



**CFA Society  
Melbourne**

**ANNUAL REPORT &**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING 30 JUNE 2020**

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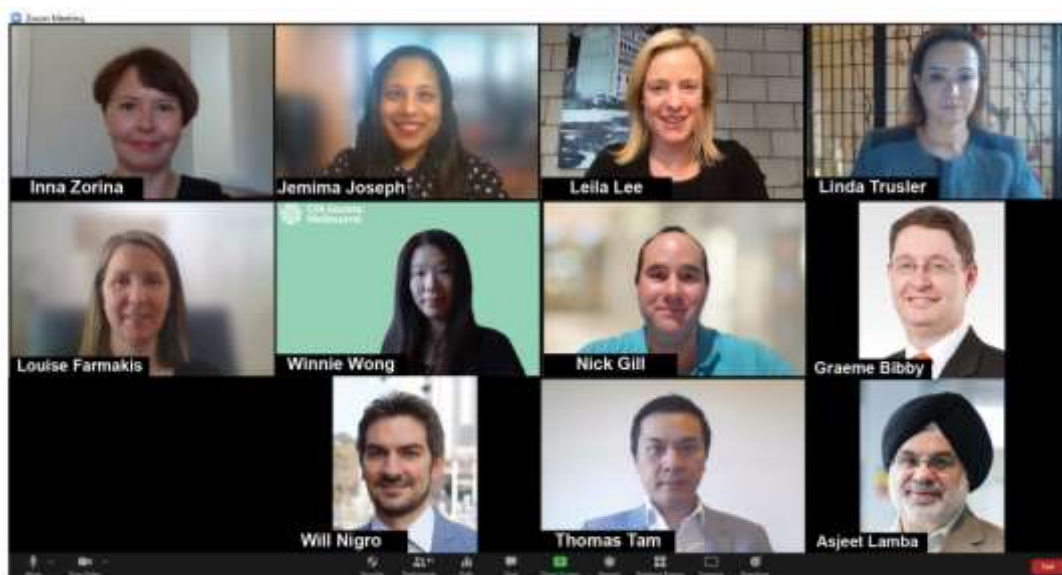
## About Us

CFA Society Melbourne represents the interests of more than 850 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 (CFA Institute has over 178,000 members with 157 local member societies, making it the world's largest association of investment professionals) and 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.



*Board meetings went virtual in 2020*

### Board of Directors

Inna Zorina, CFA  
 Nick Gill, CFA  
 Linda Trusler, CFA  
 William Nigro, CFA  
 Graeme Bibby, CFA

**President**  
**Vice President**  
**Secretary**  
**Treasurer**  
**Immediate Past President**

Thomas Tam, CFA  
 Leila Lee, CFA  
 Louise Farmakis, CFA  
 Jemima Joseph, CFA  
 Winnie Wong, CFA  
 Asjeet Lamba, CFA

**Advocacy**  
**Professional Learning**  
**Member Engagement**  
**Candidate Engagement**  
**University Engagement**

### Executive Staff

Lisa Carroll **CEO, CFA Societies Australia**

Mary Masters **Executive Director, CFA Society Melbourne**

Sarah Polce

**Events Coordinator**

## Message from Inna Zorina, CFA, President, CFA Society Melbourne



Welcome to our Annual Report for the 2020 financial year. It has been a year like no other before – with the COVID-19 pandemic causing numerous challenges for our members and candidates. Thank you for being part of our community in these unprecedented times.

I would like to thank our board members, volunteers, staff and CFAI Institute for their incredible effort to support our members and candidates throughout the year.

Our Member Education committee promptly responded to a challenge of events moving to online-only format; the committee continued to offer local and global industry insights via webinars and virtual events in collaboration with CFA Societies Australia. We have also offered our members free access to thousands of courses through LinkedIn Learning platform – so you can learn what’s important to you, when and where it suits you.

In 2020, in collaboration with other Australian societies, we launched a new category of membership - Candidate Membership – designed to engage and support our future members at the early stages of their career.

In the face of the COVID-19 concerns about health and safety, the CFA Institute postponed the June 2020 exams across the globe and subsequently the December 2020 exams in a number of locations including Melbourne. Our Candidate Engagement committee worked tirelessly to support candidates: connecting them with other candidates and members, helping them to stay motivated and to re-map their study journey to a 2021 computer-based testing exam.

As COVID-19 had a profound impact on the job market, career guidance and support moved to the forefront of our agenda. We had five very successful career events this year and we’ll continue to help our members and candidates to position themselves for success and to benefit from the CFA network.

It was a great opportunity to welcome Marg Franklin, CEO and President of CFA Institute to Australia in March 2020 to celebrate International Women’s Day and our progress toward improving the investment industry and achieving better investor outcomes through diversity and inclusion. Marg also met with our members to discuss key trends and challenges affecting the investment management profession globally and her vision for CFA Institute and how it is responding to these challenges and opportunities.

Following the change to the board rules and the board structure last year, the local focus was on improving the board processes and governance, sharpening our strategic agenda and creating more opportunities to engage as board members or volunteer for projects and committees.

We look forward to the next year – we aim to provide a better and bigger professional learning offer to our members, ongoing support to candidates, more opportunities for purposeful networking and volunteer engagement. Hope to see everyone in person soon!

**Inna Zorina, CFA**

**President, CFA Society Melbourne**

## Message from Lisa Carroll CEO, CFA Societies Australia



CFA Societies Australia brings together our member Societies of Melbourne, Perth and Sydney – together representing over 3000 charterholders – to collaborate to achieve our aim of being the leading professional body for investment management professionals

Following the development of our shared strategic plan last year, in FY20 we sought and gained CFA Institute funding to support the delivery of this strategy, and this year we focused on execution in order to:

- Build brand, reputation and influence through advocacy, marketing and communications;
- Engage with industry to increase recognition and build market integrity;
- Attract and develop future professionals;
- Deliver member value and extend local reach;
- Increase female membership and participation in the industry; and
- Enhance operational excellence and financial sustainability across all our Societies.

This year saw progress made on all fronts, although from March we found ourselves adapting rapidly to the impacts of COVID-19. We focused on managing risks posed by the pandemic and to ensuring the safety and well-being of our members, candidates, staff and event attendees. With the shutdown of in-person activity, the societies moved swiftly to introduce webinars and virtual social events to ensure we could continue to deliver value for members and support you during this time. The shift to online events has enabled members across Australia to benefit from the local programming in each Society, as well as CFA Institute and Society resources from around the world, as we continue to leverage and share research and thought-leadership with members and the Australian industry.

**Lisa Carroll**

**CEO, CFA Societies Australia**

CFA Society Melbourne has worked hard to support our candidates as the June 2020, then December CFA Program exams were postponed due to the ongoing pandemic.

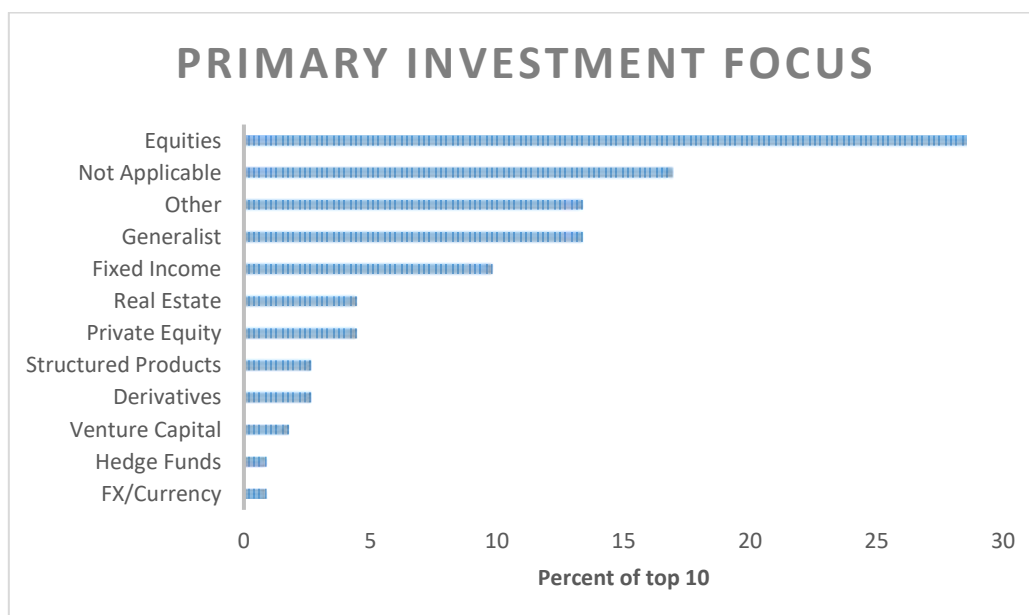
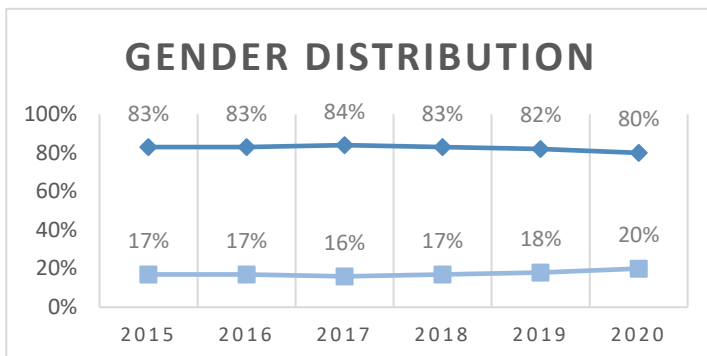
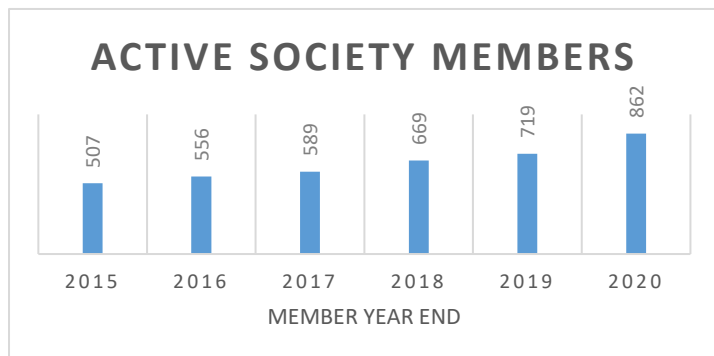
In March – just prior to the shutdown – we hosted the new CEO and President of CFA Institute, Margaret Franklin, CFA. Marg spoke at industry leader roundtable breakfasts, member events, and met with senior industry figures and regulators in an uplifting (and exhausting!) series of events. Marg and Heather Brilliant, CFA travelled to Australia for International Women’s Day, and spoke alongside Hesta’s CIO Sonya Sawtell-Rickson at the very successful Melbourne event.

We continued to increase our media coverage and promote our key advocacy messages, in particular, we focused on ethics with a roadshow of ethical decision-making workshops run by CFA Institute’s Sonia Gandhi in the lead up to the Australian Investment Conference in October 2019. The conference was a highlight of the year, with nearly 400 delegates enjoying local and international speakers. We trained three local members to be accredited to deliver ethical decision-making workshops, and these are now a core part of our engagement with employers and industry. My thanks to our conference committee and the advocacy and employer engagement councils who have guided and supported this work.

It has been a memorable and challenging year, and I look forward to continuing to work closely with CFA Society Melbourne in pursuit of our shared goals.

## Key Statistics

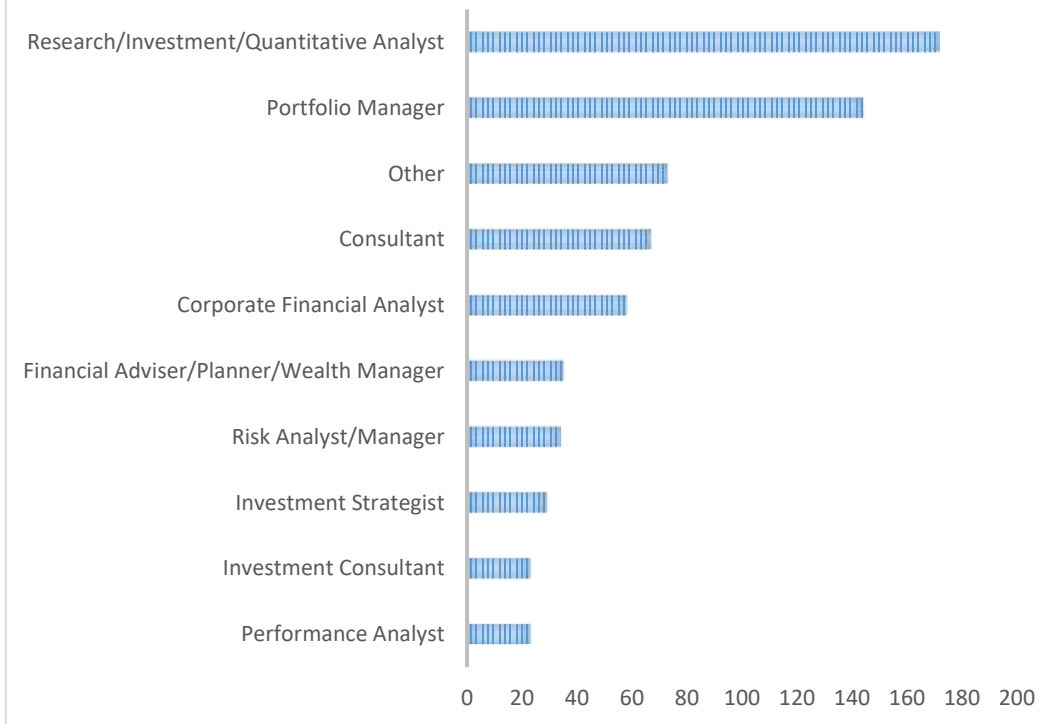
As at 30 June 2020, the CFA Society Melbourne had 862 Society members (Regular Members and Affiliates), a huge increase of 16% on the previous year. The retention rate for the 2019/20 year was 88.3%, compared to the APAC retention rate for 2019/20 of 82.6%.



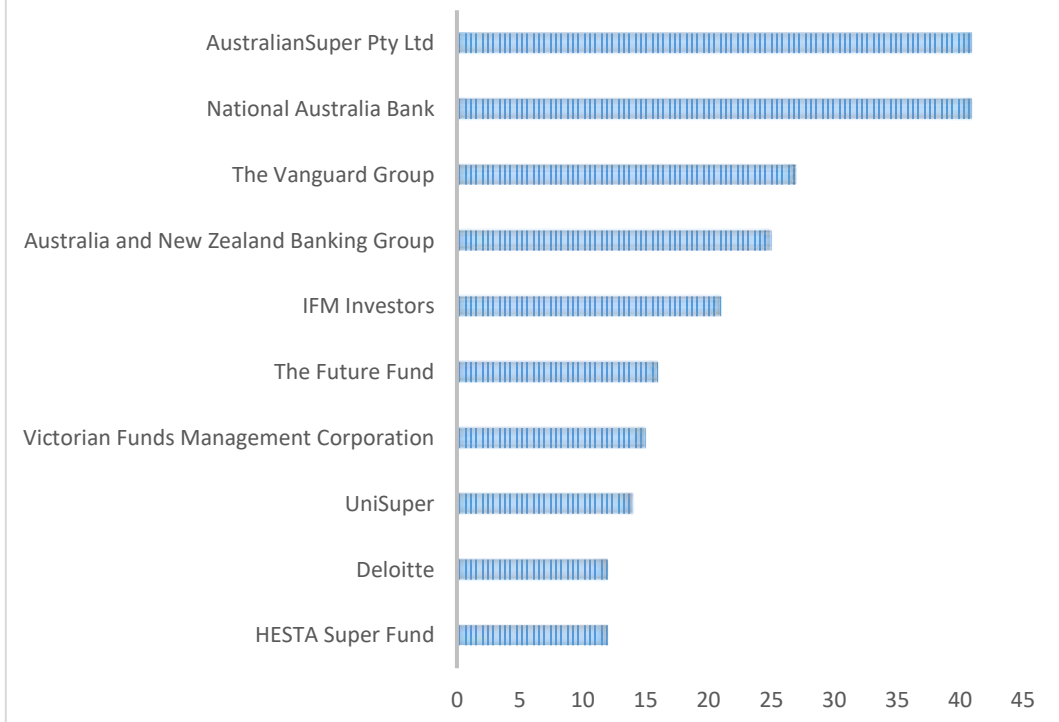
## CFA PROGRAM REGISTRATIONS BY THE NUMBERS (31 JULY 2020)

Fiscal year	Level 1 Dec	Level 1 June	Level 2 June	Level 3 June	FY total
2015	690	518	348	182	1738
2016	773	578	401	176	1928
2017	948	726	442	204	2320
2018	1404	1175	650	230	3459
2019	1968	1406	780	288	4442
2020	2129	0	0	0	2192

## TOP 10 MEMBER OCCUPATIONS



## TOP 10 MEMBER EMPLOYERS



## Member Engagement

The objective of the Member Engagement Committee is to broaden and deepen member engagement by developing an in-depth understanding of the member base and delivering a customised and highly valued offering.

### Key initiatives

A key focus is the delivery of events where we provide our members with informal opportunities to socialise and network with their CFA peers. The Social Events Committee organised six events during the year and demonstrated great agility in pivoting to virtual social events from April this year. The more recent virtual events enabled members to socialise with charterholders from the other Australian Societies as well as our own. This year, we also trialled our first Saturday morning coffee event in Melbourne's CBD which was a great success. We look forward to expanding the format of social events in the coming year in response to member feedback.

The Special Events Committee organised the Annual Forecasting Dinner in August 2019, where over 70 investment professionals heard from guest speaker Mark Burgess on the topic of "Forecasting Future Prosperity". This event continues to build profile across the Melbourne investment community and we would like to thank all our volunteers and sponsors for their contribution and support. Due to COVID-19, we were unable to hold the event in 2020 and the highly anticipated Melbourne Society 20th birthday celebrations have been postponed until 2021.

The member survey conducted in May 2020 received great support from our member base. This is the main forum we have for hearing directly from the collective member base and it is a critical component in the development of our key strategic initiatives for the years ahead. Thank you to all those who took the time to respond and for the constructive suggestions the Society received. The survey results have been analysed and refined into key focus areas and members will see the results directly incorporated into the initiatives we deliver over the next few years.

Date	Event
1 August 2019	Annual Melbourne Forecasting Dinner (Keynote: Mark Burgess)
12 September 2019	Social Event
17 October 2019	Australian Investment Conference (Featuring: James Shipton, ASIC, Dr Guy Debelle, RBA, Carol Geremia, MFS, Mark Delaney, CFA, Australian Super, Richard Brandweiner, CFA, Pandal, Adam Gee, Grow Super & Dr Bruce McCabe, Futurist)
29 November 2019	AGM + Social Event
14 December 2019	Social Event - weekend coffee
23 January 2020	Social event – New Year
5 March 2020	Fireside Chat with Marg Franklin, CEO CFA Institute
6 March 2020	International Women's Day 2020 (featuring Marg Franklin, CFA Institute, Heather Brilliant, Diamond Hill & Sonya Sawtell-Rickson, HESTA)
30 April 2020	(Virtual) Social Event
11 June 2020	(Virtual) Social Event (national event)

### What's next?

We will continue to diversify the format and venue for social events to ensure we are as inclusive as possible. Planning is underway for the Australian Investment Conference to be held in Melbourne in October 2021.

There will be a specific focus in the year ahead on new members and senior members to ensure we are catering for every cohort of the membership base in the activities and initiatives we deliver. A key finding from the member survey was the need to provide a mentoring program where we can leverage the depth of experience across our member base and this is a key initiative of the Committee for the coming year.



## A year in the life of a new charterholder

Every charterholder has a unique CFA Program journey. The reward of graduating after so many years of study and being able to finally join as a CFA Society member can be lifechanging – as new charterholder and society member, Aartee Megnath, found out.

Aartee commenced her CFA Program in 2013 and while she was working in a graduate role at Barclays Bank (Mauritius) Limited in 2014, she was awarded her Australian Permanent Residency visa. Aartee had 5 years to move to Australia before the visa expired, but she was torn between leaving the job she loved and her life in Mauritius to start fresh in Australia. A year before her visa expiry date, she decided to take a leap of faith towards fulfilling her dreams.

In August 2019 Aartee received her passing result for Level III of the CFA program, and by September she was on a plane to Melbourne with a plan to find employment within a year of arriving. Once here, she started applying for jobs, reaching out to CFA charterholders around Australia to introduce herself and make local industry connections. In parallel, she also reached out to the CFA Society Melbourne, requesting if she could graduate from here as she would miss out on graduating through the CFA Society Mauritius with her family and friends. She got connected with CFA Society Melbourne just in time to be able to register for and attend the Melbourne Charter Awards Ceremony in October 2019. At the Charter Awards, Aartee socialized with several other recent graduates and Society Members and it was through a conversation at that event that she found out about a job opportunity advertised at BlackRock and managed to get an introduction to the recruiting manager. And, by December 2019, Aartee had a permanent job offer!



*Aartee (centre) receiving her charter from Inna Zorina and Maria Wilton*

Aartee's first year of membership with CFA Society Melbourne hasn't been quite what anyone expected since Victoria went into Covid-19 lockdown, but Aartee was still keen to get involved with the local community and has put her hand up for nearly every volunteering opportunity that has been offered to members. Aartee feels that she has benefitted greatly by being part of the CFA charterholder community that she's been so willing to 'give back' to the community through volunteering – Aartee has been involved twice as a 'speed mentor' for our virtual events for candidates and also volunteered as Industry Mentor for the 2020/21 Research Challenge. Looking forward to the next year, Aartee is most keen to get to socialize with Society Members again IRL (In Real Life) and remain actively part of the local CFA community.

# Professional Learning

Professional Learning is an important benefit to local society members and we strive to program content which helps members to cultivate curiosity, advance their careers and which provides professional networking opportunities.

## Key initiatives

The Professional Learning portfolio has had a bumper year, despite COVID-19 interruptions – in fact, the frequency of events increased significantly since moving online. The portfolio aims to offer regular educational events and has historically only offered very few webinars and online events (member feedback showed that in-person events were the preference for the majority of members).

Our final in-person event for 2020 was International Women’s Day on 5th March and then programming was forced to move online. Across FY20 the Society has offered 23 professional learning opportunities to Society members.

Historically, the Society has charged a small fee for lunchtime events to encourage members to attend if they register, in order to prevent food wastage from catering. We have been able to offer virtual programming for free to Society members, which has been well received. In the post-event surveys, over 50% of attendees confirmed they would not have been able to attend the event if it was delivered in-person.

Programming of international speakers was made more accessible through virtual events and we

programmed events with speakers in the US, Canada, Netherlands, Hong Kong, and other countries.

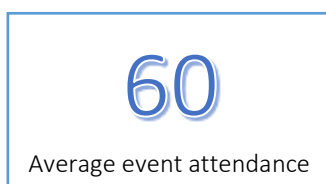
A number of new volunteers were recruited to help schedule speakers across the various programming themes. We’re particularly proud to have been able to program a number of virtual events responding to career development needs for building resilience and employment market changes.

## What’s next?

Virtual programming is here to stay for CFA Society Melbourne, but we can’t wait to get back to live events: it’s difficult to provide professional networking at a virtual-only event.

We are working more closely with our national colleagues at the other Australian Societies to provide more quality professional learning opportunities to all our members.

We will be recruiting more volunteers to help the society with our programming efforts – this volunteering opportunity provides a wonderful experience for Society members to increase professional networks and develop professionally through hosting events, and to program the exact events that they would most love to attend.



## Our events are evolving!

Over the past 20 years, there has been a long list of volunteers who have helped program and deliver our annual program of events, including David McDonald, Andre Roberts, Rob Fowler, Phil Graham, Kim Bowater, Laurence Irlicht, Wendy Fergie, Chris Andrews, Linda Trusler, Hartono Murtiyoso, James Harman, Anna Han, Alicia Low, William Leong, Andrew Huang, Thomas Tam, Stewart Gault, Lee Platek, Paul Kessel, Murray Davis, Stratton Bell, Migara Alles, Shi Ong, Tina Yu, Huey Miin Lim. Megan Talmage, Allison Miller, Juan Dosio, Ling Jin, Sergio Bonnici, Elaine Xu, Akash Punjabi, Zik Qian, Andrew Nolan, Kate Misic, Damian Damiano, Jemima Joseph, Winnie Wong, Leila Lee...just to name a few!

Anyone who has been involved with planning and delivering our events, knows that it could take a lot of work – from finding and programming speakers, to sourcing venues and sponsors, ticketing and promoting, and then hosting and running the event. Events are so important to our society, and we have been determined to better resource this area to make the role for volunteers more rewarding by taking away the operational work. The Melbourne board was thrilled earlier this year to support the appointment of a part-time Events Coordinator and welcome Sarah Polce to Society staff! Sarah came to our Society with a strong background in end-to-end live events management and was excited to bring her professionalism to our annual program of events. Sarah joined us just a couple of weeks before our 2020 International Women's Day event and whirlwind visit from CFA Institute's new CEO, Marg Franklin in early March 2020...and by mid-March all live events had been cancelled due to COVID-19 and we were in lock-down!



*International Women's Day, March 2020*

Despite never having delivered a virtual event before, Sarah's enthusiasm and professionalism has been a key to our Society's 'pivot' to online programming. A lot of work goes into making our events high-quality professional development experiences for our members and Sarah has ensured that the event experience has remained as engaging as an in-person event: hosts are briefed, practice sessions are held, slide decks are polished.

Our sincere thanks to everyone in the society who helped support our move to virtual events and special thanks to the hundreds of members who attended the events and provided feedback. Virtual events are here to stay on the CFA Society Melbourne programming calendar – but we are looking forward to also being able to deliver live events again and getting to see members in person.

Professional Learning events		
Date	Topic	Speaker
2 July 2019	Diversity and Inclusion Workshop	Heather Price, Symmetra
15 August 2019	Behavioural Anomalies and Factor Investing	Jason Hsu, Rayliant Global Advisors
20 August 2019	Improving Alignment of Interest in Private Equity	Colm Lanigan, BlackRock
19 September 2019	How to Measure Performance of a Currency Overlay Program	Elske van de Burgt, Ortec
20 September 2019	Goals-Based Wealth Management and Asset Allocation in Practice	Jean Brunel, CFA, Brunel Associates
9 October 2019	Diversity & Inclusion: Driving Results and Leveraging Best Practice	Greg Davis, Vanguard, Helen Skilton, Bloomberg, & Lisa Carroll, CFA Societies Australia
14 October 2019	Finance for Normal People: How Investors and Markets Behave	Prof. Meir Statman, Santa Clara University
20 November 2019	Selling Fast and Buying Slow: Heuristic and Trading Performance of Institutional Investors	Rick Di Mascio, Analytics
6 December 2019	Women's workshop: Building your Personal Board	Nell Wilson, Dream Collective
13 February 2020	Using derivatives to enhance portfolio returns amid growing market risks	Thomas J Ciszewski, SouthPeak Investment Management
21 February 2020	It's A Risky World Out There, But Don't Despair	Mathieu Savary, BCA Research
20 April 2020	(Virtual) Alternative Data: Can Technology Make Us Less Reliant on the Government for Macro-economic News?	Prof. Abhiroop Mukherjee, HKUST
28 April 2020	(Virtual) Fixed Income 301	Chris Baker, BlackRock
08 May 2020	(Virtual) Reports of value's Death may be greatly exaggerated	Rob Arnott, Research Affiliates
15 May 2020	(Virtual) Positioning yourself professionally online	Cassie Crowe, T. Rowe Price & Erica Hall, Morningstar
21 May 2020 27 May 2020	(Virtual) Building Your Resilience in Uncertain Times	Jenni Harding, Harbridge Optimal Performance
29 May 2020	(Virtual) Ethics Workshop	Nidal Danoun, PFS Consultancy
02 June 2020	(Virtual) Pandemics, Populism and Productivity: Longer-term Macro Implications of COVID-19	Guy Bruton, Alliance Bernstein
6 June 2020	(virtual) Employment Market Update	Matt McGilton, Kaizen Recruitment
15 June 2020	(Virtual) Will COVID-19 unravel or accelerate ESG investing?	Sebastian Schiele & Andrew Kalopedis, DWS Group
25 June 2020	(Virtual) 2020 Investor Trust Survey: How the Australian investment management industry can earn investors' trust	Rebecca Fender, CFA, Richard Brandweiner, CFA & Stephen Dunne, CFA
29 June 2020	(Virtual) Commodity & Energy Strategy	Robert Ryan, BCA

## Candidate Engagement

The Candidate Engagement Committee was created to develop and implement initiatives and activities that provide support to candidates sitting for the CFA Exams. The three sub-committees, Candidate Communication, Candidate Education and Study Groups, focus on: 1) Creating community and connection amongst the Melbourne Candidate cohort and; 2) Increasing the number of candidates converting to CFA charterholders and Society members.

### Key Initiatives

There is no denying that FY20 has been a year of significant change and disruption within the Candidate space.

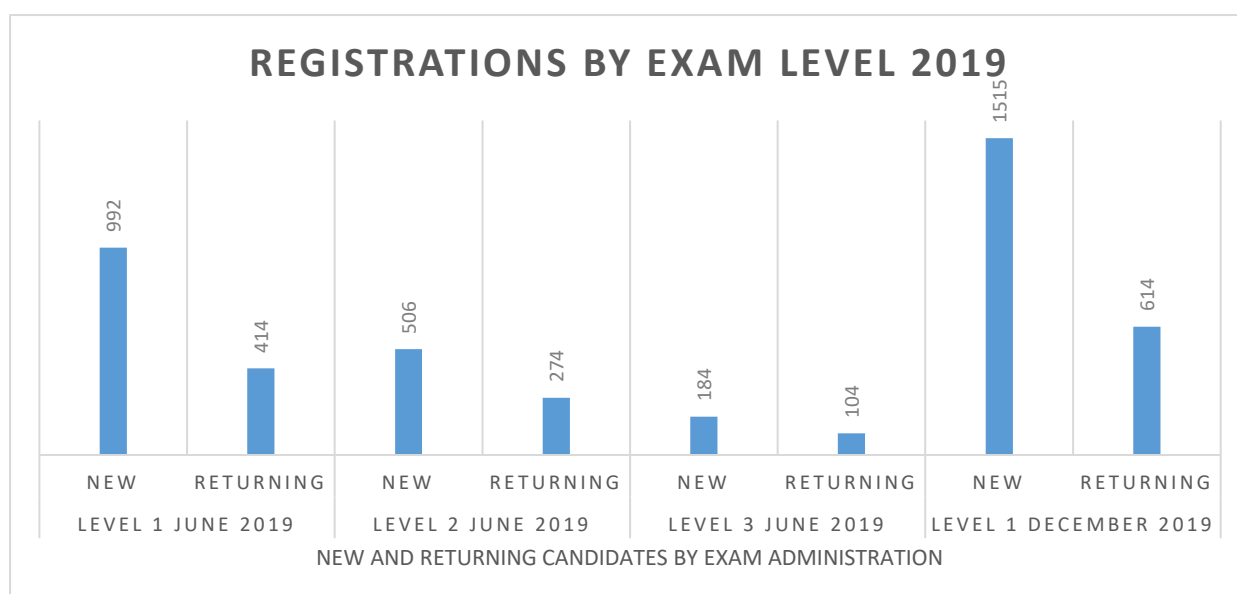
At the start of the Financial Year, the Board made a strategic decision to expand and deepen the support the Melbourne Society provides to candidates, extending beyond educational support, which saw the introduction of the Candidate Engagement Committee.

During our inaugural year of operation, this Committee has delivered new opportunities for our candidates by way of increased engagement with the society, each other and the local CFA community. Adapting to COVID-19 and the work-from-home environment, we augmented our services:

- Re-launched our LinkedIn Group for Melbourne Candidates which grew from 849 to 1,144 members. The re-launch saw the introduction of regular posts designed to help inspire candidates along the journey ahead.
- Conducted Candidate Program Information Session in February with 80 candidates braving the Melbourne rain to learn more about the CFA

Program, a path forward to success and how to form a killer study group.

- Launched a live Study Group meetup to provide candidates with the opportunity to create their own study groups and have a physical location to connect and study. Due to COVID-19, we were not able to progress with the live sessions; however, we did augment this offering to a virtual platform in August which has been well received and well attended.
- Launched Candidate Membership, tailored to provide candidates with comprehensive exam support as well as be part of a network of likeminded CFA Program candidates. Candidate members are able to access dedicated Candidate Membership events (i.e. speed mentoring) and discounts to Kaplan Schweser materials.
- Conducted a Virtual Speed Mentoring Event which gave candidates an opportunity to connect and engage with local charterholders as well as each other. The event was sold out with a growing waitlist from both candidates as well as local charterholders!
- Issued 11 scholarships through the CFA Institute's Access Scholarship initiative.
- Delivered a Level 1 Review Course in December 2019 facilitated by local charterholders.



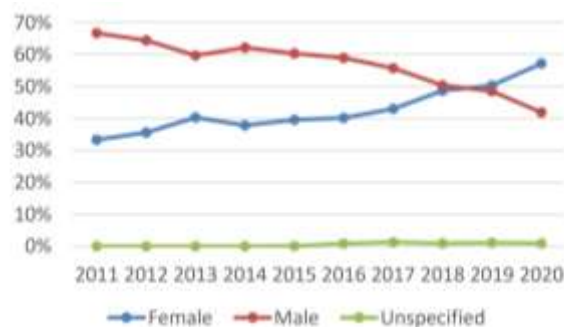
## What's next?

The move to computer based testing for the CFA Program exams in 2021 is a significant shift for candidates and one we will be actively supporting via exam information sessions and rethinking candidate education offerings for an exam schedule that now has four exam windows across the three exam levels. Additionally, we believe our study group initiative plays a huge role in supporting candidates in this new exam schedule.

The Melbourne board continues to place importance on supporting the candidate audience in order to ensure an engaged cohort of charterholders continues to graduate each year – and hopefully in higher numbers with our active support.

With many of our new initiatives underway, we look forward to continuing to help support our next generation of CFA Charterholders.

### CANDIDATE GENDER TRENDS



## Virtual transition for computer-based candidates

Along with the many unprecedented events of 2020, the postponement of CFA Program exams globally had a huge impact on the lives of our Melbourne candidates – but the outcome wasn't bad for all candidates.

One candidate who rolled with the punches is Dinesh Dias, who was on track to sit his Level III exam in June 2020. The announcement of the exam postponement in March came as a slight relief to Dinesh, who welcomed the extra time to study. The move to working from home meant that Dinesh lost daily study time on his commute to and from his office each day, but he soon developed a new study routine – starting studying early in the morning and, without having to get ready and go to the office, he was able to continue studying until it was time to drop his kids at school.

Dinesh is one of the Level III candidates who took part in our virtual study group pilot program and formed a study group to work with in the lead up to the December 2020 exam – when the December Melbourne exam was also postponed, he had the extra support from his program peers and they have worked together to revise their study plan to now work towards a May 2021 exam. Dinesh was hesitant at first about the move to computer based testing, but actually now considers it's fortunate as he's a much faster at typing than handwriting!



February 2019, Level I candidate study group meetup



June 2020, virtual study groups using Remo.co

## University Engagement

The purpose of the Committee is to strengthen the relationship between the Society and Universities. Academics: 1) engage on key industry issues; 2) positively affect the investment profession by promoting the highest standards of ethics, education and professional excellence. Students: 1) provide guidance on educational and career pathways; 2) promote best practices in equity research, presentation skills and ethics.

### Key initiatives

The University Engagement Committee has been established to build and strengthen university partnerships and pre-candidate/candidate engagement. Over 2019/20 we have developed a strategic plan and sub-committee structure for this portfolio. We have recruited and build out the University Engagement team consisting of member volunteers, and created university specific promotional materials.

The annual Research Challenge gives university students a real-world experience as research analysts and a chance to compete against other universities regionally and globally. The 2019/20 Research Challenge subject company was Carsales.com.au and there were seven teams who competed from six universities. The top three teams were Deakin University, RMIT University and University of Melbourne, with the University of Melbourne taking out the local Melbourne final. The Research Challenge cannot be delivered annually without the support of an army of volunteers to run the competition, grade reports, mentor teams and judge presentations.

In 2019/2020 over

40%

of local CFA Program Level I candidates listed their status as 'student'

### What's next?

In 2020/21, we will continue to expand our team to build out coverage of South Australian and Tasmanian universities and all universities within the University Affiliation Program. The team will also review and deliver on the strategic plan for each university. Our areas of focus are:

1. Academic and industry engagement
2. Educational and career pathways
3. Promoting best practices

7

Local universities now registered for the University Affiliation Program

1. Deakin University
2. La Trobe University
3. Monash University
4. Royal Melbourne Institute of Technology University (RMIT)
5. University of Adelaide
6. University of Melbourne
7. University of South Australia

We will continue to partner with local universities, such as RMIT, University of Melbourne and LaTrobe to provide industry/academic interaction on symposiums, conferences and other events highlighting relevant research and industry trends. We continue to facilitate industry speaking opportunities for Society members to present to university audiences on a huge range of finance topics and to help support the promotion of the CFA designation. Excitingly, we are now working towards delivering our own CFA University and Industry Symposium in mid/late 2021. We will also continue to deliver CFA program information events and work collaboratively with the other national societies to build the pipeline for future charterholders and industry leaders.

The 2020/21 Research Challenge – delivered entirely virtually – is the biggest local competition that we've delivered to date, and we are actively seeking to get more teams and to improve the quality of the competition and the experience for industry volunteers year on year.

The Asia-Pacific Research Exchange (ARX), co-created and co-owned by CFA Institute and CFA Societies in the APAC region, reached impressive

milestones in 2020 with total number of research articles and reports exceeding 3,800 and number of institutional contributors above 120. ARX continues to be a valuable resource to the members by bringing together different stakeholders in the industry to share, learn and engage on topics and trends specific to the region. Over the past financial year, the ARX has sponsored the best paper of

relevance to practitioners and our region at the 'Finance Down Under' conference. This marks the third year of partnership between ARX and CFA Society Melbourne in jointly hosting this conference. We have also jointly sponsored the best paper of relevance to practitioners and our region at the Finance, Property, Technology and the Economy conference.

## From local Research Challenge to Hong Kong

The Melbourne local Research Challenge has been fortunate to benefit from a long-term sponsorship from S&P Global, which allows participating students to access the Capital IQ Database with full training delivered, as well as hosting our presentation final event. S&P Global also make a graduate role available to one Research Challenge participant – in 2019 the role went to Marina Chen from RMIT University.

Marina and her team didn't win the final, but did make it to the top-three, presenting to a panel of industry judges. We were fortunate to have Marina speak to students virtually at the 2020 competition about her experience of competing in the Research Challenge, moving to Hong Kong in February 2019 and working in a graduate role with S&P. Marina said, "This great opportunity only happened to me because of CFA, throughout the Research Challenge I've learned a lot that I couldn't achieve by just by myself."



*Marina Chen (third from the right) pictured with her RMIT teammates at the 2019 Research Challenge presentation final.*



## Advocacy

CFA Societies Australia advocates on issues of importance to the investment management industry, seeking to promote the highest standards of ethics and professionalism, raise our profile through research and thought-leadership, and advance and promote policies that serve investor protection over commercial interests. Our National Advocacy Council of key stakeholders from across Australia informs our advocacy work.

### Key initiatives:

In line with our priority to support the highest standards of ethics and professionalism across the industry, we ran a series of ethical decision-making workshops in October 2019. Sonia Gandhi of CFA Institute conducted workshops with firms in Melbourne and Sydney including major investment managers and large super funds, as well as presenting a keynote at the Australian Investment Conference. Sonia also trained and accredited three Australian members to deliver workshops ongoing. With COVID-19 we took these workshops virtual, running successful sessions for members.

There was a global collaboration to understand how investors were incorporating Environmental Social and Governance (ESG) factors into analysis and processes which led to the 2019 publication of a comprehensive report titled 'ESG Integration in Asia Pacific: Markets, Practices and Data'. Australia was well represented given we have been at the forefront of ESG investing for some time.

CFA Societies Australia hosted ESG roundtables with asset managers to understand the future of sustainability in investing, and what role we can play in this space. Through discussions it has become apparent that there is a need to set ESG disclosure standards for investment products to provide greater transparency and comparability so investors know what they are buying. Through consultation with regulators and industry practitioners, CFA Institute are now in the process of developing a voluntary global standard.

In March 2020 we welcomed Marg Franklin, President and CEO of CFA Institute to Australia. Marg hosted a series of industry leader roundtable events with CEOs and CIOs of major firms. She addressed topics including diversity and inclusion, investor outcomes and the critical value of the CFA designation. Marg also engaged regulators including ASIC and FASEA to ensure we continue to have a voice on important matters.

We participated in FASEA's consultation with industry on their Code of Ethics for financial advisers. Other initiatives included the release of the 2020 Investor Trust Survey, with a member webinar featuring Rebecca Fender, Richard Brandweiner and Stephen Dunne. We also ran roundtable events to share research with industry leaders including senior HR professionals in investment management firms, and to encourage collaboration and best-practice sharing.

Our media coverage increased across the year with the Trust Survey, ESG, GIPS2020, and diversity and inclusion research. Our brand activation campaign targeted potential candidates and employers with 'why hire a charterholder?' messaging to increase profile of the CFA designation.

### What's next?

While this year has been disruptive, as 1-in-100-year events tend to be, we have continued efforts to pursue higher ethical behaviour, set standards for market integrity and professionalism to win back our community's trust. While this pandemic has currently taken centre stage in everything we see and hear, this will eventually pass and the longer-term issue of climate change and how investors are dealing with this issue, will re-emerge. The fact that Australia has signed up to the Paris Agreement has far-reaching implications for our industry. CFA Institute will continue development of the voluntary, global ESG Product Disclosure Standard, and explore the future of ESG through the Future of Finance publication 'The Future of Sustainability in Investment Management'.

We are in a strong position to continue to advocate on ethics issues with an authoritative voice. Ethics workshops also form an important part of our national employer engagement strategy as an excellent medium to engage with employers and showcase the integrity and value of employees carrying the CFA designation.

## Thank you to our volunteers!

The CFA Society Melbourne was incorporated in 2000 and is celebrating our 20th birthday in 2020/21. For much of the Society's long history, all activities and operations have been run by a team of volunteers. As the Society has grown, we have been able to professionalise and recruit staff to manage operational Society activities, but volunteers remain the backbone of our success.

The Society of Melbourne would like to acknowledge and thank all our dedicated volunteers who have played a part in our 2019/20 success and continue to contribute their time, effort and expertise. Without each of their contributions, the Society wouldn't exist the way it is today. We look forward to providing more volunteering opportunities in the future.

Aartee Megnath	Inna Zorina	Nicholas Muchinguri
Adam Dellaverde	Jack Wang	Nick Gill
Akash Punjabi	James Boyle	Paula Allen
Allan Ruvuga	James Harman	Peter Wilmshurst
Andre Roberts	James Metcalfe	Phil Graham
Andrew Nolan	Jemima Joseph	Phoebe Mao
Anthony Kavanagh	John Venusti	Preeti Rathi
Asjeet Lamba	Juan Dosio	Robin Young
Bei Cao	Kate Misic	Sam Walker
Benjamin Listokin	Katherine Xu	Scott Evans
Boon Leong Ong	Kelleney Kong	Sean O'Neill
Chiau Lin Lau	Kevin Heng	Sergio Bonnici
Claire Vuong	Leila Lee	Shangitha Rajendran
Damian Damiano	Linda Trusler	Stratton Bell
David Choe	Louise Farmakis	Thomas Tam
Dylan Mitchell	Marco Fantozzi	Trent Brandie
Elaine Xu	Mary Masters	William Nigro
Elisha Cheah	Matt McGilton	Winnie Wong
Graeme Bibby	Megan Talmage	Yen Koh
Graeme Miller	Melissa Mun	Yeukayi Kadzere
Himanshu Lakhani	Minh Truong	Zik Qian
Huey Miin Lim	Nga Pham	Zoljargal Batsaikhan

# 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 Society ended the year with a healthy balance of \$612k in net assets. Over the past few years the Society has focused on reducing costs while increasing the number and quality of activities provided to members and candidates.

In FY20 the Society relied on four key revenue streams to help fund our activities:

1. \$258,000 funding from the CFA Institute;
2. \$66,000 from membership subscriptions;
3. \$35,000 from member events; and
3. \$134,000 from candidate service activities that include the exam review course and practice exam.

The Society qualified for the Australian Tax Office "Boosting Cash Flow for Employers" scheme that

supported small and medium businesses and not-for-profit organisations during the economic downturn associated with COVID-19. The Society received the payment of \$10,000 delivered as a credit to the Activity Statement.

The Society's FY20 surplus was larger than expected due to COVID-19 restricting the number of activities that we could deliver for members, in particular the cancellation of live events.

The Board is comfortable with the financial position of the Society. With the current available reserves and strong growth in membership, the Society is in a sound position to continue deploying financial resources to deliver member value through various events and initiatives and to promote the mission and values of CFA Society Melbourne and CFA Institute.

**William Nigro, CFA**

**Treasurer, CFA Society Melbourne**

# Financial Statement

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

## **COMMITTEE'S REPORT**

Your Committee members submit the financial report of the CFA Society of Melbourne Inc. for the financial year ended 30 June 2020.

### **Committee Members**

The names of Committee members throughout the year and at the date of this report are:

Inna Zorina (President)  
Nick Gill (Vice President)  
Linda Trusler (Secretary)  
William Nigro (Treasurer)  
Graeme Bibby (Past President)  
Thomas Tam (Advocacy)  
Leila Lee (Member Programming)  
Asjeet Lamba (appointed 29 November 2019)  
Winnie Wong (University Engagement, appointed 29 November 2019)  
Jemima Joseph (Candidate Engagement, appointed 29 November 2019)  
Louise Farmakis (Member Engagement, appointed 29 November 2019)  
Huey Miin Lim (Candidate Education, appointment ended 29 November 2019)  
Benjamin Listokin (Technology/Social Media, resigned 17 December 2019)  
Juan Dosio (Social Events, appointment ended 29 November 2019)  
Elaine Xu (Special Functions, appointment ended 29 November 2019)  
Andre Roberts (University Outreach, appointment ended 29 November 2019)  
Melissa Mun (Newsletter & Communication, appointment ended 29 November 2019)

### **Principal Activities**

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

### **Significant Changes**

No significant change in the nature of these activities occurred during the year.

### **Operating Result**

The surplus after providing for income tax amounted to \$128,687.

Signed in accordance with a resolution of the members of the Committee.

Committee Member: \_\_\_\_\_

  
Inna Zorina

Committee Member: \_\_\_\_\_

  
William Nigro

Dated this 30<sup>th</sup> day of November 2020

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>INCOME</b>			
Candidate services		38,670	26,333
CFA Institute funding		258,044	232,685
Membership subscriptions		66,499	60,555
Member events		34,926	38,697
		398,139	358,270
<b>OTHER INCOME</b>			
Other income		1,591	8,163
Income from investments		3,652	5,113
Government Subsidies		10,000	-
		15,243	13,276
		413,382	371,546
<b>EXPENDITURE</b>			
Member event expenses		58,425	88,904
Candidate services expenses		19,440	15,056
Administration expenses		35,818	62,948
Employee expenses		132,202	90,616
		245,885	257,524
Surplus before income tax		167,497	114,022
Income tax expense	3	38,810	28,602
<b>Surplus after income tax</b>		128,687	85,420
Retained surplus at the beginning of the financial year		483,095	397,675
<b>Retained surplus at the end of the financial year</b>		611,782	483,095

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		672,837	549,446
Trade and other receivables	4	3,162	-
<b>TOTAL CURRENT ASSETS</b>		<u>675,999</u>	<u>549,446</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,013	424
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,013</u>	<u>424</u>
<b>TOTAL ASSETS</b>		<u>679,012</u>	<u>549,870</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Credit card		124	1,619
Trade creditors		13,442	-
Accrued charges		1,109	7,862
GST payable		-	5,624
PAYG withholdings		8,478	6,156
Provision for Annual Leave		5,267	-
Provision for income tax	6	38,810	28,602
Unearned income		-	16,912
<b>TOTAL CURRENT LIABILITIES</b>		<u>67,230</u>	<u>66,775</u>
<b>TOTAL LIABILITIES</b>		<u>67,230</u>	<u>66,775</u>
<b>NET ASSETS</b>		<u>611,782</u>	<u>483,095</u>
<b>MEMBERS' FUNDS</b>			
Retained surplus	7	611,782	483,095
<b>TOTAL MEMBERS' FUNDS</b>		<u>611,782</u>	<u>483,095</u>

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

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers & members	392,819	270,866
Payments to suppliers and employees	(241,447)	(240,789)
Interest received	3,652	5,113
Income tax paid	(28,602)	-
<b>Net cash provided by operating activities</b>	<b>8</b> <u>126,421</u>	<u>35,190</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	<u>(3,030)</u>	<u>(1,758)</u>
<b>Net cash used in investing activities</b>	<u>(3,030)</u>	<u>(1,758)</u>
Net increase in cash held	123,391	33,432
Cash at beginning of financial year	<u>549,446</u>	<u>516,014</u>
Cash at end of financial year	<u>672,837</u>	<u>549,446</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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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 2020 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 2020**

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**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 2020**

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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 26 October 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>3 Income Tax Expense</b>		
The components of tax expense comprise:		
Income tax expense	<u>38,810</u>	<u>28,602</u>
<b>4 Trade and Other Receivables</b>		
<b>Current</b>		
GST refundable	<u>3,162</u>	<u>-</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	4,788	1,758
Less: Accumulated Depreciation	<u>(1,775)</u>	<u>(1,334)</u>
	<u>3,013</u>	<u>424</u>
<b>Total Plant and Equipment</b>	<u>3,013</u>	<u>424</u>
<b>Total Property, Plant and Equipment</b>	<u>3,013</u>	<u>424</u>
<b>6 Tax</b>		
<b>Liabilities</b>		
<b>Current</b>		
Provision for income tax	<u>38,810</u>	<u>28,602</u>
<b>7 Retained Surplus</b>		
Retained surplus at the beginning of the financial year	483,095	397,675
Surplus attributable to the Association	<u>128,687</u>	<u>85,420</u>
Retained surplus at the end of the financial year	<u>611,782</u>	<u>483,095</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>8 Cash Flow Information</b>		
<b>Reconciliation of result for the year to cashflows from operating activities.</b>		
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Profit after income tax	128,687	85,420
Cash flows excluded from profit attributable to operating activities		
<b>Non-cash flows in profit</b>		
Depreciation	441	1,334
<b>Changes in assets and liabilities</b>		
(Increase) Decrease in current receivables	-	1,325
Increase (Decrease) in trade creditors	13,442	-
Increase (Decrease) in current payables	(14,713)	15,401
Increase (Decrease) in current provisions	15,475	28,602
Increase (Decrease) in unearned income	(16,912)	(96,893)
	<u>126,421</u>	<u>35,190</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 OF MELBOURNE INC.**  
**ABN: 33 080 559 149**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial statements as set out on pages 1 to 9:

1. Presents a true and fair view of the financial position of CFA Society of Melbourne Inc. as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that CFA Society of Melbourne Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

**President:**   
\_\_\_\_\_  
Inna Zorina

**Treasurer:**   
\_\_\_\_\_  
William Nigro

**Dated this** 30<sup>th</sup> day of November 2020



**CFA Society  
Melbourne**

[cfas.org.au/melbourne](https://cfas.org.au/melbourne)