



ANNUAL REPORT 2016

Mission

It is our Mission to:

Enable and engage members and candidates to pursue professional excellence and ongoing education

Promote excellence in ethical and professional standards within the investment community, and leverage our knowledge pool and resources to the benefit of our stakeholders

Partner with employers, regulators, industry associations and educational institutions to contribute to a Luxembourg financial industry for the ultimate benefit of society

Vision

We envisage a Luxembourg CFA Society:

As the leading network of finance professionals in Luxembourg, powered by its members

As the reference for excellence, ethical practice, integrity and continuing education regarding topics in the investment industry

As the advocate shaping the financial industry in Luxembourg in partnership with other organizations, regulators, and members.

A WORD FROM THE PRESIDENT

Dear Members,

2016 saw an increased in the total membership to over 300 members, a higher participation in the various activities provided as well as a record number of candidates reflecting the interest for the CFA charter. The next pages provide you information on last year activities, memberships and candidate's trends.

The financial industry worldwide, and in Luxembourg, continues to change. As a Society, we need to evolve as well and to adjust the value delivered to our Members. Most of them are Members of both, CFA Society Luxembourg and CFA Institute. For most Member the difference between both is unclear and artificial. However, CFA Society Luxembourg and CFA Institute are both legally and operationally well separated organisations.

It is important to remember that CFA Luxembourg - like all 147 local societies - is a separate entity from CFA Institute, which do share visions and goals with CFA Institute, while at the same time ensuring that there is true local content and flavor. With over 135'000 Members CFA Institute cannot reach its global vision and missions without the support of local societies.

Societies and CFA Institute have common goals and principles. They shares the support of lifelong professional needs of our membership by delivering products and services of the highest quality and communicating directly with the membership. Further both strive collectively and individually to maintain and advance the standards of ethics and professional conduct in the investment community globally, regionally and locally in Luxembourg.

It is important to understand the differences. CFA Institute is global and is responsible for the CFA program and others certifications (Investment Foundation, CIPM). CFA Luxembourg on the other hand focuses on the local market, local Members and Stakeholders with local actions and services. Our Society places the emphasis on Luxembourg issues and Members' needs providing them an opportunity to develop their skills further, to network and volunteer.

With the appointment of Paul Smith as the new CEO of CFA Institute, we have experienced several changes that are better aligning the two organizations to achieve our common goals towards the public and the investment community. The support received from CFA institute has increased significantly. Strong, impactful local societies are the way in which the standards will be raised globally.

If we want to be an effective professional body, leading our profession in Luxembourg, our Society has a key role in achieving this goal but not without your support. For the Luxembourg CFA Society, it means that, after focusing for years delivering content and value primarily to our members, we will in addition engage broader professional communities and the public.

Finally, I would like to thank all of you who have contributed on different levels; the board members and volunteers for their work and support, members for their participation and interest to the activities, projects and initiatives.

I look forward to meet you at one of our events.

Sincerely,

Philippe Bernard

ACTIVITY REPORT

The Society aims to provide tangible services and value to the membership, to offer continuing education, networking opportunities, job opportunities and points of contact in the local banking and financial sectors.

The Board has set the goal of having one event per month on average. Most events attracted an audience of between 20 and 50 members, with networking events typically even more than that. These events would not be possible without the support of our sponsor **FactSet**, a leading provider of financial information, which has supported our continuing education events by providing a venue and catering.

On the career development side, it is worth noting that 20 job opportunities were communicated to members.

The Society continues to inform and help our CFA candidates to successfully prepare for their exams, while new CFA Charterholders are celebrated at the occasion of our Annual Charter Award Ceremony.

The table below gives an overview of the events held in the financial year 2015-2016:

	Date	Event	Speakers	Type of Event	Number of Participants
1	22/09/15	Annual "back2work" Networking Event		Networking	73
2	30/09/15	Bocconi Series	Vincenzo Capizzi, Ph.D. - Professor of Economics of Financial Intermediaries	Educational	98
3	14/10/15	Added Value of Interaction between Risk and Portfolio Management	Dr. Luc Neuberg - CEO, BCEE-Asset Management	Educational	38
4	7/12/15	Charter Award Ceremony	Ann-Katrin Scherer, CFA	Social	54
5	8/12/15	Continuing Education Interactive Session		Educational	9
6	21/03/16	Performance Measurement, Valuation and GIPS	Geoffrey Hecht - Partner, Ashland Partners New York	Educational	20
7	11/05/16	Putting Investors First	Rhodri Preece, CFA - CFA Institute	Educational	22
8	14/05/16	Mock Exam		Candidates	71
9	25/05/16	Alternative Investments: Investing in Music Royalties	Johan Ahlström – CEO, Kobalt Capital Ltd	Educational	18
10	07/06/16	Post Exam Drinks		Networking	115

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

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.

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

The annual accounts for the years ended August 31, 2015 were audited independently by Allan Saustrup Jensen and Yves Bodson. Both statutory auditors issued unqualified auditor's letters, added at the end of the report.

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

Income Statement for the year ending August 31,2016

INCOME (in EUR)	31/08/2016	31/08/2015
Membership fees	15 335	13 204
Local candidate membership fees	1 926	1 354
Member contribution to events	-	-
CFA Institute	30 746	18 938
Interest income	96	33
Exchange gain	24	74
Other exceptional income	-	727
Total income	48 128	34 330
Expenditure (in EUR)		
Events & presentations	15 982	23 565
Equipment purchase	-	625
Administrative costs	5 244	2 819
Exchange (gain)/loss	30	-
Total expenditure	21 256	27 009
Surplus / (Deficit)	26 873	7 321

Balance Sheet at August 31,2016

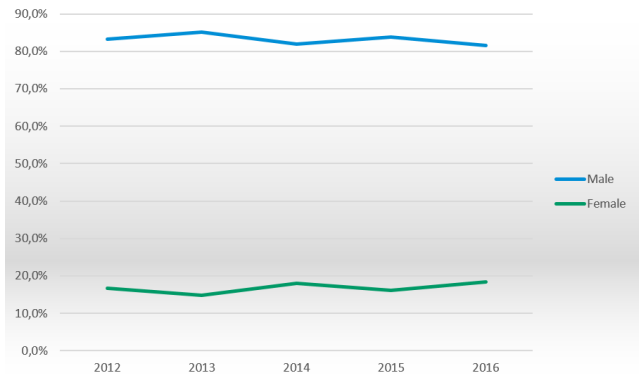
ASSETS (in EUR)		
Cash accounts	86 481	64 984
Other receivables	7 190	2 286
Deferred charges	334	333
Total assets	94 004	67 604
LIABILITIES & EQUITY (in EUR)		
Short term creditor	35	860
Deferred income	7 442	5 163
Equity at beginning of year	61 581	54 260
Surplus of the year	26 873	7 321
Equity at the end of year	88 453	61 581
Total Liabilities & equity	95 931	67 604

SOCIETY STATISTICS - MEMBERS

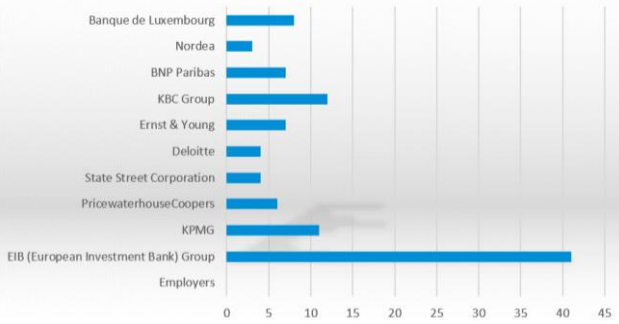
Membership Trends



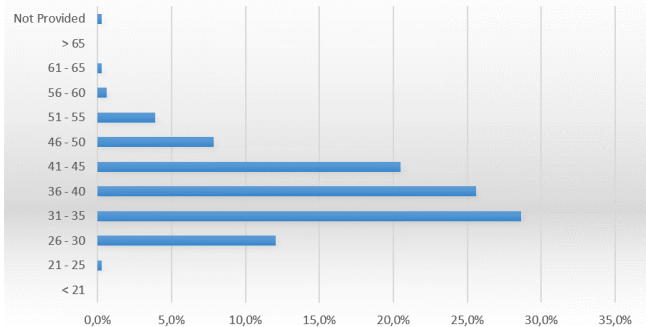
Gender



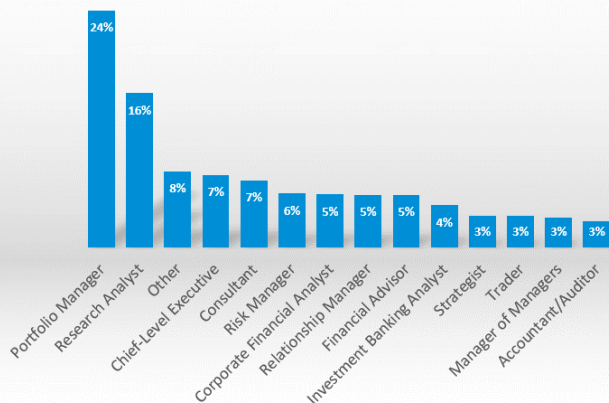
Top Employers



Age Range Society Average: 37,9yo

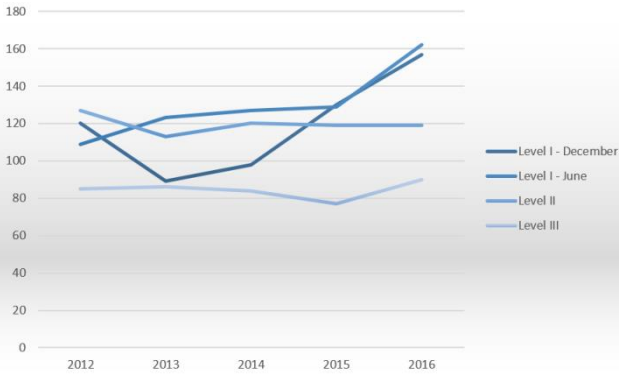


Occupation

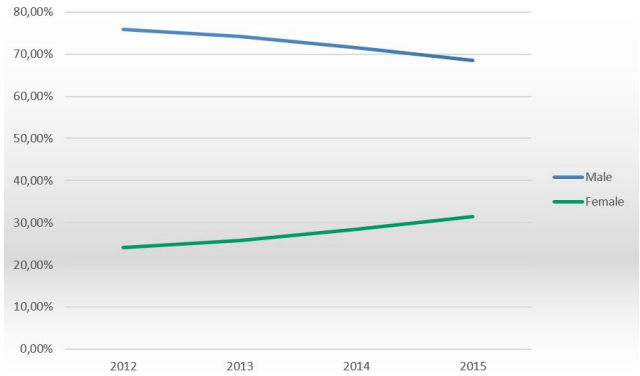


SOCIETY STATISTICS - CANDIDATES

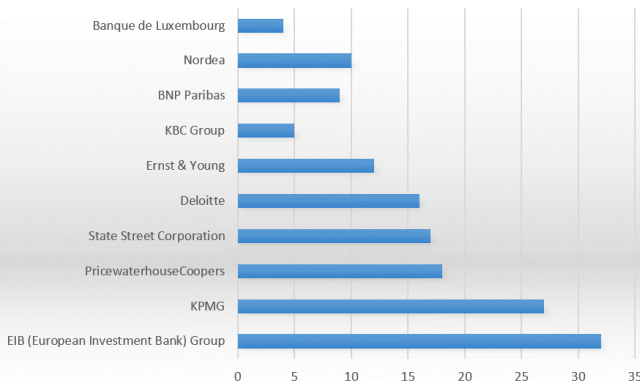
Candidates Trends



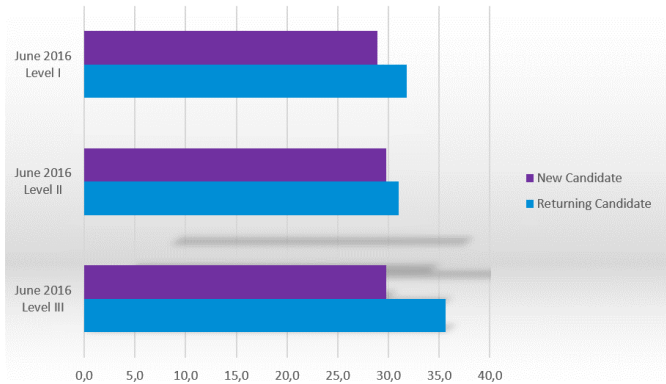
Gender



Top Employers



Age Range Society average: 31,15yo



Charter Pending Membership Status



BOARD OF DIRECTORS



President



Philippe Bernard, CFA, is Manager of Credit Suisse AG Luxembourg Branch and CFO Credit Suisse (Luxembourg) S.A. 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. Committee. In addition to holding a CFA charter, Mr Bernard is “Eidgenössisch Diplomierter Bankfachmann”.

Vice President

Program and Continuing Education Chair



Arndt Nicolaus, CFA, joined Credit Suisse in 2015 as Conducting Officer in charge of risk management & compliance of its 3rd party ManCo, MultiConcept Fund Management S.A. He was awarded the CFA charter in 1998 and has since been actively involved in CFA Institute by serving on the Candidate Curriculum Committee Working Body, and as an exam grader for Level II&III. He is a founding board member of the CFA Society Luxembourg.

Treasurer



Léon Kirch, CFA, was born in Luxembourg. He studied at the Ecole de Commerce Solvay and the Université Libre de Bruxelles, graduating with a Master's degree in Sciences Management in 1996. Following five-year at the Asset Management Department of Banque de Luxembourg, managing equity investment funds and buy-side equity analysis, he joined Nordea S.A. Luxembourg in of 2002 as fund manager of Nordea European Value Fund, an award winning investment fund. He held that position till 2014 before joining European Capital Partners S.A in Luxembourg as Chief Investment Officer and Lead Portfolio Manager to develop the value franchise inside the firm. Léon is the founding President of the Luxembourg CFA Society.

Secretary

Career Development Chair



Adela Baho, MSc, FRM, was born in 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 worked as Basel II Credit Research analyst at Hypo Real Estate Group, before taking on responsibilities as Senior Fixed Income Fund Manager within the KBL European Private Bankers. Recently, she has taken on responsibilities as Senior Financial Risk Manager at Credit Suisse's Management Company, MultiConcept Fund Management, 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.

University Liaison and Scholarship chair



Marc Fohr, CFA. After being European Equity Portfolio Manager at Salomon Brothers/Citigroup and Allianz Global, Marc Fohr, CFA, has worked as a Senior Portfolio Manager and Head of Developed Market Equities for Eurizon Capital. In 2013 he joined BCEE Asset Management where he is currently the Head of Investments. Marc became CFA charterholder in 2002.

Candidates Relations Chair



Camille Dumas, CFA was born in France. She studied at the University Paris Dauphine, graduating with a Master's degree in Asset Management in 2007. She worked 6 years in the private banking sector for various banks in France and Luxembourg namely HSBC Private Bank, BIL and Crédit Agricole Luxembourg as financial analyst and portfolio manager. She also worked in the investment fund industry at Dexia Asset Management Luxembourg S.A. for 2,5 years. Camille joined Deloitte in 2015 in the Luxembourg Consulting unit dedicated to the financial sector.

Membership and Technology chair



Peter Lamass, CFA, CAIA, was born in Germany. He studied at the SKEMA Business School, graduating with a Master in Management – Financial Markets in 2008. After experience in research and fund of fund management, Peter is working as portfolio manager by IIPM Group since 2009 in the areas of strategic and tactical asset allocation, as well as investment research. He is also Chartered Alternative Investment Analyst (CAIA).

Volunteers Relations Chair



Robert Zipp, CFA, FRM was born in USA. He studied at Texas A&M University (main campus) where he earned a BBA in Management, Magna Cum Laude. Later, he earned a MBA specialising in Finance at Sacred Heart University at Luxembourg. His professional experience is primarily focused on investments and includes over ten years of experience working at two local private banks, KBL and BIL. Prior to that, he worked in consulting at Arthur Andersen. Presently, he is the Investment Director in a family office and is responsible for investment strategy, instrument selection and portfolio management.

Employer Outreach Chair



Chris Lemke, MBA, was born in Germany. 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. 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 Luxembourg from 1999 to 2005, and Senior Manager Product Development at PwC's Academy 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.

Advocacy Chair



Michael Mekhaeel, CFA, FRM is Assistant Department Head of BBH Luxembourg's Depository Bank and responsible for managing the implementation and execution of the Depository's responsibilities surrounding asset safekeeping, other assets supervision, cash flow monitoring, and oversight duties. He is an active member of the ALFI Depository Bank working group forum and currently involved in the development of industry guidelines. Prior to joining BBH in June 2006, Michael was a VP, Senior Audit Consultant at Bank of America responsible for leading teams through audit reviews of the Private Wealth & Trust, Asset Management, Brokerage, and Investment Banking businesses. Before that, he was an expatriate in Latin America within the Operational Risk Management division of BankBoston (sub of FleetBoston Financial) specializing in internal audits of treasury and capital markets businesses. Michael has a B.S. in Finance from Providence College.

SOCIETY EVENTS

Charter Award Ceremony 2015



Post Exam Drinks 2016



Performance Measurement & GIPS Event



Breakfast Conference on Continuing Education with Dr. Barbara Petit, CFA



Alternative Investment Event : Investing in Music Royalties

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INVESTOR SERVICES

PIF Event 2016: Investor Protection: What's new? with Rhodri Preece, CFA



AUDITOR'S LETTERS

Allan Sastrup Jensen, CFA, CAIA

Audit for CFA Society Luxembourg

Fiscal year ending 31/08/2016.

Luxembourg 30/12/2016

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ending 31/08/2016. 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.

Best regards,



Allan Sastrup Jensen, CFA

AUDITOR'S LETTERS ctd'

Yves Bodson, CFA

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year that ended August 31st, 2016.

Accordingly, I have noted that the annual accounts as of August 31st, 2016 are in agreement with the accounting records and associated documents, which I have received in order to conduct the audit of the annual financial statements.

Kind regards,



**Yves Bodson, CFA
Statutory Auditor**

Luxembourg, February 3rd 2016