



ANNUAL REPORT 2018

CFA Society Luxembourg aims, with close to 400 Members, to be the leader in fostering the highest standards of knowledge, professionalism, and integrity in the investment management business in Luxembourg.

Mission

To lead the investment profession in Luxembourg by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of Society

A WORD FROM THE PRESIDENT

Dear Members,

Society membership reached an all-time high with 392 members at the end of the financial year. A total of more than 500 candidates were registered for a CFA exam, of which more than 350 were for Level 1.

I would like to take this opportunity to update you on two important projects that will affect us all in the coming years: **Continuing Professional Development (CPD)** and the **Societies 2.0** initiative. They are critical initiatives on our journey to be “the” professional body for the investment profession.

First on **CPD**, all respected professions (doctors, lawyers, accountants, etc.) mandate continuing professional development. Professionals must be current on the latest thinking and developments in their industry. The investment management profession has a patchy record in this regards. Some jurisdictions mandate CPD e.g., MiFID II, and others do not. We are required to attest annually that we comply with the Code of Ethics that states, in part, that we “maintain and improve our professional experience”. We are not prescribed a certain number of hours of mandatory training per year. Content and path are left to our discretion.

We aspire to lead the profession, so mandatory CPD is a topic we must tackle together. All of the concerns raised by CFA Institute members in 2002 when they rejected mandatory CPD have to be addressed. It will take time before proceeding, but we should keep this in mind going forward.

On the second theme, the goal of **Societies 2.0** is to unify the member-facing value proposition and have greater impact through local societies, recognizing that they are the only part of the CFA system that really knows their market intimately. “Thinking globally while acting locally” is in line with the goal of offering a better member experience and supports our ambition of increasing professional standards in our markets. Given the differences between CFA Societies around the world, no one approach will fit all circumstances.

In light of Societies 2.0, a special board seminar was held to review our Society’s mission statement and strategy. At the end of it, the decision was taken to revise our mission statement and adapt it with the CFA Institute mission statement, which is shorter, simpler to deliver and applicable to the overall aims of the group in Luxembourg, thus now reading:

To lead the investment profession in Luxembourg by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of Society

Additionally, the following strategic objectives were defined by the Board for our Society:

1. Develop future professionals to increase standards of entry and professionalism
2. Deliver member value to accelerate the professional success of members
3. Build market integrity and be recognized as the voice of the investment profession
4. Increase awareness of the CFA Society Luxembourg organization
5. Enhance the leadership, governance and operational functioning of CFA Society Luxembourg in support of Societies 2.0

Correspondingly, our **outlook** for the upcoming fiscal year will focus on increasing member value on one hand and strengthening our Society foundations (governance, operating framework and resources) on the other.

Finally, I want to use this opportunity to **thank our society volunteers**. You are the backbone of our Society day in and day out thanks to your initiative, energy, passion and valuable time commitment! None of our propositions would be possible without your hard work and dedication. The list of volunteers is long and the variety of ongoing activities even longer. Still, I would like to recognize the past contributions of Camille Dumas, CFA, our Candidates Chair who is retiring from the Board.

I look forward to another exciting year with CFA Society of Luxembourg!

Sincerely yours,

Philippe Bernard, CFA
President

ACTIVITY REPORT 2018

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. On the career development side, it is worth noting that 5 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 2017-2018:

	Date	Event	Speakers	Type of Event	Number of Participants
1	12/06/2017	How the crisis made Europe stronger	Kalin Anev Janse - Secretary General of the ESM and EFSF.	Educational	26
2	13/07/2017	AGM		Society	NA
3	18/09/2017	Annual "Back2Work" Networking Event		Social	60
4	21/09/2017	Business Run 2017 - Run & Dance !		Social	NA
5	17/10/2017	Bocconi series 2017: from nudging to engaging in pension	Barbara Alemanni - Professor of Financial Market and Institutions University of Genoa and SDA-Bocconi	Educational	19
6	25/10/2017	Real Estate Risk Management under the AIFMD	Jean-Eric Vimont, MRICS - founder JEV IM	Educational	25
7	29/11/2017	Sustaining Long-Term Economic Growth	Michael S. Falk, CFA, CRC - partner, Focus Consulting	Educational	27
8	16/01/2018	New Year's Cocktail		Social	50
9	12/02/2018	Influencing Skills: Using different styles	Chris Lemke, MBA - Vice President Learning & Development at SES		31
10	22/03/2018	Portfolio Construction and Performance Attribution	François Chauvet, CEO - APTimum Conseil	Educational	32
11	24/05/2018	Decision Making: Biases and Traps	Chris Lemke, MBA - Vice President Learning & Development at SES		16
12	20/06/2018	The Next Generation of Trust	Rebecca Fender, CFA - Head of Future of Finance at CFA Institute	Educational	31
13	26/06/2018	Post Exam Drinks 2018		Social	64

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

VOLUNTEERS

Our society is powered by its members for its members through the engagement of numerous volunteers in many different roles. You find below a list of some of those who contributed in 2018.

Auditors

Yves Bodson CFA
Alan Saustrup Jensen CFA

CFA Institute

Yves Courtois, CFA
Philippe Bernard, CFA
Matteo Candolini, CFA
Andrei C. Radu, CFA
Alain Levy, CFA
Arndt Nicolaus, CFA
Nicola Pochettino, CFA
Robert Zipp, CFA

Research challenge 2017-2018

Judges, Graders, Mentors

Lou Weiler, CFA
Marc Fohr, CFA
Gary Girault, CFA
Robert Zipp, CFA

Ambassador Program

Jacek Berenson, CFA
Petra Besson Fencikova, CFA
Giulia Campagnoli, CFA
John Michael Crowley, CFA
Evangelos Gkaripis Karipidis, CFA
Robin Christian Hamro-Drotz, CFA
Waewdow Jacamon, CFA
Antonio Jimenez Sanchez, CFA
Miroslav Kollar, CFA
Tomasz Kozlowski, CFA
Geoffrey Albert Lebeau, CFA
Javier Magdaleno, CFA
Christophe Xavier Meyer, CFA
Samir Moussaoui, CFA
Bob Muller, CFA
Beatrix Thaler, CFA
Thomas Alexandre Henry Van Cauter, CFA

Continuing Education – Social Events

Prash Chandrasekhar, CFA
Joanna Blaszczuk, CFA
Vu Duc'Anh
Iain Hackston, CFA
Feiran Long, CFA
Sara Alvarado, CFA

SOCIETY FINANCIALS

Our association has two main sources of funding in 2018:

- Membership fees,
- Financial support from CFA Institute &

These financial statements are primarily cash-based, with some accruals considered specifically provided for. The annual accounts for the years ended August 31, 2018 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.

Luxembourg CFA Society ASBL RCSL F7

Income Statement for the year ending August 31, 2018

<u>INCOME (in EUR)</u>	31/08/2018	31/08/2017
Membership fees	18.403	16.504
Local candidate membership fees	-	-
Member contribution to events	2.560	4.325
CFA Institute	24.446	24.144
Interest income	28	26
Exchange gain	15	6.191
Other exceptional income	-	-
Total income	45.452	51.190
<u>Expenditure (in EUR)</u>		
Events & presentations	26.309	29.687
Equipment purchase	-	-
Administrative costs	3.705	6.148
Exchange (gain)/loss	-	-
Total expenditure	30.014	35.835
Surplus / (Deficit)	15.439	15.355

Balance Sheet at August 31, 2018

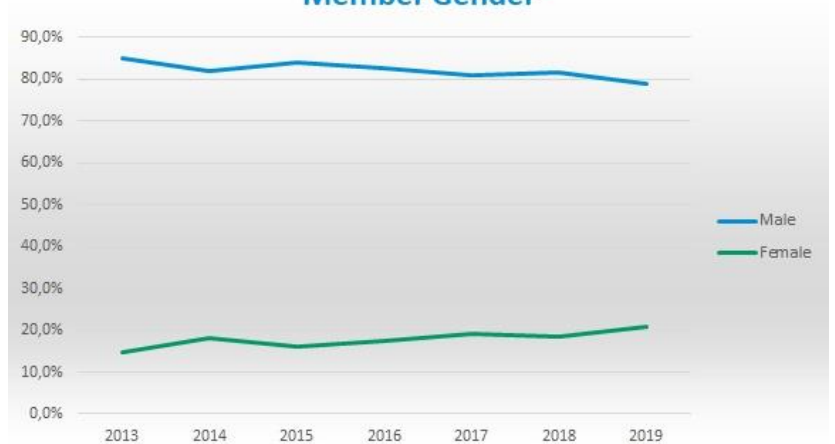
<u>ASSETS (in EUR)</u>		
Cash accounts	125.989	102.872
Other receivables	2.284	9.757
Deferred charges	150	-
Total assets	128.423	112.629
<u>LIABILITIES & EQUITY (in EUR)</u>		
Short term creditor	1.129	470
Deferred income	8.048	8.351
Equity at beginning of year	103.808	88.453
Surplus of the year	15.439	15.355
Equity at the end of year	119.246	103.808
Total Liabilities & equity	128.423	112.629

SOCIETY STATISTICS - MEMBERS

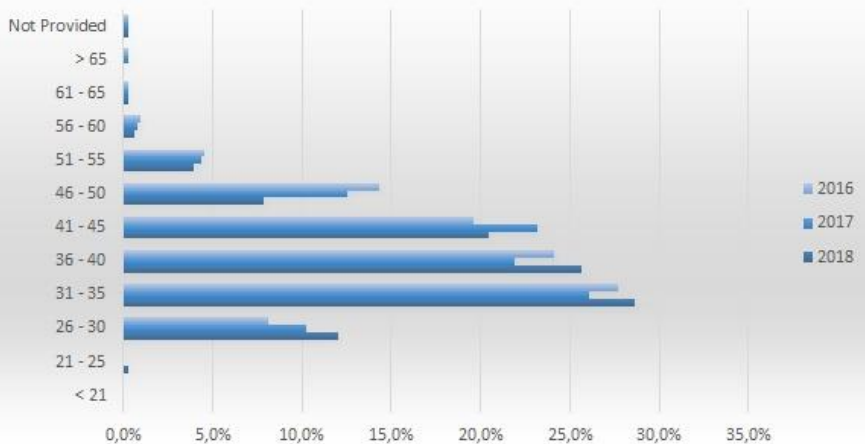
Membership Trends



Member Gender

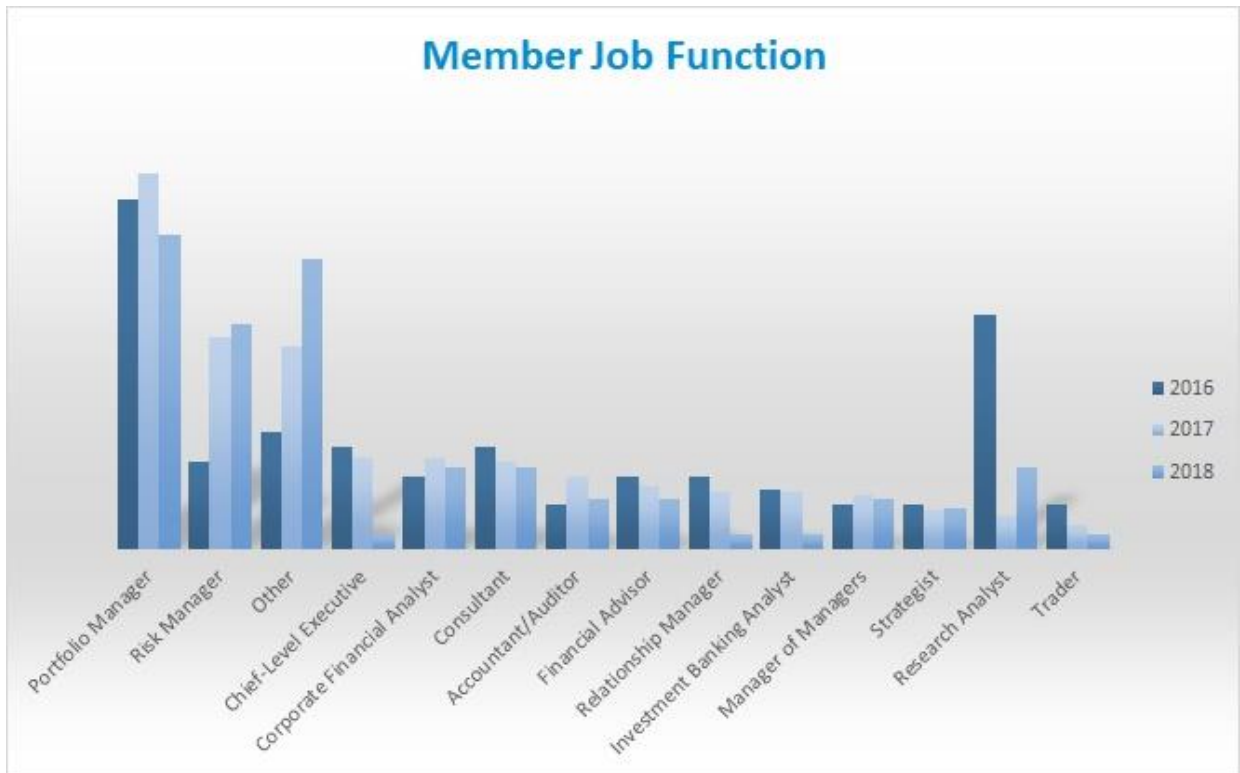


Member Age Range

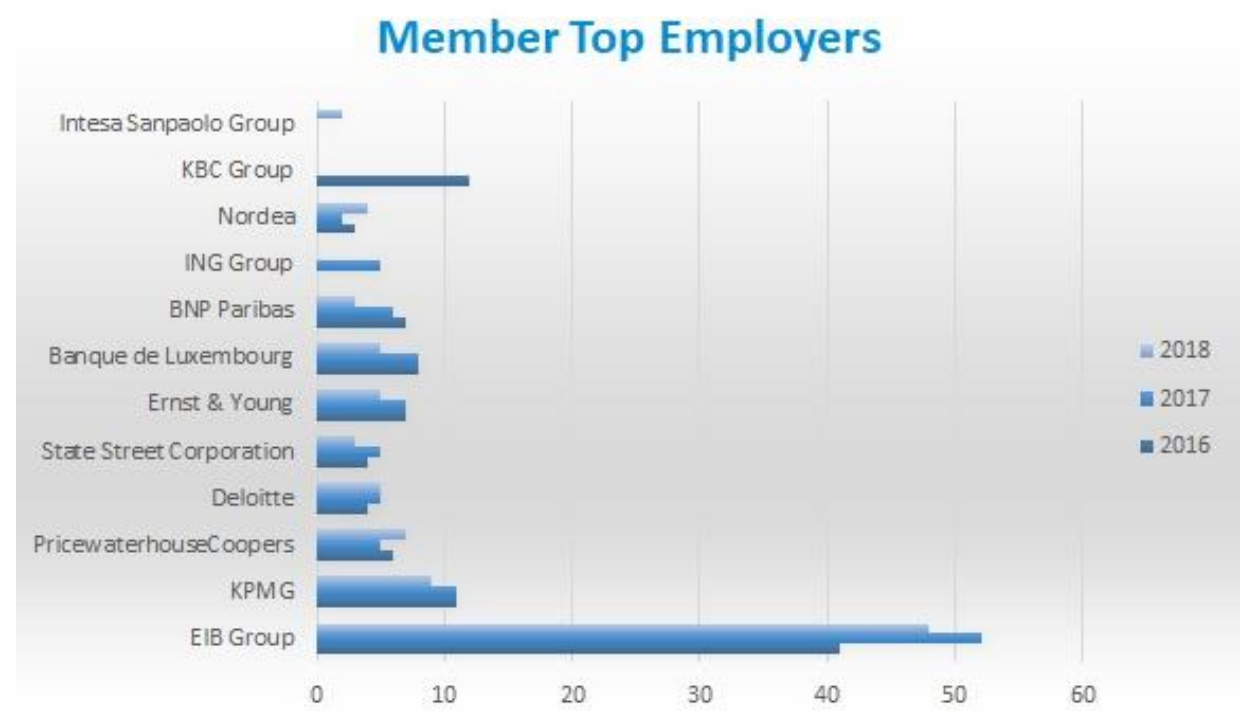


SOCIETY STATISTICS - MEMBERS

Member Job Function

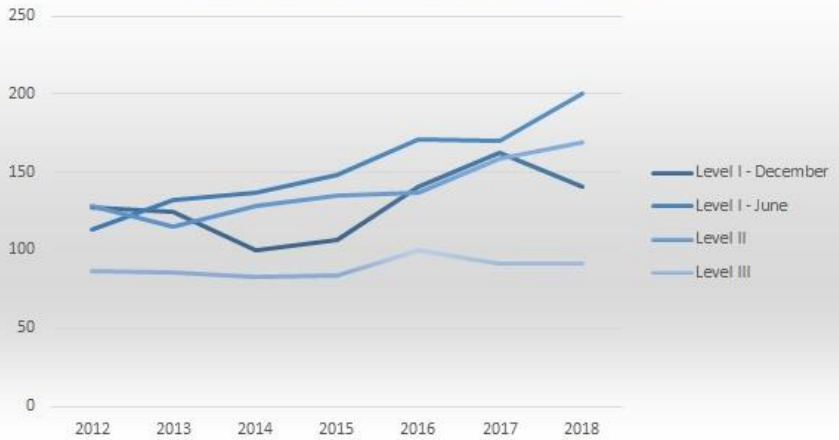


Member Top Employers

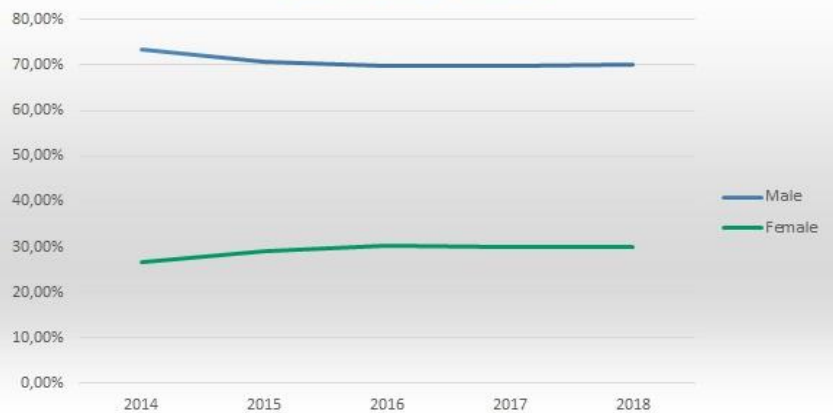


SOCIETY STATISTICS - CANDIDATES

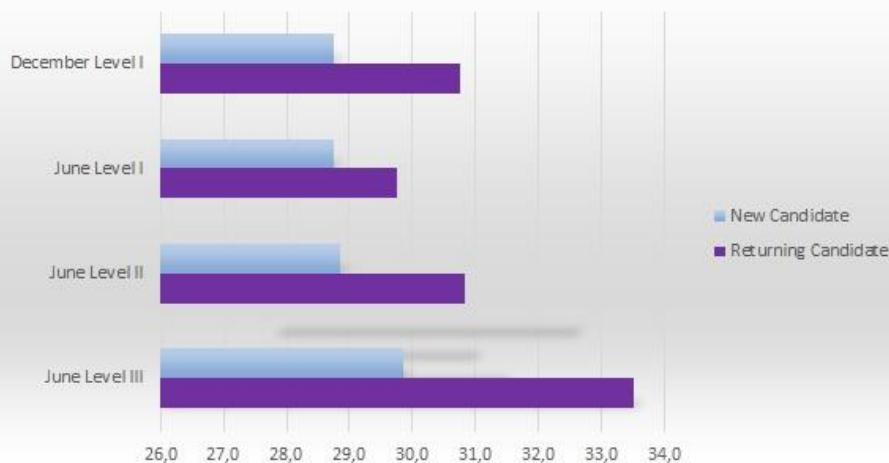
Candidates Registration Trends



Candidates Gender

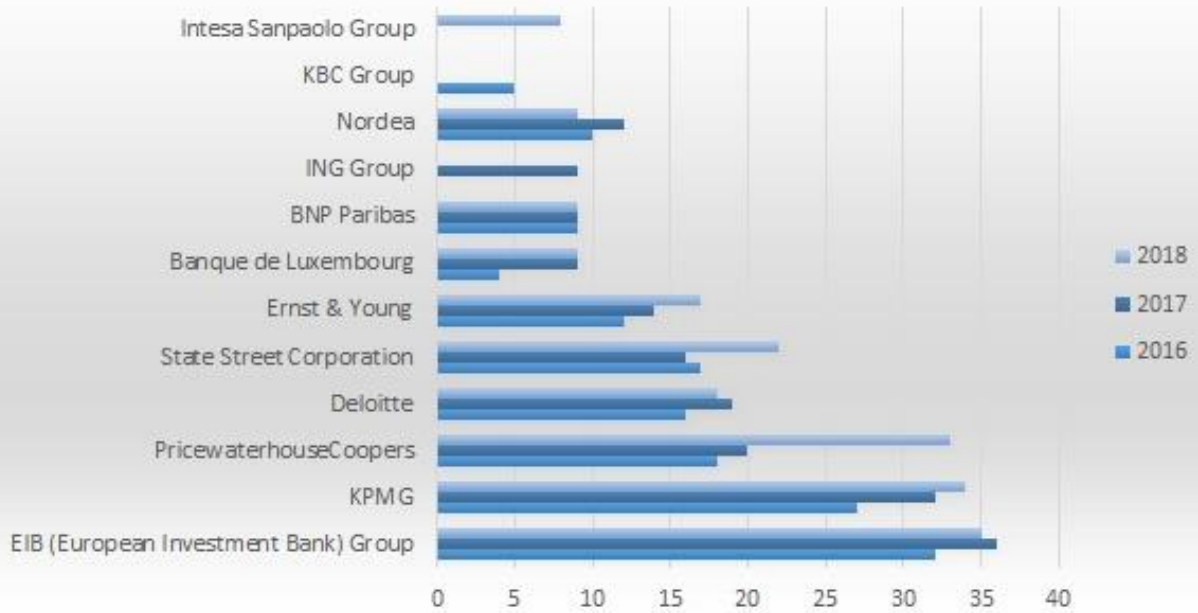


Average Age at Registration

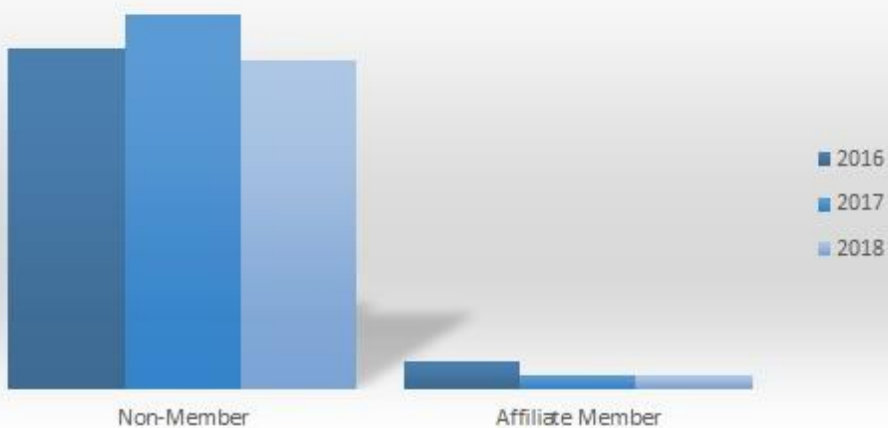


SOCIETY STATISTICS - CANDIDATES

Candidates Top Employers



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. 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



Thierry Klau, CFA, FRM, is Conducting Officer in charge of Risk Management at European Capital Partners. Thierry Klau worked previously as Head of Performance Measurement & Control at BG Fund Management Luxembourg S.A., from 2012 to 2015. Prior to joining BGFML, Thierry also performed Risk Management for the multi-strategy hedge fund manager Verition Fund Management in New York. He holds a Master degree in Financial Mathematics from Columbia University in New York and a Master in Engineering (FICM) in Applied Mathematics from Ecole Nationale Supérieure des Mines de Nancy.

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. She then took on responsibilities as Senior Financial Risk Manager at Credit Suisse's Management Company, MultiConcept Fund Management, in Luxembourg. She recently started working at Intertrust. 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.

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, studied Political Science in Bonn and Saarbrücken, graduating in 1994. Chris specialized in the design and delivery of learning events for professionals, including the financial sector. He now works as Vice President Learning & Development at SES, the Luxembourg-based provider of satellite communications and broadcasting services. His previous employers include the Estonian Business School in Tallinn, Goodyear Luxembourg, and PwC's Academy. Chris describes himself as an ambassador for high-impact training and learning. He's been in Luxembourg since 1999 and involved with the Luxembourg CFA Society since 2009.

SOCIETY EVENTS

Charter Award Ceremony 2017



Business Run 2017 CFA Team



Performance Measurement and Evaluation; Portfolio Management



New Year Cocktail 2018



AUDITOR'S LETTERS

Allan Saustrup Jensen, CFA, CAIA

Audit for CFA Society Luxembourg

Fiscal year ending 31/08/2018.

Luxembourg 19/12/2018

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ending 31/08/2018. 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 Saustrup 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, 2018.

Accordingly, I have noted that the annual accounts as of that date of August 31st, 2018 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, March 7th 2019