



CFA Societies
Canada

2018
ANNUAL
REPORT

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LETTER FROM
THE CHAIR



FISCAL YEAR 2017-2018 was a monumental year for all of us. We saw the vision created several years ago of forming a pan-Canadian organization that could help Canadian member societies increase their collaboration, work on national projects, and increase our advocacy efforts finally come to fruition with the creation of CFA Societies Canada in July of 2017. While it took longer than we all hoped, the resulting structure and governance of the organization is correct and will allow the organization to flourish and grow over many years to come.

With the structure of the organization now in place and legal, we worked with CFA Society Toronto to sublease office space in their new location. On October 17th, 2017 we formally announced the launch of CFA Societies Canada along with the opening of the new offices of CFA Society Toronto. It was a great evening with many guests and media in attendance.

Once these premises were ready, we began the search for a Managing Director. The primary responsibilities of the Managing Director are to provide strategic leadership and operational oversight for the organization, manage volunteer committees, and represent CFA charterholders in Canada at a National level in communications with policy makers, media, and industry groups.

We promoted this new position to CFA charterholders in Canada through communication from the 12 CFA Societies of Canada, as well as directly from CFA Institute which targeted CFA Institute members living in Canada that are not members of a local CFA Society. The position was also posted on the CFA Institute job board and we received several international applications. After a rigorous interview process, the Societies Canada Board of Directors hired its first managing director on November 1st, 2017.

Our first tasks were to complete some of the operational needs of a new organization. This included setting up bank accounts, computers, payroll, bookkeeping services, etc. As is to be expected, there were some challenges and setbacks, but by mid-April most of those were behind us. Since then, we have been able to direct our focus on our strategic objectives including reaching out to policymakers and other interested parties.

Through a partnership with CFA Institute and GCI Canada, we were able to leverage their resources to provide communication expertise and media training. GCI Canada helped us with media relations throughout the year, garnering added exposure for the launch of CFA Societies Canada as well as for the 2018 CFA Societies Canada Ethics Challenge.

As we move forward our priorities for 2019 will continue to build on the foundations started this year working on our three top priorities of Regulatory Outreach, Thought Leadership, and Media Outreach. For the Board of Directors, we will continue to work on our governance and oversight ensuring that we are well positioned for long term success.

It has been a pleasure leading this organization through its formative years. While there have been challenges along the way, transitioning CFA Societies Canada from a vision to a reality is something I will always look back upon with great pride. Knowing this organization has great leadership at the Board level leaves me confident in the ultimate success we will achieve in the future.

Yours truly,



CLAYTON GALL, CFA
CHAIR, CFA SOCIETIES CANADA

WHO

WE

ARE

MISSION STATEMENT

The mission of CFA Societies Canada is to build
BRAND AWARENESS of the CFA designation
and to advocate for the highest standards of
INTEGRITY AND ETHICS for the ultimate
benefit of **CANADIAN INVESTORS**.

ORGANIZATION OVERVIEW

CFA SOCIETIES CANADA is a collaboration of CFA Institute and our 12 Canadian member societies. We represent CFA charterholders, the 12 societies, and the members of those societies in Canada to policy makers, media, and the public. CFA Societies Canada aspires to lead the investment management profession in Canada by raising ethical and professional standards, promoting fair markets, protecting investors, and increasing brand awareness.

CFA Societies Canada focuses on three primary objectives:

- 1 REGULATORY OUTREACH:** a proactive regulatory policy advocate for investors.
- 2 THOUGHT LEADERSHIP:** a leading researcher and analyst on policy solutions.
- 3 MEDIA OUTREACH:** a strong voice for ethics and standards in investment management.

In addition to leading Canadian advocacy efforts, CFA Societies Canada manages national projects for the 12 societies including brand awareness programs, compensation surveys, and university student competitions. We will be responsive to the needs and concerns of our member societies and strive to support local society leaders in their outreach to employers and media. We will also partner with other organizations on policy positions and projects, as appropriate, in support of our mission.

CFA Societies Canada is governed by a volunteer Board of Directors representing the 12 societies and CFA Institute. We are funded by an annual grant from CFA Institute, which provides 90 percent of our annual operating costs; and proportional contributions from the 12 societies based on the number of their members. CFA Societies Canada is also supported by CFA Institute with training and services similar to that provided to the 12 member societies.

CFA Societies Canada relies on active volunteers from across Canada to guide our organization and to support our ongoing activities, projects, and advocacy work. We employ a small professional staff, including a managing director, who serves as a national spokesperson for Canadian members, and a national project and relationship manager, who manages national projects.

GOVERNANCE

CFA Societies Canada is governed by a volunteer board of directors representing the 12 Canadian member societies and CFA Institute. It is led by the Canadian Presidents Council Representative as the non-voting Chair. The inaugural board now gives way to the permanent board that will see directors serve specific terms of one to two years to ensure effective succession planning.

The Board is supported in its work by the Executive Committee which takes a more active role in management of the corporation.

To provide a structure for a proper functioning organization the following policies were enacted to govern the activities of staff, volunteers, and other involved individuals.

- Whistleblower Policy
- Board of Directors Code of Conduct, including Code of Conduct Acknowledgement Form and Conflict Disclosure Form

The following policies have been drafted and are now before the Board of Directors for final approval:

- Expense Policy: Sets out financial controls and expectations for staff and volunteers regarding expenses incurred on official business.
- Communications Protocol: Sets out expectations and responsibilities for the free flow of communications between CFA Societies Canada and the member societies to ensure a productive working relationship.
- Employee Policies and Procedures: Sets out workplace expectations and guarantees for staff of CFA Societies Canada.

The Advocacy Sub-Committee of the Board took on the work of overseeing the transition and revision of the governance documents for the Canadian Advocacy Council. This work was very important to ensure that the work of the Canadian Advocacy Council would continue and its place within CFA Societies Canada was secured.



OPERATIONS



CFA SOCIETIES CANADA was officially launched in July 2017 as featured in an article in Connexions. Following a launch event for CFA Societies Canada in October 2017, which brought together the Board, representatives from CFA Institute and the regulatory community, the business of getting the organization operating began.

In the fall of the 2017, CFA Societies Canada began engaging paid staff with the hiring of a Managing Director. In January 2018, the process was completed to acquire staff from CFA Society Toronto to serve in the role as National Project and Relationship Manager. In the coming year, CFA Societies Canada will be seeking to retain administrative staff to further support the activities of the Society.

CFA Societies Canada's corporate address is 120 Adelaide Street West. It shares this space with CFA Society Toronto based on an agreement established by CFA Institute. A sub-lease between CFA Societies Canada and CFA Society Toronto will be formalized in 2018-2019. The agreement provides a separate office space with access to common areas, including kitchen facilities, members' lounge, print/copy facilities and meeting rooms.

Another significant area of the operations footprint has been developing and establishing key business structures. These include:

- Directors & Officers insurance (Board, CAC and CIPC)
- General liability insurance
- Scotiabank business accounts
- Scotia Connect digital banking
- Contracts for professional services:
 - Accounting services
 - Auditor
 - Advocacy consultant
 - Media support (c/o CFA Institute)
 - Legal
- Engaging staff; through hire and organizational transfer
- MemberNation
- Web, internet and email connectivity



The organization draws on contractual arrangements with outside professionals to provide it with support in the areas of accounting and financial statements, information technology, media and communications, and legal services.

ADVOCACY AND OUTREACH

CFA Societies Canada's key mandate resides with advocacy and regulatory outreach. Canada has been a model for effective regulatory outreach within the CFA Institute family. With the launch of CFA Societies Canada, the goal is to take that outreach to a new level of advocacy with broader proactive engagement with regulators, government and the investment stakeholder community at large. This will serve to ensure that CFA charterholders are at the centre of policy dialogue and are sought out for their viewpoints on key investment policy.

CFA Societies Canada formally assumed the collaborative activities of the 12 Canadian member societies, which had previously been administered by CFA Society Toronto. These included the CFA Societies Canada Ethics Challenge and the Canadian Advocacy Council (CAC). The CFA Societies Canada Ethics Challenge has proven itself as a key branding activity that highlights the CFA Program's focus on ethical professional behavior in the investment industry.

A key focus of the advocacy area this year has been the transition of the CAC into the advocacy structure of CFA Societies Canada. Establishing two professional development programs for the CAC; advocacy best practices and strategic planning. The CAC will remain a key voice and advisor on our advocacy efforts. This transition has been critical to ensure consistent branding and continued presence within the regulatory space.

Highlights of the new engagement on key policy matters this year, beyond the regulatory engagement of the CAC, are:

- Working with CIPC to develop a mandate and strategic plan to present to the Board
- IIROC consultation on recognition of the CFA designation, the review period should be ending soon
- Relevance of Audit and Non-GAAP measures, CFA Societies Canada was invited by CPAB (Canadian Public Accountability Board) to participate at the IFIAR (International Forum of Independent Audit Regulators) conference in Ottawa Canada
- Financial planning and Financial Advisory consultation with Ontario Government. CFA Societies Canada submitted a response to the latest consultation phase on April 16, 2018
- Environmental, Social, Governance assessment and Sustainable Finance, CFA Societies Canada was invited by Canada's Expert Panel on Sustainable Finance to help identify what some of the barriers, impediments and bright lights with respect to ESG assessment, analysis and applications that currently exist in the investment decision making process.
- Distribution of CFA Institute's Trust Survey to key policymakers at the Federal and Provincial levels of government. A letter was prepared for the joint signature of the Managing Director and Society Presidents.

This year's activities have ensured CFA Societies Canada is positioned for success in the coming year.

THE CANADIAN ADVOCACY COUNCIL FOR CANADIAN CFA INSTITUTE SOCIETIES

The Canadian Advocacy Council (CAC) is a group of dedicated volunteers that come from CFA Societies across Canada and from all sectors of the capital markets and investment industries. Currently we are made up of 12 members who are geographically dispersed across Canada. The CAC seeks to maintain a dialogue with securities and other regulators, standard setters, and self-regulatory organizations and responds to many of their requests for comment. Through these efforts we seek to advocate for investor interests and promote high standards of ethical and professional conduct in the investment industry consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct.

The first half of fiscal year 2017/2018 has been marked by a noticeably slow start for regulatory consultations as Canadian regulators were digesting some of the more substantive consultation from the past years including the proposal of a regulatory best-interest standard on financial advice, to the consideration of banning embedded commissions and the derivatives reform from G20 commitments. During that period, the council responded to six consultations with the most important being 93-101 Derivatives: Business conduct. Also of note is two consultations that illustrate the breadth of skills the council can count on: the AMF consultation on the conflict of interest risk in relation to incentives in the insurance distribution industry and the CSA consultation relating to Designated Rating Organizations. As the financial industry transforms, complexifies and integrates between sectors, the CAC constantly adapts and the last two years of recruitment have yielded good results – the council can count on a solid team to analyze complex issues.

The second half of the fiscal year has been the exact opposite of the first. At its peak, the council had to review up to 19 concurrent consultations. Considering the delay to respond is often just a few weeks, our capacity has been tested a few times. Nonetheless, the council pushed through and responded to 13 consultations in the last six months of the year. Some of the topics discussed will be core to the Canadian financial industry for years to come, especially FinTech, gender diversity and fair treatment of seniors.

In total in fiscal 2017-2018, the CAC has responded to 19 different regulatory processes via formal comment letters and reviewed numerous other public requests for comment. In addition to formally published comment letters, the CAC regularly interacts with regulators, policy-makers, and other related industry groups during in-person meetings and through its involvement in discussion forums like roundtable discussions. It also interacts through less formal channels with regulators by building and maintaining relationships with key points of contact. To engage with its stakeholders, the CAC holds three yearly in-person meetings. In 2017-2018, these meetings were held in Vancouver (Fall 2017), Toronto (Winter 2018) and Montréal (Spring 2018). Continuing on the theme of transformation, at its in-person meetings the CAC has met with numerous stakeholders from the FinTech industry in order to prepare for future consultations. Canadian and worldwide regulators are putting some focus and building capacity around FinTech and digital transformation – the council will need to continue building skills in this area.

Moving forward, we are excited to work with CFA Societies Canada on joint projects that can leverage the skills and network of the CAC. In order to plan for the years of collaboration ahead, the CAC and CFA Societies Canada held a joint workshop in Montréal and hopefully laid the foundation of something that has the potential to provide real value for CFA charterholders.

If you are interested in learning more about the CAC, please visit: www.cfaadvocacy.ca or reach out to one of our members across the country.

MOAD FAHMI, CFA
CHAIR, CANADIAN ADVOCACY COUNCIL

MEDIA OUTREACH

CFA Societies Canada has had the support of GCI Canada, an extension of the Ogilvy contract with CFA Institute. This year, we have earned 10 media placements in Canadian publications, and conducted interviews with Financial Post and other key trade publications.

Media resources were created for Societies including media advisory templates for Annual Forecast Dinners and for the Chester Santos events as well as media pitch templates and tips for conducting interviews. These resources resulted in various media coverage across the country.

Additionally, GCI Canada prepared an executive visibility strategy for CFA Societies Canada which will be implemented in fiscal 2018-2019.

MEDIA OUTREACH

IN SUMMARY:

PRESS RELEASES: **3**

10 ORIGINAL STORIES

RELEASE PICK-UP: **228**

POTENTIAL AUDIENCE: **15,190,422**

3 INTERVIEWS

CFA SOCIETIES CANADA ETHICS CHALLENGE

The CFA Societies Canada Ethics Challenge embodies the mission of CFA Institute by promoting "the highest standards of ethics, education, and professional excellence." In addition, it focuses on many of the elements of CFA Institute's Future of Finance initiative. Equally as important, it helps prepare those entering the investment profession for the ethical challenges that they will face in the workplace.



Student teams from finance or business programs were given an ethics case to analyze and evaluate with guidance from a faculty advisor. After approximately four weeks, each team then presented its analysis and recommendations to a panel of judges. Teams were judged based on their recommended course of action and their ability to identify the violations to the CFA Institute Code of Ethics & Standards of Professional Conduct.

Local Competitions were held between late January and mid-February by the host CFA Society (held in British Columbia, Prairies, Ontario, Québec and Atlantic Canada). This year, a total of **105 STUDENTS** from **26 SCHOOLS** across the country competed. The winning team from each Local Competition was invited to attend and present at the National Round. Finalist teams from five Universities participated in the National Round: Mount Royal University, Saint Mary's University, Telfer School of Management (University of Ottawa), Thompson Rivers University and Université de Sherbrooke.

The National Round was held in Vancouver on May 3, 2018. Teams had just three hours to work on a new case and then presentations were given live in front of a judging panel of CFA charterholders. Students from **Telfer School of Management** were named the **WINNERS** of 2018 CFA Societies Canada **Ethics Challenge** and were announced in a press release sent on May 7, 2018. The winners were also featured in articles published by *Wealth Professional* and *Investment Executive*.



We would like to extend our gratitude to CFA Society Vancouver and to all the volunteers who helped make this year's competition a success.



CFA Societies Canada also won the 2018 CFA Institute Society Excellence Awards for Developing Future Professionals for the CFA Societies Canada Ethics Challenge.



STATISTICS: CFA SOCIETY MEMBERS IN CANADA

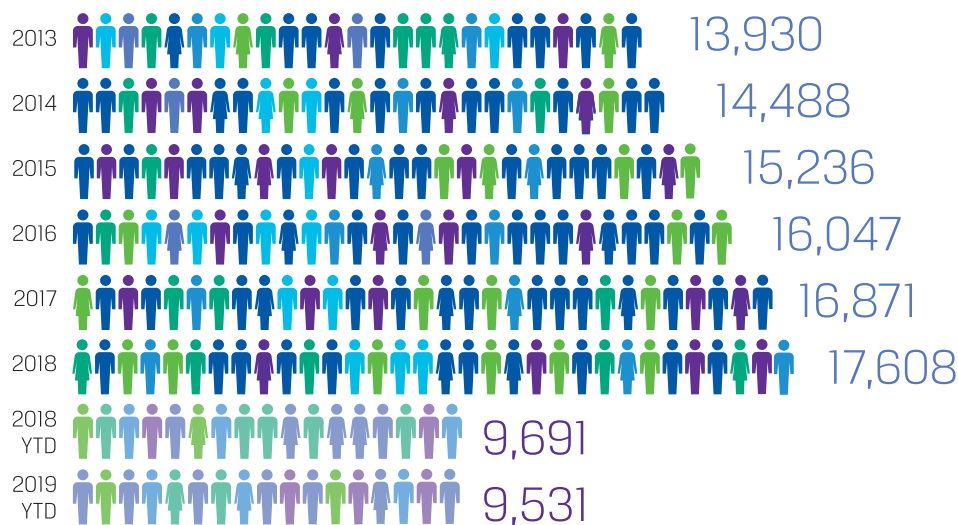
ACTIVE SOCIETY MEMBERS

5-Year CAGR (Compound Annual Growth Rate)

4.8%

Year-End as of 30 June 2018

Year-to-Date as of 30 June 2018



MEMBERSHIP RETENTION

Year-End as of 30 June 2018

Year-to-Date as of 30 June 2018



MEMBER TOP EMPLOYERS

RBC

Manulife Financial

**Scotiabank
GROUP**

Canada
Pension Plan
Investment Board

IGM Financial Inc.

BMO Financial Group

CIBC
World
Markets

Desjardins
Group

NATIONAL BANK
OF CANADA

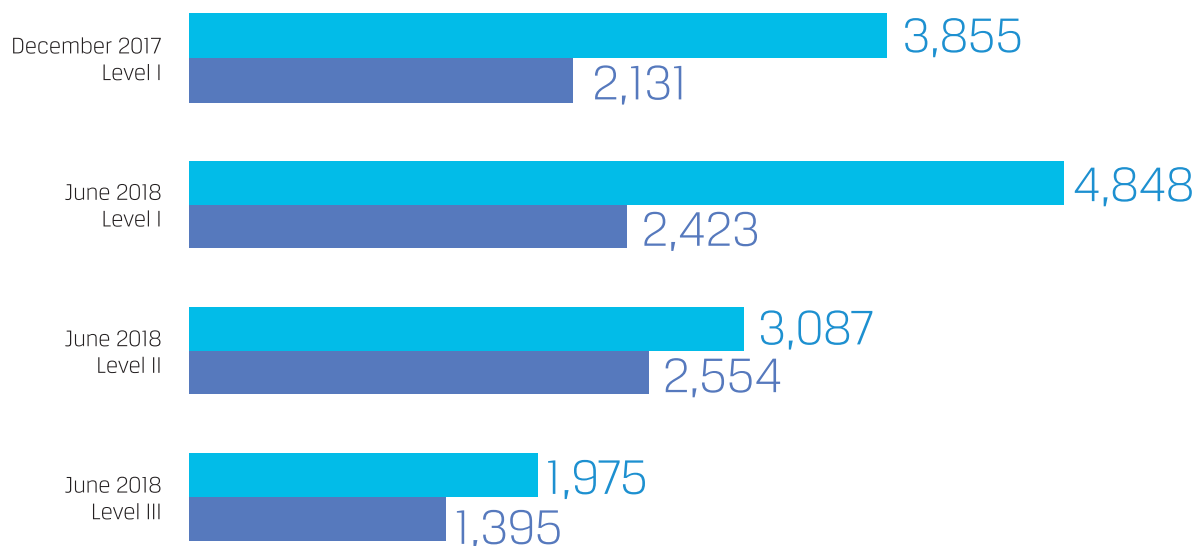
**TD Bank
Financial
Group**

REGISTRATIONS BY EXAM LEVEL

Fiscal Year 2018

As of 30 Sep 2018

■ New Candidate
■ Returning Candidate



2017/2018 BOARD OF DIRECTORS



TOP ROW

Johann Kuntze, CFA
David Smith, CFA
Guy-Charles Valois, CFA
Sophie Palmer, CFA
Johanna Salloum, CFA
Shaila Ekramoddoullah, CFA
Clayton Gall, CFA
Tyrone Saunders, CFA
Rodney Babineau, CFA

BOTTOM ROW

Robert Luck, CFA
Daniel Spencer, CFA
Gordon Fawcett, CFA
Wesley Blight, CFA
Bjorn Forfang

ABSENT

Daniel Lavallee, CFA

EXECUTIVE COMMITTEE

CHAIR

Clayton Gall, CFA
PRESIDENTS COUNCIL
REPRESENTATIVE, CANADA

VICE CHAIR

Daniel Lavallee, CFA
CFA SOCIETY TORONTO

Shaila Ekramoddoullah, CFA
CFA SOCIETY WINNIPEG

Robert Luck, CFA
CFA INSTITUTE

Sophie Palmer, CFA
CFA MONTRÉAL

David Smith, CFA
CFA SOCIETY VANCOUVER

DIRECTORS

Rodney Babineau, CFA
CFA SOCIETY EDMONTON

Wesley Blight, CFA
CFA SOCIETY OTTAWA

Gordon Fawcett, CFA
CFA SOCIETY OKANAGAN

Johann Kuntze, CFA
CFA SOCIETY VICTORIA

Johanna Salloum, CFA
CFA SOCIETY SASKATCHEWAN

Tyrone Saunders, CFA
CFA SOCIETY ATLANTIC CANADA

Daniel Spencer, CFA
CFA SOCIETY CALGARY

Guy-Charles Valois, CFA
CFA QUÉBEC

STAFF

NATIONAL PROJECT AND RELATIONSHIP MANAGER

CANDICE SZPRUTA (SPENCER)

The National Project and Relationship Manager is responsible for assisting the Managing Director in outreach to and engagement with regulators, societies, and committees of the board, including liaising directly with societies, society and CFA Institute members; volunteers; the board and committees of CFA Societies Canada; external vendors; CFA Institute staff; and other stakeholders. The Manager, in collaboration with the Managing Director and relevant volunteers, executes and oversees activities related to implementation of projects and the strategic objectives of the organization. The Manager also manages day to day business operations of the offices of CFA Societies Canada.





**CFA Societies
Canada**

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