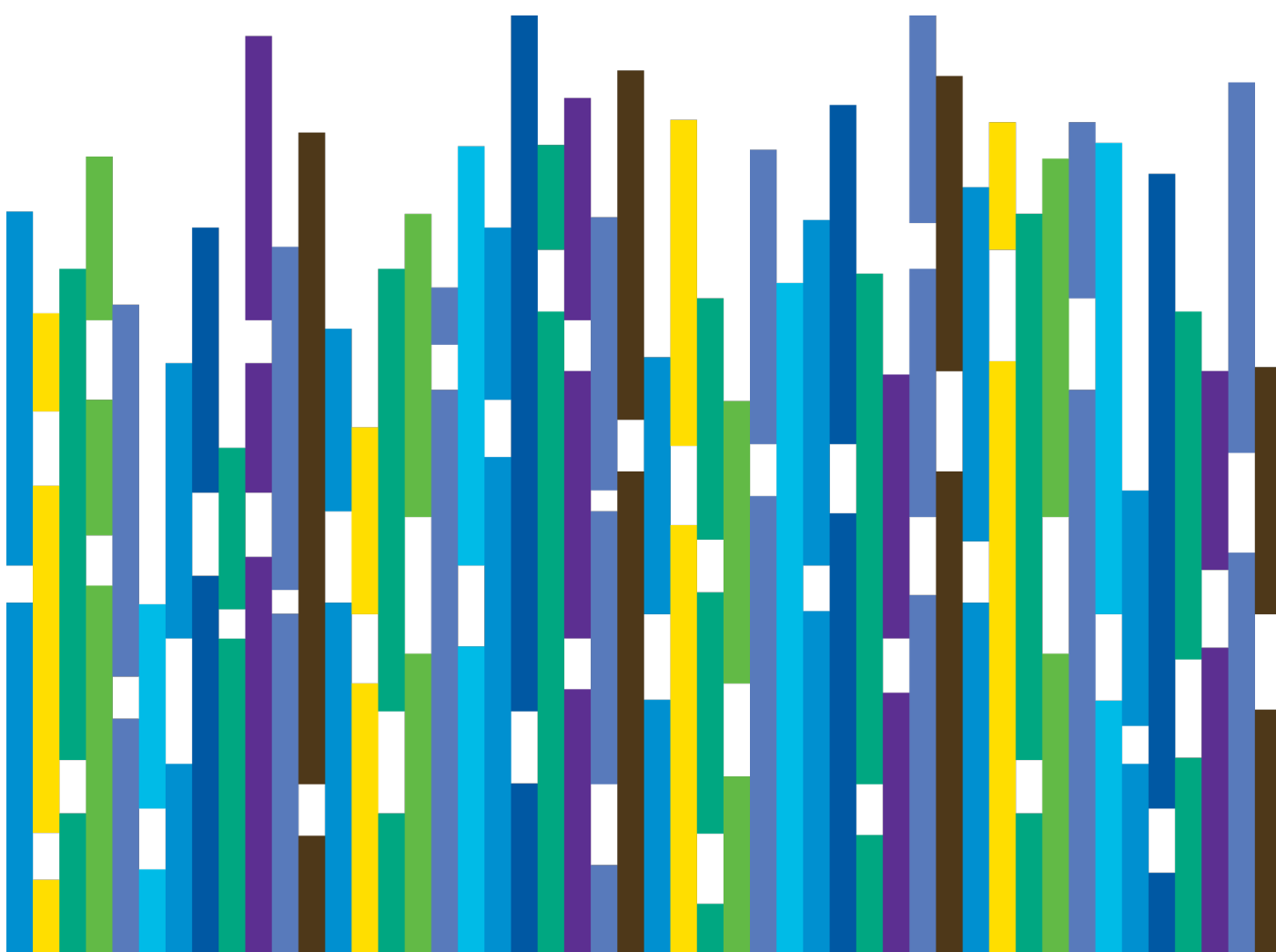


# ANNUAL REPORT

## 2015/2016





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## President's Message

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

*Internationally and locally, it has unfortunately been a year of great turmoil and dark headlines. In the financial markets, the negative events have predominately been governance-related, which brings to the fore the importance of the ethical values carried by the CFA charter. I therefore encourage all of you to be role models and lead by example in order to restore the general public's confidence in the financial industry and in us as financial professionals!*

*CFA Society Sweden, however, has had a very exciting year with great momentum. The hard work of previous years' boards has borne fruit, and the current board has continued to raise the bar. The format where a number of recurring events - e.g. boule in November, Forecast Dinner in January, Research Challenge final in February, Morningstar Fussball in March and the Golf Tournament in June - in combination with ad hoc events as interesting speakers are visiting Stockholm, seems to work very well. Event attendance has been strong and it is gratifying to see how the CFA network in Sweden is growing in size, seniority and breadth of professions. The Forecast Dinner was by far our most well attended event attracting members, candidates and finance professionals alike.*


*We had a record number of new CFA Society Sweden charterholders this year. We recognized this in an announcement, listing the names of all the 25 new charterholders, in Dagens Industri. Naturally, we are very proud and satisfied that many candidates based in Sweden passed level three of the exams and decided to become members of CFA Society Sweden.*

*At the CFA Institute level, Paul Smith entered his second year as President and CEO in January 2016 and his leadership is beginning to have an impact. Most noteworthy has been a move towards a local focus, based on the realization that CFA Institute best serves its members and candidates through the local societies, with a new funding model. In addition, significant investments in technology will improve the user experience when visiting the various CFA websites and also provide greater support for the local societies.*

*Looking at the year ahead, we will continue to add value to you through our events. We are adding two new board members to ensure continuity. I would like to encourage all of you to get involved in the society. There are many ways that you can contribute, depending on your areas of interest and time available, so please share your ideas with us! I can ensure you that being part of this fantastic society is extremely rewarding.*

*Please don't forget to visit our website and join our LinkedIn group. Looking forward to seeing you at our events this coming year!*

*Sincerely,*



*Anna Jönsson, CFA*

*President, CFA Society Sweden*



## CFA Institute

CFA Institute is the largest association of investment professionals in the world with more than 145,000 members in 154 countries/territories. There are national societies in 73 countries/territories. 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. More than 300 universities around the world have incorporated the CFA Program Candidate Body of Knowledge into their own academic programs, and more than 244,000 CFA Program candidates registered for the CFA exams in FY2016. The Institute promotes and advocates the adoption of the Code of Ethics and Standards of Professional Conduct and the Global Investment Performance Standards (GIPS®), as well as various positions related to the capital market.

## CFA Society Sweden

CFA Society Sweden (CFA Sweden) is a Swedish not-for-profit organization for investment professionals and one of 73 national 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

Anna Jönsson CFA *President*

Peder Du Rietz, CFA, *Vice President*

Andreas Brock, CFA, *Secretary*

Sebastian Fahlur, CFA, *Treasurer*

Rafet Eriskin, CFA

Artem Rybakov, CFA

Institutional Sales at Öhman

Fund Manager at Aktieansvar

Fund Manager at Coeli

Hedge Fund Analyst at SEB

Portfolio Manager at AP4

Portfolio Manager at Naventi Capital

## Executive Committee

Executive Committee: Madeleine Lindblad Woodward (Executive Director & Chair), Anna Jönsson & Peder Du Rietz.

## Areas of Responsibility

Advocacy	Anna Jönsson
Candidate Preparation	Artem Rybakov
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	Artem Rybakov & Sebastian Fahlur
Membership	Artem Rybakov
Mock Exam	Artem Rybakov
Program	Peder Du Rietz & Andreas Brock
Public Awareness	Madeleine Lindblad Woodward
Technology	Rafet Eriskin
Women in Finance	Anna Jönsson

## Nomination Committee

Mark Shay (Chair), Marcus Widmark and Therese Wenslöv.

## Auditor

Following a decision on derogation by the 2015 AGM, Ben Wilson, SEB, was elected Auditor by Peder Du Rietz and Madeleine Lindblad Woodward.

## Events

### Annual General Meeting 2015

The Annual General meeting took place on the 14<sup>th</sup> of October at Gondolen in Stockholm. Members got the opportunity to voice their opinion regarding the direction of the society, ask questions to board members, vote and mingle with colleagues and friends. Andreas Brock and Rafet Eriskin joined the board of directors and replaced Henrik Bjerklin and Therese Wenslöv. Anna Jönsson, CFA, was elected new president of the society.

### Charter Award Ceremony

On the 8th of December the society celebrated the candidates who completed the CFA program during the year. The event, during which 20 of the 25 new charter holders attended and officially received their charter, was held at Coeli. Colin McLean, CFA, member of the CFA Institute Board of Governors, presented the awards and gave a speech on behavioral finance. 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 7.5 CE credits.

- **High Frequency Trading Seminar: 1.5 CE credits**  
November 19<sup>th</sup> 2015. Speakers: Björn Hagströmer, PhD and Lars Nordén, PhD of the Swedish House of Finance, Magnus Billing of Nasdaq and Pontus Lidbrink, CFA of AP4.
- **Behavioural Finance & Company Analysis (lecture at the Award Ceremony): 1 CE credit**  
December 8<sup>th</sup> 2015. Speaker: Colin McLean, CFA Institute board member and Managing Director of SVM Asset Management.
- **The Forecast Dinner: 3 CE credits**  
January 21<sup>st</sup> 2016. Speakers: Nobel laureate Robert C. Merton, PhD of MIT, followed by Andrew Lapthorne of Société Générale and Benjamin Kelly, PhD of Blackrock.
- **Multi Asset Investing Breakfast Seminar: 1 CE credit**  
April 26<sup>th</sup>. Speaker: Chris Nichols of Standard Life
- **Blockchain technology, the New Fintech Revolution Lunch Seminar: 1 CE credit**  
May 26<sup>th</sup>. Speaker: Eddie Travia of Coinsilium.

## Social Events

CFA Society Sweden offered several events for members and candidates such as a **Boule Bar**, and a **Pub Event hosted by Morningstar** Sweden, who at the same time also hosted a friendly **Fussball Competition**. It was a great way for charterholders and candidates to network and socialize while enjoying a complimentary beverage. On June 16<sup>th</sup> there was the third annual **CFASS Golf Tournament** at Stockholms GK.

## Mock Exam

CFA Sweden was able to offer our candidates a well-organized and realistic mock exam again this year with the help of Kaplan Schweser and Nasdaq, and 22 candidates attended the exam. The society cannot stress enough the importance of thorough preparation in order for candidates to increase 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. Students work in teams to research and analyze a publicly traded company - sometimes even 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 first ever CFA Institute Research Challenge competition was hosted by the New York Society of Security Analysts in 2002 and involved just five teams from the New York area. Since then, the competition has involved more than 15,000 students from more than 1,000 universities in more than 70 countries.

The 2015 Swedish Local Research Challenge kicked off in October. It was the 10<sup>th</sup> year the competition was held on a global level, and the 7<sup>th</sup> year it was organized in Sweden. Six teams participated, representing the universities of Linköping, Gothenburg, Lund, Mälardalen, 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 Doro. 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 Stockholm to meet Doro's CEO Jerome Arnaud. Mr. Arnaud gave a one-hour 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 until mid-November. Mr. Arnaud's answers were distributed to all teams.

The teams spent the remainder of 2015 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 with the highest total score (Lund, KTH, Linköping and Stockholm University) were invited to the local Swedish final in February 2016 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 four 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 as well as on each individual segment, but the scores of the additional three finalist teams were very close.

It's worth noting that two representatives of Doro's board of directors attended the final and remarked on the high quality of the students' work.

KTH Royal Institute of Technology represented by Mehrdad Danial Bahador (team captain), Nassif Mansour, Sara Emelie Malmberg, Anton Persson, Edward Sai Kuen Sikorski and mentored by Malcolm McNab, CFA (Pareto Securities) thereafter represented Sweden at the EMEA finale in Chicago in April. Despite a strong performance and supportive coaching they unfortunately did not make it passed the second round in the tournament, which took place in Chicago. Politecnico di Milano, representing CFA Society Italy, won the EMEA finale and University of Waterloo, Representing CFA Society Toronto and CFA Society Ottawa, won the Global Competition.

## CFA Sweden ESG Award

The uniqueness of the CFA Charter is not only the deep and vast knowledge that is necessary to achieve this designation, but also 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 2015, for the sixth 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) - factors in the Swedish financial community. ESG is 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 2015 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 Reinhilde Weidacher (Head of research, ISS/Ethix SRI).

In the past years, as compared to when the award was first initiated, ESG has become a well-known concept in the financial community. One could argue that sustainable investment has become an integrated part of analysts' research process and most portfolio managers' investment process. With an increased focus on ESG come new challenges. One of these, as especially identified by both finance professionals and clients, is how to compare ESG across different funds and strategies. Specifically, how an asset manager works with sustainability and the ESG profile of a fund.

Equally, in the past year many actors from regulatory bodies to asset managers have risen to this challenge and started to develop solutions to solve the problem, some being in a better position to do so than others.

The 2015 CFA Sweden ESG awardee was **Morningstar** for their development of ESG rating and rankings for more than 90,000 mutual funds and ETFs. The jury's motivation is that Morningstar has global reach and a proven track record in standardizing fund risk- and performance analysis through their star-system. As a provider of a neutral and objective platform it has nothing to gain from the ranking outcome, and hence there is no conflict of interest. That gives credibility. Institutional and retail investors already utilize the organization's data in their day-to-day activities whether that is through a subscription or the website. They are therefore in an excellent position to be successful in this first step towards standardization of mutual funds' ESG ranking.

Previous winners are AP4, Storebrand Asset Management, 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), Sasja Beslik, Nordea Investment Management (2010).

The Award Ceremony took place during CFA Sweden's Annual Forecasting Event in January 2016.

## 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 ability to make comparisons between investment firms. *GIPS verification* is an independent third party review of an investment management firm's performance processes and procedures.

Local organizations in 32 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. Country Sponsors have two primary responsibilities:

- Promote the GIPS standards locally, and
- Represent their local market and provide input on the global development of the GIPS standards.

Sweden was one of the first countries to endorse the GIPS Standards when they were first introduced in 1999, and the Swedish Society of Financial Analysts (SFF) then became the national Country Sponsor. We are proud to announce that as of this financial year, CFA Society Sweden and SFF officially represent GIPS in Sweden together 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 of Young CFA is to become the preferred gateway to the investment profession for all students of finance and related subjects. CFA Sweden offers students, amongst other perks, sponsored seats at all CFA events and the opportunity to meet members at open house/pub events.

## Scholarships

CFA Institute offers a needs-based scholarship opportunity for those unable to afford the full price of the CFA Program enrollment and registration fees. The Scholarship Program is handled centrally and applications are made through the CFA Institute website, but the national societies have to confirm a final approval. The online application is available from 1 March - 15 September for exams offered the following calendar year. Access Scholarships were awarded to 3,000 CFA candidates for the 2016 exams.

## Member Survey

As part of the governance and compliance plan implemented by the board and the Executive Committee, CFA Sweden carried out the sixth annual member survey during the summer of 2016 with a record high participation. The responses showed a spread we have not seen before with a high percentage of the respondent being new members and equally young in the profession, whilst the overall majority still remained with our senior members.

Educational events was at the top of the wish list, but equally 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. Again, as the past three years, we could boldly summarize that our members are portfolio managers, committed to the highest standards of ethics, education, and professional excellence. And yet again we could note that a substantial part of the membership is maturing into more senior market positions, but very pleasingly, that we are now increasingly attracting young members to the society. Bottom line however is that an overwhelming majority of the respondents - nearly 90 % - feel that the Society is on the right track to meet their needs for the next 2-3 years.

## 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 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 Mimmi Kheddache Jeneby, Senior Research Analyst at State Street Centre for Applied Research presented her report *Addressing Gender Folklore*, on 13<sup>th</sup> October 2015. East Capital hosted the event.

## Governance

During the financial year 2015/2016 the board convened eight 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 was duly carried out at the end of the financial year. The self-assessments and the attendance list was forwarded to the Nomination Committee. The board approved the 2015/2016 Board Directives on October 26<sup>th</sup> 2015. CFA Society Sweden is resolved to follow the lead of CFA Institute to adopt best-in-class standards. Hence, on August 25<sup>th</sup> 2016 the board approved a policy on Corruption and Bribery, to be incorporated in the Board Directives. CFA Sweden has thereby complied with all requirements stipulated in the partnership with CFA Institute. All governance documents are published on the CFA Sweden website.

## 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.

## Annual General Meeting 2016

The 2016 AGM will take place 12<sup>th</sup> October in Kungälv, restaurant Gondolen, Stockholm. Time: 12.00-13.30.

## Financials 2015/2016

CFA Sweden changed its accounting principles from cash based to accruals accounting, starting September 1, 2010.

All figures in SEK

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	2015-09-01-- 2016-08-31	2014-09-01-- 2015-08-31
REVENUE		
Membership Dues	78,852	59,609
CFA Institute Funding	163,839	110,180
Other <sup>1)</sup>	249,736	185,685
<b>Total Revenue</b>	<b>492,427</b>	<b>355,473</b>
EXPENSES		
Events	-12,468	-7,023
Administration	-14,920	- 65,948
Research Challenge	-59,474	- 52,153
Other <sup>2)</sup>	-286,981	- 117,856
<b>Total Expenses</b>	<b>-373,843</b>	<b>- 242,980</b>
<b>Year-end Result</b>	<b>118,584</b>	<b>112,493</b>

### BALANCE SHEET FOR THE YEAR ENDED 31 AUGUST 2016

	2016-08-31	2015-08-31
ASSETS		
Other current assets	0	0
Cash	366,457	242,249
<b>Total Assets</b>	<b>366,457</b>	<b>242,249</b>
EQUITY & LIABILITIES		
Accounts Payable	10,000	4,375
Retained Earnings	237,873	125,380
Profit & Loss for the Year	118,584	112,493
<b>Total Liabilities &amp; Equity</b>	<b>366,457</b>	<b>242,249</b>

Notes:

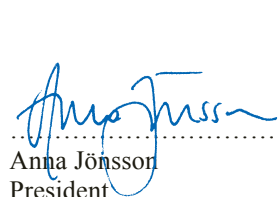
Please note that the numbers are rounded.

- 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 officers liability insurance and the commercial general liability insurance (fiscal year 2015/16 only).
- 2) Other expenses mainly refer to the Forecast Dinner and expenses for promotional advertisements.

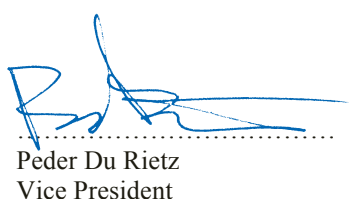
## Signatures

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, 9<sup>th</sup> September 2016



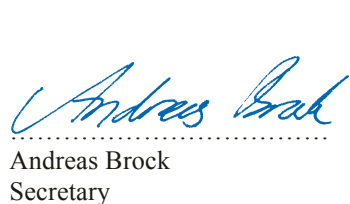
Anna Jönsson  
President



Peder Du Rietz  
Vice President



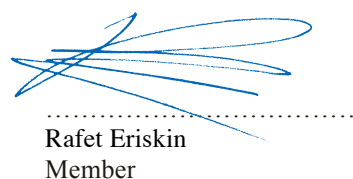
Sebastian Fahlor  
Treasurer



Andreas Brock  
Secretary



Artem Rybakov  
Member



Rafet Eriskin  
Member

To the Board of Directors  
CFA Society Sweden  
Södra Kungstornet,  
Kungsgatan 33, 5 tr  
111 56 Stockholm

I have audited the accompanying balance sheet of CFA Society Sweden as of 31 August 2016 and the related profit and loss account for the year then ended. These financial statements are the responsibility of the organization'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 2015 and 31 August 2016.

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 August 2016 and the results of its operations for the years 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, 20 September 2016



Ben Wilson CFA, FCA  
Appointed Auditor, CFA Society Sweden

### **CFA CHARTER to**

- Enhance your career
- Assure world wide recognition
- Set your bar at the highest professional level
- Assure ethical grounding

### **CFA SOCIETY SWEDEN to**

- Communicate and build relationships
- Develop professionally through knowledge-sharing activities
- Optimize your global network
- Pursue excellence



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