by those who have struggled with sole account composites and alternative asset classes.

The 2020 GIPS standards are available at <https://www.cfainstitute.org/ethics/codes/gips-standards>, the CFA Institute also has a large section of resources dedicated to GIPS including webinars, webcasts and podcasts and can be found at [www.gipsstandards.org/compliance/Pages/articles.aspx](http://www.gipsstandards.org/compliance/Pages/articles.aspx).

## GIPS® in Australia

Currently the Financial Services Council (FSC) is the Australian country sponsor for GIPS. Australia was one of the first country sponsors, however, it's estimated that only 10-15 Australian investment managers claim compliance. CFA Society Melbourne has chosen to take a more active role within the local market and has set a goal of increasing the claim compliance across local managers and owners. We intend to do this by collaborating more with the FSC on key promotional events and working with the CFA Institute to identify opportunities that will build awareness of the Standards with key industry groups. The Society is coordinating its work through the newly created Performance Analysts subcommittee, whose objectives include providing a link for the local market to various CFA Institute programs and policies that are considered best practice. This includes the GIPS Standards and the CIPM Program, a leading qualification for investment performance professionals.

Over the past year the group have actively promoted the Standards to the local market through events and have facilitated the CFA Institute sponsoring a 2019 conference aimed at investment performance professions.

### Committee Chair

Damien Damiano, CIPM

Martin Currie Australia

### Committee Members

Kate Mistic, CFA

TelstraSuper

Trent Brandie, CFA, CIPM

AustralianSuper

Phoebe Mao

TelstraSuper

Kevin Heng

TelstraSuper

## Member Education

It has been a busy and rewarding year for the Member Education Committee with a terrific array of thought leadership events hosted for our members. These events provide members an avenue for expanding their knowledge on relevant finance topics and networking opportunities with other finance professionals. These sessions also provide members the ability to fulfil their Continuing Education (CE) obligations.

Topics covered at sessions during the year spanned various asset classes, economic updates, portfolio construction perspectives and personal career development. The majority of events were held over lunchtime, with a notable exception being our sell-out International Women's Day breakfast.

There were 16 education events throughout the year, please refer below for some highlights.

- International Women's Day breakfast event held at Future Fund. The speakers were Wendy Norris (Deputy Chief Investment Officer, Private Markets, Future Fund), Rebecca Fender, CFA (Head of Future of Finance at CFA Institute) and Johanna Neilson (Head of People, VFMC). Insights were shared on creating a more balanced and inclusive workplace.
- 'Asset Allocation Insights' from experts in superannuation and private wealth advisory. The speakers were Graeme Bibby, CFA (Chief Investment Officer, Mutual Trust) and Alastair Baker (Head of Portfolio Construction, AustralianSuper).
- 'Asset Allocation: HESTA's Total Portfolio Approach and Investment Outlook'. Alvin Tan, CFA (General Manager, Portfolio Strategy and Economic Research at HESTA) provided insights on how the prominent superannuation fund has built a total portfolio approach to asset allocation.
- 'Risk Premia Investing: Success or Disaster - Does the reality live up to the back tests?' Speaker Bjarne Graven Larsen (former CIO of Ontario Teachers' Pension Plan) shared insights on the recent success and growth of risk premia investing, as well as its pitfalls.
- 'Artificial Intelligence: Exploring how it is set to transform finance and investing'. Deloitte speakers discussed the impact of AI on generating alpha, enhancing operational capability and managing risk.
- We hosted our inaugural Women's Leadership Workshop. It was a tailored workshop designed in partnership with Gillian Fox – a recognised expert in leadership development and women's career advancement.

### Committee Chair

Leila Lee, CFA

Square Peg Capital

# Membership

The Membership Committee is responsible for promoting the advantages of membership amongst current and prospective members, managing membership and renewal communications and assisting potential members through the application process.

As at 16 September 2019, the CFA Society Melbourne had 754 members, of which 746 were regular and 8 were affiliate members of the CFA Institute.

733 (97%) of the regular and affiliate members are CFA charterholders.

Between 2011 and 2018 the Society had a retention rate of circa 92%. In the 2018/19 year this dropped to 82%, however this is mostly due to members transferring to other societies or leaving the Institute. The society-only loss rate for 2018/19 was 2.3% or only 15 members. In 2018/19 there were 144 new members and a net increase of 24 members. A further 70 new members have joined during the first three months of the 2019/20 membership year.

The strong retention rate and growth in membership numbers is indicative of the support for the activities of the Society and the value the Society provides to members. Last year we surveyed members that chose not to renew their membership, the individual reasons varied but a common theme was events not being conveniently located to members.

We will conduct a similar survey this year to understand how we can refine our support to members and increase the value the Society provides.

The table below shows the movement in membership numbers for the last ten years:

<b>Movement in regular and affiliate members</b>										
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Opening Balance	336	376	416	453	491	533	578	625	661	685
Add: New members	68	67	71	64	74	86	82	97	144	70
Less: Transferred to other society	-11	-8	-6	-4	-11	-8	-7	-12	-37	-1
Less: Not a society member	-5	-5	-6	-9	-7	-8	-12	-23	-15	-
Less: Left institute	-12	-14	-22	-13	-14	-25	-16	-26	-68	-
<b>Closing Balance</b>	<b>376</b>	<b>416</b>	<b>453</b>	<b>491</b>	<b>533</b>	<b>578</b>	<b>625</b>	<b>661</b>	<b>685</b>	<b>754</b>
<i>Loss rate</i>	-8.3%	-7.2%	-8.2%	-5.7%	-6.5%	-7.7%	-6.1%	-9.8%	-18.2%	-0.1%
<i>Loss rate (society only)</i>	-1.5%	-1.3%	-1.4%	-2.0%	-1.4%	-1.5%	-2.1%	-3.7%	-2.3%	-
<i>Retention rate</i>	91.7%	92.8%	91.8%	94.3%	93.5%	92.3%	93.9%	90.2%	81.8%	99.9%
<i>Net increase</i>	11.9%	10.6%	8.9%	8.4%	8.6%	8.4%	8.1%	5.8%	3.6%	10.1%

During the 2018/19 year, membership has focused on supporting members in joining the Society. This included:

- Answering questions from potential members on how to join and work experience requirements;
- Assisting members in assessing work experience and preparing their applications;
- Surveying members that chose not to renew or to take up membership to understand their motivations;
- Contacting lapsed and charter pending members inviting them to join; and
- Contacting members during the renewal period outlining the benefits of renewing their membership.

## Committee Chair

Nick Gill, CFA

KordaMentha

## Candidate Education

The Candidate Education committee is responsible for providing support for candidates sitting for the CFA Program examinations. The Committee provides review course offerings, practice exams, study groups as well as other education and networking initiatives for candidates.

### Activities and Achievements in 2019

- Strengthened partnership with Kaplan Education to run the CFA Society Melbourne's review course. The course and practice exam sessions were held at Box Hill.
- Strong interest in the June 2019 exam courses with 59 enrolments and 79 registrations for the practice exams across all three levels. The break-up across the 3 levels is tabulated below:

CFA Level	Course Enrolments	Exam Registrations
I	22	42
II	18	23
III	19	14
<b>Total</b>	<b>59</b>	<b>79</b>

- Level III review course, introduced in 2018, is gaining momentum. The course has now been expanded to include Portfolio Management, Equity and Fixed Income modules.
- Overall, feedback for the June 2019 courses was positive.
- Coordinated candidate study groups for all CFA Levels in June 2019 and for the Level I December 2019 exam.

### Upcoming Initiatives in 2020

- Increase interest in the course to raise attendances and practice exam registrations.
- Improve the course offering based on candidate feedback.

#### **Committee Chair**

Huey Miin Lim, CFA

Victorian Funds Management Corporation

#### **Committee Members**

Preeti Rathi, CFA

RMIT Online

Sergio Bonnici, CFP

Meritum Financial Group

Zik Qian, CFA

JCP Investment Partners

## Social Events

The objectives of the Social Events Committee include providing a friendly environment for personal and professional development opportunities, supporting the goals of CFA Society Melbourne, and upholding the values of the CFA Institute.

The Social Events team organised four events since the last CFA Society Melbourne AGM – the ‘End of Year’ drinks in November 2018 and events in March, June, and September this year.

Lanai Bar has been the preferred venue for a few reasons including location, quality of venue, and the ability to utilise the venue in a flexible way. We were able to use Lanai’s courtyard in summer, we used their second floor in winter this year and our last event was in the main floor area within a reserved space.

We have received very positive feedback about the events, but we are always looking for new ways to improve the overall experience for members and candidates.

Going forward, our intention is to continue with the work we have been doing over the last couple of years and strive for better attended and more diverse and inclusive events.

#	Date	Event	Venue	Sponsor	Attendance	Entry
1	22/11/2018	End of Year Drinks	Lanai Bar	No	70	Free for Members - \$15 non Members
2	21/03/2019	Quarterly Drinks	Lanai Bar	No	75	Free for Members - \$15 non Members
3	20/06/2019	Quarterly Drinks	Lanai Bar	FactSet	90	Free for Members - \$15 non Members
4	12/09/2019	Quarterly Drinks	Lanai Bar	No	95	Free for Members - \$15 non Members

### Committee Chair

Juan Dosio, CFA

AustralianSuper

### Committee Members

Bei Cao, CFA

National Australia Bank

Lee Platek, CFA

Platek Analytics

Akash Punjabi, CFA

KPMG

## University Outreach

The local University Research Challenge is conducted annually between July and October. In this annual report, we will provide information on 2019 competition.

	2019
<b>Subject Company</b>	Carsales.Com Ltd
<b>Participating Universities</b>	University of Melbourne RMIT University Adelaide University Monash University Deakin University Swinburne University
<b>Winning team</b>	University of Melbourne

The committee would like to thank the following sponsors and volunteers, whose assistance and efforts were essential for the successful running of the Research Challenge:

<b>Industry mentors</b>	Adam Dellaverde, CFA (Adelaide Uni) Sam Walker, CFA (Melbourne) Stratton Bell, CFA (RMIT) Robin Young, CFA (Monash) Sean O'Neill, CFA (Deakin) Linda Trusler, CFA (Swinburne)
<b>Judges</b>	Peter Wilmshurst, CFA Megan Talmage, CFA Graeme Bibby, CFA
<b>Graders</b>	Minh Truong, CFA Elaine Xu, CFA Boon Leong Ong, CFA Anthony Kavanagh, CFA Yen Koh, CFA Kelleney Kong, CFA

Major sponsor: S&P Capital IQ

### Committee Chair

Andre Roberts, CFA

Invesco

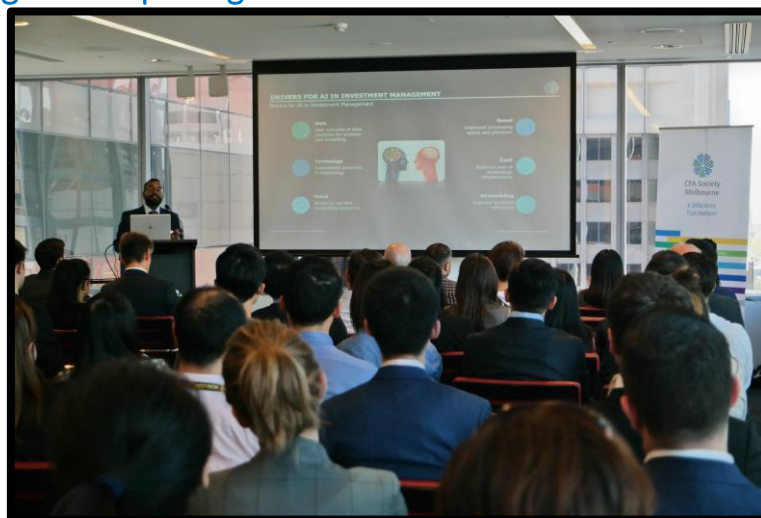
## Research Challenge, 2019



## Women's Leadership Workshop, November 2018



## Artificial Intelligence: Exploring how it is set to transform finance and investing





## Special Events

The objective of the Special Functions Committee is to continue building the profile of the CFA charter, CFA societies and members, and CFA Institute in Australia through specific, high profile events. These events should uphold the CFA Institute's mission to promote the highest standard of ethics, education and professional excellence, and, where possible, link back to strategic initiatives of the CFA Institute such as the Future of Finance, the Asset Manager Code of Conduct and the 'CFA Difference' campaign. Specifically, the Committee is responsible for delivering the annual CFA Society Melbourne's Forecasting Dinner, a well-regarded annual flagship event in Melbourne, as well as the national Australia Investment Conference to be held in Melbourne every four years (alternating with Sydney, such that the conference is held every second year).

In financial year 18/19, the Special Functions Committee had their focus on organising the October 2018 Forecasting Dinner and planning for the year of 2019. The CFA Society Melbourne was pleased to host over 80 investment professionals at the RACV City Club to hear from international keynote speaker, Bret Swanson, and network with industry peers. Bret Swanson is the president of Entropy Economics LLC, a technology research firm advising institutional investors and technology companies, and a fellow at the U.S. Chamber of Commerce Foundation. He writes frequently for the editorial page of The Wall Street Journal and Forbes. Bret gave a forward looking, engaging and insightful presentation and his optimistic views on how new technologies can catalyse economic growth and what policymakers can do to accelerate these positive trends. The presentation triggered an interesting discussion and many good questions were raised by the audience.

As part of the Forecasting Dinner, every year we provide an opportunity for an interactive and friendly competition among the investment participants on predicting a group of financial and economic variables over the coming year, with the results of last year's competition announced towards the end of the event and the trophy presented to the winner coming up based on the statistical scoring system.

Across 2019, the committee together with all the relevant parties met on a very regular basis, looked for and met speakers, and came up with relevant and widely discussed topics. The committee highly valued the feedback from all the participants with the focus on improving interactions with them and their experiences at the special events going forward. More technology was also planned to be introduced in the upcoming events. The past year has seen the committee work closely to make sure that events are held in the best interests of the CFA Institute and the participants as well as consistently delivering good quality.

### Committee Chair

Elaine Xu, CFA

Mercer



## Website, Social Media and Newsletter

CFA Society Melbourne's website and social media efforts occur in collaboration with volunteers from other Australian societies and together we all form CFA Societies Australia's national online presence.

Building on the success of last year's revamped website, one area of focus for volunteers of CFA Society Melbourne's website and social media committee was on enhancing the jobs board on our website to expand the reach of the number of employment opportunities available to members. It would also serve to provide a platform to enhance our employer outreach efforts.

Our new jobs board, completed earlier this year and integrated with CFA Institute's Career Centre, allows employers to more easily connect with highly competent and qualified professionals who, through their affiliation with CFA Institute, signal a commitment to the investment profession and are more likely to have relevant work experience.

With the support of a national social media campaign designed to boost visibility of the new jobs board, the page now ranks as one of the the most visited – second only to the homepage.

Other notable social media campaigns the committee were a part of throughout the year include:

- Support for the Diversity and Inclusion Campaign in May showcasing the national CFA societies' International Women's Day events and other related activities.
- Support for a campaign advocating for higher standards within the financial services industry and highlighted CFA Societies Australia's submission to the Royal Commission into Misconduct in Banking, Superannuation and Financial Services.

Throughout the year, our committee also helped increase awareness of the CFA Societies Australia brand through Instagram (@CFASocietiesAus). Since the creation of the account last year we have attracted 500+ followers.

Between July 2018 to June 2019 there were 21,203 total successful deliveries of the monthly online CFA Society Melbourne Newsletter to members, candidates and subscribers. Over this period there were 9,427 total Newsletter opens. Although mainly opened by subscribers in Australia, the Newsletter has global reach; top locations for Newsletter opens include the USA, China, Hong Kong and Singapore, demonstrating our international readership.

Career-related articles, job postings and reports on CFA Society Melbourne events were among the most popular items, consistent with previous years. Other highlights include providing updates on CFA Societies Australia's engagement with the Financial Adviser Standards and Ethics Authority (FASEA) to recognise the CFA Program and CFA charter, plus an insight article on the Hayne Royal Commission into the Misconduct of the Banking, Superannuation and Financial Services Industry.

The past year has seen an increased focus on coordinating our content with CFA Societies Australia to ensure better alignment and consistency across the three national societies. In addition, as of the May 2019 Issue, the Newsletter is sent out at the beginning of each month rather than the end.

As always, a big thank you is extended to all the readers, contributors and Society board for their content submissions and continual support.

### Committee Chairs

Benjamin Listokin, CFA

Melissa Mun, CFA

Dimensional Fund Advisors

HSBC

## Thank you to our volunteers!

The CFA Society Melbourne would like to acknowledge and thank all our dedicated volunteers who continue to contribute their time, effort and expertise, which ultimately contributes to the success of the Society. They are known as our unsung heroes who perform and operate to the goals of the Society. Without each of their contributions, the Society wouldn't exist the way it is today.

We are always looking for passionate and enthusiastic volunteers. If you have any interest in joining your local society, please visit the CFA Society Melbourne website: <https://cfas.org.au/melbourne/volunteering/>

Below are some words from our volunteers as to why they volunteer for their local societies:

*"I continue to volunteer for the Society to represent my team and company as they continue to lead the path of industry excellence."*

**Kevin Heng, TelstraSuper**

*"I enjoy being involved in the Society, as it provides substantial support to candidates."*

**Sergio Bonnici, Ascot Wealth Management**

*"I am deeply passionate about gender and cultural diversity in the Investment Community. I hope to make a positive impact through serving our Institute."*

**Chiau Lin Lau, PwC**

*"The Society has provided me with diverse opportunities such as lecturing and also sharing my analysis on the findings of the Royal Commission. These have been both fascinating and excellently rewarding!"*

**Rudy Soobaroyen, The Australian Government**



Some of our beloved volunteers featuring left to right: Rudy Soobaroyen, Kevin Heng, Winnie Wong, Chiau Lin Lau, Preeti Rathi, Faariq Furkan and Akash Punjabi

## Global Passport Program



The Global Passport Program allows members of participating CFA Institute Societies to attend other global societies' events at the local member price.

CFA Society Melbourne has joined the Global Passport Program to support members' careers and to bring educational resources and networking opportunities.

As a member of CFA Society Melbourne, you are part of a community of over 168,000 CFA Institute members representing 164 countries and 157 societies.

Benefits of the Global Passport Program include:

- extended global networking; and
- access to global professional development.

These events will improve understanding of local markets and provide a good platform for networking and career development.

If you are interested in attending another society's program or event, look for the Global Passport Program logo on the event's announcement. For a full list of participating CFA Institute societies, please visit the CFA Institute website: [www.cfainstitute.org/societies](http://www.cfainstitute.org/societies)

## The Asia-Pacific Research Exchange (ARX)

The CFA Institute Asia-Pacific Research Exchange (ARX) is a research hub that brings together like-minded stakeholders in the finance and investment management industry to share, learn, and engage on industry topics and trends specific to the Asia-Pacific region. Initiated and developed by CFA Institute, ARX is user-driven and accepts contributions from finance and investment management industry professionals, government, regulators, academia, CFA® charterholders, and candidates.

The mission of the CFA Institute ARX is to promote the highest standards of education and professional excellence in the region by enhancing the knowledge and understanding of finance and investment management issues among industry stakeholders. There are now more than 3000 research articles from industry professionals, financial institutions, scholars, regulators, and CFA charterholders.

For additional information or any assistance with the ARX platform please contact CFA Society Melbourne's representative on the ARX Committee, Asjeet S. Lamba, PhD, CFA ([asjeet@unimelb.edu.au](mailto:asjeet@unimelb.edu.au)).



TREASURER'S REPORT &

FINANCIAL STATEMENTS

## Treasurer's Report

The Treasury portfolio is concerned with all aspects of the Society's financial operations, including the Society's annual budgeting process, financial reporting, taxation and regulatory reporting, payments and cash flow and governance of the Society's pool of invested capital. The Treasurer of the Society is primarily responsible for these aspects of the Society.

The CFA Society Melbourne Inc. had another strong financial year, with income after tax of \$85k and total members' funds of \$483k at 30 June 2019. The liquidity of the Society remains conservative, with approximately 66% of cash at call and 34% in term deposits.

Financial year 2019 saw a slight increase in income, driven by increased CFA Institute funding for the ED role offset by reduced member event income as the conference was not held in 2019. Expenses were up reflecting salary expense for the Melbourne ED role which commenced in financial year 2019, again offset by lower expenses as there was no conference in 2019. CFA Society Melbourne's share of CFA Societies Australia's CEO salary is not included in 2019 and is expected to be expended in 2020 financial year.

The CFA Society Melbourne is in a strong financial position to support members and services for members into the foreseeable future.

**William Nigro, CFA**

**Treasurer, CFA Society Melbourne**

# Financial Statement

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>INCOME</b>			
Candidate services		26,333	25,298
CFA Institute funding		232,685	90,873
Membership subscriptions		60,555	53,665
Member events		38,697	149,646
		<u>358,270</u>	<u>319,482</u>
<b>OTHER INCOME</b>			
Other income		8,163	-
Income from investments		5,113	3,662
		<u>13,276</u>	<u>3,662</u>
		<u>371,546</u>	<u>323,144</u>
<b>EXPENDITURE</b>			
Member event expenses		88,904	187,108
Candidate services expenses		15,056	11,757
Administration expenses		62,948	11,455
Employee expenses		90,616	-
Sponsorship		-	4,282
		<u>257,524</u>	<u>214,602</u>
Surplus before income tax		114,022	108,542
Income tax expense	3	28,602	-
<b>Surplus after income tax</b>		<u>85,420</u>	<u>108,542</u>
Retained surplus at the beginning of the financial year		<u>397,675</u>	<u>289,133</u>
<b>Retained surplus at the end of the financial year</b>		<u>483,095</u>	<u>397,675</u>



**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**BALANCE SHEET**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		549,446	516,014
Trade and other receivables	4	-	1,325
<b>TOTAL CURRENT ASSETS</b>		<u>549,446</u>	<u>517,339</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	424	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>424</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>549,870</u>	<u>517,339</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Credit card		1,619	1,360
Accrued charges		7,862	4,500
GST payable		5,625	-
PAYG withholdings		6,156	-
Provision for income tax	6	28,602	-
Unearned income		16,911	113,804
<b>TOTAL CURRENT LIABILITIES</b>		<u>66,775</u>	<u>119,664</u>
<b>TOTAL LIABILITIES</b>		<u>66,775</u>	<u>119,664</u>
<b>NET ASSETS</b>		<u>483,095</u>	<u>397,675</u>
<b>MEMBERS' FUNDS</b>			
Retained surplus	7	483,095	397,675
<b>TOTAL MEMBERS' FUNDS</b>		<u>483,095</u>	<u>397,675</u>

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers & members	270,866	410,505
Payments to suppliers and employees	(240,789)	(281,654)
Interest received	5,113	3,662
<b>Net cash provided by operating activities</b>	<b>35,190</b>	<b>132,513</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(1,758)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(1,758)</b>	<b>-</b>
Net increase in cash held	33,432	132,513
Cash at beginning of financial year	516,014	383,501
Cash at end of financial year	<b>549,446</b>	<b>516,014</b>

CFA SOCIETY OF MELBOURNE INC.

ABN: 33 080 559 149

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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The financial statements cover CFA Society of Melbourne Inc. as an individual entity. CFA Society of Melbourne Inc. is a not for profit Association incorporated in Victoria and operated in accordance with the Associations Incorporation Reform Act 2012.

The principal activities of the Association for the year ended 30 June 2019 were the operation of a professional association for the provision of member services, education and training to members and potential members.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

### 2 Summary of Significant Accounting Policies

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

---

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

**Member Subscriptions**

Revenue from membership subscriptions are recognised when they are received.

**Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income). The Association does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Member income of the Association is tax exempt under the principle of mutuality.

**Cash and Cash Equivalents**

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the association, commencing when the asset is ready for use.

**Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the cash flow statement are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

The financial report was authorised for issue on 7 November 2019.

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>3 Income Tax Expense</b>		
The components of tax expense comprise:		
Income tax expense	<u>28,602</u>	<u>-</u>
<b>4 Trade and Other Receivables</b>		
Current		
GST refundable	<u>-</u>	<u>1,325</u>
The Association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>5 Property, Plant and Equipment</b>		
Office Furniture & Equipment	1,758	-
Less: Accumulated Depreciation	<u>(1,334)</u>	<u>-</u>
	424	-
Total Plant and Equipment	<u>424</u>	<u>-</u>
Total Property, Plant and Equipment	<u><u>424</u></u>	<u><u>-</u></u>
<b>6 Tax</b>		
Liabilities		
Current		
Provision for income tax	<u>28,602</u>	<u>-</u>
<b>7 Retained Surplus</b>		
Retained surplus at the beginning of the financial year	397,675	289,133
Surplus attributable to the Association	<u>85,420</u>	<u>108,542</u>
Retained surplus at the end of the financial year	<u><u>483,095</u></u>	<u><u>397,675</u></u>

**CFA SOCIETY OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>8 Cash Flow Information</b>		
Reconciliation of result for the year to cashflows from operating activities.		
Reconciliation of net income to net cash provided by operating activities:		
Profit after income tax	85,420	108,542
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	1,334	-
Changes in assets and liabilities		
(Increase) Decrease in current receivables	1,325	(1,325)
Increase (Decrease) in current payables	15,401	(67,052)
Increase (Decrease) in current provisions	28,602	-
Increase (Decrease) in unearned income	(96,893)	92,348
	<u>35,190</u>	<u>132,513</u>
<b>9 Related Party Transactions</b>		
There were no transactions with related parties during the financial year	-	-
<b>10 Events After the Reporting Period</b>		
The Committee is not aware of any other events since the end of the financial year that will impact the financial report either materially or by nature.		







**CFA Society  
Melbourne**