

The CFA Society of St. Louis

Annual Report
2008-2009



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CFA SOCIETY OF ST. LOUIS MISSION STATEMENT

The mission of the CFA Society of St. Louis is to facilitate the professional development of the financial community by:

- **Providing services of direct benefit to its members.**
- **Enhancing the respect and visibility of the Society and its members.**
- **Promoting adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.**

2008-2009 Officers, Board of Directors, and Standing Committees

Officers

President	Michael Cody, CFA
Vice President	Nick Fafoglia, CFA
Treasurer	Shaum Shrinivas, CFA
Secretary	Nong Lin, CFA

Board of Directors

Chris P. Bloomstran, CFA	David Center, CFA
James Ellis, CFA	Beth Johnson, CFA
Marc Griffith, CFA	Tom Leritz, CFA
Grant Leslie, CFA	

Standing Committees

Advocacy	Julianne C. Iwersen-Niemann, CFA
Program*	Nick Fafoglia, CFA
Education	Kevin Osten, CFA
Membership	Marc Griffith, CFA
Communications/Technology ⁺	Nong Lin, CFA
Publicity	Jenny Betz, CFA

* Program Committee Members: Chris Tocco, Shaum Shrinivas, Nick Fafoglia, Dan Myers, Jack Milner, William Adams, Lewis Bettman III, Scott Solsvig, Michael Helgeson

+ Communications/Technology: Joe Walkenbach, Rob Bertman, Brian Yost, Kyle Carlin

President's Report 2008-2009

Wm. Michael Cody, CFA

This past year the CFA Society of St. Louis (CFASTL) celebrated the 60th anniversary of its founding. We continue to carry out the Society's founder's mission:

- To promote professional development.
- To foster the interchange of financial information and opinions of its members.
- To promote meetings designed to add to the investment knowledge of its members.
- To develop fellowship among its members.
- To adhere to the highest standards of ethics.

The fiscal year began with a strategic planning meeting run by Chip Deale of the CFA Institute. From the meeting a new mission statement was developed and the following strategic objectives were defined: 1) increase awareness of CFASTL and the CFA designation; 2) improve communication/technology via the CFASTL website; and 3) increase membership. Progress was made in these areas over the past year due to the diligent work of the Society's volunteers.

Emphasis on quality programming targeted to our members and to the investment public helped provide our members educational opportunities and increase awareness of CFASTL. Publicity about our programs via print media, radio, and press releases helped inform the public about CFASTL. Well known speakers including James Bullard (Federal Reserve President-St. Louis), Jeffrey Saut (Chief Investment Strategist-Raymond James), and John Rogers (President-CFA Institute) were retained to present at our local luncheons. In addition, a panel of nationally known economists was assembled for the "Obamanomics: Promise or Peril" program and helped set an attendance record for a CFASTL program. Average attendance per program increased for the third year-in-a-row. Also, joint meetings with the National Association for Business Economics and the Financial Executive Network Group helped improve ties with the financial community.

The establishment of our Communications/Technology Committee this past year helped us work toward our second strategic objective. The results of the Committee's efforts can be seen on the improved CFASTL website (www.cfa-stl.org). Information about CFASTL is now readily accessible for our members and the public.

The past year's turmoil in the financial markets made improvements in membership challenging. The production of a new membership brochure, a membership survey, website enhancements, and the post-CFA exam party were some of the accomplishments of the last year. These efforts helped to more than offset declines in membership due to relocations and loss of employment.

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, contact with the local colleges and universities was increased.

The achievements of the past year could not have been possible without the time and effort of the CFASTL volunteers. Without their assistance the various programs and services provided by CFASTL to its members would not be possible. CFASTL is strong financially and continues to work to provide better services to its members. Your support, participation, and involvement can help insure another 60 years of success for the CFA Society of St. Louis.

Treasurer's Report 2008 – 2009

Shaum Shrinivas, CFA

The Society's revenues for fiscal year 2009 (July 2008 to June 2009) were \$89,331. This balance reflects membership dues from about 550 paying members and candidates in the CFA program. We received \$23,026 from the CFA Institute (CFAI) to assist with funding CFASTL programs and services, including activities associated with the CFASTL's 60th Anniversary. Corporate sponsorships accounted for \$1,000 in revenue and we also received \$4,317 in sponsorships related to education.

Expenses during FY09 totaled \$84,497, which includes \$36,019 in expenses for lunch meetings and \$15,600 in administrative fees. Lunch meeting expenses for FY 2009 were higher relative to FY 2008 (July 2007 to June 2008) due to an increase in attendance from 802 to 1,270. The Society's 60th anniversary event cost approximately \$11,000, and over 50% of the cost was offset by funding from the CFAI, as well as fees charged to visitors.

The difference in total income between FY 2008 and FY 2009 is due mostly to a delayed receipt for an event held to celebrate the CFA Institute's 60th Anniversary in June 2007. This event was held during FY 2007, but we did not receive reimbursement until FY 2008, thus inflating that year's income.

The Society had positive cash flow of \$4,834 during FY09. A gross profit & loss statement is presented as well as a balance sheet is presented on the following pages

CFA Society of St. Louis
Profit & Loss Prev Year Comparison
July 2008 through June 2009

cfa

	<u>Jul '08 - Jun 09</u>	<u>Jul '07 - Jun 08</u>	<u>\$ Change</u>	<u>% Change</u>
Income				
level two funding	5,600.00	0.00	5,600.00	100.0%
CFA Funding 60th year income	1,460.00	0.00	1,460.00	100.0%
CFA Funding	17,426.00	12,000.00	5,426.00	45.22%
4900-00 · Corporate Sponsorship	1,000.00	5,000.00	-4,000.00	-80.0%
4000-00 · Membership Dues	55,115.00	60,900.00	-5,785.00	-9.5%
4200-00 · Education Income	4,317.55	5,430.09	-1,112.54	-20.49%
4060-00 · Miscellaneous Revenue	910.00	200.00	710.00	355.0%
4210-00 · CFA Miscellaneous Income	0.00	36,886.57	-36,886.57	-100.0%
4220-00 · Luncheon Meetings	1,452.94	1,185.00	267.94	22.61%
4225-00 · Special Events	800.00	0.00	800.00	100.0%
4010-00 · Interest	1,249.75	2,396.98	-1,147.23	-47.86%
Total Income	<u>89,331.24</u>	<u>123,998.64</u>	<u>-34,667.40</u>	<u>-27.96%</u>
Expense				
CFA DAY funding 60th year	10,947.00	0.00	10,947.00	100.0%
5020-00 · General Postage/Messenger	50.26	112.19	-61.93	-55.2%
5030-00 · Telephone/Fax/Email	1,253.29	1,103.68	149.61	13.56%
5050-00 · Copying	12.12	76.33	-64.21	-84.12%
5060-00 · Supplies	350.87	131.05	219.82	167.74%
5070-00 · Data Processing	287.00	777.95	-490.95	-63.11%
5100-00 · MANAGEMENT FEES	15,600.00	15,600.00	0.00	0.0%
5110-00 · PROFESSIONAL SERVICES	570.00	0.00	570.00	100.0%
5180-00 · Reimbursed Expense	0.00	15,000.00	-15,000.00	-100.0%
5190-00 · General Miscellaneous Expense	0.00	200.00	-200.00	-100.0%
5200-00 · BOARD OF DIRECTORS	6,532.20	8,491.56	-1,959.36	-23.07%
5300-00 · EDUCATION	8,537.33	13,155.87	-4,618.54	-35.11%
5400-00 · Marketing	4,338.32	7,731.25	-3,392.93	-43.89%
5650-00 · LUNCHEON MEETINGS	36,018.50	30,775.74	5,242.76	17.04%
Total Expense	<u>84,496.89</u>	<u>93,155.62</u>	<u>-8,658.73</u>	<u>-9.3%</u>
Net Income	<u><u>4,834.35</u></u>	<u><u>30,843.02</u></u>	<u><u>-26,008.67</u></u>	<u><u>-84.33%</u></u>

CFA Society of St. Louis
Balance Sheet Prev Year Comparison
 As of June 30, 2009

	<u>Jun 30, 09</u>	<u>Jun 30, 08</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
transfer fidelity investments	66,379.89	38,130.14	28,249.75	74.09%
1100-03 · Bank of America	18,790.00	42,205.40	-23,415.40	-55.48%
1110-00 · Petty Cash	55.00	55.00	0.00	0.0%
Total Checking/Savings	<u>85,224.89</u>	<u>80,390.54</u>	<u>4,834.35</u>	<u>6.01%</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>86,113.89</u>	<u>81,279.54</u>	<u>4,834.35</u>	<u>5.95%</u>
TOTAL ASSETS	<u><u>86,113.89</u></u>	<u><u>81,279.54</u></u>	<u><u>4,834.35</u></u>	<u><u>5.95%</u></u>
LIABILITIES & EQUITY				
Equity				
3000 · Opening Bal Equity	19.00	19.00	0.00	0.0%
3900-00 · Fund Balance	81,260.54	50,417.52	30,843.02	61.18%
Net Income	<u>4,834.35</u>	<u>30,843.02</u>	<u>-26,008.67</u>	<u>-84.33%</u>
Total Equity	<u>86,113.89</u>	<u>81,279.54</u>	<u>4,834.35</u>	<u>5.95%</u>
TOTAL LIABILITIES & EQUITY	<u><u>86,113.89</u></u>	<u><u>81,279.54</u></u>	<u><u>4,834.35</u></u>	<u><u>5.95%</u></u>

Membership Chair's Report 2008-2009

Marc Griffith, CFA

Society membership was flat over the last fiscal year during the challenging economic and market environment. Total membership increased by one to 573 members. The percentage of members holding the CFA Charter increased by 2%. This metric has increased 12% over the last five years likely due to initiatives to gain recognition of the CFA program. These initiatives have become increasingly important during the last fiscal year to build a foundation for future growth.

The Society continued to seek ways to improve the new member process with enhancements to our website to more clearly delineate the membership categories and the overall benefits of membership. We also developed for the first time a brochure to hand out at our CFA post-exam party with all of the membership requirements and contact information. At the Institute level, the entire membership application process was automated.

We conducted a membership survey in June to see how we were doing, confirm agreement with our proposed vision, and gain feedback on programming event topics and locations. The response rate was strong, and we appreciate the feedback that will be valuable in improving the overall member experience. Please do not hesitate to provide ongoing comments and suggestions to your leadership team in the future.

Membership Report

St. Louis Society	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009
Regular Members	460	493	511	517	523
Affiliate Members	55	47	46	49	40
Retired Members	10	8	6	6	10
TOTAL	525	548	563	572	573
CFA Charterholders	400	439	458	477	485
% with CFA Designation	76%	80%	81%	83%	85%

New Members 2008-2009

Robert Appling, CFA
Jeffrey Barnes
Jay Baumohl
Rajeev Bhaskar
Robert Buchanan, CFA
Rakesh Contractor
David Domian
Thomas Eidelman, CFA
Kamran Fotouhi, CFA
Christopher Goebel, CFA
William Groth
Garrett Holland, CFA
Jeffrey Jones, CFA
Rob Lynch
Mark Matejka
Patrick McGinnis, CFA
Daniel Moio
John Moore
Patrick O'Neil
Yoshie Phillips, CFA
Bradley Pursel, CFA
Jason Richards, CFA
Ronald Sakai, CFA
David Sanders
Joseph Seibel, CFA
Minjung Son, CFA
Megan St. John
Travis Winkels, CFA

Benjamin Armstrong, CFA
James Bast, CFA
Michael Behan
Gauri Bhat, CFA
Nathan Burk, CFA
Brian DeLorica, CFA
Michael Dziadus, CFA
Mark Folkins, CFA
Ryan Gable, CFA
James Goralnik
Ismail Hammami, CFA
Louis Hsu
Anthony Kancijanac, CFA
Ian MacEachern, CFA
Jason Maxson, CFA
Vincent Mei, CFA
Elizabeth Monticelli
Steven Myers, CFA
Stoyan Petev, CFA
Matt Plocher, CFA
Maureen Regan
Jordan Rouff, CFA
Sameer Samana, CFA
Douglas Schoen, CFA
Scott Snyder, CFA
Tanya Spencer
William Thatcher, CFA
Scott Zipfel, CFA

Programming Committee Chair's Report 2008-2009

Nick Fafoglia, CFA

The Programming Committee embarked upon its planning for the 2008-2009 season with a goal of identifying topics of interest to our membership consistent with the current economic and investment environment. The topics presented included Commodities, Alpha/Beta Separation, Monetary Policy, Frontier Markets, Infrastructure, and Real Estate. The committee also planned an event, in conjunction with the Society's 60th Anniversary, to benefit the investing public and create greater awareness of the CFA Society of St. Louis. An event intended to benefit members in a period of career transition was also held. In total, 18 events took place, with total attendance of all events equaling 1,270. This was a 58% increase over the 2007-2008 attendance total of 802 attendees. The average meeting attendance improved to 67 from last year's average of 53 per meeting.

The Annual Forecast Luncheon in January and a presentation in February by Dr. James Bullard, President of the St. Louis Federal Reserve Bank, each experienced attendance in excess of 100 members and guests. The Annual Forecast Luncheon featured three investment strategists: Jeffrey Saut of Raymond James (equities), Mario DeRose of Edward Jones (fixed income), and Paul Christopher of Eclipse Capital (alternative investments).

"Obamanomics", presented in partnership with the NABE (National Association of Business Economics) in April, attracted 280 attendees. The event also served as a celebration of our Society's 60th Anniversary. The event featured presentations by three distinguished economists: Joel Prakken, Murray Weidenbaum, and Steve Fazzari. The event was moderated by local radio personality, Charlie Brennan. A social/networking hour followed the program.

"Career Strategies in a Turbulent Economy" was conducted in partnership with FENG (The Financial Executives Network). The event, intended to serve members experiencing career transitions, included a networking social hour.

The Society continued the practice of free admission for our members to all events. The cost for the luncheons and social events continued to be supported by annual dues. We have found that this approach is one factor that contributes to the strong support of our events. An important factor in that success was the strong contributions from the members of the Program Committee to identify topics of interest to the membership and to secure subject-matter experts on those topics.

I would like to express my gratitude to the Program Committee and the CFASTL officers, for making the 2008-2009 season a success.

CFASTL Programming Summary 2008-2009

Speaker	Date	Attendance	Topic
Social Event	9/25/2008	51	Social/Networking Event (Luciano's Restaurant)
Niall Gannon	10/08/2008	25	After-tax Returns for HNW Investors
Mark Anson	10/22/2008	51	Alpha/Beta Separation
Andy Deckas	11/05/2008	42	Commercial Real Estate
Michael Cody	11/12/2008	37	CFA Awards Dinner
David Burkhart	11/18/2008	42	Commodities Role in Portfolios
Laclede Gas	12/10/2008	53	Natural Gas Industry
Paul Christopher/ Mario DeRose/ Jeffrey Saut	1/15/2009	125	<i>Outlook 2009- Annual-Forecast</i>
James Bullard	2/05/2009	128	Federal Reserve-St. Louis President: Monetary Policy Tools in a Low Interest Rate Environment
Michael Ivanovitch	2/26/2009	64	Outlook for Major World Financial Markets
Matt Bud	3/19/2009	80	Career Strategies in a Turbulent Economy
Murray Weidenbaum Steve Fazzari Joel Prakken	4/1/2009	280	CFASTL 60 th Anniversary/Obamanomics
Lawrence Speidell	4/16/2009	58	Frontier Markets
Keith Black	5/7/2009	56	Infrastructure
John Rogers	5/20/2009	40	President, CFA Institute
Post-CFA Exam Party	6/06/2009	75	St. Charles Convention Center
Michael Cody	6/11/2009	28	CFASTL Volunteer Dinner
Michael Cody	6/16/2009	20	CFASTL Annual Report
CFA Society of Toronto	6/23/2009	15	Video Conference: Oil & Gas Fundamentals for Investors
Total		1,270	

Communication/Technology Committee Chair's Report 2008-2009

Nong Lin, CFA

In 2008-2009, the Communications/Technology Committee was established with the following objectives:

- To effectively communicate to CFASTL members the value of their participation in the Society.
- To inform members and the public of program events, activities, and services being offered by CFASTL.
- To develop and maintain CFASTL's website (www.cfa-stl.org).

During the past year we successfully transitioned the local society website from a third party platform to the CFA Institute provided website platform. In August 2008, the communication committee held the first meeting on redesigning web site contents. Subsequently, committee members contributed ideas on content and layout for the new web site. Currently, the website serves as an information portal for our CFASTL members, CFA Exam candidates and the general public.

Throughout the year, the website was updated with new content announcements, new event announcements and photos from some of the CFASTL programs. We now have a functional and dynamic website for the CFA Society of St. Louis.

Public Awareness Committee Report 2008-2009

Jenny Betz, CFA

The society continued its efforts to increase awareness of both the society and the CFA Institute in 2008-2009. Throughout the year, we highlighted several of the society's programs via media alerts and newspaper advertisements. Press releases were issued for the presentation by James Bullard (President-Federal Reserve Bank of St. Louis) and the CFASTL 60th Anniversary/Obamanomics event. We publicly advertised the Annual Outlook luncheon featuring a panel of strategists as well as "Obamanomics," a panel format program highlighting the fiscal and economic policies of the Obama administration. In addition to publicity on NewsRadio 1120 KMOX, printed ads were run in the Post-Dispatch, the Ladue News, and the St. Louis Business Journal.

During the year we also ran advertisements in recognition of the local society chapter's 60th anniversary. Finally, as keeping with past tradition, we recognized our newly minted CFA Charterholders with an acknowledgement advertisement in the Wall Street Journal.

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.

Advocacy Report 2008-2009

Julianne C. Iwersen- Niemann, CFA

The CFA Institute (CFAI) addressed several issues this year, some of which involved input from members.

Structured Investment Vehicles: CFAI has promoted full on-balance sheet disclosure of all liabilities and investments which have economic consequence to a company. This stance has been in effect for over 15 years. The committee reconfirmed the stance with FASB, SEC, and IASB with additional comment letters this year.

Asset backed securities: CFAI reiterated their concern about lack of disclosure to purchasers of such instruments and its reinstating efforts for better issuer disclosure from issuers of such securities.

Credit Rating Agencies: CFAI testified before Congress in 2006 about needed changes in the ratings agencies and significant weaknesses in the system. Now they have Congress' ear. In particular they are focusing on conflicts of interest, inadequate rating of structured investments, and rating standards development. This coming year should bring meaningful steps for reform in this area.

Focus topics for 2010 will include fair-value account, adequate capital requirements, risk management, short selling, and restructuring the financial architecture. Other than the usual online surveys issued by the organization, active involvement is encouraged by member societies, especially concerning specific topics. While in the past, we have done little except for information and polling, study/committee meetings with issuance of position papers would be an especially timely participation for the CFA Society of St. Louis in the coming year.

Education and University Relations Report 2008-2009

Kevin Osten, CFA

During fiscal year 2008-2009, the Society continued to pursue a number of initiatives related to increasing the successful participation of CFA candidates in the CFA program. Visibility of these initiatives has continued to increase as we received a record number of applications for scholarships in 2009. The Society, in partnership with the CFA Institute, awarded a total of eleven CFA exam scholarships to deserving candidates. We were fortunate to be able to take advantage of the Institute's new scholarship sharing program, and received the additional scholarship from the Luxembourg Society.

The Society once again partnered with Becker/Stalla Review and Kaplan Schweser to provide meaningful discounts on each provider's study materials to our local candidates. Stalla held a level I live review course in St. Louis, for the second consecutive year. We will continue to work with Stalla to publicize the course as well as generate interest for a potential level II offering in the future. In addition to these initiatives, we conducted our annual mock exam which resulted in a record number of candidates attending.

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
Frank X. Keaney 1950-1951
Carl L. A. Beckers 1951-1952
Haworth F. Hoch 1952-1953
Walter W. Ainsworth 1953-1954
Edward J. Costigan 1954-1955
John F. Hallett 1955-1956
E. D. Toland Jr. 1956-1957
Albert W. Winter 1957-1958
D. H. Morey 1958-1959
Henry F. Langenberg 1959-1960
George R. Hays 1960-1961
Alois T. Bolfing 1961-1962
Francis A. Dunnagan 1962-1963
William R. Mead 1963-1964
J. Marion Engler 1964-1965
Melvin C. Bahle 1965-1966
Robert W. M. Kohlsdorf 1966-1967
Edward E. Haverstick 1967-1968
Benjamin C. Korschot, CFA 1968-1969
Charles A. Lebens, CFA 1969-1970
Hubert E. Anderson, CFA 1970-1971
William R. Boyd, CFA 1971-1972
Norman W. Nielsen, CFA 1972-1973
Thomas H. Hensen 1973-1974
Warren G. Keinath Jr., CFA 1974-1975
John H. Blixen, CFA 1975-1976
William C. O'Fallon 1976-1977
Ronald F. Londe 1977-1978
Richard M. Cox 1978-1979
Jeanine C. Heller, CFA 1979-1980
Marilyn P. Helmholz, CFA 1980-1981
David W. Papendick, CFA 1981-1982

Donald T. Spindel, CFA 1982-1983
Leonard M. Rubenstein 1983-1984
Julianne C. Iwersen-Niemann, CFA 1984-1985
Edward W. Sunder III, CFA 1985-1986
Manuel K. Pyles, CFA 1986-1987
Daniel E. Myers, CFA 1987-1988
Heidi L. Whitfield, CFA 1988-1989
Bruce C. Fernandez, CFA 1989-1990
Carol M. Lippman, CFA 1990-1991
Randall L. Kirkland, CFA 1991-1992
J.J. Landers Carnal, CFA 1992-1993
Thomas B. Welch, CFA 1993-1994
Stephen P. Holmes, CFA 1994-1995
Nancy C. Messer, CFA 1995-1996
John W. Zimmerman, CFA 1996-1997
J. Terri Tanaka, CFA 1997-1998
Walter F. Czaicki, CFA 1998-1999
Ann E. Earley, CFA 1999-2000
Michael J. Ancell, CFA 2000-2001
David F. Powers, CFA 2001-2002
Chris T. Blum, CFA 2002-2003
Robert P. Ensor, CFA 2003-2004
Scott Colbert, CFA 2004-2005
Harold Nachtrieb, CFA 2005-2006
Chris Bloomstran, CFA 2006-2007
Eric Petroff, CFA 2007-2008
Wm. Michael Cody, CFA 2008-2009