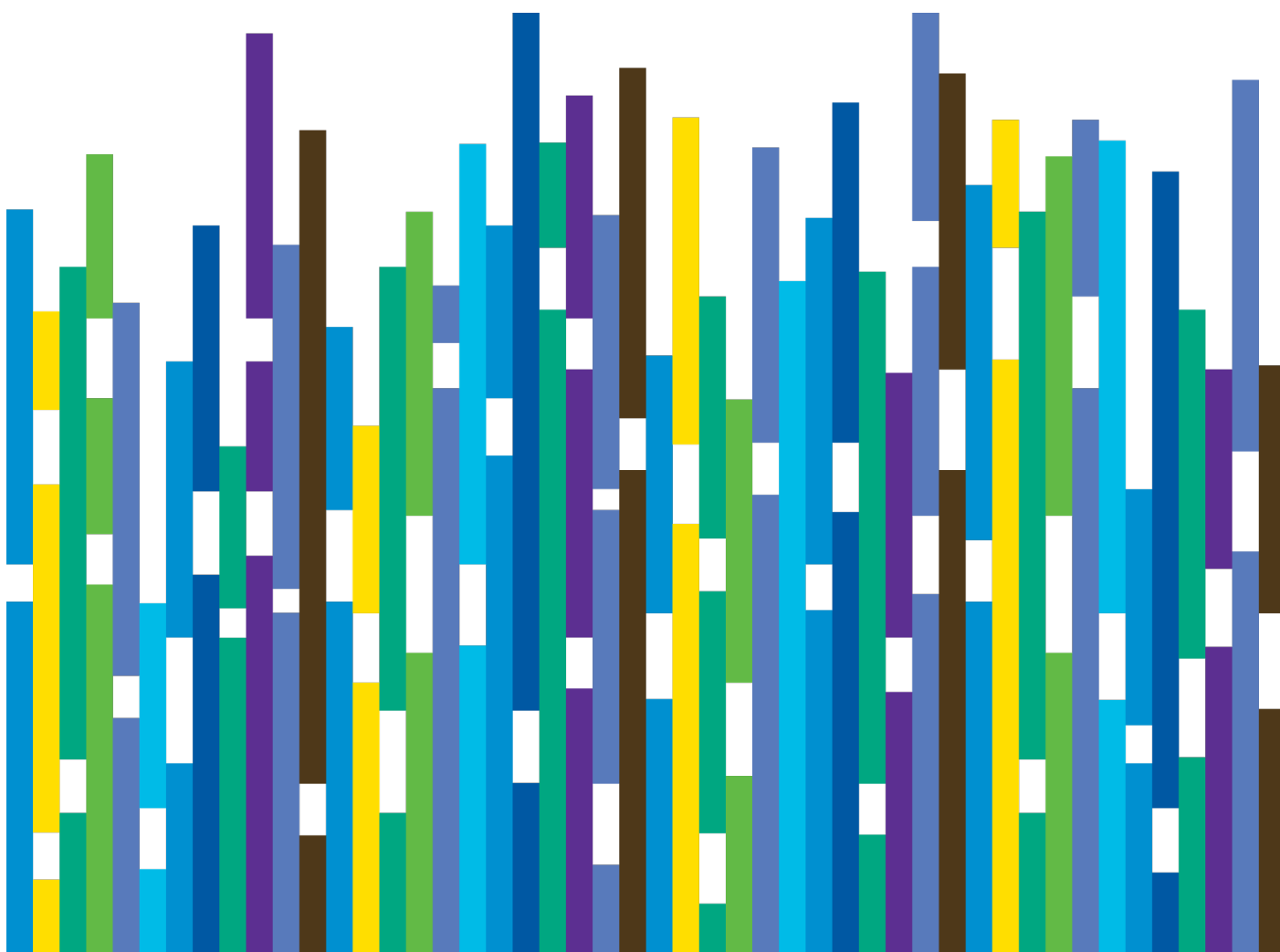


# ANNUAL REPORT

## 2016/2017





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## President's Message

*Dear Fellow Members of CFA Society Sweden, CFA Program Candidates and Strategic Partners,*

*Another great year has passed, with many enduring memories. The membership continues to grow, and slowly but surely the CFA charter is becoming more recognized in our local market - although there is clearly more work to be done! The society frequently gets contacted by international organizations offering to partner different types of events for our members. But even when we are in partnership discussions with local organizations, we no longer have to start with a basic run through of what CFA stands for (which was common five years ago). This is undoubtedly due to hard work on the ground along with increasing reach through membership growth. But as some of you have noticed, we have also allocated an increasing share of our budget to marketing in the last couple of years, which was partly made possible by the boost in funding from CFA Institute.*

*The increase in society funding was one of the main objectives for Paul Smith when he took over as President for CFA Institute in January 2015. Actually, it was not specifically about funding. A top priority was to tie societies closer to the Institute and better recognize the work they do on behalf of the Institute. As an example, Paul said he would visit ALL 150+ societies during his first term. He has now visited two thirds, with Sweden amongst those remaining. As it stands, you can expect Paul to come over in the next year for one of our events.*

*Our flagship event, the Forecast Dinner, has now reached the maximum capacity of 90 guests for two years running. In 2018 we expect no less. Look out for the invitation in your mailboxes in the fall. The speakers we are hoping to get are truly exceptional. The feedback on this event is usually overwhelmingly positive. The only critique we have faced, which we fully agree with, is that the dinner is a bit long. We are looking into this.*

*This is the third time I write the President's Message. Over the past two to three years, the board has reached a performance level where we have been focusing on maintaining momentum rather than pursuing new ideas. We have a rule that we only start a new venture if we believe we can continue that venture into the foreseeable future. That might have forced us to refute some projects, but at the same time we maintain our professionalism whilst making sure that the board and the volunteers are not overworked. As I pass on the baton to the next president, I want to thank you all, the Board, the volunteers, and all Members and Candidates, for your participation and dedication over the past year.*

*On a final note, I would like to encourage all members to attend the annual general meeting. It's a great opportunity to meet the board and to learn about the activities we are planning. The meeting takes no more than one and a half hours and includes a pretty decent lunch. It is most likely the best occasion to give in-person feedback and follow up on comments made in the membership survey. I hope to see you all there!*



*Peder Du Rietz  
President, CFA Society Sweden*



## CFA Institute

CFA Institute is the world's largest association of investment professionals with more than 142,000 members in 159 countries. The Institute offers a range of educational and career resources, including the **Chartered Financial Analyst® (CFA®)** and the **Certificate in Investment Performance Measurement (CIPM®)** designations. In addition, over 1.300 firms worldwide are claiming compliance with the voluntary CFA **Asset Manager Code** of conduct, which helps asset managers practice ethical principles that put client interests first, whilst over 1.400 firms globally claim compliance with the CFA **Global Investment Performance Standards (GIPS®)**. CFA Institute aims at championing ethical behavior, raising standards of professional excellence and creating a strong global investment community.

## CFA Society Sweden

CFA Society Sweden (CFA Sweden) is a Swedish not-for-profit organization for investment professionals and one of 73 national member societies that support the global mission of CFA Institute at a local level. Hence CFA Sweden promotes ethical and professional standards, encourages professional development through the CFA Program and provides members with opportunities for career growth, information exchange, and professional networking.

## Mission

To be a leading organization for investment professionals in Sweden by promoting the highest standards of ethics, education and professional excellence, for the ultimate benefit of society.

## Vision

We aspire to a CFA Society Sweden that:

- Serves all finance professionals seeking education, knowledge, professional development, connection, and inspiration.
- Leads the investment profession's thinking in the areas of ethics, capital market integrity, and excellence of practice.

## Board of Directors

Peder Du Rietz, CFA, President

Rafet Eriskin, CFA, Vice President

Magnus Kovacec, CFA, Secretary

Sebastian Fahlur, CFA, Treasurer

Anna Jönsson, CFA, Past President

Andreas Brock, CFA

Lars Staffansson, CFA

Fund Manager at Aktieansvar

Portfolio Manager at AP4

Independent Investor

Hedge Fund Analyst at SEB

Director Institutional Sales at Storebrand Asset Management

Fund Manager at Coeli

Sales Director at Mandatum Life

## Executive Committee

Madeleine Lindblad Woodward (Executive Director & Chair), Peder Du Rietz and Rafet Eriskin.

## Areas of Responsibility

Advocacy	Andreas Brock
Candidate Preparation & Mock Exam	Lars Staffansson
Career Services	Sebastian Fahlur
ESG	Anna Jönsson
Financials	Sebastian Fahlur
Global Investment Performance Standards - GIPS	Alf Rippe & Henrik Tell
Governance	Madeleine Lindblad Woodward
Research Challenge	Lars Staffansson
Membership	Anna Jönsson
Program	Peder Du Rietz & Magnus Kovacec
Public Awareness	Andreas Brock
Technology	Rafet Eriskin
Women in Finance	Anna Jönsson

## Nomination Committee

Mark Shay, CFA, (Chair), Marcus Widmark, CFA, and Maria Markusjan, Candidate.

## Auditor

The 2016 AGM re-elected Ben Wilson, CFA, as Auditor.

## Events

### Annual General Meeting 2016

The Annual General meeting 2016 took place on the Wednesday 12<sup>th</sup> October at Gondolen in Stockholm. Members had the opportunity to voice their opinion regarding the direction of the society, ask questions to board members, vote, and mingle with colleagues and friends. Artem Rybakov left the Board of Directors whilst Magnus Kovacec and Lars Staffansson were elected to join as new members. Peder Du Rietz, CFA, was elected new president of the society.

### Charter Award Ceremony

On the 6<sup>th</sup> of December 2016 the society celebrated the candidates who completed the CFA program during the year. The well-attended event, during which 10 new charter holders officially received their charter, was held at Coeli. Bjorn Forfang, Managing Director of Relationship Management at CFA Institute, presented the awards and congratulated the new charterholders on their achievements. A champagne reception followed the ceremony.

## Continuing Education

The voluntary Continuing Education (CE) Program is a framework for our members to identify educational activities which contribute to their continuing professional development. To maintain and improve professional competence, an important part of the Code of Ethics and Standards of Professional Conduct, CFA Institute recommends that members complete a minimum of 20 Continuing Education (CE) credits, including 2 Standards, Ethics, and Regulations (SER) credits, each calendar year. This can be achieved in various ways, such as e.g. generalist or specialized readings, on-line events or in-house employee training. An important part is the live opportunities offered by the national societies. Our offerings in this area are presented in the next section.

## Educational Events

In addition to the web-based content offered to our members by CFA Institute and other CFA societies, CFA Sweden has provided a number of live educational events over the past year. In total, the Society has offered 5 CE credits.

- **Memory Training for Financial Service Professionals** (speaker event at the Nordic Travelling Conference): **1 CE credit**  
January 31<sup>st</sup> 2017. Speaker: Chester Santos, “The International Man of Memory”, Professional Speaker, Coach, & Corporate Trainer.
- **The Forecast Dinner: 2 CE credits**  
March 8<sup>th</sup> 2017. Speakers: Campbell Harvey, PhD, Professor of Finance, Duke University and Investment Strategy Advisor at the Man Group. Followed by Andrea Gentilini, PhD, Managing Director at Novus Partners.
- **Women on Boards and Financial Performance Breakfast Seminar: 1 CE credit**  
March 14<sup>th</sup> 2017. Speaker: Linda-Eling Lee, PhD, Managing Director, Global Head of ESG Research at MSCI Inc.
- **Monetary Policy in Practice Breakfast Seminar: 1 CE credit**  
April 26<sup>th</sup> 2017. Speaker: Per Kvarnström, Adviser at the Riksbank.

## Social Events

CFA Society Sweden offered several events for members and candidates such as a **Bowling Event**, and a Morningstar **Pub** and friendly **Fussball Tournament** following the Chester Santos speaker event as above. It was a great way for charterholders and candidates to network and socialize while enjoying a complimentary beverage. On June 21<sup>st</sup> there was the fourth **Annual CFASS Golf Tournament** at Lidingö GK.

## Mock Exam

CFA Sweden was pleased to offer our candidates a well-organized and realistic mock exam yet again this year, with the help of Kaplan Schweser and Nasdaq, where 13 candidates attended the exam. The society cannot stress enough the importance of thorough preparation in order for candidates to improve their odds of passing the exam. To this end, we aim to continue providing candidates with the possibility to attend a mock exam and eventually this may also be extended to provide a preparation course of some kind, in the future.



## CFA Institute Research Challenge

The CFA Institute Research Challenge is an annual global competition that provides university students with hands-on mentoring and intensive training in financial analysis. Each Research Challenge season leverages the efforts of over 140 CFA member societies, 3,500 member volunteers, and more than 5,000 students from over 1,000 universities.

Local competitions, organized by societies, lead up to regional finals. The regional and global competitions are hosted by CFA Institute. The winner from each local competition advances to one of the three regional competitions: the Americas, the Asia Pacific and the Europe, Middle East, and Africa regions. The winners from each regional competition advance to the Global Final, where one team emerges as the global champion of the CFA Institute Research Challenge.

Students work in teams to research and analyse a publicly traded company, sometimes meeting face-to-face with company management. Each team writes a research report on their assigned company with a buy, sell, or hold recommendation and may be asked to present and defend their analysis to a panel of industry professionals.

The 2016 Swedish Local Research Challenge kicked off in October. It was the 11th year the competition was held on a global level, and the 8th year it was organized in Sweden. Four teams participated, representing the universities of Linköping, Lund, Stockholm and KTH Royal Institute of Technology. The students were given the task of preparing a sell-side research report including a buy/hold/sell recommendation on the Swedish company Assa Abloy. Each team was assigned a mentor, a CFA charterholder, by CFA Sweden for guidance.

A few weeks into the competition, the students and mentors were invited to a webinar to meet Assa Abloy's Investor Relations Manager, Johan Lundin. Mr. Lundin gave a thirty-minute presentation of the company profile and strategic outlooks, followed by a thirty-minute Q&A session. After the presentation, each team had an opportunity to ask one follow up question by email.

The teams spent the remainder of 2016 completing the written reports and handed them in for grading in December. Three independent graders, also CFA charterholders, evaluated and graded the reports. The four teams were invited to the local Swedish final in February 2017, where each team gave a ten-minute presentation arguing and supporting their conclusion from the written research report. Following the presentation, there was a ten-minute Q&A from the five-person strong jury, comprising of investment professionals. The jury graded the teams based on their performance, and the final score was a combination of the scores from the written report and presentation respectively. - KTH Royal Institute of Technology received the highest score in total.

KTH Royal Institute of Technology, represented by Rasmus Wicklund (team captain), Alexander Andrésen, Max Talbak, Jakob Rolén, Edvin Berg, mentored by Christian Guggenheim, CFA (Cerberus), thereafter represented Sweden at the EMEA finale in Prague in April. They gave a great presentation and made it to the second round. Despite a strong performance and supportive coaching, they unfortunately did not make it to the Global finale, which also took place in Prague. BI Norwegian Business School, representing CFA Society Denmark and CFA Society Norway, won the EMEA finale while Barna Business School, representing Central America, won the Global Finale.

## CFA Sweden ESG Award

The uniqueness of the CFA Charter lies not only in the deep and vast knowledge that is necessary to achieve this designation, but also in the fact that this knowledge is profoundly value based. The Charter rests on a solid foundation of Ethics and Integrity, the core values of CFA Institute.

In 2016, for the seventh consecutive year, CFA Sweden recognized, through the CFA Sweden ESG Award, the individuals, organizations or groups that have raised awareness of ESG (Environmental, Social and Governance) considerations in the Swedish financial community. ESG comprises the three main areas that have developed as central factors in measuring the sustainability and ethical impact of investments. ESG represents concepts and approaches, which influence and govern how asset managers construct portfolios and how they, and other stakeholders, evaluate investments.

The 2016 CFA ESG Award Jury comprised of four experts, each with significant experience and knowledge in the field; Filippa Bergin (Head of Sustainability, Storebrand), Henrik Malmsten (CEO, Durable Vision), John Howchin (Secretary General, AP Ethical Council) and Hanna Robert (CEO, GES).

The 2016 award focused on asset owners' responsibility to drive development and put pressure on the asset management industry. The awardees were **Örebro Kommun** (Örebro Municipality) and **Region Västmanland** (Västmanland City Council) for their holistic approach to sustainability. Both institutions appreciate that the assets they invest, and the bonds they issue, have an impact on climate and society and has ethical aspects as well. By setting goals and collaborating across the organization they have a clear plan how to implement Agenda 2030 and generously share their knowledge and expertise with other institutions.

Örebro kommun was the first Swedish municipality, and the thirtieth globally, to divest from fossil fuels and to have the ambition to be climate neutral by 2030. In addition, Örebro was the second municipality in Sweden, as well as in the world, to issue a green bond. Green finances is a focus area in their climate strategy.

Region Västmanland was the first Swedish civic council to conduct an internal CO2-analysis of their portfolio and thereafter reduced their carbon footprint by a third in the following year. The region is also one of the first institutions to send a sustainability questionnaire to their asset managers, which is an important tool in the ongoing dialogue and evaluation of portfolio managers.

Previous winners are Morningstar (2015), AP4, Storebrand Asset Management and Church of Sweden (2014), H&M (2013), Peter Norman, Minister of Financial Markets (2012), Gunilla Hjalmarsson, Meta Asset Management, and Anna Nilsson, Swedbank Robur (2011), and Sasja Beslik, Nordea Investment Management (2010).

The Award Ceremony took place during CFA Sweden's Annual Forecasting Event in March 2017.

## GIPS

The Global Investment Performance Standards (GIPS) is an ethical set of standardized, industry-wide principles that provide investment firms with guidance on how to report investment performance to prospective clients. The Standards allow firms to compete globally, and provide investors with the transparency they need to compare and evaluate investment managers and investment firms. GIPS verification is an independent third party review of an investment management firm's performance processes and procedures.

Local organizations in 40 nations around the globe, (Country Sponsors), composed of one or more industry organizations, play a key role in developing and promoting GIPS globally, in partnership with CFA Institute, who governs the standards.

Sweden was one of the first countries worldwide to endorse the GIPS Standards when they were first introduced in 1999. CFA Society Sweden and the Swedish Society of Financial Analysts (SFF) partner to officially represent GIPS in Sweden as a joint Country Sponsor.

## Young CFA

Young CFA was launched 2010 as a CFA Society Sweden network, bridging theory and job experience. The long-term goal is for Young CFA to become the preferred gateway to the investment profession for all students of finance and related subjects. The aim is to offer students the opportunity to meet and greet Charterholders and Candidates.

## Member Survey

As part of the governance and compliance plan implemented by the Board and the Executive Committee, CFA Sweden carried out its seventh annual member survey during the summer of 2017, with an impressive participation. For the first time we saw a majority of the responses (nearly 75%) from the new or relatively new members, who interestingly however were not new to the industry but for the most part had 6-8 years professional experience.

Educational events with interesting/hot topics were, as always, on top of the wish list, with social events slipping down a notch or two, and Women in Finance as well as GIPS rendering little enthusiasm. A majority also preferred breakfast or lunch meetings. That said, almost half of the respondents had participated in the Society's recurring annual events such as the Annual Forecasting Dinner, AGM, Charter Award and the Research Challenge, where the Forecasting Dinner without parallel was the most appreciated and well attended.

Again, as the past four years, we can boldly summarize that our members are portfolio managers, committed to the highest standards of ethics, education, and professional excellence. The gratifying bottom line is that 100% of the respondents are satisfied with CFA Society Sweden.

## Women in Finance

Despite strong evidence that a more gender-balanced investment industry would benefit investors, women are still underrepresented throughout our profession. In an effort to encourage women to get involved in the society, as well as to ensure that female candidates are receiving sufficient support for their studies, CFA Sweden hosts events especially dedicated to female members, candidates and former candidates. As part of this program Linda Chen, Head of ESG Research at MSCI Inc, presented their latest research called “The Tipping Point: Women on Boards and Financial Performance” at a CFA Sweden event, hosted by IPM, on March 14<sup>th</sup> 2017.

## Global Passport Program

CFA Sweden is a member of the CFA Societies Global Passport Program. This allows our active members to attend other societies’ education programs and events at the same rate offered to the members of the societies participating in the Program.

## Governance

During the financial year 2016/2017, the board convened six times, with an additional number of Executive Committee meetings in between. Average board meeting attendance was 86%. The Nomination Committee, which is separate from the board, is appointed by the Annual General Meeting. The Nomination Committee is responsible for submitting nominations to the AGM for President and other board members. The board has implemented a self-assessment strategy, which again was duly carried out at the end of the financial year. The self-assessments and the attendance list were forwarded to the Nomination Committee. The board approved the 2016/2017 Board Directives on October 24, 2016. CFA Society Sweden is resolved to follow the lead of CFA Institute to adopt best-in-class standards. Hence, CFA Sweden has complied with all requirements stipulated in the partnership with CFA Institute. All governance documents are published on the CFA Sweden website.

## Annual General Meeting 2017

The 2017 AGM will take place Wednesday 13<sup>th</sup> September in Kungärummet, restaurant Gondolen, Stockholm.  
Time: 11.45 -13.30.

## Financials 2016/2017

CFA Sweden changed its accounting principles from cash based to accruals accounting, starting September 1, 2010. The Society's Financial Year was changed by the 2016 AGM to 1<sup>st</sup> August-31<sup>st</sup> July of each year.

All figures in SEK

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 July 2017

	2016-09-01-- 2017-07-31	2015-09-01-- 2016-08-31
<b>REVENUE</b>		
Membership Dues	58,861	78,852
CFA Institute Funding	182,364	163,839
Other <sup>1)</sup>	200,397	249,736
<b>Total Revenue</b>	<b>441,623</b>	<b>492,427</b>
<b>EXPENSES</b>		
Events	-7,266	-12,468
Administration	-12,927	-14,920
Research Challenge	-44,059	-59,474
Other <sup>2)</sup>	-260,854	-286,981
<b>Total Expenses</b>	<b>-325,106</b>	<b>-373,843</b>
<b>Year-end Result</b>	<b>116,517</b>	<b>118,584</b>

### BALANCE SHEET FOR THE YEAR ENDED 31 JULY 2017

	2017-07-31	2016-08-31
<b>ASSETS</b>		
Receivables	25,000	0
Other current assets	0	0
Cash	458,335	366,457
<b>Total Assets</b>	<b>483,335</b>	<b>366,457</b>
<b>EQUITY &amp; LIABILITIES</b>		
Accounts Payable	10,000	10,000
Prepaid Revenues & Accrued Expenses	361	0
Retained Earnings	356,457	237,873
Profit & Loss for the Year	116,517	118,584
<b>Total Liabilities &amp; Equity</b>	<b>483,335</b>	<b>366,457</b>

Notes:

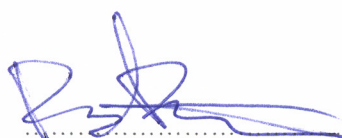
Please note that the numbers are rounded.

- 1) Other revenue mainly refers to funding and sponsorship for the CFAI Research Challenge as well as the Forecast Dinner, sponsorship of CFA Society Sweden, revenues from the mock exam, and reimbursement for the directors and officer's liability insurance and the commercial general liability insurance.
- 2) Other expenses mainly refer to the Forecast Dinner and expenses for promotional advertisements.

## Signatures

We hereby confirm that CFA Society Sweden has operated according to our code of conduct and that the financials presented give a true and fair picture of CFA Society Sweden's financial activities and position.

Stockholm, 23<sup>rd</sup>. August 2017



Peder Du Rietz  
President



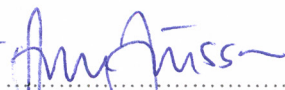
Rafet Eriskin  
Vice President



Sebastian Fahlur  
Treasurer



Magnus Kovacec  
Secretary



Anna Jönsson  
Past President



Lars Staffansson  
Member



Andreas Brock  
Member

To the Board of Directors  
CFA Society Sweden  
Regeringsgatan 48, 5tr  
111 56 Stockholm  
Sweden

I have audited the accompanying balance sheet of CFA Society Sweden as of 31 July 2017 and the related profit and loss account for the eleven-month period then ended. These financial statements are the responsibility of the Society's Board of Directors. My responsibility is to express an opinion on these financial statements based on my audit. In connection with the audit I have also been provided with the Annual Report and copies of minutes from Board meetings held between 1 September 2016 and 31 July 2017.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CFA Society Sweden as of 31 July 2017 and the results of its activities for the period then ended, in conformity with generally accepted accounting principles. I recommend to the annual meeting of members that the Board of Directors be discharged from liability for the financial year.

Stockholm, 23 August 2017



Ben Wilson CFA, FCA  
Appointed Auditor, CFA Society Sweden





**CFA Society Sweden Board of Directors 2016/2017**

From left: Lars Staffansson, Sebastian Fahlur, Rafet Eriskin, Peder Du Rietz, Anna Jönsson, Magnus Kovacec and Andreas Brock.