



CFA Society
Sweden

ANNUAL REPORT **2012/2013**



CFA Institute

President's Message

Dear Fellow Members of CFA Society Sweden, dear Strategic Partners,

It has been said that time flies when you are having fun. This certainly cannot be more true than for the 10 years our local Society has been serving the local investment community in Sweden. While we have all worked hard to achieve our common goal "to lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society", we have also truly enjoyed, and benefitted from, meeting and working with so many dedicated fellow professionals along the way. It especially warms my heart to note the steadfastly growing number of eager young Candidates and new Members, which reinforces my belief that there certainly is a hopeful Future of Finance despite recent furor.

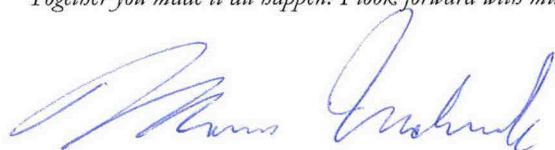
My experiences from this year as Chair of CFA Society Sweden have reinforced my strong belief that this Society will continue to grow in strength and provide our Members with interesting and insightful events as well as invaluable networking opportunities. This year we have again seen a flurry of activities ranging from the Tuesday Pubs to the Charter Award Ceremony, with speaker events dappled in between and of course the all exciting Investment Challenge where budding young talents show off skills that impress.

In proudly describing the growth and strength of our organization it would be remiss of me not to mention the tireless work that our volunteers have put into helping provide member value. Throughout this year Candidates and Members who would like to volunteer to help support our Society have increasingly approached me. I believe this is not simply due to the fact that the number of Candidates is growing but an increasing desire to be part of an international organization with a growing voice in our local financial community. This year's Annual Survey amongst Members and Candidates proved me more right than I dared believe – more than half of all Candidates who answered the Survey expressed a wish to volunteer. The Member Survey however broke all records as all Members but one expressed a wish to assume a responsible role in the Society either now or in the near future.

In speaking with current volunteers it is clear that their motivations to become involved are broad. For some it may be to further their careers by strengthening their professional networks while others simply want to give back to an organization which has supported them in different ways. Regardless of the personal motivations for volunteering, their time and dedication is immensely appreciated and is that which drives us forward. They are the backbone of our organization and without them we would not be where we are today.

On behalf of the CFA Society of Sweden I thank all our volunteers and our board members for an eventful year filled with provocative and insightful speaker events, networking opportunities and board meetings which kept the engine running at constant speed whilst ensuring that we always met with the high standards we have set for ourselves as regards governance and compliance. A special very heartfelt thanks also goes to our strategic partners who have supported us through thick and thin with a special mention to Handelsbanken Capital Markets and CV Search.

Together you made it all happen! I look forward with much anticipation to seeing what we can all achieve in the year to come.



Marcus Widmark
President, CFA Society Sweden



About CFA Society Sweden

CFA Society Sweden, founded in 2003 as a not-for-profit organization, is an association of local investment professionals, consisting of portfolio managers, security analysts, investment advisors and other financial practitioners. CFA Society Sweden is a local member society of CFA Institute. There are 139 CFA societies around the world that support the mission of CFA Institute at a local level and provide Members with career growth, information exchange, and professional networking opportunities.

CFA Institute

CFA Institute is a global association of investment professionals. With over 110,000 members around the world, CFA Institute is dedicated to developing and promoting the highest educational, ethical, and professional standards in the investment industry. In 2012, more than 200,000 Candidates registered to sit for the CFA exams.

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

- ✓ 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 engage in the Investment Decision-Making Process, and
- ✓ To enforce such standards for Members.

Board of Directors 2012/2013

Marcus Widmark, CFA (President)

Peder Du Rietz, CFA (Vice President /Events)

Jonas Lindgren, CFA (Secretary)

Therese Wenslow, CFA (Treasurer)

Henrik Bjerklin, CFA (Past President & Advocacy)

Fredrik Ahlin, CFA (Career Services)

Ylva Rehnberg, CFA (Technology & Membership)

Jeanette Witasp, CFA (Public Awareness)

Praktikertjänst AB:s Pensionsstiftelse

Garantum Fondkommission AB

SEB Wealth Management

Transactions & Restructuring, KPMG

Proventus AB

If Skadeförsäkring AB

VPD Financial Software Consulting

Danske Bank Corporates & Institutions

Executive Committee

Madeleine Lindblad Woodward (Executive Director & Chair), Marcus Widmark and Peder Du Rietz.

Nomination Committee

Fredrik Ahlström (Chair), Ulrika Bergman and Marc Shay.

Young CFA

Amira Roula has resigned as Chairperson during the year, to be followed by Henrik Andersen, CFA.

Auditor

Carl Odelberg, Independent Financial Services Professional.

Events

Annual General Meeting

The Annual General meeting is one of the recurring events organized by CFA Society Sweden. The meeting took place on the 24th 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. Marcus Widmark, CFA, was elected as the new president of the society.

Charter Award Ceremony

On the 12th of December the society celebrated the successful Candidates who completed the CFA program during the year. The event was held at Ingenjörshuset on Malmkillnadsgatan. A Champagne Reception followed the ceremony where Members and Candidates could continue the celebrations. Also attending the ceremony was Richard Fernand, director of industry relations from CFA Institute.

Speaker Events

CFA Sweden organized two speaker events during the spring semester, which both focused on the US economic outlook. The first one took place on January 25th at the premises of Handelsbanken Capital Markets in Stockholm. Former economic advisor to President Clinton, Robert Wescott, discussed his view on the US economy, the political situation and the implications of the shale gas revolution. Attending the event allowed charterholders to record 1 credit of continuing education (CE).

The second speaker event was held on the 12th of June at the offices of Nordea in Stockholm. Renowned macroeconomist Ian Shepherdson enlightened us with his views on the US economy with a special focus on the fiscal drag and the fallacy of "the new normal". This event was also eligible for 1 CE credit.

Members of CFA Society Sweden have also been invited to all company presentations organized by Financial Hearings during the year.

Pubs

CFA Society Sweden continued to host monthly Pub evenings for Members and Candidates at Pub Oxen on Malmkillnadsgatan in Stockholm. The Pubs took place on the first Tuesday of every month with the exception of

August. 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.

CFA Institute Research Challenge (Formerly Global Investment Research Challenge)

The 2013 Swedish Local Research Challenge kicked off on the 23rd of October 2012 and involved one team each from Stockholm School of Economics, Linköping University, University of Gothenburg, KTH Royal Institute of Technology and Uppsala University. The students were given the task to prepare a ten-page sell-side research report including a buy/hold/sell recommendation on the Swedish company Elekta. A few weeks in to the competition, the students benefitted from a one and half hour investor call with Johan Andersson Melbi, Elekta Director Investor Relations, including a 30-minute Q&A. Each team was also allowed to ask one follow up question by email at a later date.

The written reports, which were due on the 18th of January, were evaluated by three independent graders selected by CFA Sweden, all of who are CFA charterholders. The final event took place on the 21st of February, when the student teams each held a ten minute presentation followed by a ten minute Q&A session in front of a panel of five judges. Each team's final score was then based fifty percent on the written report and fifty percent on the presentational score. For the first time, Uppsala University came out as the winning team, narrowly beating Linköping University. The Uppsala team then went on to compete at the EMEA final in London in March where they managed to place among the top five teams. Unfortunately, the EMEA final was won by Wroclaw University of Economics from Poland whom later went on to win the global challenge.

CFA Sweden ESG Award

The uniqueness of the CFA title is not only the deep and vast knowledge that is necessary to achieve this Gold Standard, but also that this knowledge is profoundly value based. Hence the title rests on a solid foundation of Ethics and Integrity, the core values of CFA Institute. As part of our commitment to these values, CFA Sweden hosts an annual award where the market chooses the person or organization that has done most to underline the importance of ESG considerations in the investment making process.

The 2012 ESG prize was awarded to the Swedish Minister of Financial Markets, Peter Norman for not only including ethics and sustainability in the ownership policy for Swedish state-owned companies, but actually integrating those principles in the overall state financial plan.

The 2013 ESG Award will be announced at the Society's 10-year jubilee celebration on 6th November 2013.

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 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 flavors 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 the global CFA Institute Research Challenge 2012-2013.

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. Until now, this has been made available through and also administered by the National Societies. The Scholarship Program has recently transitioned from a fiscal year to a calendar year process. All scholarships are now applied for centrally through the CFA Institute website. Scholarships for the forthcoming year must be applied for and are granted during the year preceding the relevant exam.

Member Survey

As part of the governance and compliance plan the Board and the Executive Committee have set up, the third annual survey amongst Members and Candidate respectively was carried out during the summer of 2013.

We were very pleased to note that nearly 21% of our membership responded to the survey. Again, as last year, we could boldly summarize that our Members are young, mid-management portfolio managers with a commitment to the highest standards of ethics, education, and professional excellence. A marked difference from last year however is that the membership is clearly maturing into more senior business roles.

Food for thought this year is that our Members want more educational events, preferably at lunchtime. Some Members also want the Society to convey information about employment opportunities.

Bottom line however is that an overwhelming majority of the respondents – over 90% - are quite happy with the path the Society is on.

The response rate was pleasing also for the Candidate Survey with over 22% feedback. The most pleasing fact was that nearly 60% of those who replied were new Candidates, having joined the program within the last year, and half of those were already on target for the June 2014 Level II exam. A notable difference from last year was also that only 20% of the responding Candidates were students while the bulk of the Candidates were already up a few notches on their career ladder.

Nearly 66% of the respondents would like for CFA Sweden to organize a pre-exam training course, whilst slightly fewer, 48%, wanted to be able to sit a Mock Exam. This, together with an express wish to have more learning events, study circles and Nordic learning cooperation pose a very clear and challenging message for the Board to take on board for the new year.

The best for last. Well over half the Candidates who responded offered to volunteer their time and effort, and most of

them wanted to be involved with Young CFA and the Research Challenge. It yet again goes to prove that the successful organization does the most important growing through the Law of attraction. It is deceptively simple, yet an unbeatable winning concept: Energy attracts Like Energy.

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 President. The AGM also appoints an auditor or Independent Examiner.

During the financial year 2012/2013 the Board has convened 7 times, with an additional number of Board decisions per capsulam and Executive Committee meetings in between. The Nomination Committee, which is separate from the Board, is equally appointed 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 implemented a Self-Assessment strategy, which was duly carried out at the end of the financial year. The Board Self-Assessments and Attendance list was forwarded to the Nomination Committee.

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

Annual General Meeting 2013

The 2013 AGM will take place 31st October in Kungälv, restaurant Gondolen, Stockholm. Time: 12.00-13.30.

Financials 2012/2013

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 2013**

	2012-09-01 -- 2013-08-31	2011-09-01 -- 2012-08-31
REVENUE		
Membership Dues	43 203	35 492
CFA Institute Funding	82 687	85 571
Other ¹⁾	105 701	63 306
Total Revenue	231 591	184 369
EXPENSES		
Events	- 34 828	- 27 500
Administration	- 89 436	- 84 650
Research Challenge	-47 024	-32 032
Other	- 31 058	- 38 231
Total Expenses	- 202 346	- 182 412
Year-end Result	29 245	1 957

**BALANCE SHEET FOR THE YEAR
ENDED 31 AUGUST 2013**

	2013-08-31	2012-08-31
ASSETS		
Other current assets	17	0
Cash	199 136	103 163
Total Assets	199 153	103 163
EQUITY & LIABILITIES		
Accounts Payable	3 750	0
Prepaid Revenues & Accrued Expenses ²⁾	62 995	0
Retained Earnings	103 163	101 206
Profit & Loss for the Year	29 245	1 957
Total Liabilities & Equity	199 153	103 163

Notes:

- 1) Other revenue mainly refers to funding and sponsorship for the CFAI Research Challenge, sponsorship of CFA Society Sweden, and funding for the rebranding process from CFAI.
- 2) Prepaid revenues and accrued expenses refer to remuneration of the Executive Director.

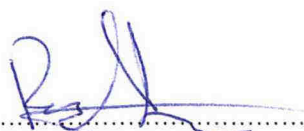
Signatures

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, 25 September 2013



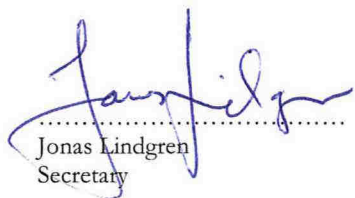
Marcus Widmark
President



Peder Du Rietz
Vice President



Therese Wenslow
Treasurer



Jonas Lindgren
Secretary



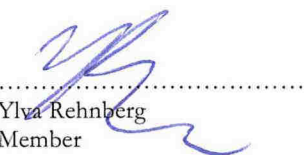
Henrik Bjerklin
Past President



Fredrik Ahlin
Member



Jeanette Witasp
Member



Ylva Rehnberg
Member