

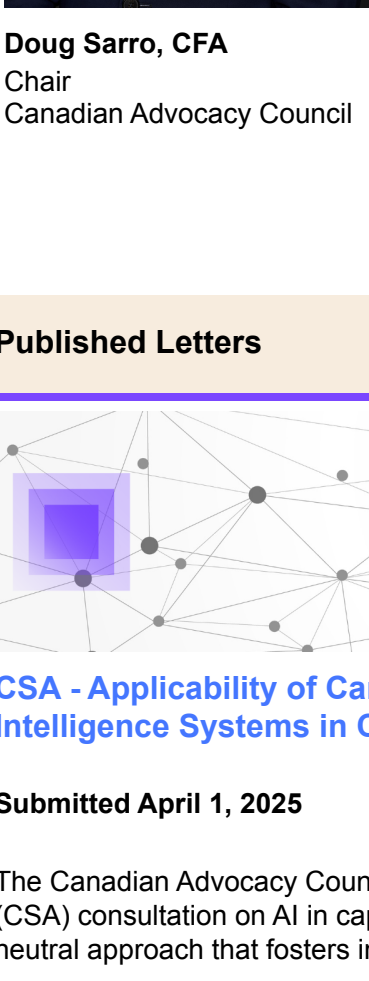
Canadian Advocacy Newsletter

April 2025

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Chair Summary

Canadian Advocacy Council



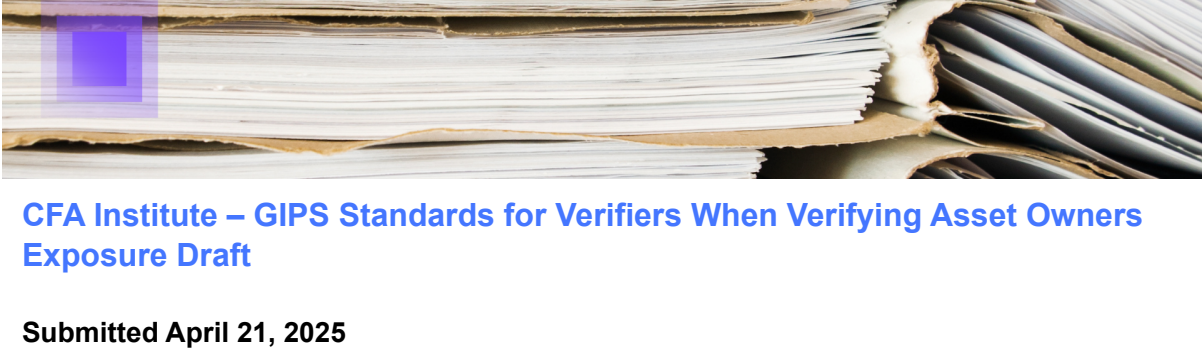
Doug Sarro, CFA
Chair
Canadian Advocacy Council

The instability and uncertainty flowing from the Trump Administration's destructive policies on trade and immigration have made this a difficult month for investors and consumers. The Canadian Securities Administrators can and should rise to the resulting challenge by contributing to efforts to reduce internal barriers to trade within Canada. So far, however, they seem to instead be focused on staying aligned with policy priorities in Washington, D.C., announcing in April that they were pausing proposals to give investors access to meaningful information about their portfolio companies' impact on climate change and approaches to fostering diversity in the upper echelons of their management.

It is unfortunate that our regulators took this step without offering any meaningful response to calls from the Canadian Advocacy Council and other stakeholder groups for decision-useful disclosure on matters that are material to investors. Rather than take their cues from Washington, Canadian securities regulators should take heed of local investor demand and regulatory trends in the United Kingdom, the European Union, and elsewhere towards disclosure requirements that offer a fuller picture of the social and environmental impacts of corporate decision-making.

Published Letters

Canadian Advocacy Council



CSA - Applicability of Canadian Securities Laws and the Use of Artificial Intelligence Systems in Capital Markets

Submitted April 1, 2025

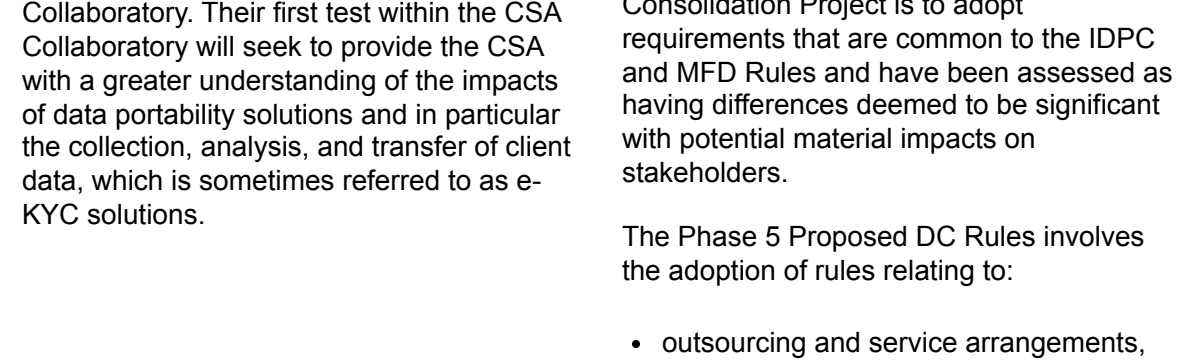
The Canadian Advocacy Council (CAC) responded to the Canadian Securities Administrators' (CSA) consultation on AI in capital markets. The CAC supported a principles-based, tech-neutral approach that fosters innovation while managing risk.

Key recommendations included:

- Using sandboxes, reviews & notices to stay flexible
- Encouraging firm-led AI governance, not prescriptive rules
- Protecting personal data with strong oversight
- Aligning human oversight with risk & AI use
- Risk-weighted monitoring for complex systems
- Guidance on explainability in high-risk use cases
- Allowing AI in low-risk registrant functions under oversight
- Exploring AI's role in reducing compliance costs
- Clarifying expectations for third-party AI oversight
- Addressing systemic risks while noting AI's potential to mitigate them

Published Letters

Canadian Investment Performance Council



CFA Institute – GIPS Standards for Verifiers When Verifying Asset Owners Exposure Draft

Submitted April 21, 2025

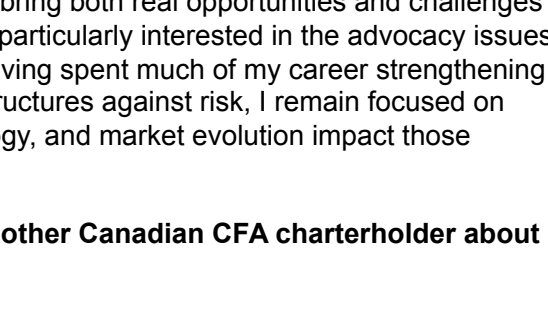
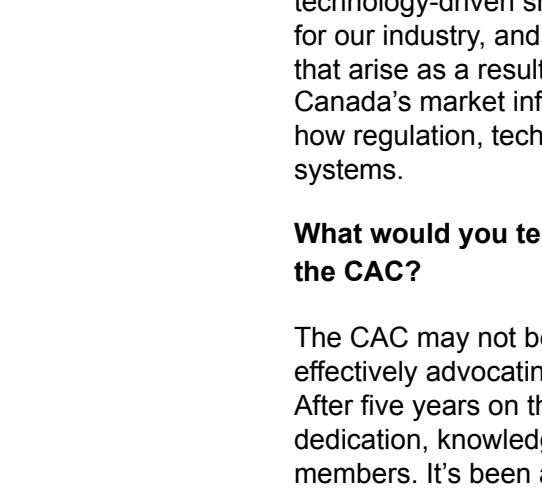
The Canadian Investment Performance Council (CIPC) has submitted its response to CFA Institute's Exposure Draft of the *GIPS Standards for Verifiers When Verifying Asset Owners*.

Letter highlights included:

- The CIPC expressed overall support for the proposed testing procedures but requested further clarity on asset valuation assessments.
- The CIPC opposed requiring verifiers to be knowledgeable about laws and regulations unrelated to performance, citing concerns over cost, liability, and relevance.
- Lastly, CIPC supported revising terminology to "composite of total funds" for greater clarity.

Response Drafting in Progress

Canadian Advocacy Council



CSA Financial Innovation Hub Introduces Collaboratory and Data Portability Test

CIRO - Rule Consolidation Project - Phase 5

Due May 19, 2025

Due June 25, 2025

The CSA is examining the implications of data portability in Canadian capital markets and is consulting industry stakeholders through a new cohort-based and forward-looking Testing Environment: the CSA Collaboratory. Their first test within the CSA Collaboratory will seek to provide the CSA with a greater understanding of the impacts of data portability solutions and in particular the collection, analysis, and transfer of client data, which is sometimes referred to as e-KYC solutions.

The Canadian Investment Regulatory Organization (CIRO) is publishing for comment Phase 5 of its Rule Consolidation Project rule proposals.

The objective of Phase 5 of the Rule Consolidation Project is to adopt requirements that are common to the IDPC and MFD Rules and have been assessed as having differences deemed to be significant with potential material impacts on stakeholders.

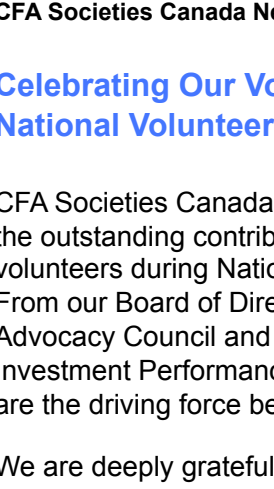
The Phase 5 Proposed DC Rules involves the adoption of rules relating to:

- outsourcing and service arrangements,
- continuing education,
- reporting and handling of complaints, internal investigations, and other reportable matters,
- recordkeeping and client reporting,
- financial solvency,
- client asset use and custody, and
- financing arrangements.

****If you would like to participate or provide comments to ongoing initiatives, please contact cac@cfacanada.org****

Volunteer Spotlight

Canadian Advocacy Council



David Stanton, CFA

David has served on the CAC since September 2019.

David is a retired financial services executive with 35 years of industry experience, including the last 25 in risk management. He was the Enterprise Chief Risk Officer at TMX Group, responsible for overseeing all material, emerging, and strategic risk exposures. Prior to that, he served as Chief Risk Officer at the Canadian Depository for Securities. David holds an MBA from Queen's University, the Financial Risk Manager (FRM) designation from the Global Association of Risk Professionals, and is a CFA charterholder.

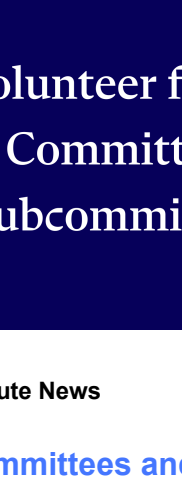
What advocacy issues are you most passionate about?

We're seeing an unprecedented amount of change in the investment decision-making process, driven by innovations like artificial intelligence, crypto assets, and data-driven investing. These technology-driven shifts bring both real opportunities and challenges for our industry, and I'm particularly interested in the advocacy issues that arise as a result. Having spent much of my career strengthening Canada's market infrastructures against risk, I remain focused on how regulation, technology, and market evolution impact those systems.

What would you tell another Canadian CFA charterholder about the CAC?

The CAC may not be widely known, but it has a long history of effectively advocating on behalf of CFA charterholders in Canada. After five years on the council, I'm still consistently impressed by the dedication, knowledge, experience, and camaraderie of my fellow members. It's been a rewarding experience—and a genuine pleasure—to be part of the CAC.

News



Canadian
Asset Management
Entrepreneurship
Alliance

CIBC MELLON

May 29, Virtual

CIPC: The Evolution of the Performance Measurement Professional

CFA Societies Canada News

Introducing CAMEA: CFA Societies Canada Joins Forces to Champion Emerging Managers

CFA Societies Canada has joined forces with AIMA, the Emerging Managers Board (EMB), and PMAC to launch the [Canadian Asset Management Entrepreneurship Alliance \(CAMEA\)](#)—a new initiative to support and scale entrepreneurship in Canada's asset management industry.

At the official launch event on April 30, CFA Societies Canada Managing Director Michael Thom highlighted the opportunity to nurture Canada's next generation of financial leaders. CAMEA also released a set of [bold policy recommendations](#) focused on [reforming manager programs](#), sector-based economic development, targeted tax incentives, and streamlined regulation.

CIPC Events

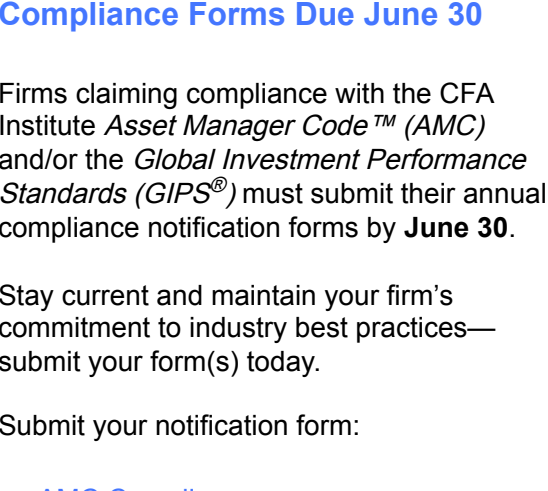
CIPC: The Evolution of the Performance Measurement Professional (May 29, Webinar)

The Canadian Investment Performance Council (CIPC) of CFA Societies Canada, in partnership with the Women in Performance Measurement Network (WiPM), and sponsored by [CIBC Mellon](#), invites you to a timely discussion on the evolving Performance Measurement profession.

**May 29 at 12–1 PM ET
Virtual Event
Eligible for 1 CFA Institute PL credit**

Topics and speakers include:

- Industry Trends & Insights with **Cynthia Shaw-Pereira, CIPM** (CIBC Mellon)
- WiPM Perspectives from **Frances Barney Knutsen, CFA**
- Asset Owner Viewpoint with **Steve Khairy, CFA, CIPM** (PSP Investments)
- Fund Manager Insights from **Kenrick Ohid, CIPM** (TD Asset Management)
- Moderated by **Lindsey Beecroft, CFA** (CDPQ)



CFA Societies Canada News

Celebrating Our Volunteers During National Volunteer Week

CFA Societies Canada is proud to recognize the outstanding contributions of our volunteers during National Volunteer Week. From our Board of Directors to the Canadian Advocacy Council and the Canadian Investment Performance Council, volunteers are the driving force behind our mission.

We are deeply grateful for the time, expertise, and passion these individuals bring to our work. Their efforts help advance our advocacy, elevate professional standards, and strengthen our impact across Canada.

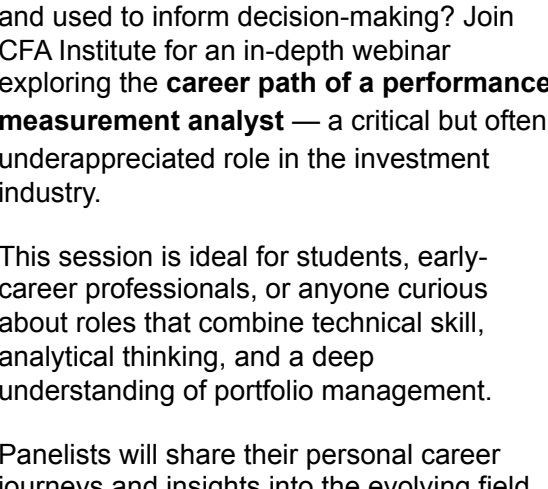
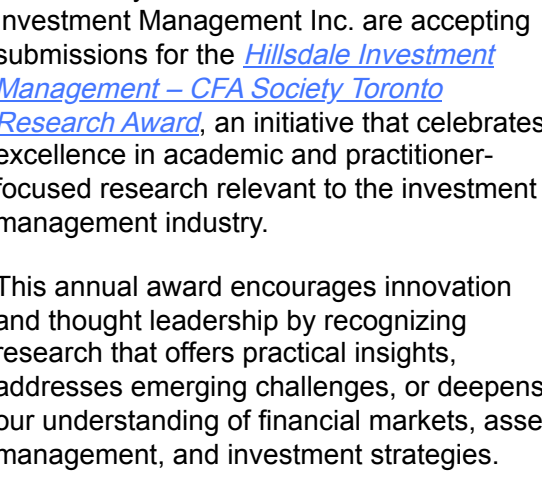
CIPC News

Women in Performance Measurement (WiPM) and CIPC Co-Presented Roundtable Discussion

On April 22, the Women in Performance Measurement (WiPM) association teamed up with the Canadian Investment Performance Council (CIPC) in Toronto to host members and industry peers in a roundtable discussion focusing on trending topics related to investment performance measurement.

Speakers included CIPC member, Lindsey Beecroft, CFA, who alongside co-speakers Cynthia Shaw-Pereira, CIPM, and Christine Iannacone, CIPM, shared their recommendations and perspectives on career development for women in investment performance measurement, opportunities for training and upskilling, and current challenges and upcoming changes that impact performance measurement.

The CIPC and WiPM will next collaborate on a virtual event taking place on [May 29](#), where speakers will discuss [The Evolution of the Performance Measurement Profession](#).



Society News

Hillsdale Investment Management - CFA Society Toronto Research Award

CFA Society Toronto and Hillsdale Investment Management Inc. are accepting submissions for the [Hillsdale Investment Management – CFA Society Toronto Research Award](#), an initiative that celebrates excellence in academic and practitioner-focused research relevant to the investment management industry.

This annual award encourages innovation and thought leadership by recognizing research that offers practical insights, addresses emerging challenges, or deepens our understanding of financial markets, asset management, and investment strategies.

In addition to a CAD \$10,000 cash prize, recipients benefit from valuable recognition within the global investment community—opening doors to professional opportunities and enhancing the impact of their work across the industry.

The application deadline is June 27, 2025.

CFA Institute Webinar

Upcoming Webinar: Career Paths in Performance Measurement (May 20)

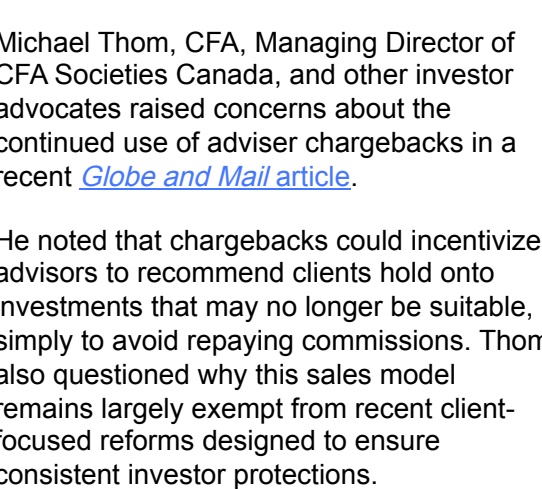
Are you interested in how investment performance is evaluated, communicated, and used to inform decision-making? Join CFA Institute for an in-depth webinar exploring the **career path of a performance measurement analyst**—a critical but often underappreciated role in the investment industry.

This session is ideal for students, early-career professionals, or anyone curious about roles that combine technical skill, analytical thinking, and a deep understanding of portfolio management.

Panelists will share their personal career journeys and insights into the evolving field of performance measurement.

Whether you're exploring a career pivot or just starting out, this webinar will give you valuable clarity on where this path can lead.

**May 20, 2025
8-9 am ET
No cost to register**



CFA Institute News

GIS Committees and Subcommittees Currently Recruiting!

Volunteers are actively being recruited to serve on various CFA Institute Global Industry Standards (GIS) committees and subcommittees, for chair or member positions.

[Learn more](#) about all volunteer application details and information for the committee/subcommittee positions. The deadline to [apply](#) is May 12, 2025 by 17:00 ET. Email volunteers@cfainstitute.org with any questions.

CFA Institute News

Reminder: AMC and GIPS® Compliance Forms Due June 30

Firms claiming compliance with the CFA Institute *Asset Manager Code™ (AMC)* and/or the *Global Investment Performance Standards® (GIPS®)* must submit their annual compliance notification forms by **June 30**.

Stay current and maintain your firm's commitment to industry best practices—submit your form(s) today.

Submit your notification form:

- [AMC Compliance](#)
- [GIPS Compliance](#)



Podcast

Mark Campanale: The Carbon Bubble and Future of Fossil Fuels

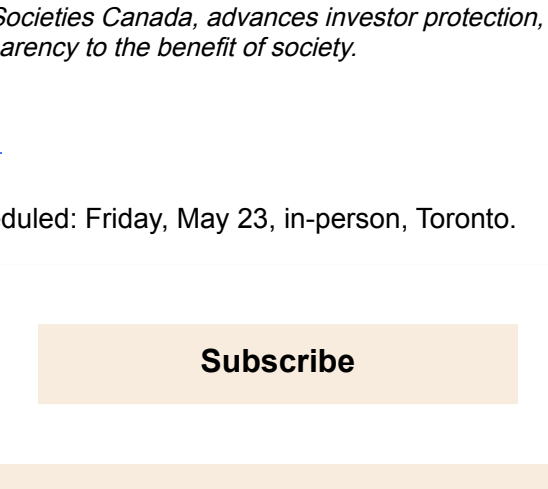
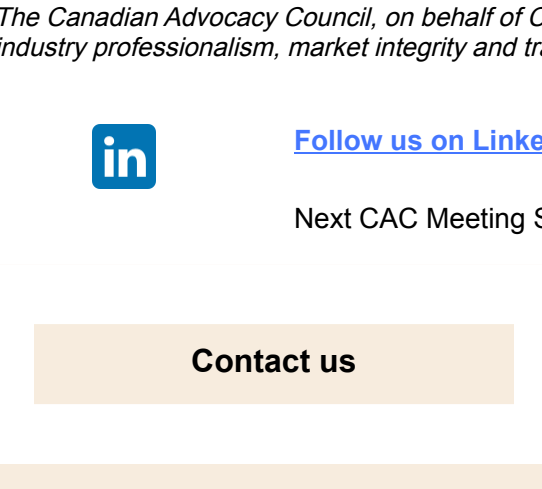
Mark Campanale, founder of the Carbon Tracker Initiative, talks with Paul Moody, Managing Director of Global Partnerships and Client Solutions at CFA Institute, about the growing risks tied to fossil fuel investments. Mark explains the concept of the carbon bubble—the gap between the carbon in global reserves and what the climate can safely absorb—and what it means for investors, regulators, and financial markets. We explore stranded assets, shifting energy economics, and why renewables and EVs are rapidly changing the game. Packed with insights on climate risk, valuation, and policy, this is a must-listen for anyone navigating the transition to a low-carbon economy.

Podcast

Dan Boston: Volatility, Valuation, and the International Opportunity Set

Dan Boston, Lead Manager of Polar Capital's International Small Company Fund (PCSCX), shares his perspective on why international equities may be poised for a resurgence. The conversation unfolds amid sharp market volatility following President Trump's announcement of sweeping new tariffs.

With global markets down significantly, Dan and Mike explore the broader implications for asset classes including U.S. treasuries, oil, and international stocks. Tune in for a timely discussion on where global opportunities may lie in today's unsettled investment landscape.



CFA Institute Enterprising Investor

Research

Can Generative AI Disrupt Post-Earnings Announcement Drift (PEAD)?

Intrinsic Value: A Solution to the Declining Performance of Value Strategies

One of the most persistent market anomalies is the post-earnings announcement drift (PEAD)—the tendency of stock prices to keep moving in the direction of an earnings surprise well after the news is public. But could the rise of generative artificial intelligence (AI), with its ability to parse and summarize information instantly, change that?.

The paper proposes intrinsic value as an alternative measure of fundamentals for predicting stock returns. It constructs intrinsic value as the sum of the book value of equity and the present value of future economic profits. The capital asset pricing model alpha of a long-short portfolio of large stocks based on the intrinsic-value-to-market ratio is 56 basis points per month from 1999 to 2023, outperforming traditional valuation multiples such as the book-to-market ratio. The study argues that the underperformance of traditional multiples is due to their failure to account for future economic profits, which have become a more significant component of firm value as discount rates have declined.



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Next CAC Meeting Scheduled: Friday, May 23, in-person, Toronto.

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