

The CFA Society of St. Louis

**Annual Report
2007-2008**



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2007-2008 Officers, Board of Directors, and Standing Committees

Officers

President	Eric Petroff, CFA
Vice President	Michael Cody, CF
Treasurer	James Ellis, CFA
Secretary	Nong Lin, CFA

Board of Directors

Chris P. Bloomstran, CFA	Mark Dickherber, CFA
Scott Colbert, CFA	Beth Johnson, CFA
Marc Griffith, CFA	Tom Leritz, CFA
Grant Leslie, CFA	

Standing Committees

Advocacy	Julianne C. Iwersen-Niemann, CFA
Education	Shawn Barnes, CFA
Membership	Kevin Osten, CFA
Program*	Michael Cody, CFA
Publicity	Scott Thoma, CFA

* Program Committee Members: Chris Tocco; Shaum Shrinivas; Nick Fafoglia; Dan Myers; Joe Walkenbach; Kevin Osten; Marc Griffith; Lewis Bettman.

President's Report 2007-2008

The CFA Society of St. Louis (CFASTL) continues to improve in its efforts to facilitate the professional development of the financial community. Through the diligent work of the society's volunteers progress was made in the areas of membership, advocacy, programming, education, and publicity.

The past twelve months were marked with another year of growth in active membership. With its 572 members the St. Louis Society now ranks in the top quartile among the 135 societies that are associated with the CFA Institute.

In programming several well known industry speakers like Jason Trennert, Cliff Asness, and Ed Yardeni were retained to present at our local luncheons. The elimination of a luncheon fee for CFASTL members continues to help improve attendance. Average attendance per luncheon increased for the second year-in-a-row.

Our efforts in the area of education continue to provide benefits for CFA candidates. The relationships with outside study guide vendors were effectively managed with lower costs for the study guides being the result. Also, a well attended Mock Exam was held prior to the Spring Exam to assist candidates.

Public relations and advertising helped increase awareness of CFASTL, our members, and the CFA program. Ads were placed in the St. Louis Business Journal and Ladue News to promote several luncheons. Radio ads were placed on local radio stations (97.1 FM Talk and Classic99). CFASTL entered the CFA Institute's Society Outreach Challenge at the start of 2008. Our proposal to be one of the corporate sponsors for the "From the Garden LIVE!" concert series at the Missouri Botanical Garden was approved. Besides advertising in the event's program, information on CFASTL was provided in pre-event over the air advertising and during the live radio broadcast of each of the five events.

Our past year's successes could not have been possible without the time and effort of the CFASTL volunteers. Without their assistance the various services provided and offered by CFASTL to its members would not be possible. CFASTL is strong financially and working towards providing better services to its members. With your support, participation, and involvement CFASTL will experience continued success.

Treasurer's Report 2007-2008

James Ellis, CFA

The Society's gross revenues for fiscal year 2008 were almost \$124,000, which reflected a \$26,320 reimbursement from the CFA Institute. Net of this re-imbursement, total revenues for FY08 were almost \$97,700. This balance reflects dues from 609 paying members or candidates in the CFA program. Corporate Sponsorships accounted for \$5,000 in revenue along with a \$5,000 sponsorship for education. \$12,000 was received as a grant from the CFAI as part of the CFA Outreach Program.

Expenses during FY08 totaled \$93,200, which includes \$30,800 in expenses for lunch meetings and \$15,600 in administrative fees. Education expense was \$13,200, but was offset by the \$5000 corporate sponsorship.

The Society had positive cash flow of \$30,800 during FY08. Once the \$26,320 reimbursement is netted out, the Society had positive cash flow of about \$4,500 during the fiscal year.

A gross profit & loss statement is presented, as well as a profit & loss statement net of the CFAI expense in FY07 and reimbursement in FY08.

CFA Society of St. Louis
Profit Loss Prev Year Comparison
 July 2007 through June 2008

CFA Society of St. Louis
Profit & Loss Prev Year Comparison (Gross)
 July 2007 through June 2008

	<u>Jul '07 - Jun 08</u>	<u>Jul '06 - Jun 07</u>	<u>\$ Change</u>	<u>% Change</u>
Income				
CFA outreach program	12,000.00	0.00	12,000.00	100.0%
4900-00 · Corporate Sponsorship	5,000.00	0.00	5,000.00	100.0%
4000-00 · Membership Dues	60,900.00	60,580.00	320.00	0.53%
4200-00 · Education Income	5,430.09	245.00	5,185.09	2,116.36%
4050-00 · Reimbursed Expense	0.00	8,000.00	-8,000.00	-100.0%
4060-00 · Miscellaneous Revenue	300.00	660.00	-360.00	-54.55%
4210-00 · CFA Miscellaneous Income	36,786.57	0.00	36,786.57	100.0%
4220-00 · Luncheon Meetings	1,185.00	6,050.00	-4,865.00	-80.41%
4010-00 · Interest	2,396.98	2,049.06	347.92	16.98%
Total Income	<u>123,998.64</u>	<u>77,584.06</u>	<u>46,414.58</u>	<u>59.83%</u>
Expense				
CFA DAY funding 60th year	0.00	26,320.27	-26,320.27	-100.0%
5020-00 · General Postage/Messenger	112.19	27.69	84.50	305.16%
5030-00 · Telephone/Fax/Email	1,103.68	957.14	146.54	15.31%
5050-00 · Copying	76.33	150.00	-73.67	-49.11%
5060-00 · Supplies	131.05	2,575.56	-2,444.51	-94.91%
5070-00 · Data Processing	777.95	893.36	-115.41	-12.92%
5100-00 · MANAGEMENT FEES	15,600.00	14,400.00	1,200.00	8.33%
5110-00 · PROFESSIONAL SERVICES	0.00	0.00	0.00	0.0%
5120-00 · Insurance	0.00	932.00	-932.00	-100.0%
5180-00 · Reimbursed Expense	15,000.00	0.00	15,000.00	100.0%
5190-00 · General Miscellaneous Expense	200.00	210.00	-10.00	-4.76%
5200-00 · BOARD OF DIRECTORS	8,491.56	3,452.93	5,038.63	145.92%
5300-00 · EDUCATION	13,155.87	9,816.83	3,339.04	34.01%
5400-00 · Marketing	7,731.25	3,571.25	4,160.00	116.49%
5500-00 · MEMBERSHIP COMMITTEE	0.00	655.47	-655.47	-100.0%
5650-00 · LUNCHEON MEETINGS	30,775.74	24,234.18	6,541.56	26.99%
Total Expense	<u>93,155.62</u>	<u>88,196.68</u>	<u>4,958.94</u>	<u>5.62%</u>
Net Income	<u><u>30,843.02</u></u>	<u><u>-10,612.62</u></u>	<u><u>41,455.64</u></u>	<u><u>-390.63%</u></u>

CFA Society of St. Louis
Profit & Loss Prev Year Comparison
 July 2007 through June 2008

CFA Society of St. Louis
Profit & Loss Prev Year Comparison (Net)
 July 2007 through June 2008

	<u>Jul '07 - Jun 08</u>	<u>Jul '06 - Jun 07</u>	<u>\$ Change</u>	<u>% Change</u>
Income				
CFA outreach program	12,000.00	0.00	12,000.00	100.0%
4900-00 · Corporate Sponsorship	5,000.00	0.00	5,000.00	100.0%
4000-00 · Membership Dues	60,900.00	60,580.00	320.00	0.53%
4200-00 · Education Income	5,430.09	245.00	5,185.09	2,116.36%
4050-00 · Reimbursed Expense	0.00	8,000.00	-8,000.00	-100.0%
4060-00 · Miscellaneous Revenue	300.00	660.00	-360.00	-54.55%
4210-00 · CFA Miscellaneous Income	10,466.30	0.00	10,466.30	100.0%
4220-00 · Luncheon Meetings	1,185.00	6,050.00	-4,865.00	-80.41%
4010-00 · Interest	2,396.98	2,049.06	347.92	16.98%
Total Income	<u>97,678.37</u>	<u>77,584.06</u>	<u>20,094.31</u>	<u>25.9%</u>
Expense				
CFA DAY funding 60th year	0.00	0.00	0.00	0.0%
5020-00 · General Postage/Messenger	112.19	27.69	84.50	305.16%
5030-00 · Telephone/Fax/Email	1,103.68	957.14	146.54	15.31%
5050-00 · Copying	76.33	150.00	-73.67	-49.11%
5060-00 · Supplies	131.05	2,575.56	-2,444.51	-94.91%
5070-00 · Data Processing	777.95	893.36	-115.41	-12.92%
5100-00 · MANAGEMENT FEES	15,600.00	14,400.00	1,200.00	8.33%
5110-00 · PROFESSIONAL SERVICES	0.00	0.00	0.00	0.0%
5120-00 · Insurance	0.00	932.00	-932.00	-100.0%
5180-00 · Reimbursed Expense	15,000.00	0.00	15,000.00	100.0%
5190-00 · General Miscellaneous Expense	200.00	210.00	-10.00	-4.76%
5200-00 · BOARD OF DIRECTORS	8,491.56	3,452.93	5,038.63	145.92%
5300-00 · EDUCATION	13,155.87	9,816.83	3,339.04	34.01%
5400-00 · Marketing	7,731.25	3,571.25	4,160.00	116.49%
5500-00 · MEMBERSHIP COMMITTEE	0.00	655.47	-655.47	-100.0%
5650-00 · LUNCHEON MEETINGS	30,775.74	24,234.18	6,541.56	26.99%
Total Expense	<u>93,155.62</u>	<u>61,876.41</u>	<u>31,279.21</u>	<u>50.55%</u>
Net Income	<u><u>4,522.75</u></u>	<u><u>15,707.65</u></u>	<u><u>-11,184.90</u></u>	<u><u>-71.21%</u></u>

CFA Society of St. Louis
Balance Sheet Prev Year Comparison
As of June 30, 2008

CFA Society of St. Louis
Balance Sheet Prev Year Comparison
As of June 30, 2008

	<u>Jun 30, 08</u>	<u>Jun 30, 07</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
transfer fidelity investments	38,130.14	34,029.06	4,101.08	12.05%
1100-03 · Bank of America	42,205.40	15,463.46	26,741.94	172.94%
1110-00 · Petty Cash	55.00	55.00	0.00	0.0%
Total Checking/Savings	<u>80,390.54</u>	<u>49,547.52</u>	<u>30,843.02</u>	<u>62.25%</u>
Accounts Receivable				
1300-00 · Accounts Receivable	0.00	-700.00	700.00	100.0%
1320-00 · Accrued Accounts Receivable	0.00	-4,070.00	4,070.00	100.0%
Total Accounts Receivable	<u>0.00</u>	<u>-4,770.00</u>	<u>4,770.00</u>	<u>100.0%</u>
Other Current Assets				
1200-02 · Prepaid Insurance	889.00	889.00	0.00	0.0%
Total Other Current Assets	<u>889.00</u>	<u>889.00</u>	<u>0.00</u>	<u>0.0%</u>
Total Current Assets	<u>81,279.54</u>	<u>45,666.52</u>	<u>35,613.02</u>	<u>77.99%</u>
TOTAL ASSETS	<u><u>81,279.54</u></u>	<u><u>45,666.52</u></u>	<u><u>35,613.02</u></u>	<u><u>77.99%</u></u>
LIABILITIES & EQUITY				
Equity				
3000 · Opening Bal Equity	19.00	19.00	0.00	0.0%
3900-00 · Fund Balance	53,568.24	42,384.16	11,184.08	26.39%
Net Income	<u>27,692.30</u>	<u>3,263.36</u>	<u>24,428.94</u>	<u>748.58%</u>
Total Equity	<u>81,279.54</u>	<u>45,666.52</u>	<u>35,613.02</u>	<u>77.99%</u>
TOTAL LIABILITIES & EQUITY	<u><u>81,279.54</u></u>	<u><u>45,666.52</u></u>	<u><u>35,613.02</u></u>	<u><u>77.99%</u></u>

Membership Chair's Report 2007-2008

Kevin Osten, CFA

Society membership continues to grow despite the challenging and rapidly changing landscape throughout the region. Over the past fiscal year, membership rose 2% to 572 members. The CFA designation continues to benefit from increased visibility among investment professionals. The percentage of members holding the CFA Charter increased by 2% over the course of the year. Likely due to the CFA Institute's broad initiatives to gain recognition of the program. Moving forward, as headwinds continue to develop across the financial services industry the importance of these initiatives will grow.

We have continued to work on improving membership growth and involvement through the relationships with local universities and exam preparation programs. These programs provide students who are interested in the CFA program a great opportunity to learn more and to network which in turn provides a pipeline of future members as well as good public relations with the local universities.

The changes to our membership fee structure have succeeded in increasing involvement in the Society and attendance at the luncheons. We continue to grow the Society membership in terms of absolute numbers, but would like to continue to bring passive members into fold and become contributing members of our society.

Membership Report

<u>St. Louis Society:</u>	<u>6/30/2003</u>	<u>6/30/2004</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2007</u>	<u>6/30/2008</u>
Regular Members	378	426	460	493	511	517
Affiliate Members	54	46	55	47	46	49
Retired Members	8	8	10	8	6	6
TOTAL	440	480	525	548	563	572
CFA Charterholders	262	298	400	439	458	477
Percentage with CFA Designation	60%	62%	76%	80%	81%	83%

New Members 2007-2008

David R. Eidelman, CFA
Craig J. Nickels, CFA
Bryan P. Oliver, CFA
John R. Jackson
Yu Zhai, CFA
Kimberly G. Walker, CFA
Timothy M. Winter, CFA
Jim Louis Giacini, CFA
David M. Blake, CFA
Donald M. Cobin, CFA
Kenneth H. Crawford
Timothy D. Westrich, CFA
Chunmo Li, CFA
Yanda Xu
Morgan Lynn Koenig
Justin L. Kinney, CFA
Ryan A. Craig, CFA
Christopher J. Schmitt, CFA
Timothy L. Hayes
Michael Dugan Kelly, CFA
John M. Fischer, CFA
Atanu Ghosh
Brett Nathan Howard, CFA
Matthew G. Byron
Thomas H Potts, CFA
Russell J Polcyn, CFA
Gabriel E Crump, CFA
Grant William Turner, CFA
John Christian Kelley

James C. McCarthy Jr.
D'Anne G. Hancock
Daniel R. Skubiz, CFA
Amy Elefante Bedi, CFA
Gary J. Kauppila, CFA
Christopher A. Lowry, CFA
Bryan Joseph Luebbert, CFA
Yinan Wang, CFA
F. Gilbert Bickel III
Daniel Young Hwan Lee, CFA
Vincent A. Stegman, CFA
Naveen Babu Mallela, CFA
Jonathan Taylor McElhaney, CFA
Michael D. Bertz, CFA
Andrew Saporoschenko, CFA
Elliot John Graf
Madsen South
Jitesh Shah, CFA
Joseph V Nguyen
Jeffrey E Windau
Brian Joseph Brungardt Jr.
Chelsey A. Raymond
Michael Jed Ellerbroek Jr.
Shannon Lee Stemm
John F. Schweizer
Sean B. Callison
Francesco Nodari
Mark Sandquist

Program Chair's Report 2007-2008

Wm. Michael Cody, CFA

The goal for the Programming Committee was to find quality speakers that covered current topics of interest. Up to date meeting topics offer value to our members by providing them with education on today's hot topics. The excellent suggestions from the Programming Committee members and their successful efforts of securing interesting and topical speakers helped us attain this goal. Over the course of last year, besides several market outlook presentations by investment strategists, a variety of topics were presented: Private Equity, Hedge Funds, Estate Planning, Emerging Markets, Fixed Income/High Yield, and Politics. We sought to provide topics that would appeal to our diverse group of members. In total we held 15 events with total attendance surpassing 800. This was an improvement over the 2006-2007 total attendance of 734. Average event attendance improved from last year's number of 46 to 53 for 2007-2008.

Top draws for attendance were the events featuring Cliff Asness, Jason Trennert, and Ed Yardeni. We deviated from the usual panel format for our Annual Outlook luncheon, due to the availability of Cliff Asness (which ended up being the largest attended event for the year).

To help better serve the investment community several efforts were made to provide informative programs for people outside the CFASTL membership. A joint program was held with the American Society of Appraisers. Free luncheon tickets were offered to Washington University students for several events. The Estate Planning program was advertised to Trust Administrators and was made eligible for continuing education credits through the American Bankers Association (ABA).

In addition to the luncheon programs, a well attended evening Social/Networking event was held at ARAKA's in Clayton.

We continued the practice of not charging members at the door for each event. The annual dues are structured such that they currently cover the costs associated with the various programs. We would suggest that this practice continue for next year's programs.

Thanks to all for making 2007-2008 a successful program year.

CFASTL Programming Summary 2007-2008

Speaker	Date	Attendance	Topic
Peter Finley	9/19/2007	69	Private Equity Investing in the Lower Middle Market
Jason Trennert	10/9/2007	74	Investment Outlook
Joe Stieven	10/18/2007	45	Regional Banking Outlook-Truth, Lies and Consequences
Eric Petroff	11/6/2007	37	CFA Awards Dinner
Ed Yardeni	11/29/2007	74	The Wealth of Nations
Charles A. Redd	12/5/2007	45	Estate Plans Gone Wrong
Harvey Hirschhorn	12/12/2007	34	Demographics and the Economy
Cliff Asness	1/17/2008	91	<i>Outlook 2008</i> –Big Money Long Term
Dr. Sam Kirschner	2/19/2008	55	The Investor's Guide to Hedge Funds
Social Event	2/28/2008	51	Social/Networking Event (Araka Restaurant)
Donald H. Straszheim	3/6/2008	53	China-More Opportunity Than Threat
Richard Hocker	3/20/2008	50	The Credit Downturn
Andrew Barker	4/3/2008	39	The Changing Nature of Emerging Markets
Max Darnell	4/17/2008	45	Global Tactical Asset Allocation Strategies
Charles Gabriel	5/8/2008	40	Comments on Today's Political Landscape
Total		802	

Public Awareness Committee Letter - 2007-2008

Scott Thoma, CFA

The society continued its efforts to increase awareness of both the society and the CFA Institute in 2007-2008. The year brought numerous speakers and events with broad appeal, and we highlighted several of these programs with the public. Programs we publicly advertised included Cliff Asness, Charles Gabriel, and Charles Redd. Additionally, we explored advertising through different media outlets, including radio ads and ads in non-financial publications. We continue to gather data regarding the success of the public advertising programs, which ultimately should aid in increasing awareness of the society as a whole.

Finally, as keeping with past tradition, we recognized our newly minted CFA Charterholders with an acknowledgement advertisement in the Wall St. Journal.

Advocacy Report 2007-2008

Julianne Iwersen-Niemann, CFA

This year the CFA Institute (CFAI) has been working on issues of auditor credibility, ratings agencies credibility, and management compensation issues concerning failed institutions. Continuing work includes full and fair disclosure and accounting transparency. In connection with that is the issue of fair value accounting. In particular the CFAI has opposed fair value “smoothing” being used by a number of companies in an attempt to disguise ongoing problems. On a society basis we have not participated directly in any of the specific projects other than indications of support for CFAI positions.

Education and University Relations Report

Shawn Barnes, CFA

During fiscal 2007-2008, the Society actively pursued a number of initiatives related to increasing the successful participation of CFA candidates in the CFA program. In partnership with the CFA Institute, the Society gave ten exam scholarships to deserving candidates. The Society once again partnered with Kaplan Schweser and Stalla Review to provide meaningful discounts on each provider's study materials to our local candidates.

The Society was also pleased to help Stalla Review launch a CFA Level I live review course in the St. Louis area this past January. The Society worked in partnership with Stalla to publicize the course, and many of our members proctored sessions of the course. The Society's participation also included the offering of course scholarships through the generous donations of Hammond Associates and Stalla Review.

The Society continued its efforts with local colleges and universities, speaking to student groups about the CFA program and providing luncheon tickets to students. Looking to the future, the Society expects to maintain its support of CFA candidates and extend its outreach efforts within local colleges and universities.

Past Presidents

William Witherspoon, CFA	1949-1950	Jeanine C. Heller, CFA	1979-1980
Frank X. Keaney	1950-1951	Marilyn P. Helmholz, CFA	1980-1981
Carl L. A. Beckers	1951-1952	David W. Papendick, CFA	1981-1982
Haworth F. Hoch	1952-1953	Donald T. Spindel, CFA	1982-1983
Walter W. Ainsworth	1953-1954	Leonard M. Rubenstein	1983-1984
Edward J. Costigan	1954-1955	Julianne C. Iwersen-Niemann, CFA	1984-1985
John F. Hallett	1955-1956	Edward W. Sunder III, CFA	1985-1986
E. D. Toland Jr.	1956-1957	Manuel K. Pyles, CFA	1986-1987
Albert W. Winter	1957-1958	Daniel E. Myers, CFA	1987-1988
D. H. Morey	1958-1959	Heidi L. Whitfield, CFA	1988-1989
Henry F. Langenberg	1959-1960	Bruce C. Fernandez, CFA	1989-1990
George R. Hays	1960-1961	Carol M. Lippman, CFA	1990-1991
Alois T. Bolfig	1961-1962	Randall L. Kirkland, CFA	1991-1992
Francis A. Dunnagan	1962-1963	J.J. Landers Carnal, CFA	1992-1993
William R. Mead	1963-1964	Thomas B. Welch, CFA	1993-1994
J. Marion Engler	1964-1965	Stephen P. Holmes, CFA	1994-1995
Melvin C. Bahle	1965-1966	Nancy C. Messer, CFA	1995-1996
Robert W. M. Kohlsdorf	1966-1967	John W. Zimmerman, CFA	1996-1997
Edward E. Haverstick	1967-1968	J. Terri Tanaka, CFA	1997-1998
Benjamin C. Korschot, CFA	1968-1969	Walter F. Czaicki, CFA	1998-1999
Charles A. Lebens, CFA	1969-1970	Ann E. Earley, CFA	1999-2000
Hubert E. Anderson, CFA	1970-1971	Michael J. Ancell, CFA	2000-2001
William R. Boyd, CFA	1971-1972	David F. Powers, CFA	2001-2002
Norman W. Nielsen, CFA	1972-1973	Chris T. Blum, CFA	2002-2003
Thomas H. Hensen	1973-1974	Robert P. Ensor, CFA	2003-2004
Warren G. Keinath Jr., CFA	1974-1975	Scott Colbert, CFA	2004-2005
John H. Blixen, CFA	1975-1976	Harold Nachtrieb, CFA	2005-2006
William C. O'Fallon	1976-1977	Chris Bloomstran, CFA	2006-2007
Ronald F. Londe	1977-1978	Eric Petroff, CFA	2007-2008
Richard M. Cox	1978-1979		