



CFA Society  
Sydney

# ANNUAL REPORT &

# FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2015





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## About Us

CFA Society of Sydney represents the interests of approximately 1500 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 of Sydney an indispensable part of the investment profession in Australia.”

The society, which was founded in 1996, is a leading member society of CFA Institute (CFA Institute has over 139,000 members in 148 countries and territories, including 132,000 CFA charterholders and 146 member societies making it the world’s largest association of investment professionals) and serves society’s 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.

CFA Society of Sydney also promotes the CFA Program and the Claritas Investment Certificate, for both of which CFA Institute is the awarding body. The CFA Program is a graduate level, self-study programme designed to equip investment professionals with technical skills, practical knowledge and a clear understanding of ethics and professional standards. It is recognised as the gold standard for professional credentials within the global investment community.

### Board of Directors

Anthony Serhan, CFA	<b><u>President</u></b> Managing Director Morningstar	Michael Brivulis, CFA	<b>M&amp;A Advice Manager</b> AMP
Mark Lee, CFA	<b><u>Vice-President</u></b> Investment Manager Sunsuper Pty Ltd	Jake Koundakjian, CFA	<b>Director</b> FIIG Securities
Chris Osborne, CFA	<b><u>Treasurer</u></b> Associate Vice President Credit Suisse	Paul Mather, CFA	<b>Strategy Consultant</b> Financial Genetics
Jingmin Qian, CFA	<b><u>Secretary</u></b> Director Jing Meridian Advisory	Roger Samuel, CFA	<b>Analyst</b> CLSA
Richard Brandweiner, CFA	<b><u>Immediate Past President</u></b> Chief Investment Officer First State Super	Ganesh Suntharam, CFA	<b>Investment Director</b> Redpoint Investment Mgmt
		Charles Wu, CFA	<b>Head of Asset Allocation &amp; Risk</b> State Super

### Executive Staff

Michaela Francis	Executive Director	Emma Philips	Events & Marketing Manager
Susan Morey	Head of Advocacy, Australia & New Zealand	Kathy Pintaric	Administrator

# Message from President and CEO, CFA Institute

## Paul Smith, CFA



It's been quite a year at CFA Institute and I couldn't be more excited to lead this outstanding organization.

In 2015, as we continue to see rapid change in the finance industry we must continually evolve as an organization to meet the resulting demands. Amidst this change, CFA Institute has the most wonderful opportunity to take the lead in proving our industry's worth, restore investor trust in us, and become the professional body for the investment management industry.

As we move forward, we've made it our top priority to lead the industry in building a better investment profession. To reach this goal, we must mobilize the entire industry, especially our 146 member societies and CFA charterholders around the world, and effectively communicate our values, activities, and initiatives to the broader financial services community. CFA Society Sydney is doing just that with the publication of its first-ever annual report.

The annual report provides the opportunity to share both the state of CFA Society Sydney and also what CFA Institute is doing worldwide. Our member societies serve the critical function of bringing our members together, and championing CFA Institute's values and initiatives on the local and regional levels in the communities we serve.

Our work puts into practice the belief that financial markets function better when they are fair and investors' interests come first. We've disseminated this message to audiences around the world through our member societies who have been receptive and actively engaged. During the May 2015 Putting Investors First Month campaign, 87 societies participated with 118 different activities in local markets worldwide. The result is a unified voice for CFA Institute globally.

CFA Institute is in a unique position to influence the future of our profession. Between our presence in seven offices, including the most recent addition of offices in Beijing and Mumbai, and the 146 societies we partner with around the world, we are poised to have an even greater impact on the investment management profession and on the communities we serve. CFA Society Sydney exemplifies the kind of commitment and actions we need to take in order to deepen our influence in Australia and around the world.

We look forward to working with you in the coming year.

**Paul Smith, CFA**

**President and CEO, CFA Institute**

# Message from the President,

## CFA Society of Sydney

### Anthony Serhan, CFA



The CFA Society of Sydney (“CFAS”) represents different things to different people. For many, it is the organisation you initially join in testament to the blood and sweat that went into those three exams. For others it has become a network of like-minded professionals or a source of high quality material on our global industry. In recent years we have taken specific steps to try and make sure our Society offers something for everyone.

In December 2014 the board set three broad objectives as part of a strategy review:

- Build for operational excellence and sustainability;
- Build the brand and influence of CFA; and
- Build the CFA community.

As detailed throughout the balance of this report we have made strong progress against each of these over the course of 2015. We continue to collaborate more with our sister societies in Melbourne and Perth under the CFA Societies of Australia brand, there is roadmap to improve the technology infrastructure for CFAS, the Brisbane chapter has continued to grow and our newly structured candidate review course has seen growing participation.

One of the most common requests from CFAS members is to continue to grow awareness of the qualification. Whilst all our activities help this to some extent we are pursuing some very specific strategies. We have continued to highlight our research and capabilities through the media, taken advocacy positions with government and industry associations (including the Financial System Inquiry and education requirements for financial advisers), and developed a more structured way of communicating all the facets CFA Institute can bring to an employer – please refer to page 11 for an image of the Ethical Map. We held our second CEO/CIO forum and coordinate a mail out of reports from the Research Foundation of CFA Institute to the CIOs of major asset owners – CFAS won an award for this initiative at the recent global CFA Society Leaders conference.

Community is really about creating more shared experiences for current and future CFAS members. Our regular member education events are now targeted to address specific segments of our membership, there are more and more conversations taking place through our social media channels, the Research Challenge continues to underpin a growing connection with universities across NSW and Queensland and CFA candidates have a growing number of support mechanisms. We want CFAS to be the organisation that helps people start their career in finance, build that career and ultimately be a conduit to help shape the industry. The recently completed CFA Societies of Australia Investment Conference in Sydney, with over 350 people in attendance, was a good indicator that our community is in good shape.

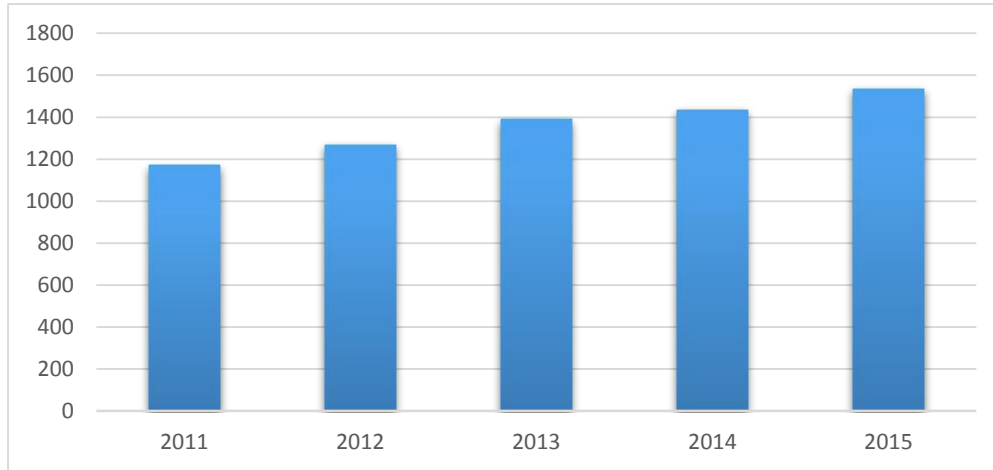
I would like to thank all those that have volunteered for CFAS, our fabulous staff who make so many of our ideas possible and our members. We have achieved a lot in 2015 and look forward to continuing to execute on our strategy in the year to come.

**Anthony Serhan, CFA**

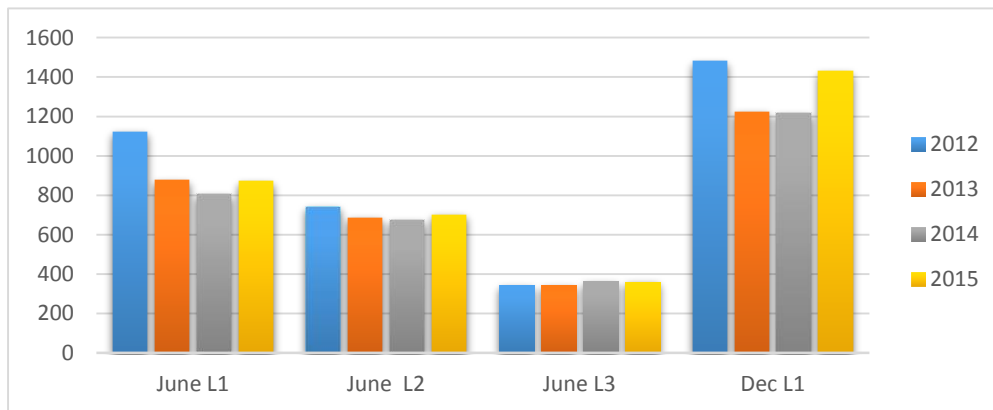
**President, CFA Society of Sydney**

# Year at a Glance & Key Statistics in Australia

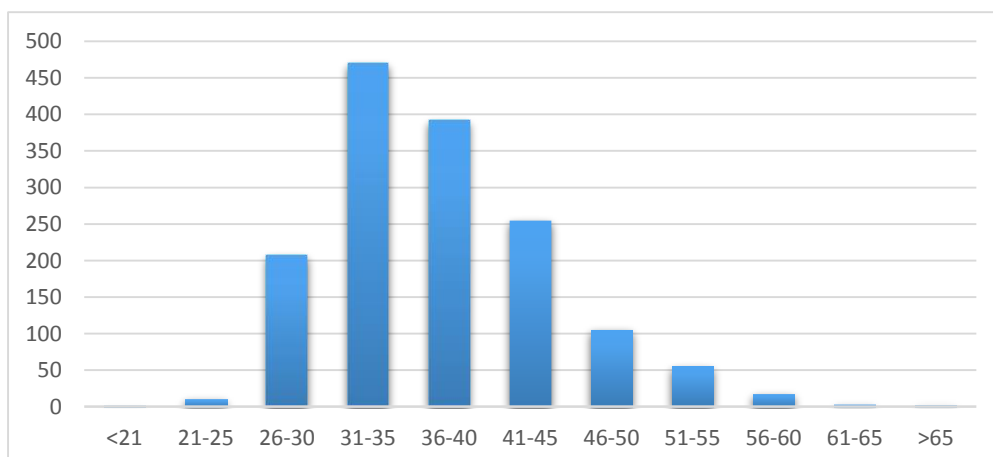
Growth in Membership of CFA Society of Sydney (2011 – 2015)



CFA Candidates by Exam Level (2012 – 2015)

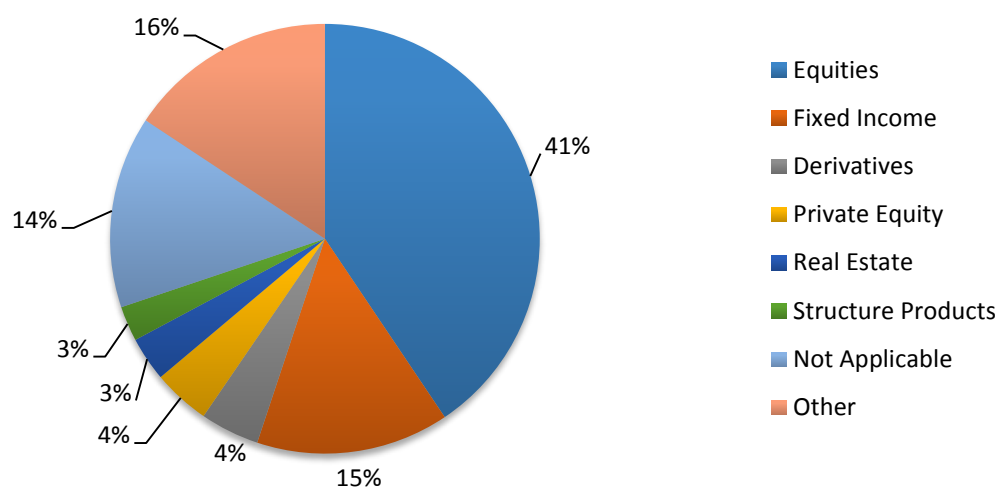


CFA Society of Sydney Membership by Age





## Members' Primary Investment Practice



## Top Employers in Australia with 10 or More CFA Members

Rank	Top Employers in Australia	Charter holders
1	Commonwealth Bank of Australia	112
2	National Australia Bank	82
3	Macquarie Group	81
4	Westpac Banking Corporation	58
5	AMP Limited	53
6	Australia and New Zealand Banking Group Limited	45
7	UBS	31
8	Goldman Sachs	26
9	Citigroup	25
10	State Street Corporation	22
10	Morgan Stanley Smith Barney	22
10	Marsh & McLennan Companies	22
10	KPMG	22
14	PricewaterhouseCoopers	20
14	JP Morgan Chase	20
16	Credit Suisse	19
16	Deloitte	19

Rank	Top Employers in Australia	Charter holders
18	QIC (Queensland Investment Corporation)	18
19	Victorian Funds Management Corporation	15
19	Maple-Brown Abbott Limited	15
19	Morningstar, Inc.	15
19	Deutsche Bank	15
19	Bank of America Merrill Lynch	15
19	BlackRock	15
25	The Future Fund	13
25	Vanguard Group, The	13
25	Ernst & Young	13
25	AustralianSuper Pty Ltd	13
29	Perpetual Limited	12
29	IFM INVESTORS PTY LTD	12
29	Northwestern Mutual	12
29	HSBC	12
29	Australian Prudential Regulation Authority (APRA)	12
34	Reserve Bank of Australia	10



## Key Events for the Year

- Regular education events, more than 25 events, averaging 55 attendees per event;
- More than 80 new members attend the new CFA charter award ceremony with family and friends;
- Inaugural CEO/CIO forum held with industry leaders;
- Quarterly free member social drinks;
- Launch of Women in CFA networking events;
- Charity Trivia evening held raising funds for 10 x 10;
- CFA Institute Research Challenge held with 11 universities participating, University of Sydney was the winner;
- Wealth Management continuing education stream launched;
- Volunteer Awards launched. Chris Osborne (Treasurer) announced as the winner;
- 16 week review course for exams continues to have high pass rates; and
- CFA Institute Asset Manager Code Professional Conduct continues to gain traction with Colonial First State Global Asset Management and AustralianSuper adopting the code.

## Advocacy

Over many decades, the CFA Institute has worked as an independent advocate with governments, regulators and industry globally to apply best practice solutions to a diverse and complex range of issues impacting financial services.

In Australia, the CFA Society of Sydney recognises that consumer trust in our industry is low and that only meaningful changes to the system can restore that trust. Importantly, in a country where nearly every Australian is an investor through mandated superannuation, financial services industry issues are increasingly community issues.

In 2015, CFA Societies Australia, including the CFA Society of Sydney, raised its focus on advocacy and in particular on solutions to build and sustain an industry culture based on the highest standards of ethics, market integrity and technical excellence and professionalism.

In August 2014, CFA Societies Australia jointly submitted a response to the Interim Report issued by the Financial Systems Inquiry (FSI) concentrating its comments in the areas of funding, stability, consumer outcomes and conduct regulation.

CFA Societies Australia also outlined our position on ethics and market integrity a letter to the Treasury in May 2015 in response to the Governments call to 'Lift the professional, ethical and education standards in the financial services industry'.

As part of CFA Global 'Putting Investors First' Month initiative, we hosted a tour by Tony Neoh, former chief advisor to the China Securities Regulatory Commission and ex-chairman of the Hong Kong Securities and Futures Commission, and sponsored the Australian Shareholders Association Conference in Melbourne.

Over the coming financial year, we will be putting in place our Advocacy Strategy, the primary objectives of which are to establish our credentials as a lead advocate in the Australian financial services industry and to champion change to bring about better outcomes for the community we serve and ultimately build on our reputation as an industry.

The strategy includes a number of initiatives including the establishment of an Advocacy Council and the launch of our Ethical Map on the following page. The Map is a change management model which aspires to build an industry that is:

- Regarded by the community as highly competent, deserving guardians of their money and trusted champions for their rights and welfare;
- Acknowledged by regulators as an industry whose culture is largely self-governing, serving the best interests of the community; and
- Respected by our peers globally as a centre of excellence in the provision of world-class financial services practice and talent.

Sue Morey

Head of Advocacy for Australia and New Zealand, CFA Societies Australia

## Ethical Map



# Report from the Treasurer

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.

## Activities and Achievements for 2015

The key achievement for 2015 was the continuing ability of the Society to fund its activities while maintaining sufficient reserves to ensure it could continue to operate, even in the worse of foreseeable financial circumstances.

The Society's solid financial position is primarily the result of the hard work of boards and volunteers (past and present). The Society's ongoing revenue from membership dues and the CFA Institute is insufficient to meet its annual operating costs and the Society relies upon additional fundraising activities to close the gap.

The Society has been able to build up contingency and reserve funds from its fundraising activities. These funds have been built up over many years from activities such as the Society's popular and successful practice exams and review courses for candidates. The founders of the Society remember clearly how difficult it is to operate and achieve goals with limited funding and today's Board is equally committed to maintaining a strong financial position for the Society.

2015 represented an overall expansion of our activities. The Society added two new staff members and expanded its Advocacy program with the aim of raising the profile and awareness of the CFA designation within the local financial community and government bodies. The Advocacy program covers the whole of Australia and is supported by contributions from all of the Australian CFA societies (the CFA Society of Melbourne, the CFA Society of Perth and ourselves) as well as the CFA Institute.

2015 also saw the continued implementation of the Society's new investment strategy for our accumulated funds which broadly moved the investment allocation towards a more balanced approach. This increased the level of risk assets which was rewarded as markets were generally favourable during the financial year. The overall allocation remains relatively conservative in alignment with the nature of the funds.

## Areas of Focus for 2016

2016 will see a continued focus on the core areas of Treasury – prudent management of the Society's financial affairs, funding of the Society's ongoing activities and oversight of the Society's accumulated funds – with one additional project.

The additional project is the consideration of a "spending" policy for the returns generated by our accumulated funds. To date, we have reinvested all of the returns these funds have generated. We have now formed a committee to consider the development of a policy and framework to use some of the annual returns to contribute towards the progression of the Society's activities and objectives. I look forward to updating you on progress with respect to this in next year's report.

**Chris Osborne**

**Treasurer, CFA Society of Sydney**



## COMMITTEE REPORTS



## Member Services

The Member Services portfolio was instated by the CFAS Board of Directors in November 2013 with the singular goal to ensure that members remain a core focus of the Society's activities and programming. One of CFA Institute's key focus areas has to do with Building a Stronger Community, and the Committee has always kept the theme in mind when designing any particular event. It has been two years since inception and we are proud to present our key achievements in our first full year of operation.

### Activities and Achievements to 2015

- The Inaugural CFAS Charity Trivia Night held on 20<sup>th</sup> Nov 2014 and is the CFAS' first major fundraiser. With the generous support of Credit Suisse, 100% proceeds raised from ticket sales was allocated to charity. CFAS was proud to support 10x10, an organization that provides the opportunity for three charities to pitch and convince the audience to part with their donation dollars, resulting in CFAS donating over \$5,000 to Orange Sky Laundry.
- The Women in CFAS programme was run twice in 2014 with the specific aim to create a supportive environment within the CFAS for members and non-members alike to hear from female leaders in the industry and to also build networks with like-minded people.
- The production of the Annual Report was an initiative to improve CFAS' communication to members. The inaugural CFAS Annual Report 2014/2015 is hopefully the first of many which aims to highlight the key achievements over the year and also key focus areas for the various Committee Chairs over the next year.

### Areas of focus for 2016

- Given the success of the Women in CFAS programme, we have broadened the mandate and have created the Diversity sub-committee with the objective to empower a diverse member base to achieve each individual's potential whilst building a connected and supportive network of professionals.
- Continue to seek new ways of engaging our member base. We will look to design different social events that may appeal more broadly.
- Build out a member benefit program to leverage CFAS' member base to negotiate better outcomes for members.

### Committee Chair

Mark Lee, CFA

**Investment Manager**  
Sunsuper Pty Ltd

### Committee Members

Nicole Liu, CFA

James Cowper, CFA

**Director**  
Principle Advisory Services

Matthew Clendenny, CFA

**Associate Director**  
National Australia Bank

Matthew Koskinen, CFA

**Associate Director**  
Goldman Sachs

Sylvia Bao, CFA

**Analyst**  
Sumitomo Mitsui Banking Corp





# Member Education

The objective of the Member Education Committee is to facilitate CFAS' member's ability to fulfil their Continuing Education (CE) credits, to expand their knowledge base and stay updated with latest market developments and current research. The main focus of the Member Education Committee is the organising of educational events. Our goal is to enhance the professional development of our members by ensuring they receive quality program. We believe it is a better outcome for Australian investors.

To achieve this goal the Member Education Committee will focus on two areas:

- An overarching principle that are general in nature, and add value to all members of the society.
- Segmentation of members with the aim of targeting specific groups to provide an education experience that adds value to each unique membership group.

In 2014/15, the Member Education organised more than 25 events with greater than 80% attendance rate. Some highlights below:

- A very well-received operational due diligence presentation from Craig Roodt at APRA, joined by a panel of practioners.
- The CEO of REST industry super fund, Damian Hill, to share the post retirement and its challenges.
- Gerard Minack to share a bearish view on the World and Australian Economy.

Going into FY2015/16, we continue to focus on delivering quality program that covers macro, workshop and insight. Additionally, we also introduced a wealth management stream in late FY2014/15. The objective is to cover a different part of the investment landscape. We already had Miles Collins from Myer Family Office to share the challenges of running multi-family office as well as Edward Jewell Tait from Credit Suisse to dissect the Private Banking business. While the feedback has been overwhelmingly positive, we always endeavor to make it better.

## Committee Chair

Charles Wu, CFA

**Head of Asset Allocation & Risk**  
State Super

## Committee Members

Cassandra Crowe, CFA

**Research Relationship Manager**  
NAB Asset Management

Tommy Rogulj, CFA

**Associate Portfolio Analyst**  
Russell Investments

Chris Baker, CFA

**Principal**  
Mercer

Nidal Danoun

**Director**  
Prosperity Financial Services

Steven Glass, CFA

**Investment Analyst**  
Pengana

Wei Cui, CFA

**PhD Student**  
The University of Sydney

Jeremy Browne, CFA

**Managing Director**  
Alliance Bernstein

John O'Brien, CFA

**Principal Advisor**  
Whitehelm Capital

Hanyu Liang, CFA

**Senior Risk & Performance Analyst**  
IAG

Turab Bank, CFA

**Manager – Investment Implementation**  
REST



# Membership

Membership's core functions are supporting membership enquiries, implementing membership growth initiatives, liaising on membership operations and policy changes with CFA Institute and overseeing compliance with local membership by-laws.

Our membership base continues to grow year-on-year with strong Society membership renewal rates indicative of support for local Society activities and acknowledging the value for money that Society membership represents.

During 2014/15 the focus has been on embedding process changes around society membership choice, ensuring that we are communicating membership benefits effectively and that both existing and potential members are aware of the value contribution of CFA Sydney membership.

## Annual Graduation Dinner

The 2014/15 Annual Graduation Dinner was held in November at the Ivy Sunroom for the first time, having out-grown our previous venue. Around 150 CFA Program graduates, Charter-holders and supporters attended the event. As we acknowledged and celebrated those who had recently passed the final qualifying exam (Level III) we also took the opportunity to acknowledge Mr Jim Savage with a Life Membership award for distinguished service to the CFA Sydney community.

## Life Memberships

Life Membership was introduced in the 2013/14 year in recognition of long-term valued contributions to developing the Society brand both locally and on the global map. We are pleased to be able to acknowledge the valued contributions of our life members:

<b>2013/14</b>	Emilio Gonzalez Mark Lazberger John Apthorp
<b>2014/15</b>	Jim Savage

## Upcoming initiatives

Membership is involved in developing a number of initiatives for the 2015/16 year. These include:

- Regional membership structure harmonization: a preparedness initiative for fostering intra-regional collaboration.
- Volunteering framework: creating a platform that provide you, our member, greater visibility around the resourcing of operations and projects of the Society, providing the opportunity for you to identify and volunteer for roles that best fit your interests and time profile. We will commence rolling this platform out in early 2016.
- Mentoring project: we are looking into ways we can offer peer support to our members to navigate a rewarding career path.

## Committee Chair

Paul Mather, CFA

Strategy Consultant  
Financial Genetics

## Committee Members

Boris Bieler, CFA

Bank of America/Merrill Lynch

# Candidate Education

The Candidate Education Committee is responsible for supporting candidates sitting for CFA examinations through review courses, study aids, and general advice. The Committee also liaises with the finance industry and universities to increase awareness of the CFA qualification.

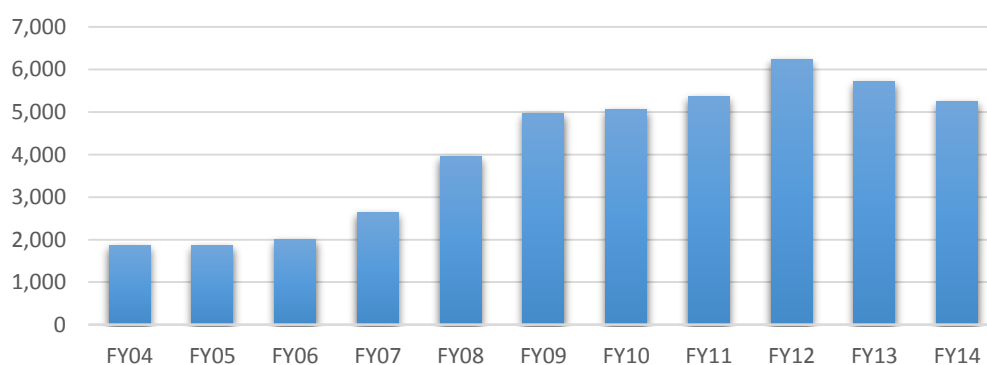
## Activities and Achievements to 2015

- Achieved a record year for our review course programme with over 100 enrolments during the financial year. Reinstated our short courses due to overwhelming demand.
- Conducted marketing outreach at Sydney University, UNSW, ANU (Canberra) and Griffiths University to increase awareness of the CFA programme among final year students.
- Formed a partnership with a third-party course provider to ensure sustainable growth in our review course series, including the use of technology to increase engagement with candidates.

## Areas of focus for 2016

- Expand our review course offering beyond Sydney by leveraging our quality content and course delivery methodologies.
- Enter into a marketing partnership with a leading course material provider to generate a consistent income stream to the society.
- Increase the profile of the CFA qualification by engaging with recruiters and employers in the financial services industry.

## Number of Candidates (Australia Wide)



### Committee Chair

Roger Samuel, CFA

### Committee Members

Warwick Schneller, CFA

Alex Leung, CFA

Equity Research Analyst  
CLSA Australia

PhD Candidate  
UNSW  
Wealth Actuary  
ClearView





# University Outreach

The University Outreach (UO) Committee is responsible for the management of the Sydney Final of the CFA Institute Research Challenge and to promote the benefits of both the CFA Program Partnership and CFA University Recognition Programme to universities within New South Wales, ACT and Queensland.

## Activities and Achievements to 2015

- Highest ever participation rate (11 University Teams) for the Sydney Final of the Research Challenge
- The University of Sydney represented Sydney at the Research Challenge Asia Pacific Regional Final held in Manila, Philippines in April 2015.
- Created a new sub-committee to ensure that we make the most of our closer engagement with corporate finance & investment university student societies.

## Areas of focus for 2016

- Ensuring that we participate in at least two corporate finance & investment university student society events
- Review the format of the Sydney Final of the Research Challenge. The review follows the increased participation by QLD universities.
- Increase Research Challenge team participation in ACT and regional NSW.
- Increase by one the number of universities that meet the CFA University Recognition Programme requirements.

We would also like to thank the Universities that form a part of the CFA community through:

## CFA Program Partners

- The University of Sydney
- Australian National University
- Macquarie University
- University of Technology, Sydney

## CFA University Recognition Programme

- The University of New South Wales
- The University of Western Sydney
- S P Jain School of Global Management
- Bond University
- Griffith University

RESEARCH CHALLENGE TEAMS	2011 RANK	2012 RANK	2013 RANK	2014 RANK
The University of Sydney	W	W	F	W
University of Technology Sydney	F	F	F	F
The Australian National University	F	F	P	P
Macquarie University	F	P	P	P
The University of NSW	P	P	P	P
University of Western Sydney	P	P	P	P
Griffith University	-	F	W	F
The University of Queensland	-	P	P	F
University of Wollongong	-	-	F	-
Bond University	-	-	P	P
Queensland University of Technology	-	-	-	P
S P Jain School of Global Management	-	-	-	P
<b>TEAMS</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>11</b>

W – Winner  
F – Finalist  
P – Participant

## Committee Chair

Michael Brivulis, CFA

**M&A Advice Manager**  
AMP

## Committee Members (University Outreach – Student Societies)

Jeff Shen, CFA

**Assistant Manager**  
ANZ Corporate Banking

Alex Leung, CFA

**Wealth Actuary**  
ClearView Wealth

## Committee Members (2015 Research Challenge)

Natalie Angus, CFA

**Analyst**  
CIBC Australia  
**Relationship Executive**  
Commonwealth Bank

Espie Watt, CFA

**Associate Director**  
National Australia Bank

Richard Heath, CFA

## 2015 Research Judges and Mentors

John O'Brien, CFA <sup>2</sup>

**Principal Advisor**  
Whitehelm Capital  
**Partner**  
BDO  
**Private Client Advisor**  
Morgans Financial Ltd

Turab Bank, CFA <sup>2</sup>

**Manager**  
REST Industry Super  
**Equities Research Analyst**  
Commonwealth Bank  
**Associate Vice President**

Mark Whittaker, CFA <sup>2</sup>

Ross Curran <sup>2</sup>

Credit Suisse  
**Chief Investment Strategist**  
**Australia**

Ken Howard, CFA <sup>2</sup>

**Executive Director**  
Decisive Asset Management

Chris Osborne, CFA <sup>2</sup>

Credit Suisse  
**Director, Equities Research**  
Commonwealth Bank

Jason Sedawie, CFA <sup>2</sup>

**Head of Industrials**  
Magellan Financial Group  
**Portfolio Manager**  
Australian Ethical Investment  
**Investment Analyst**  
Colonial First State GAM

David McDonald, CFA <sup>2</sup>

**Natural Resources Analyst**  
Investec Australia  
**Quantitative Analyst**  
Platinum Asset Management

Chris Wheldon, CFA <sup>2</sup>

Ben Brownette <sup>2</sup>

**Head of Australia Equities**  
CFS Global Asset Management

Nathan Lim, CFA <sup>2</sup>

Mischa Mutavdzic, CFA <sup>2</sup>

Varun Sablok, CFA <sup>2</sup>

Darren Lee, CFA <sup>2</sup>

Emilio Gonzalez, CFA <sup>1</sup>

Matthew Reynolds, CFA <sup>1</sup>

Ian Myles, CFA <sup>1</sup>

**Chief Executive Officer**  
BT Investment Management  
**Analyst**  
Macquarie

1. 2015 Research Challenge Judges
2. 2015 Research Challenge Mentors





## Technology Committee

Technology continues to be an important area of focus for us at CFAS as the way we interact as a community continually evolves. So over the last few years, we have extended our efforts in a number of areas to try and make it easier for members and candidates to either access the information they need, or participate in conversations with their industry peers.

As many of you are aware, we are an independent organisation predominantly run by volunteers to service you: our members. From a technology perspective, we want the content and services we provide you with to be timely and relevant – so if you had any feedback around things that you like or areas for improvement, we would love to hear from you at [technology@cfas.org.au](mailto:technology@cfas.org.au)

### Activities and Achievements to 2015

- Our new mobile friendly website first went live in Dec 2013 and since then, we continue to add content to help members and candidates obtain the information that they need. Whether you are looking for a great Member Education event using the calendar on our homepage or looking for new opportunities we encourage you to check it out!!!
- Our CFA Society of Sydney Facebook group is a great forum for candidates and members to keep up to date with activities going on in their local community. Whether you are looking to form a study group for an upcoming CFA exam or just want to keep up with interesting discussions, join in with a simple 👍.
- For those interested in a forum for a more serious industry-based discussion, our members-only LinkedIn group is intended for you. With market-led discussions from the devaluation of the Yuan to advocacy-led discussions around the Asset Manager Code of Conduct, this group provides great access to insights from your industry peers.

### Areas of focus for 2016

- Over the coming year, we will continue to look for ways to improve the content we provide to our members and our candidates. This will primarily focus on getting more relevant and timely content distributed via all of the above channels.
- One of the unique benefits of the CFA program is its commitment to ongoing education & research. So one specific area of focus for technology in 2016 was around providing a portal to access this research more effectively.

### Committee Chair

Ganesh Suntharam, CFA

Investment Director  
Redpoint Investment Management

### Committee Members

Cassandra Crowe, CFA

Research Relationship Manager  
NAB Wealth



## CFA Institute Volunteers

We would like to take the opportunity to acknowledge the following members of the CFA Society of Sydney who are actively contributing in various CFA Institute committees at a global level.

Heather Brilliant, CFA	<b>Chief Executive Officer</b> Morningstar Australia	CFA Institute Board of Governors
Mark Lazberger, CFA	<b>Chief Executive Officer</b> Colonial First State Global Asset Management	CFA Institute Board of Governors
Richard Brandweiner, CFA	<b>Chief Investment Officer</b> First State Super	Annual Conference Advisory Board
Bruce Tomlinson, CFA	<b>Manager, Hedge Funds</b> Sunsuper Pty Ltd	Capital Markets Policy Board
Brindha Gunasingham, CFA	<b>Principal &amp; Founder</b> FitzBiz Investment Analysis & Strategy	CFA Digest Editorial Board
Andrew Kophamel, CFA, CIPM	<b>Head of Performance, Asia Pacific</b> Aberdeen Asset Management	GIPS Investment Manager Sub-committee



# FINANCIAL REPORT



**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

**Liability limited by a scheme approved under**  
**Professional Standards Legislation**

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

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**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**COMMITTEE'S REPORT**

Your Committee members submit the financial report of the CFA Society of Sydney Incorporated for the financial year ended 30 June 2015.

**Committee Members**

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

Anthony Serhan (President)  
Mark Lee (Vice President and Member Services)  
Richard Brandweiner (Immediate Past President)  
Chris Osborne (Treasurer appointed on 11th November 2014)  
Jingmin Qian (Secretary)  
Michael Brivulis (University Outreach)  
Paul Mather (Membership)  
Roger Samuel (Candidate Education)  
Ganesh Suntharam (Technology)  
Charles Wu (Member Education)  
Brindha Gunasingham (resigned on 11th November 2014)  
John Cook (resigned on 11th November 2014)

**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**

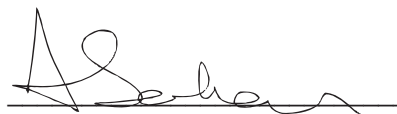
No significant change in the nature of these activities occurred during the year.

**Operating Result**


The surplus after providing for income tax amounted to \$133,905.00.

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

**Committee Member:**

  
\_\_\_\_\_  
Anthony Serhan (President)

**Committee Member:**

  
\_\_\_\_\_  
Chris Osborne (Treasurer)

**Dated this 28<sup>th</sup> day of October 2015**

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>INCOME</b>			
Candidate services		124,305	131,803
CFA Institute funding		85,331	98,514
Membership subscriptions		116,324	104,726
Member events		26,569	68,287
Schweser product sales		95,390	90,618
		447,919	493,948
<b>OTHER INCOME</b>			
Other income		22,351	19,703
Income from investments		58,744	59,612
Movement in net market values		37,341	9,527
		118,436	88,842
		566,355	582,790
<b>EXPENDITURE</b>			
Member event expenses		29,997	87,998
Schweser product expenses		77,716	78,589
Candidate services expenses		89,231	68,128
Administration expenses		76,406	80,215
Employee expenses		145,844	170,235
		419,194	485,165
Surplus before income tax		147,161	97,625
Income tax expense	2	13,256	6,444
<b>Surplus after income tax</b>		133,905	91,181
Retained surplus at the beginning of the financial year		1,010,055	918,874
<b>Retained surplus at the end of the financial year</b>		1,143,960	1,010,055

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached compilation  
report of Hughes Pettit.

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		197,125	135,056
Trade and other receivables	3	23,972	2,436
Current tax receivable		-	6,513
<b>TOTAL CURRENT ASSETS</b>		<u>221,097</u>	<u>144,005</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	4	<u>1,037,379</u>	<u>943,208</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,037,379</u>	<u>943,208</u>
<b>TOTAL ASSETS</b>		<u>1,258,476</u>	<u>1,087,213</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Sundry creditors		15,390	12,812
Trade creditors		20,724	25,498
Accrued charges		13,549	-
Other Liabilities		1,994	-
GST Liabilities		2,480	3,879
Provision for income tax	5	8,105	-
Members prepaid subscriptions		28,986	20,302
CFAI prepaid funding		9,848	7,767
Prepaid review courses		7,000	6,000
Prepaid Education Event		6,440	900
<b>TOTAL CURRENT LIABILITIES</b>		<u>114,516</u>	<u>77,158</u>
<b>TOTAL LIABILITIES</b>		<u>114,516</u>	<u>77,158</u>
<b>NET ASSETS</b>		<u>1,143,960</u>	<u>1,010,055</u>
<b>MEMBERS' FUNDS</b>			
Retained surplus	6	<u>1,143,960</u>	<u>1,010,055</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u>1,143,960</u>	<u>1,010,055</u>

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached compilation  
report of Hughes Pettit.

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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**1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009. The Association has adopted Class Order 11/01, affecting financial reporting requirements for certain Tier 1 associations which provides an exemption from the full rigour of financial reporting in accordance with Australian Accounting Standards for Tier 1 associations with total revenue of less than \$2 million in a financial year.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

**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**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

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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 entity 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 depends on whether the outcome of the services can be measured reliably. If this is the case 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 measured then revenue is recognised to the extent of expenses recognised that are recoverable.

**Goods and Services Tax (GST)**

Revenues, 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	2015 \$	2014 \$
<b>2 Income Tax Expense</b>		
The components of tax expense comprise:		
Income tax expense	13,256	6,444
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Trade debtors	4,367	2,436
Sundry Debtor	19,605	-
	<u>23,972</u>	<u>2,436</u>
The Association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>4 Financial Assets</b>		
<b>Non-Current</b>		
Investments in Managed Funds	<u>1,037,379</u>	<u>943,208</u>
Investments in Managed Funds are shown at fair value determined by the amounts available on cash withdrawal after making allowance for the applicable redemption transaction charges payable on realisation.		
<b>5 Tax</b>		
<b>Liabilities</b>		
<b>Current</b>		
Provision for income tax	<u>8,105</u>	<u>-</u>
<b>6 Retained Surplus</b>		
Retained surplus at the beginning of the financial year	1,010,055	918,874
Surplus attributable to the Association	133,905	91,181
Retained surplus at the end of the financial year	<u>1,143,960</u>	<u>1,010,055</u>

These notes should be read in conjunction with the attached compilation  
report of Hughes Pettit.

**CFA SOCIETY OF SYDNEY INCORPORATED**  
**ABN 59 151 102 026**

**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 6:

1. Presents a true and fair view of the financial position of CFA Society of Sydney Incorporated as at 30 June 2015 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 Sydney Incorporated 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:**

  
\_\_\_\_\_  
Anthony Serhan

**Treasurer:**

  
\_\_\_\_\_  
Chris Osborne

**Dated this 28<sup>th</sup> day of October 2015**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CFA SOCIETY OF SYDNEY INCORPORATED  
ABN 59 151 102 026**

**Report on the Financial Report**

I have audited the accompanying financial report, being a special purpose financial report, of CFA Society of Sydney Incorporated (the Association), which comprises the balance sheet as at 30 June 2015, profit and loss statement, a summary of significant accounting policies, other explanatory notes and the statement by members of the Committee.

**Committee's Responsibility for the Financial Report**

The Committee of the Association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act NSW 2009 and are appropriate to meet the needs of the members. The Committee's responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting obligations under the Associations Incorporation Act NSW 2009. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CFA SOCIETY OF SYDNEY INCORPORATED  
ABN 59 151 102 026**

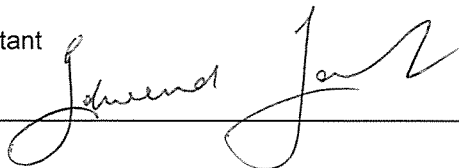
**Auditor's Opinion**

In my opinion, the financial report of CFA Society of Sydney Incorporated presents fairly, in all material respects the financial position of CFA Society of Sydney Incorporated as of 30 June 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act NSW 2009.

**Name of Firm:** Edward T Conrick  
Chartered Accountant

**Name of Principal:** \_\_\_\_\_

Edward Conrick



**Address:** PO Box 1329, Bondi Junction NSW 202

**Dated this** .....8/10.....**day of October 2015**



**COMPILATION REPORT  
TO CFA SOCIETY OF SYDNEY INCORPORATED  
ABN 59 151 102 026**

We have compiled the accompanying special purpose financial statements of CFA Society of Sydney Incorporated which comprise the balance sheet as at 30 June 2015, profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the additional information contained in the detailed profit and loss.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

**The responsibility of the committee of management**

The Committee of Management is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

**Our responsibility**

On the basis of the information provided by the committee of management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided, in compiling the financial statements. Our procedures do not include verification or validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

**Name of Firm:** Hughes Pettit  
Chartered Accountants

**Name of Director:**

Benedict Pettit

**Address:** 13th Floor, 210 George Street Sydney NSW

**Dated this 12th day of October 2015**

