



**CFA Society
Luxembourg**

Annual Report 2012



**Philippe
Bernard,
President**

1 Introduction to the Annual Report

Dear members,

I would like to start this report by thanking all who are supporting the Luxembourg CFA Society. As a non-profit organization, the Society is living by the active participation of its members and through the dedication, creativity and enthusiasm of its volunteers as well as the effective support of partners. The remarkable progresses achieved in terms of memberships, engagement and recognition in Luxembourg, are the result of the work of a team of highly motivated investment professionals who are committed to bring our Society and its values forward.

An important step forward was the approval of the changes to the Society's bylaws at last AGM. The first changes are motivated by the desire to widen the circle of potential members without compromising on quality:

- A **local membership** category was created; which is designed to candidates, students and investment professionals who at this stage only wish to be member of the Society.
- An **honorary membership** category, intended for personalities sharing the values and goals of the Society.

Secondly, the fiscal year of the Society has been aligned with the CFA Institute's fiscal year. This technical alignment will simplify the process and reduce the workload. Exercise 2012 is therefore shorter than usual with the period under review starting January 1st and ending August 31st.

In terms of activity, bylaws amendments are a milestone but do not summarize the year. In 8 months, 6 continuing education events were set up. In particular one of the two SER (Standards, Ethic, Regulation) event, a presentation given by Dr. McMillan before a wider audience at BCEE auditorium enjoyed large interest and press coverage. In addition to the established social events, information session, mock exam and study courses were organized to support candidates. Last but not least, numerous meetings were held with institutions, associations and firms to inform about CFA program promote collaboration and values.

CFA Institute Board of Governors made a call for a "broader mission, bolder voice, and bigger community". Focus is on ethics, education and engagement as the means for achieving desired objectives. Concrete, it means speaking out important issues with a bolder voice and uphold the "gold standard" seal for the educational offerings, especially the CFA program. This year CFA exam is celebrating 50 years.

The ambition to speak with a bolder voice will require many committed local advocates of our ethical values. Public has lost trust in the financial industry. It is up to the individual investment professional to restore trust in the industry. By practicing in a professional and ethical manner, he will reflect credit on members and their profession and ultimately the industry. Adopting and promoting "CFA Institute Integrity list with 50 ways to restore trust in the industry" is a first step I encourage you to take.

After more than 3 years on the Board and 2 of them as Secretary of the Luxembourg CFA Society, Elke Valila has decided not to seek renewal of her mandate. On the other side, I am pleased to announce that Adela Baho has accepted to take over the Society Secretary function. The Board asks you to approve Adela in her new function and to join us in thanking Elke for her contribution to the Luxembourg CFA Society.

Sincerely,

Philippe Bernard

2 Activity Report

While we believe in sound and transparent finances, the real raison d'être for the Luxembourg CFA Society is to provide intangible services for our membership. We offer our members continuing education, networking opportunities and points of contact in the local banking and financial sectors. We help our CFA candidates to prepare successfully for their exams. We get together to celebrate our new CFA charterholders. We liaise with the CFA Institute, in order to tap into the rich resources available there, such as upgrade our website, provide speakers, society leadership development and organisational support.

A majority of these events would not be possible without the support of our sponsors. Thomson Reuters is our main sponsor for continuing education events and has been generous in providing a venue for our events and catering. Kneip hosts our GIPS working group meetings.

In 2009 the Board set the goal of one event per month. We are proud to say that this goal was exceeded substantially and also that most events attracted an audience of between 30 and 50 members, networking events typically even more than that.

The table below gives an overview of the events held in 2012:

	Date	Event	Speaker(s)	Type of Event	Location
1	30/01/2012	Valuing Retail Structured Products	Prof. Jos van Bommel, Luxembourg School of Finance	lecture, 1 CE credits	Thomson Reuters
2	23/02/2012	Best Practices for Equity Research Analyst	James Valentine, CFA	lecture, 1 CE credit	Thomson Reuters
3	06/03/2012	Vietnam : Indochina Rising Tiger	Dominic Scriven, OBE	lecture, 1 CE credit	Thomson Reuters
4	29/03/2012	Harvesting Risk Premia with Strategy Indices from Today's Alpha to Tomorrow's Beta	William Mok,	lecture, 1 CE credit	Thomson Reuters
5	29/03/2012	Candidates Coaching Session		Exam preparation	Cercle Munster
6	24/04/2012	GIPS the Road to Compliance	Anthony Howland	lecture, 1 SER credit	Thomson Reuters
7	07/05/2012	AGM		Corporate Event	Sofitel Kirchberg Thomson Reuters
8	20/05/2012	Candidates Mock Exam		Exam training	
9	07/06/2011	Ethics goes global	Dr. Michael G. McMillan	lecture, 1 SER credit	BCEE
10	07/06/2012	Happy Hour - post exam drink		Social event	Vinoteca
11	07/06/2011	Back2work drink		Social event	Cafetin de Buenos Aires

A continuously updated calendar of upcoming events can be found on our webpage: www.membersocieties.org/luxembourg.

3 Society Financials

Our association has three main sources of funding:

- Membership fees,
- Financial support from the CFA Institute
- Sponsorship

These financial statements are primarily cash based, with some accruals considered specifically provided for.

The annual accounts for the years ended December 31st, 2011 and August 31st, 2012 were audited independently by Allan Sastrup Jensen, CFA. The auditor issued unqualified auditor's letters, added at the end of the report.

Financial Statements	2012	2011
	01.01.2012 to 31.08.2012	01.01.2011 to 31.12.2011
Mememrshp dues	1,257	6,759
CFA Institute	6,778	15,269
Interest Income	-	130
	8,035	22,158
Events and Presentations	7,071	5,584
Equipment purchase	0	575
Admin costs	666	2,548
Exch (gain)/loss	- 366	- 796
	7,371	7,911
Net surplus/deficit	664	14,247
Cash & Deposits	43,160	41,893
s/term creditors	604	-
Opening equity	41,893	27,646
surplus/deficit	664	14,247
Closing equity	42,557	41,893
Equity and liabilities	43,160	41,893

4 Luxembourg Society Statistics

Member trends

Member Year	Total Members	Growth	% Growth	Charterholder	Growth	% Growth	Non-Charterholder	Growth	% Growth
1994	0	0	0.0%	0	0	0.0%	0	0	0.0%
1995	0	0	0.0%	0	0	0.0%	0	0	0.0%
1996	0	0	0.0%	0	0	0.0%	0	0	0.0%
1997	0	0	0.0%	0	0	0.0%	0	0	0.0%
1998	0	0	0.0%	0	0	0.0%	0	0	0.0%
1999	0	0	0.0%	0	0	0.0%	0	0	0.0%
2000	0	0	0.0%	0	0	0.0%	0	0	0.0%
2001	0	0	0.0%	0	0	0.0%	0	0	0.0%
2002	0	0	0.0%	0	0	0.0%	0	0	0.0%
2003	40	40	100.0%	36	36	100.0%	4	4	100.0%
2004	64	24	60.0%	50	14	38.9%	14	10	250.0%
2005	106	42	65.6%	92	42	84.0%	14	0	0.0%
2006	118	12	11.3%	96	4	4.3%	22	8	57.1%
2007	150	32	27.1%	125	29	30.2%	25	3	13.6%
2008	151	1	0.7%	132	7	5.6%	19	-6	-24.0%
2009	160	9	6.0%	146	14	10.6%	14	-5	-26.3%
2010	166	6	3.8%	150	4	2.7%	16	2	14.3%
2011	165	-1	-0.6%	147	-3	-2.0%	18	2	12.5%
2012	188	23	13.9%	166	19	12.9%	22	4	22.2%

Candidates June 2012

	New Level I		Repeat Level I		Level II		Level III		Count	%
	Count	%	Count	%	Count	%	Count	%		
Registrations	49	19.5%	46	18.3%	98	39.0%	58	23.1%	251	100.0%

CFA Institute Global

Member Year	Total Members	Growth	% Growth	CFA	Growth	% Growth	Non-CFA	Growth	% Growth
1994	24,496	0	0.0%	20,150	0	0.0%	4,346	0	0.0%
1995	26,359	1,863	7.6%	21,917	1,767	8.8%	4,442	96	2.2%
1996	27,827	1,468	5.6%	23,990	2,073	9.5%	3,837	-605	-13.6%
1997	30,414	2,587	9.3%	24,194	204	0.9%	6,220	2,383	62.1%
1998	33,523	3,109	10.2%	25,952	1,758	7.3%	7,571	1,351	21.7%
1999	37,417	3,894	11.6%	26,726	774	3.0%	10,691	3,120	41.2%
2000	43,091	5,674	15.2%	31,853	5,127	19.2%	11,238	547	5.1%
2001	50,818	7,727	17.9%	37,209	5,356	16.8%	13,609	2,371	21.1%
2002	59,112	8,294	16.3%	45,337	8,128	21.8%	13,775	166	1.2%
2003	65,248	6,136	10.4%	50,439	5,102	11.3%	14,809	1,034	7.5%
2004	71,178	5,930	9.1%	57,650	7,211	14.3%	13,528	-1,281	-8.7%
2005	76,971	5,793	8.1%	64,387	6,737	11.7%	12,584	-944	-7.0%
2006	83,431	6,460	8.4%	69,313	4,926	7.7%	14,118	1,534	12.2%
2007	92,746	9,315	11.2%	79,132	9,819	14.2%	13,614	-504	-3.6%
2008	95,826	3,080	3.3%	82,601	3,469	4.4%	13,225	-389	-2.9%
2009	96,573	747	0.8%	84,768	2,167	2.6%	11,805	-1,420	-10.7%
2010	101,497	4,924	5.1%	89,582	4,814	5.7%	11,915	110	0.9%
2011	105,147	3,650	3.6%	94,529	4,947	5.5%	10,618	-1,297	-10.9%
2012	110,380	5,233	5.0%	101,052	6,523	6.9%	9,328	-1,290	-12.1%

5 Board of Directors

Position	Name	On the board since	Current term expiring*)	New term expiring*)
President	Philippe Bernard	2002	2014	
Vice President and Treasurer	Knut Reinertz	2002 (founding member)	2012	2015
Vice President	Antonio Grieco	2005	2014	
Secretary	Adela Baho	2012 (new in the function)	2014	2015
Director	Arndt Nicolaus	2002 (founding member)	2012	2015
Director	Marc Fohr	2007	2013	
Director	Matteo Candolini	2009	2013	
Director	Carolyn Linnevers	2010	2014	
Director	Chris Lemke	New		2015

In bold, election nominees for the terms beginning December 4th, 2012.

*) The table refers to the calendar year, i.e. a term expiring in current year 2012 runs until the Annual General Meeting scheduled to be held in the 4th of December 2012.

President



Philippe Bernard, CFA, is Manager of Credit Suisse AG Luxembourg Branch and member of Senior Management at Credit Suisse (Luxembourg) S.A., where he oversees asset management, financial consulting and treasury activities. Mr Bernard joined Credit Suisse in Luxembourg in 1995 as head of portfolio management and chair of the investment committee. He previously gathered experience at UBS in different locations. Mr Bernard is also a founding member of the Swiss CFA Society. He has graded CFA exams for several years and was representing Europe at the Private Wealth Advisory Committee. In addition to holding a CFA charter, Mr Bernard is "Eidgenössisch Diplomierter Bankfachmann". He holds the chair for Advocacy

Vice President and Treasurer



Knut Reinertz, CFA, was born in Luxembourg in 1963 and grew up in Belgium, Luxembourg and Finland. He graduated in 1987 from the University of Trier in Germany with majors in Finance and Banking. After working for BGL in Luxembourg in the institutional portfolio management department until 1990, he spent some years in Finland and Canada. In 1993 he rejoined BGL, this time in Hong Kong where his last position held was Chief Representative and General Manager. Knut became a CFA Charterholder in 1996. In 2002 he moved back to Luxembourg, heading the department in charge of New Markets in Fortis private banking division. At the end of 2007, he started Edison Capital Partners s.a., a Luxembourg-based Private Office, advising a handful of UHNWI. Knut is Society Vice President and Treasurer. He chairs the volunteer committee.

Vice President



Antonio Grieco, CFA since 2003, holds a University degree from both the University of Parma (Italy) and EHSAL Business School (Brussels). He started his career in the financial sector in 1999 as an equity analyst in the high tech sector for CONSEUR S.A., a non-profit organization set up by several European Associations of consumers. Two years later, Antonio joined Dexia Bil's dealing room as an equity analyst and sales manager to Institutional Customers. In 2001 Antonio moved to Dexia's Private Banking Department where he was in charge of the Mediterranean Market. Apart from advising private banking customers, Antonio was also member of the Global and Local Asset Allocation Committees, which set the asset allocation policies for the discretionary managed accounts. In September 2006 Antonio joined Fidelity International S.A. where he worked in the Pan-European Communication Department and focused, among other things, on fund analysis, fund positioning and research and product strategy. In June 2008 Antonio joined Dexia Asset Management as Senior Institutional Sales Manager looking after the distribution of Dexia fund in Luxembourg while most recently and since October 2011, he has taken over the role of Head of Institutional Sales at Dexia Asset Management in Luxembourg. He holds the CFA Courses Chair.

Secretary



Adela Baho, was born in Tirana, Albania. Multilingual, she graduated from the University of Geneva and HEC Lausanne Business School in Switzerland where she obtained a Post-graduate Degree of Sciences in Economics. She was awarded the Prize for the excellence of her studies in 2003. After one year as professor-assistant at the University of Geneva, teaching in International Finance and Quantitative Portfolio Management, she firstly worked as Basel II Credit Research analyst at Hypo Real Estate Group in Luxembourg, before taking on responsibilities as Senior Fixed Income Fund Manager within the KBC Private Banking Branch in Luxembourg. She has recently joined Lemanik Asset Management S.A. in the quality of Financial Risk Manager. She has passed Level I CFA exam. She is an active participant in the CFA Institute Investment Research Challenge and Career Development. She is contributing to different activities within the Luxembourg CFA Society since 2007 and joined the Board in 2012.

Directors



Matteo Candolfini, CFA, was born in Cesena, Italy, in 1980. He studied at the University of Bologna and graduated in Computer Science in 2003. After briefly working as an IT Business Consultant, he moved to Luxembourg and joined Eurizon Capital (formerly known as Sanpaolo Asset Management S.A.), where he worked in quantitative analysis and portfolio management. In August 2007, Matteo joined ING Private Capital Management, first as Portfolio Manager of two asset allocation funds for private banking clients and then as hedge fund analyst. In August 2010 he moved to Ikano Fund Management where he is currently working as Risk Manager. He holds the Technology Chair and Career Development Chair.



Marc Fohr, CFA, was born in Luxembourg in 1973. He studied at the University of the Saarland, Saarbrücken, and graduated in 1998 with a Major in Business Administration. After being European Equity Portfolio Manager for 6 years at Salomon Brothers/Citigroup Asset Management, Frankfurt/Main, Marc joined Allianz Global Investors, Frankfurt/Main, in 2004 where he was responsible for managing institutional and mutual funds with global equity exposure. Since 2006, he has been working for Sanpaolo Asset Management (renamed as Eurizon Capital), Luxembourg, as Senior Portfolio Manager for retail funds with European equities. Marc became CFA charterholder in 2002 and is a Board Member of the Luxembourg CFA Society since 2007. He holds the University Liaison chair.



Arndt Nicolaus, CFA, was born in Montabaur (Germany) in 1967. He studied finance in Germany and in the US and received a Bachelor of Commerce Degree in Business Administration (Diplom-Kaufmann) from the University of Trier in 1993. After starting his career at Fidelity Investments (Luxembourg) S.A., Arndt was employed as a Senior Portfolio Manager with Credit Suisse (Luxembourg) SA for 10 years. In 2005, he joined LRI Invest S.A. as a Senior Fund Manager overseeing all equity products; since 2010 he serves as Senior Compliance Officer. He was awarded the CFA charter in 1998 and has been actively involved in CFA Institute since by serving on the Candidate Curriculum Committee Working Body, as a Standard Setter for the Level I&II exam and as an exam grader for Level II&III. He is a Director of Luxembourg CFA Society and holds the following chairs: Program and Continuing Education.



Carolyn Linnevers, was born in the United States and holds dual American and Dutch nationalities. She graduated from the University of Connecticut in 1986 with a BA cum laude in Latin American Studies with a concentration in economics. She has been a long standing member of the CFA Institute (formerly AIMR) dating back to the early days of her career in New York. She worked in the asset management business in New York as an assistant portfolio manager for non-US equity investment funds for NSM Lepercq and as an asset management specialist and relationship manager for ABN AMRO Securities from 1987 to 1991. She then moved on the Coutts & Co (Jersey) Ltd where she headed the private client portfolio management department and was a member of the Coutts offshore global asset allocation committee. During a brief period in the Netherlands she passed the Level 1 CFA exam and was an investment adviser for Smith Barney in Amsterdam. After coming to Luxembourg in 1995, she was a volunteer board member and President of the American Women's Club and founded an investment club. Since 2001, Carolyn has worked for Clearstream Banking in Luxembourg as Vice President, Product Management and Design. She is a regular participant in the CFA Institute continuing education program. She was elected to the Luxembourg CFA Society Board in 2010 and presently serves as the GIPS chairperson.



Chris Lemke was born in Hamburg (Germany) in 1967. He studied Political Science and Economic History in Bonn and Saarbrücken, graduating in 1994 with an M.A. and a pedagogical diploma. In 1998 he followed up with an MBA, including a thesis on intercultural management training. Chris has lived and worked in Germany, Estonia, and the US, and is specialized in the design and delivery of professional education events, especially for the financial sector. Current employment is with PwC's Academy, the client training unit of PwC Luxembourg, as Senior Manager Product Development. In this function, he is in charge of the team creating around 60 public training sessions per quarter. His previous jobs include Department Head at the Estonian Business School in Tallinn from 1994 to 1999, and Manager of Training and Organizational Development at Goodyear here in Luxembourg from 1999 to 2005. Chris describes himself as an ambassador for high-impact training and learning. He became involved with the Luxembourg CFA Society in 2009.

5 Auditor's letters

5.1 Allan Sastrup Jensen, CFA, CAIA

Luxembourg, 26/09/2012

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ended 31. August 2012. Accordingly, I have noted that the annual accounts are in agreement with the accounting records and associated documents which I have received in the context of of the audit.

Kind regards,

A handwritten signature in black ink, appearing to read 'ASJ', written over a light blue horizontal line.

Allan Sastrup Jensen, CFA