



CFA Societies
Canada

ANNUAL
REPORT
2019

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LETTER FROM THE CHAIR

DEAR MEMBERS

This past year has been a truly transformative year for CFA Societies Canada. Building upon the success of our inaugural year was a hallmark of the Society. The most significant achievement of our Society this past year is the appointment of Michael Thom, CFA, as its new Managing Director.

Michael comes to the Society with over 12 years of experience in a variety of capital markets positions. His most recent role was as an executive at a Toronto-based hedge fund manager. Previously, his career was focused in equity trading and portfolio management at firms in Toronto and Vancouver. Michael brings many years of volunteer leadership experience in advocacy to this role as he has served as a director of CFA Society Toronto, volunteered in multiple capacities for CFA Institute, and as a member and former chair of the Canadian Advocacy Council. With his breadth and depth of experience, Michael has the leadership skills to guide this organization and represent us with our key national stakeholders.

Under Michael's leadership, we have fully integrated the Canadian Advocacy Council with CFA Societies Canada, which will help increase the brand awareness nationally of the CFA charter and improve the effectiveness of our advocacy initiatives with regulatory agencies across the country.

In February, our Board of Directors voted to formally support and take a leading role in the alternative performance measures ("APM") working group, in partnership with the Bank of Canada, Canadian institutional investors, and CFA Institute. The APM initiative strives to influence change in providing standardization in alternative financial metrics for investment analysis.

In May, the 2019 CFA Societies Canada Ethics Challenge was held in Calgary. Six university teams competed in a riveting round-robin final competition with Thompson Rivers University emerging victorious. The CFA Societies Canada Ethics Challenge has spawned many similar challenges around the globe with Canada being regarded as a leader in the promotion of the CFA Institute Code of Ethics and Standards of Professional Conduct.

It has been a tremendous honour and pleasure leading this organization and working with such a talented team. The commitment of our National Project & Relationship Manager, Candice Szpruta, the Board of Directors and CFA Institute has helped weather the many challenges this year has presented. As we look to the future, we have a tremendous opportunity to shape the investment landscape in Canada, support our member societies and advocate for the highest standards of integrity and ethics for the ultimate benefit of Canadian investors.

Yours truly,

DAVID SMITH, CFA
CHAIR, CFA SOCIETIES CANADA
PRESIDENTS COUNCIL REPRESENTATIVE – CANADA



LETTER FROM THE MANAGING DIRECTOR

DEAR STAKEHOLDERS

I am excited to be writing this letter to you as the newly-appointed Managing Director of CFA Societies Canada. I come to the role with a history of volunteering with CFA Society Toronto and as a member and past Chair of the Canadian Advocacy Council of CFA Societies Canada ("CAC"), and am delighted to be taking on a leadership role as staff to help move the organization forward.

I am humbled by the opportunity to lead such a dedicated and mission-driven group of staff and volunteers and hope that my efforts can enable them to aspire to greater goals and accomplishments for the organization as we move forward.

In my early days I plan to focus heavily on relationship-building to institutionalize our presence with regulators and policymakers across Canada. Through the CAC, we have been a meaningful contributor in breadth and depth to the national regulatory conversation for many years, and I am looking to build off of that content presence with relationships that ensure impact for our message. I am also planning on bringing new supplemental tools to assist in our efforts and will look to spread our message beyond the regulatory community through new vectors directly into policymakers and government. We will also look for partnership opportunities to align on key advocacy objectives and scale our message where it makes sense.

I have had the opportunity to spend time with a number of our member societies' leaders early in my tenure, and I believe there is a largely untapped well of potential in increasing collaboration across Canada, leveraging the many tools and resources of CFA Institute, and connecting the dots between societies and their efforts. Whether it is programming, advocacy initiatives, or organizational best practices, this is an area that I am looking forward to exploring with our member societies.

All of our work is for naught if we are not effective at communicating with our stakeholders. We are in the midst of fully mapping both our internal and external stakeholders, and then developing tools and processes to access each of them effectively. I recognize this will be far from a one-size-fits-all approach and look forward to producing communications through a variety of media that you (as a stakeholder) want to engage with and want to share. We hope that the message of CFA Societies Canada is one that you will be proud to carry in future.

In closing, I am grateful for the trust that the Board of Directors has given me in this appointment and look forward to delivering organizational accomplishments of which we can be proud.

Best regards,

A handwritten signature in blue ink, appearing to read 'Michael Thom', written over a light blue horizontal line.

MICHAEL THOM, CFA
MANAGING DIRECTOR, CFA SOCIETIES CANADA

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 Board of Directors is supported in its work by the Executive Committee which takes a more active role in the oversight of activities of CFA Societies Canada.

To provide a structure for a properly functioning organization, the following policies and governance were enacted this year to govern the activities of the Board of Directors, committees and staff.

- Accessibility Policy
- Board Member Job Description
- Communications Protocol
- Employee Policies and Procedures
- Executive Committee Terms of Reference
- Expense Policy
- Finance Policy
- Investment Policy
- Privacy Policy
- Record Retention and Destruction Policy
- Reserve Policy
- Treasurer Job Description

In addition, the governance documents for the Canadian Advocacy Council (CAC) have been revised to reflect their integration with CFA Societies Canada. Our goal in the first half of the coming fiscal year is to accomplish similar integration with the Canadian Investment Performance Council (CIPC). We are hopeful that with the strong leadership of this group in the performance reporting, GIPS, and advocacy spaces that CFA Societies Canada can scale their efforts and broaden their reach in the future.

OPERATIONS

CFA Societies Canada ended the year on a high note with Michael Thom, CFA joining as Managing Director on May 27, 2019. Michael joins with history in the organization, having been a member and chair of the Canadian Advocacy Council of CFA Societies Canada and a director with CFA Society Toronto.

2019 was a challenging year operationally for CFA Societies Canada as staff and management turnover constrained the organization's ability to implement operational goals. However, as the year closed the organization was near fully staffed, with a new Managing Director in place and a process well underway to bring the team to its full complement by adding an operations associate employee.

From an organizational perspective, the Board of Directors worked closely with the National Project and Relationship Manager to maintain operational continuity through these staff and management challenges. During the year the Society implemented new Board appointment and onboarding procedures, created an online manual for Board members, and materially improved governance through the creation of a number of key policies and terms of reference. Special thanks go to the Board (particularly Chair, David Smith, CFA and the Executive Committee) and Candice Szpruta for seeing the organization through this challenging phase of its young life.

Fiscal 2020, commencing July 1, will be kicked off by refreshing the three-year Strategic Plan and objectives with the Society revisiting the mission statement, the creation of a vision statement, and setting key priorities and for the next three years.

2020 will see major steps forward on technology, governance, and management processes inside the organization. Early steps are already underway as management charts out a new path and focuses on improved communication and reporting.

ADVOCACY

Advocacy remains the cornerstone of CFA Societies Canada, underpinned by the consistent work of the Canadian Advocacy Council. As the 2019 operating year drew to a close, we announced that the Canadian Advocacy Council completed its integration both in operations and branding with CFA Societies Canada. Functionally there will be complete continuity, and CFA Societies Canada will seek to complement the committee's efforts go-forward by institutionalizing key relationships, providing new tools, and by spreading their message to stakeholders in new ways.

In the coming year, we are looking forward to leveraging the efforts of our advocacy volunteers by connecting them more tightly with a view of the forward regulatory calendar in Canada and growing their mandate by developing more integration with society leaders. This will build a platform for more proactive advocacy efforts in future.

CFA Societies Canada will seek to identify a small number of investor advocacy projects on which it can have significant impact either through partnership or unique brand impact. We are excited about the number of opportunities in this area that our stakeholders have already identified and look forward to examining where we can have the most impact.

CFA Societies Canada will also continue to lead on a number of signature advocacy initiatives and projects, including being engaged in Ontario's implementation of the [Financial Professionals Title Protection Act](#) in concert with CFA Institute and our Ontario-based member societies, the roll-out of [IIROC's Plain Language Rulebook](#) including new proficiency standards with extensive reference to the CFA Program and charter (with credit due to CFA Society Toronto and CFA Institute for a multi-year effort on this file), and the Alternative Performance Measures pilot project as the work of the project gets underway.





THE CANADIAN ADVOCACY COUNCIL OF CFA SOCIETIES CANADA

The Canadian Advocacy Council strives to advance market integrity, transparency and investor protection, on behalf of CFA Societies Canada and Canadian CFA charterholders. The Canadian Advocacy Council (CAC) is composed of CFA charterholders who are dedicated and passionate in their application of the [CFA Institute Code of Ethics and Standards of Professional Conduct](#).

As a representative committee of CFA Societies Canada, the CAC targets geographic and professional diversity across our volunteer base. Much of the CAC's work is focused on what the CFA Institute defines as level three advocacy or, said differently, much of the CAC's work is focused on discussing and responding to regulatory proposals, consultation papers, staff notices and other requests for comment. The CAC also engages in more proactive advocacy efforts by maintaining an active, open dialogue with securities and other regulators, standard setters, and self-regulatory organizations.

In fiscal 2018-2019, the CAC responded to 21 different regulatory processes through formal comment letters and reviewed numerous other public requests for comment. The CAC applies a [litmus test](#) to help us identify which issues to engage our resources on. The CAC opinion is unique in that we are unbiased in our analysis and our comment letters are based on the ethical principles contained within the [CFA Institute Code of Ethics and Standards of Professional Conduct](#). Many of our recent letters focused on improving market transparency in equity, fixed income and derivative products. A complete list of all our comments is available on our website.

Moving forward, we are excited to work with CFA Societies Canada on more proactive advocacy initiatives that can leverage the skills and network of the CAC. 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

ROB GOULEY, CFA
CHAIR, CANADIAN ADVOCACY COUNCIL

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 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 Alberta, British Columbia, Prairies, Ontario, Québec and Atlantic Canada). This year, a total of **108 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 **six universities participated** in the National Round: Mount Royal University, Saint Mary's University, Telfer School of Management (University of Ottawa), Thompson Rivers University, Université Laval and University of Winnipeg.

The National Round was held in Calgary on May 1, 2019. 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 **Thompson Rivers University** were named the winners of 2019 CFA Societies Canada Ethics Challenge and were announced in a press release sent on May 6, 2019. The press release was **picked up 19 times** and received **nearly 15 million impressions**. The winners were also featured in an article published by *Kamloops This Week* and **received over 44,000 views**.

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

CFA Societies Canada also co-presented at the recent 2019 Americas Region Advocacy Workshop at CFA Institute in Charlottesville, Virginia on how to run a local Ethics Challenge. We continue to promote this initiative globally and educate societies on the benefits of hosting an Ethics Challenge. To date, local Ethics Challenges have been hosted by the following Societies globally:

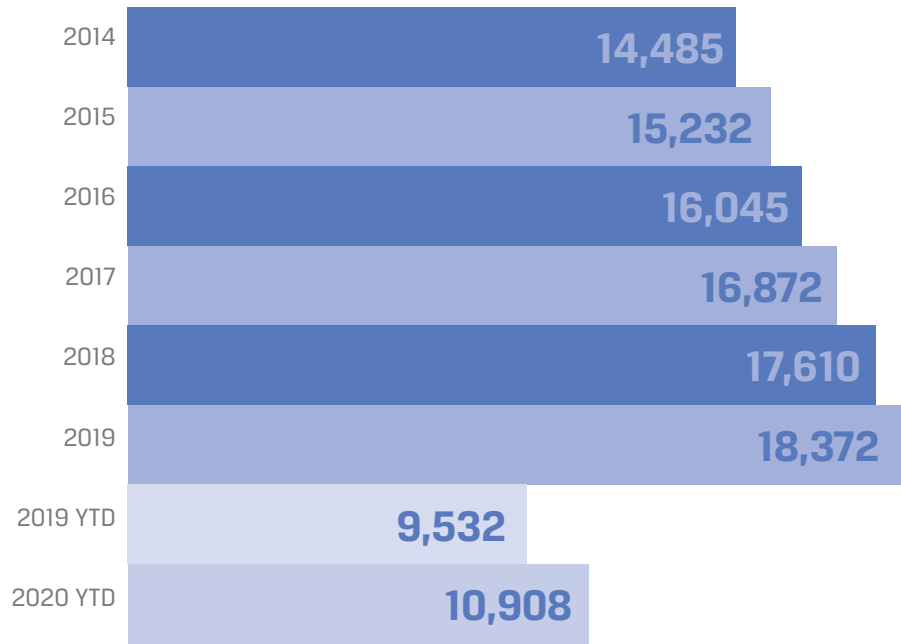
- CFA Society Cayman Islands
- CFA Society Emirates
- CFA Society Egypt
- CFA Society Nigeria
- CFA Society Philadelphia
- CFA Society Poland
- CFA Society Portland
- CFA Society Singapore
- CFA Society Tampa Bay



DEMOGRAPH

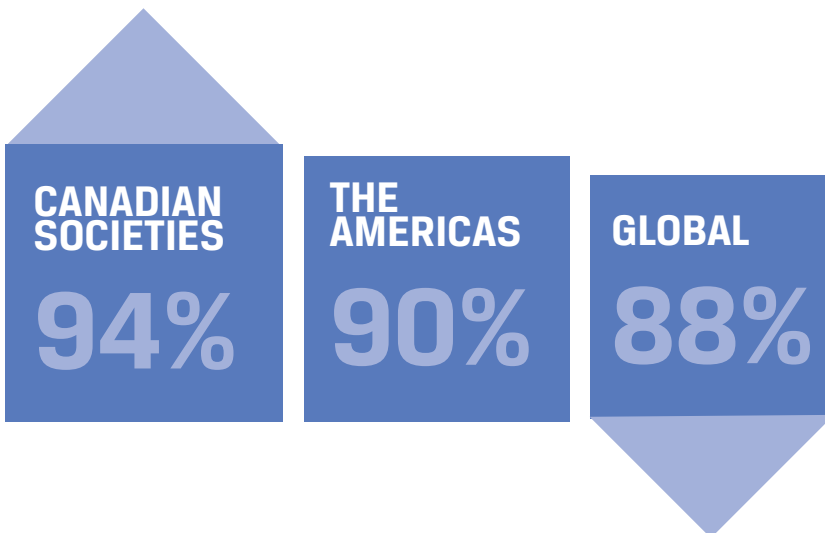
ACTIVE SOCIETY MEMBERS

YEAR-END AS OF 30 JUNE 2019
 5-YEAR CAGR (Compound Annual Growth Rate): 4.9%



MEMBERSHIP RETENTION

YEAR-END AS OF 30 JUNE 2019



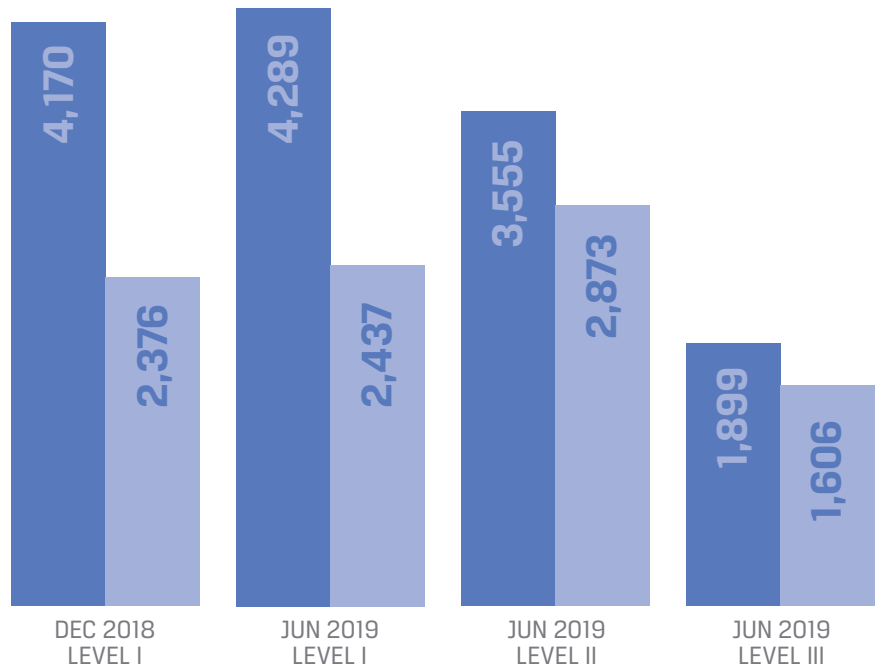
Members' engagement with the Society is reflected in our leading retention rates when compared to other societies globally.

STATISTICS

REGISTRATIONS BY EXAM LEVEL FISCAL YEAR 2019

AS OF 30 JUNE 2019

NEW CANDIDATE
RETURNING CANDIDATE



MEMBER TOP EMPLOYERS

AS OF 31 MAY 2019

Desjardins Group

Manulife Financial

TD Bank Financial Group

Canada Pension Plan Investment Board

BMO Financial Group

NATIONAL BANK OF CANADA

RBC

Scotiabank GROUP

CIBC World Markets

DELOITTE

2018/2019 BOARD OF DIRECTORS



TOP ROW

Frederick Chenel, CFA
Dan Lavallee, CFA
David Smith, CFA
Daniel Spencer, CFA
Robert Luck, CFA

BOTTOM ROW

Shaila Ekramoddoullah, CFA
Jessie Bobinski, CFA
Gordon Fawcett, CFA
Ty Saunders, CFA
Mathieu Doucet, CFA
Johann Kuntze, CFA
Wesley Blight, CFA

ABSENT

Johanna Salloum, CFA
Rodney Babineau, CFA

EXECUTIVE COMMITTEE

CHAIR

David Smith, CFA
PRESIDENTS COUNCIL
REPRESENTATIVE, CANADA

VICE CHAIR

Daniel Lavallee, CFA
CFA SOCIETY TORONTO

TREASURER

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CFA SOCIETY WINNIPEG

Wesley Blight, CFA
CFA SOCIETY OTTAWA

Johann Kuntze, CFA
CFA SOCIETY VICTORIA

Robert Luck, CFA
CFA INSTITUTE

DIRECTORS

Rodney Babineau, CFA
CFA SOCIETY EDMONTON

Jessie Bobinski, CFA
CFA SOCIETY VANCOUVER

Frederick Chenel, CFA
CFA MONTRÉAL

Mathieu Doucet, CFA
CFA QUÉBEC

Gordon Fawcett, CFA
CFA SOCIETY OKANAGAN

Johanna Salloum, CFA
CFA SOCIETY SASKATCHEWAN

Ty Saunders, CFA
CFA SOCIETY ATLANTIC CANADA

Daniel Spencer, CFA
CFA SOCIETY CALGARY

STAFF



MANAGING DIRECTOR

MICHAEL THOM, CFA

The Managing Director is responsible for leading teams of volunteers and a small staff to serve the 12 Canadian CFA Societies and their members. The Managing Director will provide strategic leadership and operational oversight for the Society, manage volunteer committees, and represent CFA charterholders in Canada at a national level in communications with policy makers, media, and industry groups. The Managing Director will support policy formation and advocacy to Canadian policy makers regarding financial industry regulation, development of relevant research & thought leadership, promotion of professional standards, and outreach to government and industry related to building financial market integrity in Canada. The Managing Director will support national projects related to the investment management business and of interest to CFA charterholders across Canada.

NATIONAL PROJECT AND RELATIONSHIP MANAGER

CANDICE SZPRUTA

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 the day-to-day business operations of the offices of CFA Societies Canada.



OPERATIONS ASSOCIATE

JANESSA ARANAS

The Operations Associate is responsible for supporting the work of the staff of the organization and providing logistical support to the Board of Directors and Committees of the association. The Operations Associate supports the Managing Director in his outreach to and engagement with regulators, societies, and committees of the board; and supports the National Project and Relationship Manager in the liaison with societies, committees, the board of CFA Societies Canada, and external resources as needed; and for providing support on implementation of projects associated with the strategic objectives of the organization.

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