



Annual Report 2010/2011

CFA Sweden
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President's Message

Dear fellow members of CFA Sweden, dear Strategic Partners,

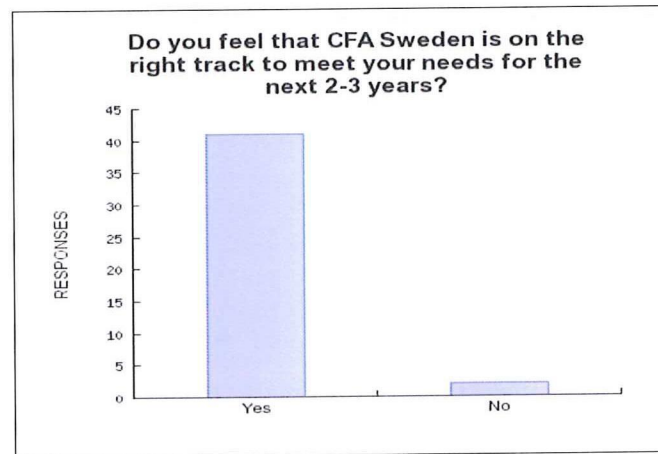
It has been a pleasure and a privilege to serve as President of CFA Sweden over the past year. CFA Institute, the Global Association of Investment Professionals, presently consists of 137 societies, representing well over 100.000 members worldwide. CFA Sweden is proud to be one of these societies, working closely with CFA Institute to achieve our common goal "to lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence".

A year ago we embarked on a mission to revitalize CFA Sweden. To achieve this, we identified three success factors, which were to guide our work.

1. Find each volunteer's passion,
2. Re-use information and processes, and
3. Forge strong relationships with strategic partners.

On this inspired note we have recharged the Board by introducing an Executive Committee, EC, with fiercely committed members. Spurred by the EC, the Board has worked diligently to achieve a governance structure that would make us all proud. We have launched a student section, Young CFA, with the aim to be the preferred gateway to the investment profession for students within finance and economy. We sent the Swedish winners of the Global Investment Research Challenge, Stockholm School of Economics, to the regional EMEA final in Madrid, where they were narrowly beaten by the team who ended up winning the global final. We have approached our Nordic sister societies in search of common ground and the collaboration resulted in the book *Recommendations & Financial Ratios, Nordic Edition*. For the second consecutive year, we have handed out the CFA Sweden ESG-prize to the person/organization that has meant the most to raise awareness of ESG-issues in the investment process. We have enlisted CFA Sweden as a referral body to the regulators and we have applied to become GIPS (Global Investment Performance Standards) Country Sponsors. Finally we have forged fruitful and inspiring relationships with our partners Financial Hearings, Handelsbanken, Nordea, DnB NOR, PwC and KPMG which has allowed us to offer our members a high quality program with professional seminars, social networking events, the CFA Charter Award, our AGM and much more.

At the end of this year we asked our main stakeholders (members, Charterholders, and Candidates) how we had done. A crushing majority felt that CFA Sweden is on the right track and should continue on the current path.



Source: CFA Sweden 2011 Member Survey

I would like first and foremost to thank the EC and the Board of Directors for their hard work and dedication in producing the excellent results we have achieved this year. The many accomplishments of the Board are highlighted on the following pages.

On behalf of the Board of Directors, I would also like to express my sincere gratitude to all our members and strategic partners who volunteered time and energy to CFA Sweden this past year.

Looking forward to meeting you all in 2011/2012.

Henrik Bjerklin

President
CFA Sweden

About CFA Sweden

CFA Sweden was founded in 2003 as a not-for-profit organization. CFA Sweden is a national member society of CFA Institute.

CFA Institute

CFA Institute is a global, not-for-profit organization comprising the world's largest association of investment professionals. With over 100,000 members and 137 local member societies around the world, CFA Institute is dedicated to developing and promoting the highest educational, ethical, and professional standards in the investment industry. CFA Institute offers a range of educational and career resources, including the Chartered Financial Analyst® (CFA®) and the Certificate in Investment Performance Measurement (CIPM®) designations, and is a leading voice on global issues of fairness, market efficiency, and investor protection. CFA Institute also promotes Advocacy and professional Conduct, setting and advocating the adoption of the Code of Ethics and Standards of Professional Conduct, the Global Investment Performance Standards (GIPS®), and various positions related to the capital market.

Our mission is

- To promote the CFA Charter in Sweden;
- To establish educational standards in the professional practices of financial analysis, investment management, securities analysis and other similar professions (referred to as the Investment Decision-Making Process);
- To instruct and train individual members and the general public in the sound and trustworthy principles, practices and conduct with regard to the Investment Decision Making Process;
- To guide, encourage, and aid the continuing education of individuals professionally engaged in the Investment Decision-Making Process
- To support and assist CFA Institute efforts to develop, establish, promulgate and maintain a Code of Ethics and Standards of Professional Conduct for individuals professionally engaged in the Investment Decision-Making Process, and
- To enforce such standards for members.

Board of Directors 2010/2011

| | |
|---|---|
| Henrik Bjerklin, CFA (President) | Proventus AB |
| Marcus Widmark, CFA (Secretary) | Praktikertjänst AB:s Pensionsstiftelse |
| Ulrika Bergman, CFA (Treasury) | SEB |
| Peder Du Rietz, CFA (Events) | Garantum Fondkommission AB |
| Mats Waldemarsson, CFA (IT) | Swedbank Robur AB |
| Fredrik Ahlin, CFA | If Skadeförsäkring AB |
| Gunilla Hjalmarsson, CFA (left June 30, 2011) | meta asset management AB |
| Stefan Wård | Citigroup Global Markets Limited UK Sverige Filial Nordic Region Investment Banking |
| Thomas Karlsson | Swedbank Robur AB |

Executive Committee

Madeleine Lindblad Woodward, Chair, (also Director of External Relations and Advocacy Chair);
Henrik Bjerklin, Marcus Widmark and Peder Du Rietz.

Nomination Committee

Fredrik Ahlström (Chair), Ulrika Bergman and Marc Shay acted as a temporary committee.

Young CFA

Amira Roula, Chairwoman, and Truls Stattin, Vice Chairman.

Events

Annual General Meeting

The well-attended Annual General Meeting took place on the 6th of October at KPMG in Stockholm. The AGM normally kicks-off the season and is one of the recurring events organized by CFA Sweden.

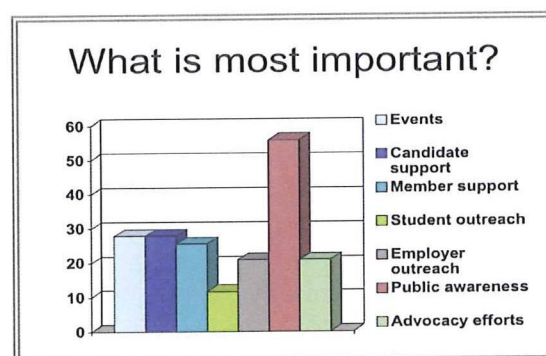
Charter Award Ceremony

On the 8th of December CFA Sweden celebrated the 8 new CFA Charterholders in Sweden, Norway and Latvia who completed the CFA program during the previous year. Like the AGM, it was hosted by KPMG in Stockholm. Also attending the ceremony was Jan Squires, CFA, from CFA Institute.

Speaker events

CFA Sweden offered two speaker events during the year. The first one took place on October 22nd together with DnB Nor in Stockholm with the topic *Restoring Investor Confidence in European Capital Markets*. Four speakers talked about the recently released paper with the same name by CFA Institute, the new regulation currently being discussed and the potential implications of these. Attending the event allowed Charterholders to record 1 credit of continuing education (CE) within the area of Standards, Ethics, and Regulations (SER).

The second speaker event was held on the 22nd of November at the offices of Alfred Berg in Stockholm. CFA Sweden was fortunate to have Professor Robert Haugen talk about *Low Volatility Anomaly*. The idea that stocks with lower volatility historically has provided investor with a higher return challenges some of the fundamental principles of modern finance, and Professor Haugen has been at the forefront of this research for the past 30 years. This event was also eligible for 1 CE credit.



Source: SurveyShare, CFA Sweden 2011 Member Survey

Pubs

CFA Sweden held 4 pub nights throughout the year. The first two took place on the 29th of September and the 16th of February, both at restaurant Ego. The third and the fourth pub were held at Oxen on the 28th of March and the 24th of May. The pub nights usually last for 2-3 hours and are a great way for Charterholders and candidates to network and socialize while enjoying a complimentary beverage.

Global Investment Research Challenge

The 2011 local Global IRC started on the 13th of November 2010 and involved one team each from Stockholm School of Economics, KTH Royal Institute of Technology, Linköping University and University of Gothenburg. The students were to prepare a 10-page sell-side research report including a buy/hold/sell recommendation on the Swedish pulp and packaging company Billerud. The Kick-off meeting took place on the 24th of November at the premises of PwC in Stockholm. After a few weeks of research, the students benefited from a one-hour investor call with Billerud CFO, Bertil Carlsen, including a 30-minute Q&A.

Three independent graders selected by CFA Sweden, all of who were CFA Charterholders, then evaluated the written reports, which were due the first week of January. The final event took place on the 27th of January, where the student teams each held a 10-minute presentation followed by a 10 minutes Q&A session in front of a panel of 5 judges. The final score, which was based 50 percent on the written report and 50 percent on the presentational score, was remarkably even with Stockholm School of Economics managing to secure the first place, by a narrow margin, by beating Linköping University. This event took place at the Nordea head office in Stockholm. The SSE team then went on to compete at the EMEA final in Madrid and placed among the top 4 teams in the region in March. Their performance was very impressive indeed!

Recommendations & Financial Ratios, Nordic Edition

The book, a result of a cooperation between six Nordic sister societies, was released at a seminar on March 9, *Develop and Manage an International Shareholder Base* at the Opera Terrace. The event was directly followed by the 17th annual Financial Hearings Awards ceremony, where a large number of distinguished representatives of Swedish quoted companies received prizes. All winners, amongst them the Swedish finance minister, were presented with the book by CFA Sweden.

CFA Sweden ESG Award

On June 14th CFA Sweden handed out the ESG Award, for the second time, to the person/organization that has meant the most to raise awareness of ESG-issues in the investment process in Sweden. During the Award ceremony, which was cooperation between Financial Hearings, Business World, Halvarsson & Halvarsson and CFA Sweden, a total about 20 different prizes in different categories were handed. Within the ESG category Anna Nilsson, Head of Sustainability Analysis at Swedbank Robur, and Gunilla Hjalmarsson, CFA, CEO at meta asset management, topped the list and shared the first prize.

Young CFA

On the 6th of October 2010, at the Society AGM, the launch of Young CFA was announced as a CFA Sweden network bridging theory and job experience. The long-term goal of Young CFA is to become the preferred gateway to the investment profession for all students of finance and economy, as well as related subjects.

Young CFA aims to achieve

- Career molding, bridging the gap between theory and job experience.
- Understanding of the complexities of the investment profession and the importance of the international seal of professional excellence, the CFA designation.
- Mentor meetings at regular open house/pub evening events.
- Corporate visits presenting the facts and the flavours of the work place.
- Promotion of skills and potential through sponsored seats at all CFA events.
- Promotion of Swedish academic excellence and future leaders of the profession through CFA Institute Research Challenge.

Together with CFA Sweden, Young CFA helped promote and administer Global Investment Research Challenge 2010. The challenge was a success, and the Swedish team did exceptionally well in the EMEA finals.

The first Young CFA event was held at CV Search in February 23, 2011 and participated for the first time in an official setting at Finansdagarna 2011 in Linköping University in March.

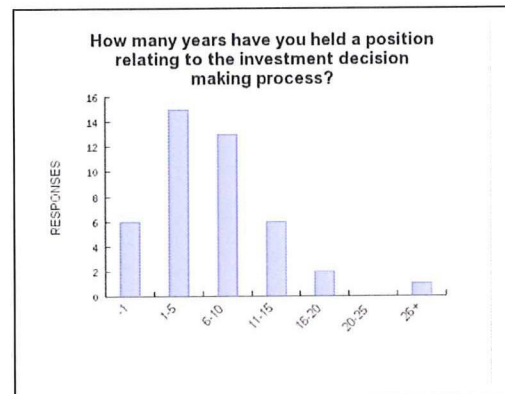
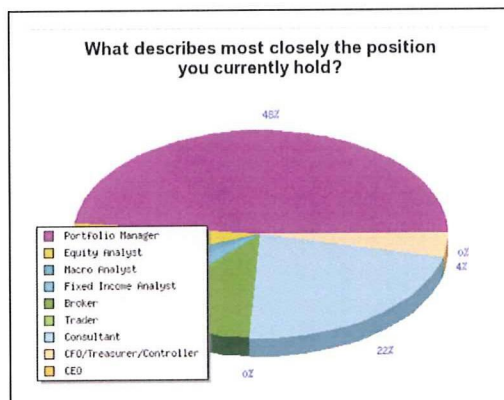
At present, Young CFA has 23 members; the focus has been to target the most ambitious and dedicated students, with an aim to become CFA Charterholders. Most of our members found their way to us via word of mouth, recommendation and research. Currently, most of our members are students from Stockholm; it is our aim to reach students and young professionals all over Sweden. Most members are also non-natives, as the CFA institute and the CFA charter is not widely known among Swedes as of yet. Young CFA hopes to change this by focusing even more on informational activities towards the top business schools in Sweden.

When Young CFA was founded, the focus was on promotion through Student Associations at the various business schools. The problem with such an alliance soon became evident, as most schools change their Student Association boards on a yearly basis; the window for a continuous cooperation was small. For next business year, Young CFA will focus on cooperating with the finance institution at Sweden's top universities, with the aim to establish a long-term cooperation.

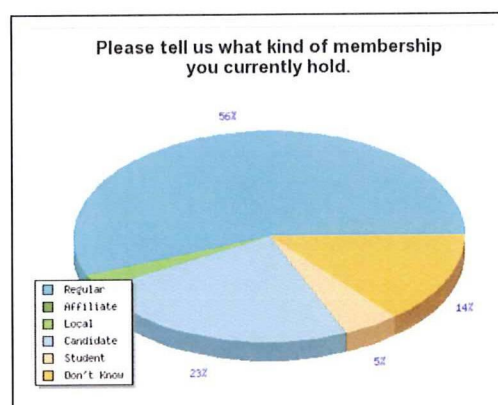
Member Survey

The Board and the Executive Committee worked hard to make 10/11 a year that would map the route to the future for CFA Sweden. Preparing for the coming season we needed the thoughts and views from our members – were we on the right path? We felt that we had positive feed back from members who participated in our events, but we wanted to reach also those who did not, to try to understand why. With the help of SurveyShare we asked for feedback from all our members and candidates.

We were pleased to note that nearly 1/3 of the answers were from members who had not participated in any activities over the year. Boldly summarised in one sentence, one might say that our members are young, mid-management portfolio managers with a commitment to the highest standards of ethics, education, and professional excellence. Food for thought for the Board was the alarming number of members who did not know their membership category. The bottom line however was pleasing: 98,6% of respondents felt that CFA Sweden is definitely on the right path.



Source: SurveyShare, CFA Sweden 2011 Member Sur



Governance

The Members exercise their rights at the Annual General Meeting (AGM) of the Society. The AGM elects the members of the Board, including the Chairperson. The Board is proposing to the 2011 AGM to incorporate in the Bylaws that the AGM shall also appoint an auditor or Independent Examiner.

During the financial year 2010/2011, there have been 8 board meetings, with an additional equal number of Executive Committee meetings in between. The Board has implemented a Self-Assessment strategy, which was duly carried out at the end of the financial year. The Board is proposing to the 2011 AGM that CFA Sweden will have a Nomination Committee, which is separate from the Board. The AGM shall appoint the Committee, which shall adhere to an Instruction determined by the AGM. The Nomination Committee is responsible for submitting nominations to the Annual General Meeting for President and other Board members. The Board has appointed a Temporary Nomination Committee for the 2011 AGM elections. The Board Self-Assessments and Attendance list was forwarded to the Committee.

The Board is also proposing to the AGM that the Bylaws shall contain a stipulation that the Board shall prepare and annually review a Board Directives document, and that All Society Governance Documents shall be accessible on the Society website.

CFA Sweden has complied with all requirements stipulated in the partnership with CFA Institute.

Financials 2010/2011

CFA Sweden changed its accounting principles from cash based to accruals accounting, starting September 1 2011. There are therefore no comparing figures for previous periods.

All figures in SEK


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 AUGUST 2011


| | 2010-09-01-- 2011-08-31 |
|------------------------|----------------------------|
| REVENUE | |
| Membership dues | 43 416 |
| CFA Institute Funding | 87 349 |
| Other | 51 982 |
| Total revenue | 182 747 |
| COSTS | |
| Events | - 34 150 |
| Administration | - 82 349 |
| GIRC | -3 2 420 |
| Other | - 1 107 |
| Total expenses | - 150 026 |
| Year end result | 32 721 |

BALANCE SHEET AS FOR THE YEAR ENDED 30 AUGUST 2011

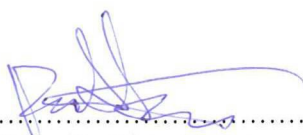
| | 2010-09-01-- 2011-08-31 |
|---------------------------------------|----------------------------|
| ASSETS | |
| Accrued revenues | 32 500 |
| Cash | 106 831 |
| Total Assets | 139 331 |
| EQUITY & LIABILITIES | |
| Prepaid revenues & accrued expenses | 38 125 |
| Retained earnings | 68 935 |
| Profit & Loss for the year | 32 271 |
| Total liabilities & equity | 139 331 |

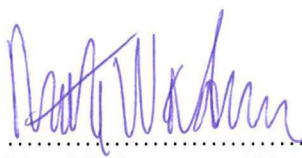
Stockholm, 1 November 2011



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Henrik Bjerklin, President

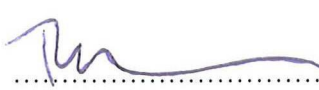

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Marcus Widmark, Secretary



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Ulrika Bergman, Treasurer


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Peder Du Rietz, Events


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Mats Waldemarsson, IT


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Fredrik Ahlin


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Thomas Karlsson


.....
Stefan Ward