



CFA Society  
Luxembourg

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# **Annual Report 2014**

# 1 Introduction to the Annual Report

Dear Members,

The 2013-2014 exercise of the Luxembourg CFA Society was marked by increased activities. On one side, the continuous and regular delivery of content to the members through various events in continuing education and social events remained our core focus (refer to Section 2 entitled "Activity Report" for more information).

On the other side, constant efforts were made to reach out to other industry organizations and stakeholders (i.e. regulators, employers, universities, peer societies, etc.) raising public awareness and fostering collaboration. For example, collaboration with our university partners progressed significantly:

- After a year of preparation, the Luxembourg School of Finance joined the CFA University Recognition Program in November 2013. This is a significant achievement raising the CFA brand awareness among professors and students who also have access to scholarships.
- Investment Research Challenge (IRC): Luxembourg was represented for the first time in this global competition. A team of students participated in the Benelux challenge and nearly reached the final. This is considered a big success for a first time participation. In addition, Luxembourg supported the Ukrainian IRC by providing the subject company (SES).

Society membership reached an all-time high with 239 members at the end of the financial year. 277 CFA Charterholder candidates sat for the June exam in Luxembourg, of which 35 successfully completed Level III (see Section 4 "Luxembourg Society Statistics" for more information).

In May, the Board convened for a workshop aiming to review the strategy and business plan for the coming years. Guided by the input you provided in the membership survey, the VISION and MISSION statements of the Luxembourg CFA Society were updated and are reflected here:

## 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, & members.

## MISSION

It is our Mission to:

- Enable and engage members and candidates to pursue professional excellence and on-going 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.

The Vision and Mission has provided guidance and inspiration for the definition of our strategic goals. The Society has already started working on concrete actions on topics important for our local community. Some will be developed in close collaboration with CFA Institute and the FUTURE OF FINANCE initiative, a long-term effort to shape the financial industry that better serves society. Everyone's engagement in this initiative is of the utmost importance. It is up to investment professionals to restore trust through our professional and ethical practices, as well as our actions.

Last but not least, I would like to recognize the contribution of Knut Reinertz, Vice President and Treasurer, to the Society. As a founding board member, his dedication to the Society was tireless. Wherever around the globe, he was always available when required, providing clear and sharp advice.

Finally, I would like to thank all of you who have contributed on different levels. It was the hard work and dedication of board members and volunteers as well as members' participation and interest in the various activities, projects and initiatives that made 2014 a successful year for the Luxembourg CFA Society. I am very pleased and optimistic that this momentum and fresh drive delivered by a bunch of new recruits will continue in 2015 in moving the Society ahead with its Vision and Mission.

I look forward to meeting you at one of our upcoming events.

Sincerely,

Philippe Bernard, CFA

## 2 Activity report

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

The Board set the goal of one event per month on average. Most events attracted an audience of between 20 to 50 members ( networking events typically even more than that). These events would not be possible without the support of our sponsors. In 2014, collaboration was initiated with FactSet, a leading provider of financial information, sponsoring continuing education events by providing a venue and catering.

On the career development side, it is worth noting that 14 jobs opportunities were communicated to the members.

We informed and helped our CFA candidates to prepare successfully for their exams and new CFA charter holders were recognised and applauded at the annual Charter Award Ceremony.

The table below gives an overview of the events held in the financial year 2013-2014:

	Date	Event	Speaker(s)	Type of Event	Location
1	17/09/2013	Back2work drink		Social event	Vinoteca
2	17/10/2013	Using Economic Exposure in Managing Global Portfolios	Sebastien Lieblich, Executive Director and Global Head of Index Management at MSCI.	lecture, 1.5 CE credits	Chambre de Commerce
3	28/11/2013	Charter Award Ceremony 2013	Anne-Katrin Scherer, CFA, PCR EMEA West	new charterholder welcome	Cercle Munster
4	06/02/2014	Infrastructure: an emerging global asset class.	Yves Courtois, CFA, Partner in Charge of Corporate Finance at KPMG	lecture, 1.5 CE credits	KPMG
5	24/04/2014	How to assess risk? Active versus Passive asset management	Mathijs Koen, VP Portfolio Analytics FactSet	lecture, 1.5 CE credits	Hotel Le Royal
6	29/04/2014	Free Live Webcast of David Rosenberg	David Rosenberg, Chief Economist and Strategist, Gluskin Sheff and Associates	Society 1 CE Credit	Distinguished Speaker Series Advisory Group
7	20/05/2014	Global High Yield Bonds: Why Invest in High Yield and why globally?	Mary Bowers, CFA, Senior Portfolio Manager, HSBC Global Asset Management	1 CE/SER credit	Hotel Le Royal
8	11/06/2014	Post-Exam Happy Hour		Society	Vinoteca
9	02/10/2014	Back2work Drink		Social event	Gloss
10	08/10/2014	Contingent Convertibles Bonds: What are they and how do they impact corporate governance and pricing?	Prof. Theo Vermaelen (INSEAD Business School) and Mouctar Bah (PhD researcher - Ghent University)	1 CE/SER credit	Hotel Le Royal

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.

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

The annual accounts for the year ending August 31, 2014 were audited independently by Allan Saustrup Jensen and Yves Bodson. Both statutory auditors issued unqualified auditor's letters (Refer to Section 6 entitled "Auditor's Letters" for more information).

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

### Income Statement for the year ending August 31,2014

<b>INCOME ( in EUR)</b>	<b>31/08/2014</b>	<b>31/08/2013</b>
Membership fees	9,077	18,080 (1)
Local candidate membership fees	943	0
Member contribution to events	250	0
CFA Institute	12,452	13,702
Interest income	18	147
Exchange gain	783	-
<b>Total income</b>	<b>23,522</b>	<b>31,929</b>
<b>Expenditure ( in EUR)</b>		
Events & presentations	13,327	13,736
Equipment purchase	702	0
Administrative costs	4,831	9,307
Exchange (gain)/loss		1,846
<b>Total expenditure</b>	<b>18,859</b>	<b>24,888</b>
<b>Surplus / ( Deficit)</b>	<b>4,663</b>	<b>7,041</b>

### Balance Sheet at August 31,2014

<b>ASSETS ( in EUR)</b>		
Cash accounts	53,826	45,204
Other receivables (2)	5,937	8,464
Deferred charges	1,333	0
<b>Total assets</b>	<b>61,096</b>	<b>53,668</b>
<b>LIABILITIES &amp; EQUITY (in EUR)</b>		
Short term creditor	3,000	0
Deferred income	3,836	4,071
Equity at beginning of year	49,597	42,557
Surplus of the year	4,663	7,041
Equity at the end of year	54,260	49,597
<b>Total Liabilities &amp; equity</b>	<b>61,096</b>	<b>53,668</b>

(1) Membership fees 2012/2013 included the period June-July and August 2013, as well as USD 5,000,- for the rebranding budget.

(2) Membership fees receivable for the period June-July and August 2014 - USD 7,800,- were paid September 10, 2014.

## 4 Luxembourg Society Statistics

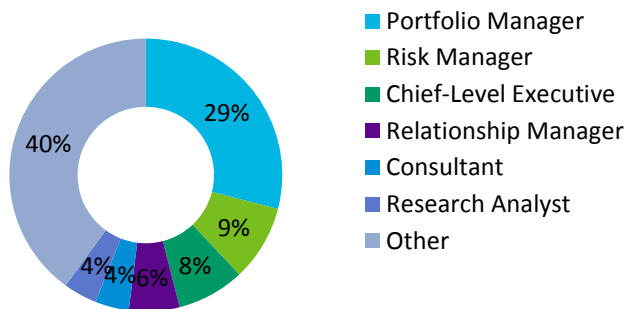
### Trends

#### 4.1.1 Member trends

Members – as of October 2014: 292 = 266 Regular + 6 Affiliates + 20 Local

#### 4.1.2 Member occupation

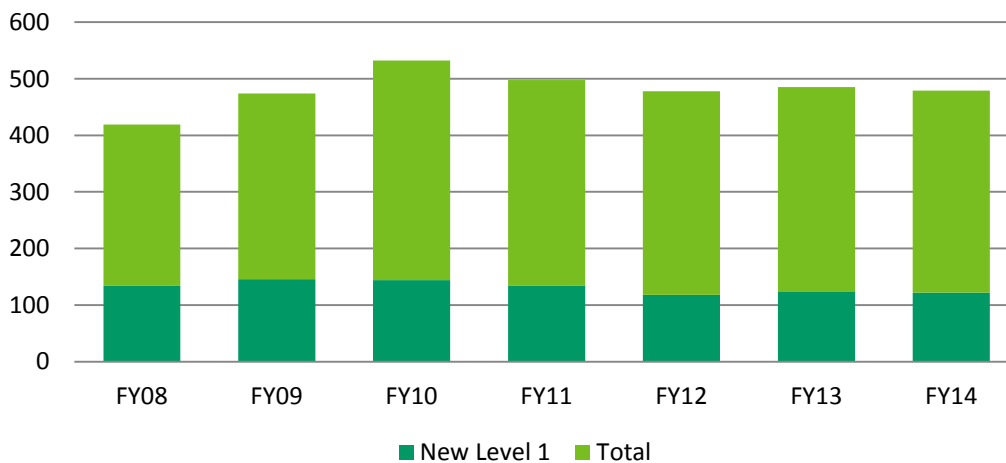
### Members occupational breakdown



#### 4.2 Candidate trends

Candidates – as October 2014: 122 new Level I candidates, 69 Level II candidates, 55 Level III candidates.

### Candidate trends



## 5 Board of Directors

Position	Name	On the board since	Current term expiring*	New term expiring*
<b>President</b>	<b>Philippe Bernard</b>	<b>2002</b>	<b>2014</b>	<b>2017</b>
<b>Treasurer</b>	<b>Léon Kirch</b>		<b>new</b>	<b>2017</b>
<b>Vice President</b>	<b>Antonio Grieco</b>	<b>2005</b>	<b>2014</b>	<b>2017</b>
Secretary	Adela Baho	2012	2015	
<b>Vice President</b>	<b>Arndt Nicolaus</b>	<b>2002</b>	<b>2015</b>	<b>New as Vice President</b>
Director	Marc Fohr	2007	2016	
Director	Matteo Candolfini	2009	2016	
Director	Chris Lemke	2012	2015	
Director	Robert Zipp	2014	2016	
<b>Director</b>	<b>Michael Mekhaeel</b>		<b>new</b>	<b>2017</b>

\* The table refers to the calendar year, i.e. a term expiring in CY 2014 runs until the Annual General Meeting scheduled to be held.

### New Directors running this year:



**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 (a subsidiary of FleetBoston Financial) specializing in internal audits of treasury and capital markets businesses. He also completed a two-year Management Development Program sponsored by the CFO of Fleet Financial Group. Michael has a B.S. in Finance from Providence College. Michael will chair Advocacy.



**Léon Kirch, CFA**, was born in Luxembourg in 1972. 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 a five-year stint in the Asset Management Department of Banque de Luxembourg, where his main functions included managing in-house equity investment funds and buy-side equity analysis, he joined Nordea S.A. Luxembourg at the beginning of 2002 as fund manager of Nordea European Value Fund, an award-winning investment fund. He held that position until 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 and will now serve as Treasurer.

### Current Board Members:



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. He holds the chair for Advocacy.



Vice-President

**Antonio Grieco**, CFA, is Executive Director at J.P. Morgan Asset Manager and a Senior Sales for Luxembourg and Belgium. His focus during the last 3 years has been on fund analysis, fund positioning and research and product strategy. He holds the CFA Courses Chair.



Secretary General

**Adela Baho**, is Senior Financial Risk Manager in the SEB Fund Services in Luxembourg, after 6 years as Fixed Income Portfolio Manager. 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 holds the Career Development Chair.



Director

**Matteo Candolini**, CFA, has firstly worked as Portfolio Manager of two asset allocation funds for private banking clients and then as hedge fund analyst in Luxembourg. Currently he is Conducting Officer at Quaestio Investments SA, with a focus on Risk Management. He holds the Technology Chair and Membership Chair.



Director

**Marc Fohr**, CFA, has worked as a Senior Portfolio Manager for retail funds with European equities and where he became Head of Developed Market Equities in Luxembourg. In 2013 he joined BCEE Asset Management as Head of Equities. Marc became CFA charterholder in 2002. He holds the University Liaison chair.



Director

**Arndt Nicolaus**, CFA, serves since 2014, as Risk Director and Conducting Officer at JTC (Luxembourg) S.A. 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, and as an exam grader for Level II&III. He is a founding board member of the CFA Society Luxembourg and holds the following chairs: Program and Continuing Education.



Director

**Chris Lemke**, 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. He's been involved with the Luxembourg CFA Society since 2009 and currently chairs Employer Outreach.



Director

**Robert Zipp**, CFA, is responsible for equity strategy and stock selection and manages equity-focused portfolios in a family office in Luxembourg. His professional experience is primarily focused on investments and covers activities such as portfolio strategy, investment analysis and stock selection. He holds the Volunteer Chair.

## 6. Auditor's Letters

### 6.1 Allan Sastrup Jensen, CFA, CAIA

Luxembourg, 07/10/2014

To the members of CFA Society Luxembourg

I have been entrusted the mandate of statutory auditor for the year ended 31. August 2014.  
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,



Allan Sastrup 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 that ended August 31<sup>st</sup>, 2014.**

**Accordingly, I have noted that the annual accounts as of August 31<sup>st</sup>, 2014 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, October 8<sup>th</sup> 2014**