



CFA Society
Sydney



ANNUAL REPORT &

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2016

Table of Contents

About Us	2
Message from the President	3
20 Year History	4
Australian Investment Conference 2015	6
Year at a Glance & Key Statistics	8
Advocacy.....	12
Report from the Treasurer	15
Committee Reports	
Member Services	17
Member Education	18
Membership	19
Candidate Education.....	20
Technology Committee	22
University Outreach and Research Challenge	23
Brisbane Chapter Portfolio	27
CFA Institute Volunteers.....	28
CFA Society of Sydney Volunteer Award Winners 2015	29
Financial Reports	30

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 the CFA Institute (CFA Institute has over 135,000 members in 150 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 as well as by informing policy-makers and the public about the profession and through the promotion of high professional and ethical standards.

More than 300 universities around the world have incorporated the CFA Program Candidate Body of Knowledge into their own academic programs, including more than 4,000 students from 865 universities around the world participating in the 2014 - 2015 CFA Institute Research Challenge season.

CFA Society of Sydney also promotes the CFA Program and the CFA Institute 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	<u>President</u> Managing Director, Research Strategy, Asia Pacific Morningstar	Michael Brivulis, CFA	M&A Advice Manager AMP
Mark Lee, CFA	<u>Vice-President</u> Investment Manager Sunsuper Pty Ltd	Jake Koundakjian, CFA	Director FIIG Securities
Chris Osborne, CFA	<u>Treasurer</u> Associate Vice President Credit Suisse	Paul Mather, CFA	Principal Manager Customer Data & Analysis Transport for NSW
Jingmin Qian, CFA	<u>Secretary</u> Director Jing Meridian Advisory	Roger Samuel, CFA	Analyst CLSA
Richard Brandweiner, CFA	<u>Immediate Past President</u> Chief Investment Officer First State Super	Ganesh Suntharam, CFA	Investment Director Redpoint Investment Mgmt
Marian Poirier, CFA	Snr Managing Director, Head of Australia MFS Investment Management	Charles Wu, CFA	Head of Asset Allocation & Risk State Super

Executive Staff

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

Message from the President,

CFA Society of Sydney

Anthony Serhan, CFA



2016 marks the 20th anniversary of the formation of the CFA Society of Sydney. There is much to celebrate when you look back on how the efforts of that initial group of charterholders has grown but equally, it is amazing to see how relevant the CFA remains to the future of our industry.

If you have attended any industry conferences in financial services of late it is likely that, at some point or another, you will have heard people talk about the need to win back trust, higher ethical standards, better training, improved skills and acting like a professional. It still takes a huge amount of self-control to stop from standing up on the conference floor and yelling “Hello! It is called CFA! We can help.” We do need to do our fair share of yelling - more on that below - but just as important is how we work with like-minded organisations and individuals to achieve some of these goals. The CFA Institute and CFAS has a huge number of resources available to help the industry and I encourage you to use those resources and point your colleagues towards them as well.

Increasing the awareness of our qualification is the most common request from members. We are listening, and in July 2016 the CFA Institute worked with the CFA Societies of Australia on the first broad based - brand campaign for CFA in Australia as part of the larger global campaign. The programme has involved outdoor, print and digital advertising including billboards in Wynyard and Martin Place stations, the AFR and targeted trade publications. The campaign was targeted at lifting brand awareness within the financial services market and specifically with employers.

“Ask firms why they employ investment managers with the CFA® designation and they’ll tell you those three letters make a real difference everyday.”

The campaign was also supported by social media initiatives and sponsorship of the Financial Services Council Leadership Summit. Our thanks to Richard Brandweiner and Leila Lee (CFA Society of Melbourne) for agreeing to be part of this campaign.

Through the rest of this report you will see a string of great accomplishments by our volunteers. The formation of a national Advocacy Council, growing attendance at member education events, the launch of a Level III candidate education programme, more involvement with Universities, a growing social media presence, better technology, networking events and more. My congratulations and thanks to all involved.

The momentum of our organisation continued to grow through 2016. None of it is possible without your membership. With that support we look forward to growing our profession for the next 20 years.

Anthony Serhan, CFA

President, CFA Society of Sydney



20 Year History

In July 1995, Mark Lazberger contacted a few CFA Charterholders to gauge interest in setting up the first Australian Society of the Association for Investment Management & Research (renamed the CFA Institute in 2004). After receiving a list of all Sydney based CFA Charterholders, a meeting of like-minded investment professionals decided to proceed with the application and formation of the Sydney Society of Financial Analysts currently known as the CFA Society of Sydney.

In February 1996, CFA Society of Sydney was approved starting with 32 members. Mark Lazberger (President), Jim Savage (Vice President), Emilio Gonzalez (Director), Bruce Tomlinson (Secretary) and Raymond Orr (Treasurer) were the original Directors. One of the very first initiatives of the Board was implementing a video review course for the Level I CFA exam in conjunction with the LA Society of Financial Analysts. Following the three exams in June 1996, with 150 people sitting the exam, CFA Society of Sydney sponsored a post exam drinks – a tradition that continues to this day.

The first CFA Charter Award Ceremony in November 1996 had approximately 30 attendees around the table; 15 existing members and 15 new Charterholders. Compare this to June 2016 and we have over 2,500 members in Australia and over 5,700 candidates sitting the exams. This is a 20 year compound annual growth rate for Members and Candidates of 18.5% and 20.0%, respectively.

Significant milestones over these 20 years include:

- 1996 – Sydney Society of Financial Analysts formed
- 2000 – Transitioning from the video review course to a live lecture review course in conjunction with the Securities Institute (now Finsia)
- 2001 – The first corporate sponsorship drive to help fund staffed member services with Australian Financial Markets Association. The Foundation Sponsors were AMP, Barclays Global Investors, Macquarie, Maple-Brown Abbot, Frank Russell, MLC, Perpetual, Recruitment Solutions, Solomon Smith Barney and State Street
- 2001 – CFA Society of Melbourne formed
- 2002 – Emilio Gonzalez, CFA Society of Sydney Past President, appointed to the CFA Institute Board of Governors
- 2004 – John Apthorp appointed Executive Director and created a staffed office for the society to enhance services to members and candidates
- 2007 – Emilio Gonzalez, CFA Society of Sydney Past President, appointed the Chair of the CFA Institute Board of Governors
- 2009 – Nouriel Roubini event attended by over 400 members and industry professionals
- 2011 – CFA Institute Research Challenge started with Chris Osborne leading the initiative
- 2011 – CFA Society Sydney Investment Conference, held in Sydney with an agenda packed with industry leaders. The one day conference is rotated between Melbourne and Sydney every two years.
- 2012 – CFA Society of Perth formed
- 2012 – Mark Lazberger, CFA Society of Sydney Past President, appointed to the CFA Institute Board of Governors
- 2012 – New role created - Head of Advocacy for CFA Societies Australia and NZ
- 2015 – First annual report produced
- 2015 – Oceania Conference – bringing board members from Sydney, Melbourne and Perth together to encourage collaboration
- 2016 – ‘A Difference That Matters’ Brand Campaign launched in Australia
- 2016 – CFA Societies Australia 20 year celebration dinner with Geoffrey Robertson QC

Past Presidents

Richard Brandweiner, CFA	2012 - 2014
Brindha Gunasingham, CFA	2009 - 2012
Olivia Engel, CFA	2007 - 2009
Victoria Rati, CFA	2005 - 2007
Katrina Onishi, CFA	2003 - 2005
Bruce Tomlinson, CFA	2001 - 2003
Emilio Gonzalez, CFA	1999 - 2001
Jim Savage, CFA	1997 - 1999
Mark Lazberger, CFA	1996 - 1997

Volunteer of the year

2014 Chris Osborne, CFA

2015 Nidal Danoun

Australian Investment Conference 2015

Going Back to Fundamentals

On 13 October 2015, the CFA Societies of Australia hosted almost 400 delegates at the Sofitel Sydney Wentworth Hotel for the "Australian Investment Conference 2015 - Going Back to Fundamentals".

The Australian Investment Conference is a biennial event in which the CFA Societies of Australia (CFA Society of Sydney, CFA Melbourne and CFA Perth) collaborate in arranging a one-day investment conference for the benefit of the Australian CFA Charterholders and the broader financial services community. This year's AIC committee chose the message of "going back to fundamentals" as the key focus of the conference. The message was selected in an effort to highlight the importance of trust and ethics within the Australian financial services industry as well as promote high levels of technical and professional competence.

Strong feedback on the event was received from delegates both on the day and in a subsequent survey. The conference was also strongly followed on social media (Twitter, LinkedIn and other online forums) and benefited from significant coverage in the main stream financial press (including the Australian Financial Review and Sydney Morning Herald) and numerous financial trade journals.

Highlights of the Conference included:

- An address from Paul Smith, CFA, CEO and President of CFA Institute on Professionalism on "Regaining Lost Trust - A Roadmap for Change in Financial Services" and included presenting the Ethical Map developed by the CFA Societies of Australia and New Zealand which is aimed at building an investment culture based on ethics, market integrity and technical excellence. The Ethical Map will be shared globally through the CFA Institute;
- An address from Mark Lazberger, CFA CEO of Colonial First State Global Asset Management titled "State of the industry - Trends, where the industry will be in 10 years" in which he explored three key trends that are shaping changes within the investment industry, namely, demographics, technology and China. The need for short-termism to give way to a long-term perspective as well as the question of whether we want to be seen as "an industry or a profession" in ten years were also explored;
- Interview with David Murray, AO Senior Advisor, Credit Suisse and head of the recent Financial Systems Inquiry (the Murray Review) into the Australian financial services industry on "Funding the Future". The interview covered the importance of an open economy based on high quality institutional structures and transparency;
- Address from Heather Brilliant, CFA CEO of Morningstar Australasia on "The High Cost of Gender Imbalance and What to do about it" in which she focused on the financial and other benefits of having a balance of genders in the workplace. She also outlined the importance of the launch of the Women in Investment Management Initiative by CFA Institute;
- Update from Philip Lowe, Governor of Reserve Bank of Australia on "Recent Economic Developments";
- Interview with Greg Medcraft, Chairman of the Australian Securities and Investment Commission (ASIC) on "Putting the Customer First - Creating a Win-Win";
- Debate, moderated by David Rowley Editor, Investment Magazine, on the topic "Regulation vs Ethics - What will save the industry?" addressing the proposition "in the ongoing battle to restore trust in the financial services industry, more ethical behaviour by firms and individuals is the solution. Regulation cannot tackle the issue of trust". In the affirmative was Emilio Gonzalez, CFA, CEO of BT Investment Management, and Clare Payne, Consulting Fellow at St James Ethics. In the negative was Anthony Serhan, CFA, Managing Director, Research Strategy Asia-Pacific at Morningstar, and Lynn Ralph, Chairman BT Funds Management Group.

A special thank you to our Platinum Sponsors - AMP Capital, Australian Super and Colonial First State Global Asset Management, as well as the conference's Silver Sponsors - BlackRock, Credit Suisse, Invesco, Kaplan Schweser and STOXX. Thank you also to Media Sponsors Investment Magazine and Professional Planner as well as the Exhibitor Sponsors FACTSET and WILEY.

Thank you to the Table Sponsors - Challenger, Goldman Sachs Asset Management, JP Morgan Asset Management, Morningstar, PIMCO, Pinnacle Investment Management, RealIndex Investments, Schroders, Vanguard and Wellington Investments.

Finally, a big thank you also to all the CFA Societies of Australia volunteers, in particular the AIC 2015 Committee, for all their efforts in making the event such a great success.



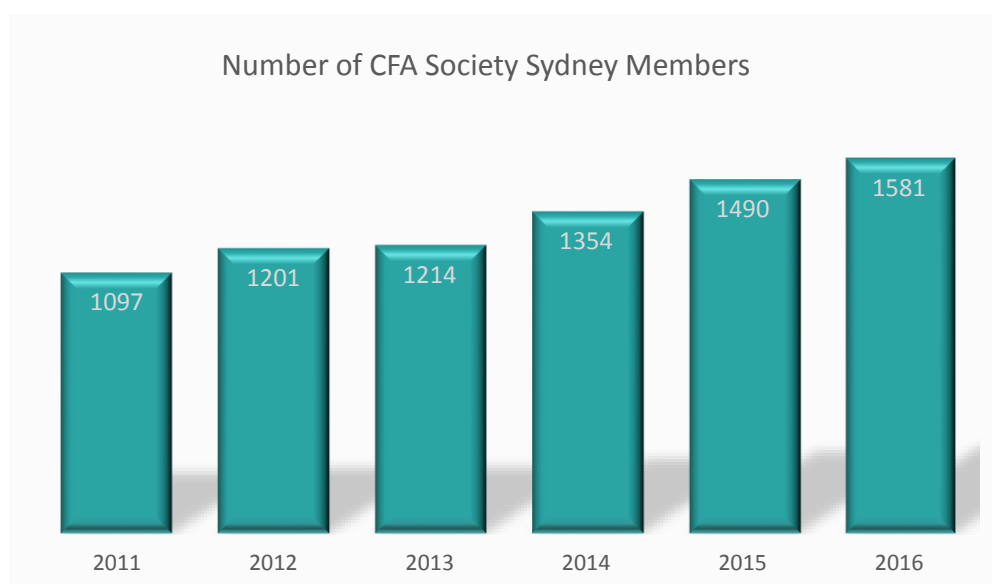
Year at a Glance & Key Statistics

Top Employers in Australia with 10 or More CFA Charterholders

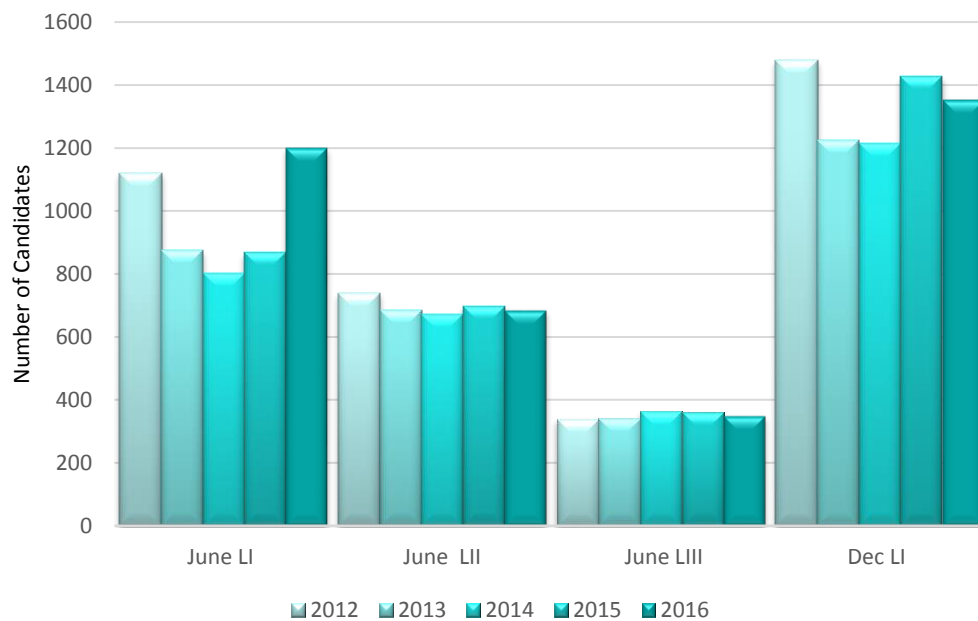
Rank	Australia Top Employers	Charter holders
1	Commonwealth Bank of Australia	108
2	National Australia Bank	80
3	Macquarie Group	79
4	Westpac Banking Corporation	53
5	AMP Limited	48
6	Australia and New Zealand Banking Group Ltd	44
7	UBS	29
8	Citigroup	25
9	Goldman Sachs	24
10	Morgan Stanley Smith Barney	22
11	KPMG	22
12	State Street Corporation	20
13	Marsh & McLennan Companies	20
14	PricewaterhouseCoopers	18
15	JP Morgan Chase	18
16	Credit Suisse	18
17	Deloitte	18

Rank	Australia Top Employers	Charter holders
18	QIC (Queensland Investment Corporation)	17
19	Victorian Funds Management Corporation	15
20	Deutsche Bank	15
21	BlackRock	15
22	Maple-Brown Abbott Limited	14
23	Bank of America Merrill Lynch	14
24	Morningstar, Inc.	13
25	The Future Fund	13
26	Vanguard Group, The	13
27	Ernst & Young	12
28	AustralianSuper Pty Ltd	12
29	Perpetual Limited	12
30	IFM Investors Pty Ltd	11
31	Northwestern Mutual	11
32	HSBC	11
33	Australian Prudential Regulation Authority (APRA)	10
34	Reserve Bank of Australia	10

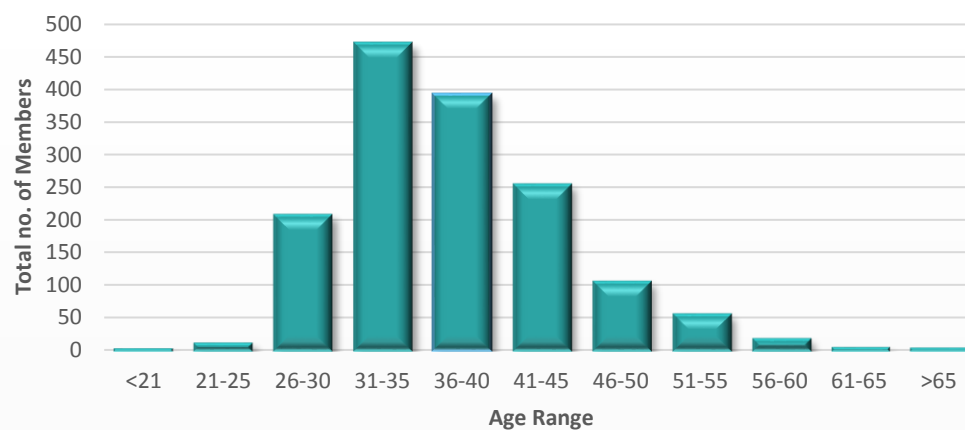
Growth in Membership of CFA Society of Sydney (2011 – 2016)



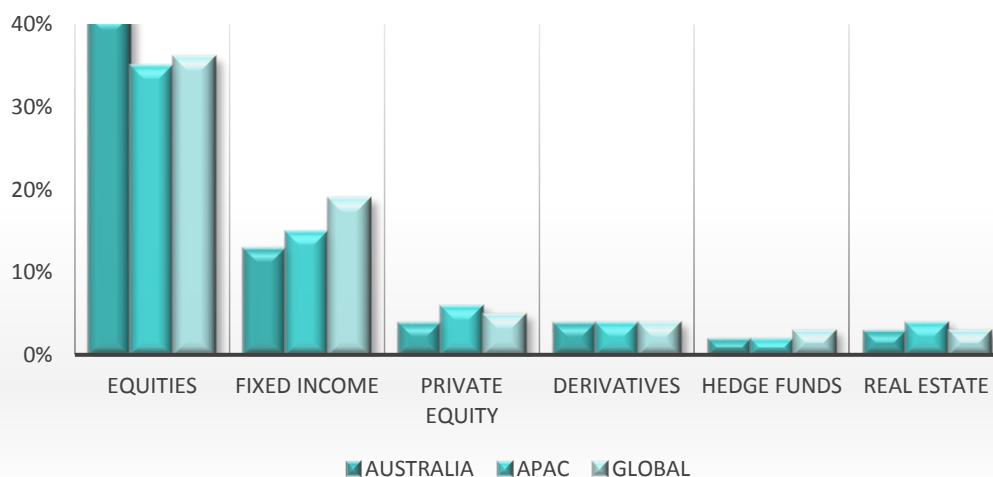
Number of Candidates in Sydney (2012 – 2016)



CFA Society of Sydney Membership by Age



CFA Society of Sydney Membership – Asset Class of Primary Investment Practice





CFA Society of Sydney Activities and Initiatives

- CFA Societies of Australia Investment Conference, held in October 2015. A full day conference with 400 attendees and an impressive line-up of speakers.
- Continuing education events remain well attended with an average of over 50 attendees.
- Reduction in registration fee for member education – from \$20 member, \$60 non-member to a new price of \$15 member and \$30 non-member.
- Advocacy Council launched with members from all 3 societies in Australia – Sydney, Melbourne and Perth.
- CFA Society of Sydney is piloting a new CRM which will improve the user experience with a single sign on for CFA Institute and CFA Society.
- Social networking drinks held quarterly offered free to members.
- Diversity events are attracting a growing audience.
- Charity Trivia evening held in November 2015 raising funds for 10 x 10.
- CFA Institute Research Challenge held with 11 universities participating, University of Sydney was the local winner for the 4th time out of the past 5 years.
- Nidal Danoun named 2015 Volunteer of the Year.
- Launch of ARX. (Asia Pacific Research Exchange) Awareness lunch held with university academics.
www.cfa.arx
- More than 80 new CFA Society of Sydney members attend the charter awards with friends and family.
- Candidate education review course gaining traction with all levels full.
- Level III review course launched for June 2016 exams.
- Level I review course launched in Brisbane.
- Cram Course and BSAS practice exams offered to CFA Program candidates.
- 25 Access Scholarships awarded to candidates for the CFA Program.
- CFA Institute Brand Campaign launched across Australia in July 2016.
- Oceania conference held in August 2015, bringing together society board members from Sydney, Melbourne and Perth for collaboration and strategic planning.
- Volunteers attended numerous university career days and spoke with potential candidates about the CFA Program.
- Working with Kaplan Schweser to offer candidates networking opportunities through social events.
- Social media has been a successful engagement tool with our Facebook, Twitter and LinkedIn profiles all growing, gaining traction and encouraging conversation.
- Engaging with more volunteers with over 60 members in volunteer positions including board members, committee members and research challenge mentors and judges.
- CFA Society of Sydney was a winner of a CFA Institute Research Foundation Award.

Advocacy

CFA Societies Australia (Societies) continued to raise its focus on advocacy in 2016 and, in particular, on initiatives to deliver on the outcomes of its three-year Advocacy Strategy initiated in 2015.

CFA believes the community has three rightful demands from the industry that serves it: rigorous governance, technical excellence and a strong moral code. These three principles form the basis of the Ethical Model, with which CFA aims to partner with industry to build and sustain a financial services culture in Australia based on the highest standards of competency, compliance, ethics and market integrity. Mr Paul Smith, President and CEO CFA Institute, officially launched the initiative at the Australian Investment Conference in Sydney in October 2015. Once operational, CFA plans to extend the use of the Model to other jurisdictions around the world.

In January 2015, our CFA Societies Australia made a joint submission to Treasury on the Corporations Amendment (Professional Standards of Financial Advisers) Bill. In our submission, we made two key recommendations, namely the adoption of the CFA Level 1 as the standard accreditation for financial advisers in Australia and the appointment of CFA to the role of 'Ethicist' on the Government's proposed Standards Body. CFA Societies Australia also offered three capability statements for possible leverage and development by industry including CFA Continuing Education program be recognised as meeting CPD requirements for financial advisers in Australia, the use of the CFA 'Code of Ethics and Standards of Professional Conduct' as a base for the development of equivalent codes for all financial advisers in Australia and use of the CFA 'Statement of Investor Rights' to be presented by financial advisers in Australia to investors for signature as part of engagement process.

CFA Societies Australia is fortunate to have drawn talent from different sectors of the Australian and New Zealand financial services to its newly established Council including:

Paula Allen, CFA	Accounting Member
Graeme Bibby, CFA	Insurance Member
Mark Delaney, CFA	Superannuation Member
Grant Gardner, CFA	Family Office / Foundations Member
Gerhard Hambusch, CFA	Academia Member
Claire Mortoni, CFA	CFA Society Melbourne Member
Catherine Savage, CFA	Banking (NZ) Member
Anthony Serhan, CFA	CFA Society Sydney Member and Acting Chair
Dean Spicer, CFA	CFA Society New Zealand Member
Thomas Tam, CFA	CFA Society Melbourne Member
Maria Wilton, CFA	Funds Member

The Council's mandate is to identify challenges and opportunities within our industry that impact beneficiary outcomes, draw on the collective knowledge, expertise and experience of its members to lead discussion and propose solutions, and partnering with industry peers and engaging stakeholders to bring about positive change for the benefit of the community. Its inaugural meeting was held in February 2016.

Sue Morey

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

Ethical Map





Advocacy Council



AIC Conference Committee

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 2016

The year ended 30 June 2016 was a year of increased activity for the Society and is reflected in the results.

We hosted the Australian Investment Conference in October 2015 which was a major event engaging sponsors, employers, members and the investment community and resulted in substantial increases revenue and expenses for the Society. As a major event, it involved inherent financial risk but was successful in achieving a surplus that will be available for use for future signature events.

We entered into a new agreement with Kaplan Schweser, moving from a fulfilment to a sponsorship partner. For many years, the Society has sold Schweser products and had extensive involvement in arranging their shipment to Australia and delivery. The fulfilment aspect was a distraction to the Society's main business and, from 1 January 2016, we moved to a sponsorship arrangement which relieved us of the fulfilment aspects of our previous role. As the leading provider of study aids for candidates, we are comfortable to recommend Schweser and its products.

Also in candidate education, activity was increased in the Review and Cram Course programs. This reflects in the accounts with increased revenue and expenses for both programs. The expansion enabled more candidates to receive assistance from the Society to become CFA Charterholders. We are currently reviewing our candidate education offerings in preparation for the June 2017 exam cycle.

Our core membership was up reflecting an increase in member numbers as well as some favourable exchange rate movements. The CFA Institute introduced a new funding model for affiliated societies which changed the mix of funding received. These changes are still new and we are adapting to the new framework.

The Society's investments generated broadly flat returns over the year with distributions being offset by a decline in value. The markets where the funds are invested were also flat with some volatility experienced in the December – March period. Nonetheless, performance remains within the parameters of the Society's investment strategy.

A spending policy was developed to manage the use of the Society's accumulated funds with approximately 4% of accumulated funds now being included in the annual budget for use on signature projects that promote the Society's objectives. This level of spending was seen as consistent with achieving the objective of having a reserve sufficient to ensure the Society's continued operation as well as ensuring a level of contemporary benefit.

Areas of Focus for 2017

2017 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. A number of the new initiatives of 2016 will be consolidated and refined in 2017 and I look forward to updating you on progress in next year's report.

Chris Osborne, CFA
Treasurer, CFA Society of Sydney



COMMITTEE REPORTS



Member Services

The Member Services portfolio's main goal is 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.

Activities and Achievements to 2016

- Charitable giving remains a key achievement in the past year with a total of \$5,146.40 raised through the CFAS Diversity event and the CFAS Trivia Night which was sponsored by Credit Suisse again. The Trivia Night successfully raised \$ 4,800 for 10x10, an organization that aims to help emerging charities by running a "Shark Tank" style event.
- The popularity of our quarterly Member Social drinks has been strong and as a result, we are proud to announce Intralinks as our new sponsor for the event going forward.
- We have gained some traction in the member benefits program and welcome the addition of Brooks Brothers and Joe Button to our list of preferred vendors. Furthermore, there are a number of educational benefits for our members so please check the website for further details.

Areas of Focus for 2017

- We will continue to seek new ways to engage our member base and to design different events that may appeal more broadly.
- Given the success of the debating format, we will consider additional events that encourages our members to participate in a debating forum.
- Continue to 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

James Cowper, CFA

Director

Principle Advisory Services

Celine Kabashima, CFA

Portfolio Manager

AMP Capital

Matthew Clendenny, CFA

Associate Director

National Australia Bank

Matthew Koskinen, CFA

Associate Director

Goldman Sachs

Sylvia Bao, CFA

Analyst

Sumitomo Mitsui Banking Corp

Lauren Zusy, CFA

Executive Director

JP Morgan

Victoria Shelton, CFA

Institutional Business Development

Amundi Asset Mgmt

Nicole Liu, CFA

Career break, previously Senior Analyst/Portfolio Manager

Morningstar Investment Management

Member Education

The objective of the Member Education Committee is to facilitate CFAS' members in fulfilling their Continuing Education (CE) credit requirement, to expand their knowledge base and stay updated with latest market developments and current research. The main focus of the Member Education Committee is organising educational events. Our goal is to enhance the professional development of our members by ensuring they receive quality programs.

In FY2015/2016, the member education committee continued to stick to its core philosophy to deliver on several fronts:

- In our Member Education events program, we continue to incorporate market structure developments that impact funds management. For example, we held sessions on disruptive technology like robo-adviser and block-chain and its impact on the funds management industry.
- We advocate and promote industry's best practice. The event "An Ideal Retirement System" is one such example.
- Last, but not least, we care about ethics and we care about the trust, or lack of, in our industry. We organised a series of events in the 'Putting Investors First' month promoting the importance of ethics in the provision of financial services.

In FY2015/2016, the Member Education Committee delivered more than 25 events on a wide range of topics throughout the year. We also collaborate with other Australian societies to ensure quality speakers are available for every member in Australia. Some highlights include:

- "Riding the Indiana Toll Road" - a successful workshop where we were fortunate to invite both equity and debt sides to share the 'ins and outs' of an infrastructure deal. This event also allowed CFAS to work closely with USYD business school and share the practitioner perspective with students.
- "What are the limits of unconventional monetary policy, and do the costs of such policies exceed the benefits?" by Rob Mead from PIMCO was another timely session which discussed how to position portfolios in response to an evolving investment environment.
- Michala Marcussen from Société Générale on "Central Banks at the Edge of Credibility" discussed debt transfer from private to public sector and how fiscal stimulus is the next step, which was certainly in the headlines less than six months after the session.

Going into FY2016/2017, The Member Education Committee will continue to provide quality programs of Member Education events to help CFAS members shape their investment insight. It is extremely pleasing that the program is now at the stage to be self-sustaining and, in response, we are now in a position to be able to be extremely selective with potential speakers and topics. We will continue to work with our members and the feedback they have provided to tailor the program to their needs and preferences.

Committee Chair

Charles Wu, CFA

Head of Asset Allocation & Risk
State Super

Committee Members

Cassandra Crowe, CFA

Research Relationship Manager
NAB Asset Management

Justin Lo, CFA

Investment Manager
Sunsuper

Chris Baker, CFA

Principal
Mercer

Nidal Danoun

Director
Prosperity Financial Services

Steven Glass, CFA

Investment Analyst
Pengana

John O'Brien, CFA

Principal Advisor
Whitehelm Capital

Jeremy Browne, CFA

Managing Director
Alliance Bernstein

Turab Bank, CFA

**Manager – Investment Implementation
& Due Diligence**
REST Industry Super

Hanyu Liang, CFA

Asset Allocation Analyst
IAG

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.

The 2015/16 year was one of consolidation for membership. With day to day membership operations management now shared between our regional and local staffed office, the volunteer group is shifting its focus toward opportunities to increase our conversion and retention rate of qualified potential members.

Many thanks to our members for their continued support of the society's initiatives, to the staffed office and volunteer team for their valued contribution to membership activities.

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:

2013 Mark Lazberger

2013 Emilio Gonzalez

2013 John Apthorp

2014 Jim Savage

2015 Bruce Tomlinson

Candidate Education

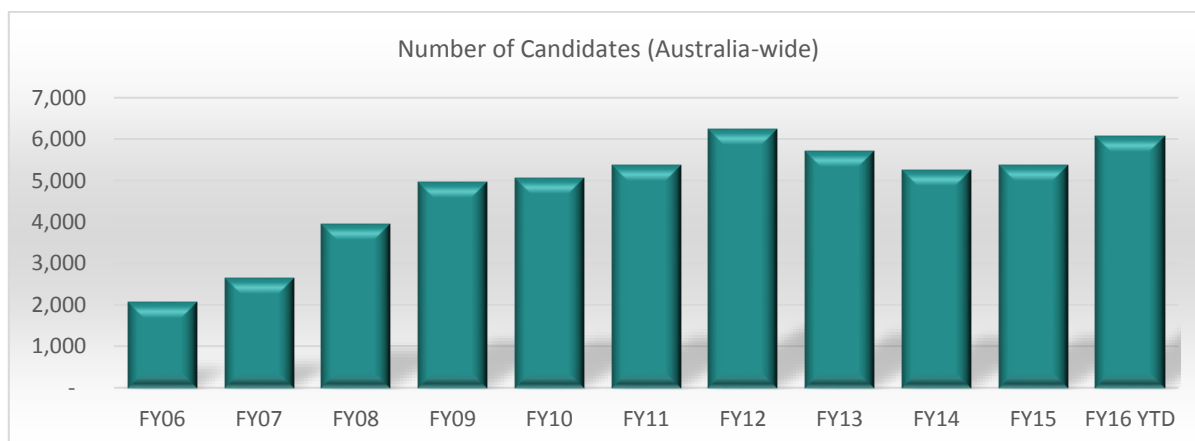
The Candidate Education Committee is responsible for supporting candidates sitting for CFA examinations through review courses, study aids, and general advice. The Committee also liaises with the finance industry and universities to increase awareness of the CFA qualification.

Activities and Achievements to 2016

- Expanded the CFA review course programme to Brisbane, leveraging the success we have had in Sydney.
- Launched Level III CFA review course in Sydney with strong demand for candidates.
- Increased review course enrolments in Sydney to 141, up from 100 last year.
- Entered into a marketing partnership with Kaplan International to promote and distribute the Schweser review course materials. Launched candidate networking sessions in conjunction with Kaplan.
- Developed a pitch book to promote the CFA qualification among employers in the finance industry and to develop corporate relationships.

Areas of focus for 2017

- Explore the feasibility of expanding the review course beyond Sydney and Brisbane.
- Reach out to employers in the finance industry to increase awareness of the CFA qualification
- Develop a career advice sub-committee and engage with recruiters to post their roles on the CFA Society's website.
- Increase the number of candidates and enrolments in the review course.



Committee Chair

Roger Samuel, CFA

Equity Research Analyst
CLSA Australia

Committee Members

Warwick Schneller, CFA

PhD Candidate
UNSW
Wealth Actuary
ClearView

Nadya Nilova, CFA

Pieter Stoltz

Strategy Manager
Optiver
Quantitative Analyst
UBS

Alex Leung, CFA



Candidate Practice Exam



CFAS Charter Ceremony 2015

Technology Committee

Technology remains an important area of focus as we look to interact and engage with our local community in better ways. A key objective of our Technology portfolio is 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 have any feedback around things that you like or areas for improvement, we would love to hear from you at technology@cfas.org.au

Activities and Achievements to 2016

- **Social Media:** over the last year, we have increased our efforts to provide more relevant locally-focused content via our social media channels. Some of the changes in this area include:
 - broadening the scope of our **Facebook** page to now cover activities across Australia allowing our members to join in local conversations across the country with a simple 👍 – visit our **CFA Societies Australia** page on Facebook
 - incorporating **Twitter** as an additional social media channel for Sydney-based activity which then allows us to engage with our local members and industry professionals in 140 characters or less!! – find us at **@CFASocietiesAus**
 - increasing our research content on **LinkedIn** for our investment professional audience with some great content like “*Acting ethically doesn’t always fit neatly into ‘right’ and ‘wrong’ categories*” – so search for **CFA Society Sydney** on LinkedIn
- **Website:** we have used the last year to improve the ease of access to our website content and help members and candidates find: information on local events such as Member Education, and/or get more general information on local Sydney activities such as our Research Challenge and Review Courses – visit www.cfas.org.au for more

Areas of focus for 2017

- Over 2016, we have worked closely with our sister societies across Australia to streamline our social media activity and our online presence. A focus area for 2017 is to build on this collaborative effort to improve:
 - the way we communicate and engage with our members on social channels, and
 - the user experience across our non-social technology platforms.

Committee Chair

Ganesh Suntharam, CFA

Investment Director

Redpoint Investment Management

Committee Members

Cassandra Crowe, CFA

Research Relationship Manager

NAB Asset Management

Nicole Liu, CFA

Career break, previously Senior Analyst/Portfolio Manager

Morningstar Investment Management

Stuart Corradini, CFA

Senior Analyst, Treasury & Dealing

First State Super

University Outreach and Research Challenge

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 2015/16

- The University of Sydney represented Sydney at the Research Challenge Asia Pacific Regional Final held in Chicago, USA in April 2016.
- New sub-committee established to ensure that we make the most of our closer engagement with corporate finance & investment university student societies.
- Commenced sponsorship of UNIT (University Network for Investment and Trading). UNIT Chapters are located in six major Australian Universities: The University of NSW, The University of Sydney, Macquarie University, The University of Melbourne, Monash University and The University of Queensland.

Areas of focus for 2016

- Increase Research Challenge team participation in ACT and regional NSW.
- Select a Queensland based subject company for the Research Challenge.
- Ensure that we participate in at least two corporate finance & investment university student society events.
- Increase by one the number of universities that meet the CFA University Recognition Programme requirements.

RESEARCH CHALLENGE HONOUR ROLL

TEAM	2011 RANK	2012 RANK	2013 RANK	2014 RANK	2015 RANK
The University of Sydney	W	W	F	W	W
University of Technology Sydney	F	F	F	F	-
The Australian National University	F	F	P	P	P
Macquarie University	F	P	P	P	F
The University of NSW	P	P	P	P	P
Western Sydney University	P	P	P	P	P
Griffith University	-	F	W	F	P
The University of Queensland	-	P	P	F	F
University of Wollongong	-	-	F	-	P
Bond University	-	-	P	P	F
Queensland University of Technology	-	-	-	P	P
S P Jain School of Global Management	-	-	-	P	-
TEAMS	6	8	10	11	10

"78% of participants agreed their participation increased their interest in a career in the investment industry and 85% plan to engage with the CFA Institute in the future through the CFA Program."

Richard Heath, CFA
Chair, Research Challenge
Committee

P = Participating Team, F = Finalist. W = Winner

CFA PROGRAM PARTNERS

CFA Program Partners are academic leaders and champions of practical, relevant, and thought-provoking investment education programs around the world. These institutions work closely with CFA Institute to further our mission and vision and embed a significant portion of the CFA Program Candidate Body of Knowledge (CBOK) into their degree programs providing students with a solid grounding in practical investment education.

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

CFA UNIVERSITY RECOGNITION PROGRAMME

CFA Institute also recognises universities that incorporate a significant percentage of the CFA Program CBOK, including the CFA Institute Code of Ethics and Standards of Professional Conduct, into their degree programs. Students in these degree programs are exposed to the topics covered in the CFA Program, enhancing their preparation to sit for the exams upon graduation

- The University of NSW
- Western Sydney University
- S P Jain School of Global Management
- Bond University
- Griffith University

COMMITTEES & SUB-COMMITTEES

University Outreach - Student Societies Michael Brivulis, CFA (Chair)
Jeff Shen, CFA
Alex Leung, CFA
Nicola Du, CFA

Research Challenge Richard Heath, CFA (Chair, Organising Committee)
Natalie Angus, CFA (Organising Committee)
Michael Brivulis, CFA (Organising Committee)
Emilio Gonzalez, CFA (Judge)
Richard Brandweiner, CFA (Judge)
Duschko Bajic, CFA (Judge)
Ken Howard, CFA (Mentor)
Jason Sedawie, CFA (Mentor)
Matthew Trivett, CFA (Mentor)
Nathan Lim, CFA (Mentor)
Ross Curran (Mentor)
Chris Osborne, CFA (Mentor)
Vincent Ling, CFA (Mentor)
David McDonald, CFA (Mentor)
Mischa Mutavdzic, CFA (Mentor)
Varun Sablok, CFA (Mentor)

Winners of the Sydney final
of the Research Challenge -
Angus Gibbs, Anthony Yeo,
Levi Romanov, Zubin Bilimoria
and Lisa Wang





Research Challenge 2015





Inaugural Oceania Conference
CFA Society board members from Sydney, Melbourne and Perth



CFA Society of Sydney
Winner of CFA Institute Research Foundation Award 2015

Brisbane Chapter Portfolio

CFA Brisbane Chapter was set up in 2012 to provide members and candidates the opportunity to network and advance a range of common goals in Brisbane including;

- Raising the profile of the CFA in the Brisbane financial services community.
- Providing a forum for ongoing professional development through a range of local and international speakers.
- Facilitating engagement with regulators and opinion leaders.
- Promoting the professional and ethical standards articulated throughout the CFA program.

There are over 100 CFA Charterholders and Society members in Brisbane and a similar number of CFA Candidates currently enrolled in the CFA Program.

We are always happy to have volunteers – so if interested please feel free to contact any of the committee members.

Committee Chair

Jake Koundakjian, CFA

Director

FIGG Securities

Committee Members

Ken Howard, CFA	Private Client Advisor Morgans	Michael Jessop, CFA	Senior Market Risk Analyst CUA
Mark O'Flynn, CFA	Senior Financial Planner Tupicoffs	Anuk Manchanda, CFA	Manager Ernst & Young
Mark Whittaker, CFA	Partner BDO	Robert McKenzie, CFA	Investment Performance Analyst QIC
Joe Cole, CFA	Senior Portfolio Manager QSuper		

2015/16 Events

18 June 2015	European Credit Markets-How to make sense of the structural changes-CVC Credit Partners
25 June 2015	Quarterly Networking drinks - they invite candidates and members
13 July 2015	Quarterly Networking drinks - they invite candidates and members
1 September 2015	Macro Diversification: Investing in an Increasingly Turbulent and Integrated World - Brian Singer, CFA
15 October 2015	Social Drinks
4 August 2016	The Urge to Herd - What Can We Learn from Contrarian Investing - Rupal J. Bhansali
25 August 2016	Systematic Strategies to Manage Risk & Volatility

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.

This list primarily includes only larger, standing committee appointments, as some short-term roles are not reported. Nor does the list include confidential or non-public rosters, or roles for which a member is paid including graders, content producers, abstractors and examiners.

Heather Brilliant, CFA	Chief Executive Officer Morningstar Australia	CFA Institute Board of Governors; ERVIC Chair
Mark Lazberger, CFA	Chief Executive Officer Colonial First State Global Asset Management	CFA Institute Board of Governors
Richard Brandweiner, CFA	Chief Investment Officer First State Super	Annual Conference Advisory Board
Bruce Tomlinson, CFA	Manager, Hedge Funds Sunsuper Pty Ltd	Capital Markets Policy Board
Brindha Gunasingham, CFA	Principal & Founder FitzBiz Investment Analysis & Strategy	CFA Digest Editorial Board

CFA Society of Sydney Volunteer Award Winners 2015

Portfolio Prizes

Treasury & Risk – Outstanding Contribution – Chris Osborne, CFA

Candidate Education – Outstanding Contribution – Warwick Schneller, CFA

Member Services – Outstanding Contribution – James Cowper, CFA

Member Education – Nidal Danoun

University Outreach – Outstanding Contribution – Richard Heath, CFA

Technology – Outstanding Contribution – Cassandra Crowe, CFA

Brisbane – Outstanding Contribution – Alexandr Akimov, CFA



Nidal Danoun

CFAS Volunteer of the Year 2015



FINANCIAL REPORT



CFA SOCIETY OF SYDNEY INCORPORATED
ABN 59 151 102 026

UNAUDITED
FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

CFA SOCIETY OF SYDNEY INCORPORATED
ABN 59 151 102 026

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Unaudited 2016 \$	2015 \$
INCOME		
Candidate services	152,605	124,305
CFA Institute funding	204,947	85,331
Membership subscriptions	134,045	116,324
Member events	204,875	26,569
Schweser product sales	90,523	95,390
	<u>786,995</u>	<u>447,919</u>
OTHER INCOME		
Other income	77,256	22,351
Income from investments	80,181	58,744
Movement in net market values	(68,763)	37,341
	<u>88,674</u>	<u>118,436</u>
	<u>875,669</u>	<u>566,355</u>
EXPENDITURE		
Member event expenses	141,545	29,997
Schweser product expenses	59,261	77,716
Candidate services expenses	132,043	89,231
Administration expenses	92,914	76,406
Employee expenses	232,129	145,844
Sponsorship	6,000	-
	<u>663,892</u>	<u>419,194</u>
Surplus before income tax	211,777	147,161
Income tax expense	36,851	13,256
Surplus after income tax	174,926	133,905
Retained surplus at the beginning of the financial year	1,143,960	1,010,055
Retained surplus at the end of the financial year	<u>1,318,886</u>	<u>1,143,960</u>

CFA SOCIETY OF SYDNEY INCORPORATED
ABN 59 151 102 026

BALANCE SHEET
AS AT 30 JUNE 2016

	Unaudited 2016 \$	2015 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	262,028	197,125
Trade and other receivables	91,789	23,972
TOTAL CURRENT ASSETS	<u>353,817</u>	<u>221,097</u>
NON-CURRENT ASSETS		
Financial assets	1,147,551	1,037,379
TOTAL NON-CURRENT ASSETS	<u>1,147,551</u>	<u>1,037,379</u>
TOTAL ASSETS	<u>1,501,368</u>	<u>1,258,476</u>
LIABILITIES		
CURRENT LIABILITIES		
Sundry creditors	22,042	15,390
Trade creditors	21,528	20,724
Accrued charges	25,025	13,549
Other Liabilities	14,038	1,994
GST Liabilities	4,239	2,480
Provision for income tax	30,143	8,105
Members prepaid subscriptions	27,633	28,986
CFAI prepaid funding	17,334	9,848
Prepaid review courses	20,000	7,000
Prepaid Education Event	500	6,440
TOTAL CURRENT LIABILITIES	<u>182,482</u>	<u>114,516</u>
TOTAL LIABILITIES	<u>182,482</u>	<u>114,516</u>
NET ASSETS	<u>1,318,886</u>	<u>1,143,960</u>
MEMBERS' FUNDS		
Retained surplus	1,318,886	1,143,960
TOTAL MEMBERS' FUNDS	<u>1,318,886</u>	<u>1,143,960</u>

<http://www.cfas.org.au/>