

# Annual Report 2013

## 1 Introduction to the Annual Report

Dear fellow Members,

I am pleased to report that the CFA Society Luxembourg has completed another successful and milestone year.

Membership in CFA Luxembourg has surpassed 200 members working in some 100 companies in Luxembourg and 250 candidates sat the June exam in Luxembourg.

During the 2012-2013 year, your society accomplished the following:

- Hosted continuing education and social events
- Co-hosted a GIPS conference in partnership with ALFI
- Hosted a panel discussion on high-frequency trading
- Raised public awareness on the society's values and mission through numerous interviews in the local medias
- Launched new classes of membership (local and candidate)
- Developed relationship with leading Luxembourg institutions (LSF, IFBL)
- Hosted a successful 10<sup>th</sup> Anniversary and Future of Finance Event with nearly 200 attendees

This was possible thanks to the hard work and dedication of our volunteers, charterholders, members, candidates and partners and demonstrate the value and services the society offers.

This year highlight was certainly the 10<sup>th</sup> year's anniversary celebration in presence of numerous guests and Medias. It provides an opportunity to look back to past achievements. The commitment of past volunteers should inspire us in addressing the two main challenges of this times:

- Re-built a global trustworthy financial industry
- Luxembourg financial place has to adapt to a changing environment and seize the offered opportunities

Inspiration and guidance how to get there were delivered by our speakers. The Minister of Finance expects professional excellence and innovation to lead to a stable, prospering financial place. Nitin Mehta, Managing Director EMEA and Frederic P. Lebel, Board of Governors, CFA Institute, presented with FUTURE OF FINANCE, a long term effort to shape a financial industry that better serves society. The initiative aims to provide the tools to motivate and empower the world of finance to commit to fairness and personal integrity by focusing on

- Putting Investors First – The fiduciary duty to protect investor interests
- Financial knowledge – Empowering investors to make better decisions
- Regulation & Enforcement – Protecting investors and preserving capital market integrity
- Safeguarding the systems – Promoting stability and minimizing systemic risk
- Transparency & Fairness – standards to promote an open and honest financial system
- Retirement Security – Sensible solutions to protect pensions system worldwide

Together with CFA Institute, the society has already started working on concrete actions on topics important for our local community. Here, the voice and engagement of all is required. It is up to the investment professional to restore trust by our actions, professional and ethical practice.

The uncertain and challenging economic climate confirms the society's original mission; to support members along their careers and the society's vision; to contribute to the advancement of the financial industry in cooperation with the others Luxembourg actors.

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 tangible 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.

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

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 the financial year 2012-2013:

	Date	Event	Speaker(s)	Type of Event	Location
1	20/09/2012	Back2work drink		Social event	Cafetin de Buenos Aires
2	10/10/2012	Liquidity risk and portfolio management. Lesson from the crisis – in partnership with Bocconi Alumnis	Professor Gianpaolo Gabbi, University of Ciena	lecture, 1 CE credits	Thomson Reuters
3	12/11/2012	Panel discussion: High frequency trading in Luxembourg			D'Coque
4	04/12/2012	Charter Award Ceremony	Dr Nitin Mehta, Managing Director EMEA, CFA Institute	new charterholder welcome	Cercle Munster
5	28/01/2013	Towards Africa Renaissance	Clifford Mpare	lecture, 1 CE credit	Thomson Reuters
6	11/03/2013	Investment Measurement – how GIPS standards can contribute to your success – in partnership with ALFI	Fanny Sergent Ian McAra Léon Kirsch Hans Groetsch	1 CE/SER credit	BGL BNP Paribas Centre
7	22/04/2013	China Investing: 8 lessons learned over the past 25 years	Benoit Descourtieux	lecture, 1 CE credit	Thomson Reuters
8	03/05/2013	Long duration common stock investing	Bill Smead	lecture, 1 CE credit	Thomson Reuters
9	10/06/2013	Celebrating 10 Years: Future of Finance	H.E. Luc Frieden, Minister of Finance  F.Lebel, Board of Governors, CFA Institute  Nitin Mehta, Managing Director EMEA, CFA institute	Anniversary Reception	Hotel Le Royal



**Focus on Future of Finance project; interview with Fred Lebel, Board of Governors of CFA Institute, at the 10<sup>th</sup> Anniversary.**

The financial crisis of 2007/2008 had a huge impact on financial markets but also on the global economy. Twenty million jobs were lost worldwide and it cost 20% of annual global GDP. People were impacted in their daily lives and many continue to suffer from the consequences of the crisis. After engaging with a great deal of our members and volunteers globally as well as various other stakeholders, the Future of Finance initiative was launched and approved by the Board of Governors of CFA Institute. The ambitious goal of this project is to shape a more trustworthy financial industry that better serves society.

**Is the project about shaping the finance of tomorrow or only about gathering ideas?**

It is indeed about shaping the finance of tomorrow by restoring trust in the industry and ensuring a better functioning. This is a global and long-term effort though and, to that end, we have identified six areas of focus. The first one is Putting Investors First. Here our “ Statement of Investor Rights” is a first concrete deliverable. We do have a strong view on the need for Financial Knowledge. To that end, we launched Claritas as our latest certification a few weeks ago. We think that Transparency and Fairness is part of the Future of Finance too as well as Regulation and Fairness. Finally, we believe that Retirement Security and Safeguarding the System are also two important areas of focus for this initiative. We have in mind to address these areas with a varied group of stakeholders including the providers, users and traders of capital, authorities and regulators but also intermediaries, portfolio managers and analysts. Media is important too, as it relates to a wider audience, as well as academics and other sources of education providers.

**Do ethical behavior and a solid return on investment go hand in hand?**

Not always so unfortunately, yet the contrary is pretty much a given! However, whatever return has not been made by investors has probably been partly lost to a series of intermediaries, who failed to deliver needed or relevant services. We think that a number of activities may possibly lose relevance in the future of finance. Generally speaking, we believe that short termism has not helped clients at all. At the end of the day, clients seek to achieve the rate of return, which will help them meet their goals. The process of defining objectives and constructing portfolios can best be served by hiring competent, well-educated, honest and dedicated advisers, who will of course be compensated for that. Clients and advisers who think along these lines can find great terms to work together.

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

## 3 Society Financials

Our association has three main sources of funding:

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

Sponsorship has become more important as the number of activities has increased. Most of the larger events held during the year were sponsored by corporations that were directly targeted during the organization of the respective event.

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

The annual accounts for the years ended August 31, 2013 were audited independently by Allan Sastrup Jensen and Yves Bodson. Both statutory auditors issued unqualified auditor's letters, added at the end of the report.

\*) Expenditure: Exchange (gain)/loss represent the effect of the strengthening/weakening exchange rate on USD cash and income during the respective year.

<b>Income Statement for the year ending August 31, 2013</b>		
<b>INCOME (in EUR)</b>	<b>31/08/2013</b>	<b>31/08/2012</b>
Membership fees	18,080	1,257
CFA Institute	13,702	6,778
Interest Income	147	-
<b>Total income</b>	<b>31,929</b>	<b>8,035</b>
<b>EXPENDITURE (in EUR)</b>		
Events and Presentations	13,736	7,071
Admin costs	9,307	666
Exch (gain)/loss	1,846	366-
<b>Total expenditure</b>	<b>24,888</b>	<b>7,371</b>
<b>Surplus / (Deficit)</b>	<b>7,041</b>	<b>664</b>
<b>Balance Sheet on August 31, 2013</b>		
<b>ASSETS (in EUR)</b>	<b>31/08/2013</b>	<b>31/08/2012</b>
Cash accounts	45,204	43,160
Others receivables	8,464	-
<b>Total assets</b>	<b>53,668</b>	<b>43,160</b>
<b>LIABILITIES &amp; EQUITY (in EUR)</b>		
Short term creditors	-	604
Deferred income	4,071	-
Equity at the beginning of year	42,557	41,893
Surplus of the year	7,041	664
Equity at the end of the year	49,597	42,557
<b>Total Liabilities &amp; equity</b>	<b>53,668</b>	<b>43,160</b>

## 4 Luxembourg Society statistics

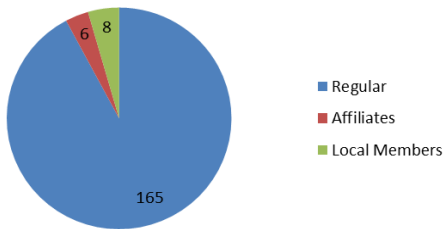
### Trends

#### 4.1.1 Member trends

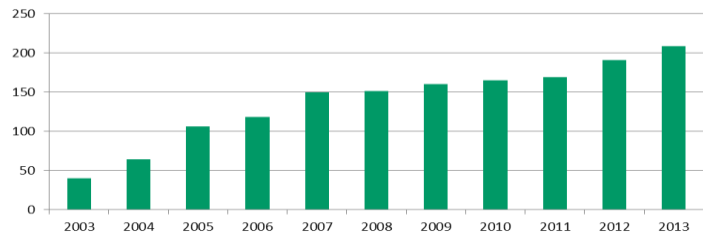
Members – as of 9/09/13 172 = 165 Regular + 6 Affiliates

Local Members – as of 4/09/13: 8

#### Members



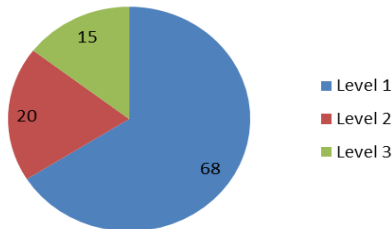
#### Membership trend



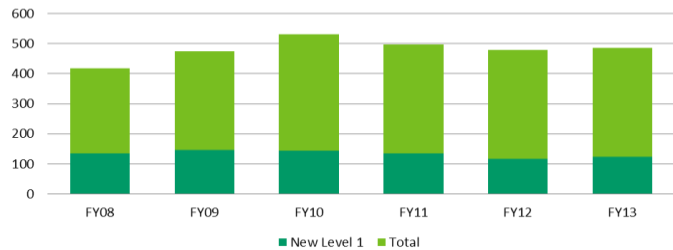
#### 4.1.2 Candidate trends

Candidates – as of 3/09/13: 103= 15 Level 3 + 20 Level 2 + 68 Level 1

#### Candidates



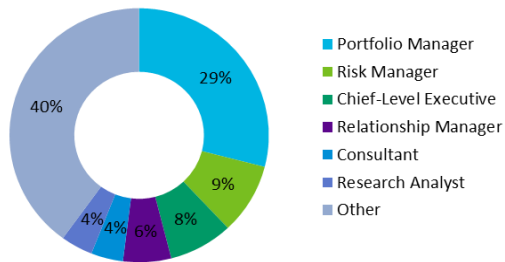
#### Candidate trends



## 4.2 Member demographics

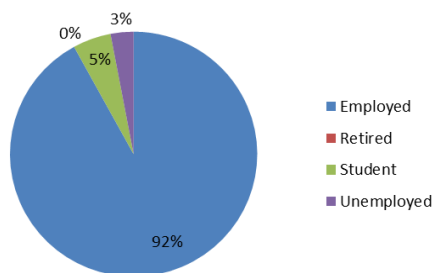
At the end of October 2013, there were 239 members in the CFA Society Luxembourg.

### Members occupational breakdown



## 4.1 Candidate demographics

### Candidates Employment Status



## 5 Board of Directors

<b>Position</b>	<b>Name</b>	<b>On the board since</b>	<b>Current term expiring*)</b>	<b>New term expiring*)</b>
President	Philippe Bernard	2002	2014	
Vice President and Treasurer	Knut Reinertz	2002	2015	
Vice President	Antonio Grieco	2005	2014	
Secretary	Adela Baho	2012	2015	
Director	Arndt Nicolaus	2002	2015	
<b>Director</b>	<b>Marc Fohr</b>	<b>2007</b>	<b>2013</b>	<b>2016</b>
<b>Director</b>	<b>Matteo Candolini</b>	<b>2009</b>	<b>2013</b>	<b>2016</b>
Director	Carolyn Linnevers	2010	2014	
Director	Chris Lemke	2012	2015	
<b>Director</b>	<b>Robert Zipp</b>	<b>New</b>		<b>2016</b>

\*) The table refers to the calendar year, i.e. a term expiring in CY 2013 runs until the Annual General Meeting scheduled to be held.

### 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 and he has taken over the role of Head of Institutional Sales for Luxembourg in October 2011. Since December 2012 Antonio is Executive Director at J.P. Morgan Asset Manager and a Senior Sales for Luxembourg and Belgium. He holds the CFA Courses Chair.

#### Secretary



**Adela Baho**, MSc, FRM, was born in Tirana, Albania. Multilingual, she graduated from the University of Geneva and HEC Lausanne School of Business 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, before taking on responsibilities as Senior Fixed Income Fund Manager within the KBC Private Banking Branch in Luxembourg. Recently, she has taken on responsibilities in the quality of Senior Financial Risk Manager in the Fund Industry in Luxembourg. She also teaches the theory of portfolio choice and risk management in the Master's Program at Aix-Marseille School of Economics, in France. She is contributing to different activities within the Luxembourg CFA Society Board since 2012 and holds the Career Development Chair.

#### Directors



**Matteo Candolfini**, CFA, FRM, 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 worked as Head of Risk Management. Since August 2013, he is Conducting Officer at Quaestio Investments SA, with a focus on Risk Management. He holds the Technology Chair and Membership 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. In 2006, he moved to Sanpaolo Asset Management (renamed as Eurizon Capital), Luxembourg, where he worked as a Senior Portfolio Manager for retail funds with European equities and where he became Head of Developed Market Equities in 2011. In 2013 he joined BCEE Asset Management as Head of 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**, MBA, 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 state teacher's exam, adding an MBA in 1999. Chris has lived and worked in Germany, Estonia, and the US, and is specialized in the design and delivery of learning and development programmes for professionals, including the financial sector. He now works as Senior Manager Learning & Development at SES, the Luxembourg-based provider of satellite communications and broadcasting services with a fleet of currently 54 satellites in geostationary orbit. His previous jobs include Director of the Language Department and Head of Organisational Development at the Estonian Business School in Tallinn from 1994 to 1999, Manager of Training and OD at Goodyear here in Luxembourg from 1999 to 2005, and Senior Manager Product Development at PwC's Academy (the client training unit of PwC Luxembourg) from 2005 to February 2013. Chris describes himself as an ambassador for high-impact training and learning. He's been involved with the Luxembourg CFA Society since 2009 and currently chairs Employer Outreach.



**Robert Zipp**, CFA, FRM was born in Texas (USA) in 1975. He studied at Texas A&M University (main campus) where he earned a BBA in Management, Magna Cum Laude. Later, he earned a MBA in Finance at Sacred Heart University at Luxembourg. His professional experience is primarily focused on investments and covers activities such as portfolio strategy, investment analysis and stock selection. He has accumulated over ten years of experience working at local banks such as KBL and BIL. Prior to that, he spent some time at Arthur Andersen in consulting. Presently at BIL, he is responsible for equity strategy and stock selection and manages equity-focused portfolios. He will hold the Volunteer Chair.

## 6 Auditor's letters

### 6.1 Allan Saustrup Jensen, CFA, CAIA

Luxembourg, 31/10/2013

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ended 31. August 2013.

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 the audit.

Kind regards,



Allan Saustrup Jensen, CFA

**6.2 Yves Bodson, CFA**

**To the members of CFA Society Luxembourg**

**I have been entrusted the mandate of statutory auditor for the year ended August 31<sup>st</sup>, 2013.**

**Accordingly, I have noted that the annual accounts as of August 31<sup>st</sup>, 2013 are in agreement with the accounting records and associated documents, which I have received in the context of the audit of the annual financial statements.**

**Kind regards,**



**Yves Bodson, CFA  
Statutory Auditor**

**Luxembourg, November 8<sup>th</sup> 2013**