



Annual Report 2011/2012



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.

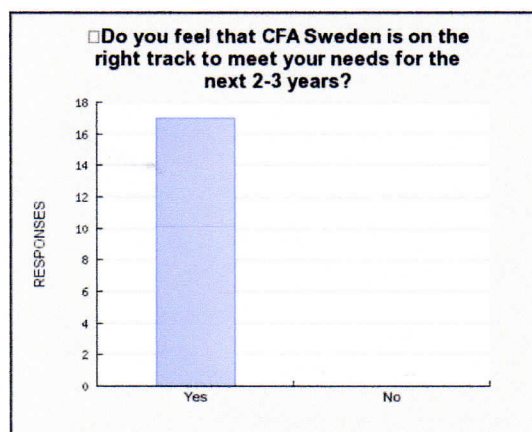
CFA Institute, the Global Association of Investment Professionals, presently consists of 137 local societies, representing more than 110,000 members worldwide. CFA Sweden is proud to be one of these societies, working closely with CFA Institute to achieve our common goal "to lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society."

Despite the turbulence in the financial markets, CFA Sweden has continued along the path we embarked on in the summer of 2010 with the clear targets of improving our internal structure and governance, forging strong relationships with strategic partners and attracting more members to CFA Sweden. The focus on governance will be continuously on-going, but I feel that we now have a governance structure and processes in place that more than match those of other, larger societies and businesses. This is something we all can be proud of.

Two congratulations for remarkable achievements are in order; to the Swedish Minister of Financial Markets Peter Norman, who was awarded the CFA Sweden ESG-prize 2012, and to the student team from Stockholm School of Economic for their success in the global university Research Challenge. Having won first the Scandinavian and thereafter the EMEA regional final, the team was only narrowly beaten in the global final by the Thammasath University, Thailand, after a fantastic performance.

Last year's Member survey showed that a crushing majority felt that CFA Sweden was on the right track and should continue on the current path. This year, as you can see from the graph to the right, we had won over also the small minority that remained to be convinced.

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



Source: CFA Sweden 2012 Member Survey

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 2012/2013.

Henrik Bjerklin
President, CFA Sweden

About CFA Sweden

CFA Sweden, founded in 2003 as a not-for-profit organization, 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 110,000 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 engage in the Investment Decision-Making Process, and
- To enforce such standards for members.

Board of Directors 2011/2012

Henrik Bjerklin, CFA (President)

Marcus Widmark, CFA (Vice President)

Peder Du Rietz, CFA (Vice President /Events)

Therese Wenslow, CFA (Treasurer)

Jonas Lindgren (Secretary)

Jonas Linnell (Secretary)

Mats Waldemarsson, CFA (IT)

Fredrik Ahlin, CFA

Proventus AB

Praktikertjänst AB:s Pensionsstiftelse

Garantum Fondkommission AB

Transactions & Restructuring, KPMG

SEB

SEB

Swedbank Robur AB

If Skadeförsäkring 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.

Young CFA

Amira Roula, Chairwoman, and Johan Dyrstad, Deputy Chairman.

Activity Report

Annual General Meeting & Charter Award Ceremony

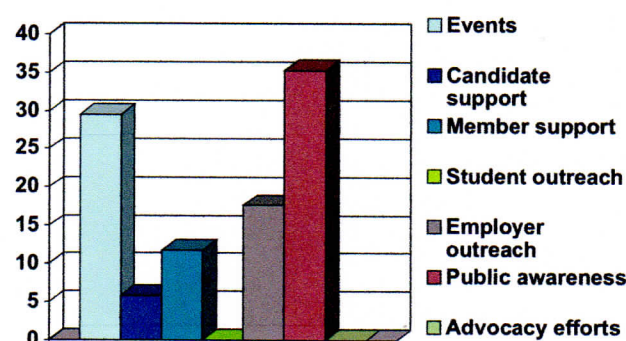
The annual general meeting and the charter award ceremony took place on the 6th of December at Pub Oxen in Stockholm. Both are recurring events organized by CFA Sweden. Normally, these two events are held on separate occasions, but due to special circumstances this year they were combined. Members got the opportunity to voice their opinion regarding the direction of the society, vote, celebrate the accomplishments of successful candidates and mingle with colleagues and friends. Raymond DeAngelo, Managing Director of the Marketing and Communications Division at CFA Institute, also attended the ceremony.

Speaker Events

CFA Sweden organized two excellent speaker events in the spring semester. The first one took place on March 19th at the premises of Alfred Berg in Stockholm and focused on developments in the global high yield markets. Renowned speaker Martin Fridson discussed the structure of the high yield market, risk premiums, valuation techniques and econometric modeling. In addition, Arne Eidshagen of Alfred Berg enlightened us with a perspective on Nordic high yield immediately following Mr. Fridson's presentation. Attending the event allowed charterholders to record 1.5 credits of continuing education (CE).

The second speaker event was held on the 21st of June at the offices of Handelsbanken in Stockholm. Investment professional and author, John Butler, explained his view of "the coming return of the global gold standard" based on his book "The Golden Revolution". In our view, this was one of the most interesting speaker events ever to be organized by CFA Sweden. This event was eligible for 1 CE credit.

What is most important?



Source: SurveyShare, CFA Sweden 2012 Member Survey

Pubs

Starting this year, CFA Sweden decided to host monthly Pub evenings for members and candidates at Pub Oxen on Malmskillnadsgatan in Stockholm. The Pubs took place on the first Tuesday of every month with the exception of August. The coming year we intend to continue with this new tradition. 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

This year's challenge was organized in cooperation with the Danish Society. The 2012 Scandinavian Research Challenge kicked off on the 27th of October 2011 and involved one team each from Stockholm School of Economics, Linköping University, University of Gothenburg, Gävle University and Copenhagen Business School. 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 Autoliv. A few weeks in to the competition, the students benefitted from a one and half hour investor call with Mats Ödman, Autoliv Vice President of Corporate Communications, including a 30 minute Q&A. Mr. Ödman also allowed each team to ask one follow up question by email at a later date.

The written reports, which were due on the 22nd of December, were evaluated by three independent graders selected by CFA Sweden, all of whom are CFA charterholders. The final event took place on the 23rd of January, 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 second year in a row, Stockholm School of Economics came out as the winning team. The SSE team then went on to win the EMEA final in London in March and advanced to the global finale in New York City. Unfortunately, they did not win in New York, but securing a place among the top four universities in the world was a remarkable achievement. They made us very proud.

CFA Sweden ESG Award

CFA Sweden also participated at the Financial Hearings annual analyst awards at Operakällaren in Stockholm on the 19th of June. Our three-year-old ESG prize was awarded to the Swedish Minister of Financial Markets, Peter Norman. We also took the opportunity to celebrate the achievements of the five students from Stockholm School of Economics by awarding them each with a CFA exam scholarship on stage in front of an audience consisting Sweden's top financial analysts.

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.

This year the Scholarship Program has undergone a few changes; it has transitioned to a calendar year process rather than following the fiscal year from September to August, as was the case before. From now on

Scholarships for the forthcoming year will be applied and granted for a year in advance. The process has also been simplified as all scholarships are now applied for centrally through the CFA Institute website.

To ease into the new rules, CFA Sweden was allocated an additional 5 scholarships that were granted for the December 2012 exam.

The board of CFA Sweden has granted the following candidates scholarships during this financial year; Matas Vala, Erik Rehnfeldt, Irfan Ahmad, Erik Alanis Somnell, Linjie Gu, William Svensson, Timothy Sendi, Tina Williams, Xiaoqin Jing, Wenwei Li, Alexander Valtchev, Truls Stattin, Tommy Chen, David Rindegren and Marcus Daleke.

Young CFA

Young CFA was launched 2010 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 economics, 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.

As Amira Roula, Young CFA chairman, was on exchange studies and work abroad during the past financial year, Young CFA member Johan Dyrstad temporarily stepped in as acting chairman.

Over the past year, Young CFA has continued to strive for a tighter connection with universities nationally, and to promote the CFA Charter among students and young professionals. Together with CFA Sweden, Young CFA helped promote and administer the global CFA Institute Research Challenge 2011. The Challenge was a success, and the Swedish team did exceptionally well in the global finals. Young CFA also actively participate in the CFA Sweden Advocacy Outreach; as a part of that Johan Dyrstad attended the business and finance fair Finansdagarna 2012 for students at the Linköping University together with the CFA Sweden Advocacy Chair Madeleine Lindblad Woodward.

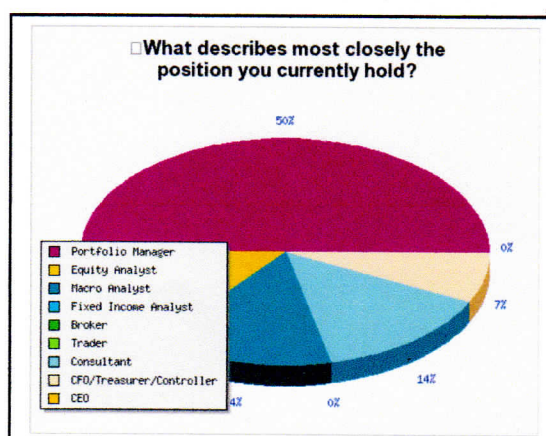
Member Survey

The Board and the Executive Committee has worked hard to map the route to the future for CFA Sweden. Last year we carried out a Survey to find out if we had the full support of our membership. We were excited to find that this was the case. We also had some food for thought, namely the alarming number of members who did not know their membership category.

This year's survey therefore was split into two. The questions we wanted to ask CFA charterholders had a slightly different angle than those directed to our candidates.

We were pleased to note that nearly half of the answers were from charterholders who had not participated in any activities over the year. The corresponding figure for candidates was no less than sixty-five percent. Nearly half of those respondents expressed a wish for meetings at lunchtime rather than other times of the day, something the Board will have to consider seriously in setting the forthcoming program. Last year we boldly summarised, in one sentence, that our members are young, mid-management portfolio managers with a commitment to the highest standards of ethics, education and professional excellence. This year's survey proves that this still holds true, but we were pleased to see that we now also have a surge of more senior members whilst the Candidate Survey showed replies from 46 new members who had joined over the last year. Food for thought this year: Most candidates in the survey are at Level III, but near enough ten percent of all candidates claimed to have lost their spirit and stopped at present level. This is clearly something for the Board to work with during the year.

On a dour note: not one single charterholder offered his/her services as a Volunteer this year. On a happier note however, 26 candidates expressed interest whereof 15 gave their address and asked to be contacted. The bottom line was pleasing indeed: All respondents felt that CFA Sweden definitely is on the right path.



Source: SurveyShare, CFA Sweden 2012 Member Survey

Governance

CFA Sweden is governed by a volunteer Board of Directors, elected by the Annual Members Meeting. The Nomination Committee, which is separate from the Board, is responsible for submitting nominations for President and other Board members. A *Nomination Committee Instruction* was adopted by the 2011 AGM.

The Board has a good cross section of members, male and female, with complementing business experience. Directors are expected to attend bi-monthly Board meetings and monthly social events. During the financial year 2011/2012, there have been 6 board meetings, with an additional number of Executive Committee meetings in between. The Board has implemented a *Board Self-Assessment* strategy, which was duly carried out at the end of the financial year.

The CFA Bylaws were amended at the 2011 AGM to better reflect the governance framework within which the Society operates. They were also considerably shortened as all parts pertaining to Board work was lifted out and reallocated to the *Board Directives*. This is a live document, describing the duties and responsibilities of the Board and its officers, which is to be considered, amended and decided upon by each new Board on its first meeting. The Board approved the 2011/2012 Board Directives on 12th January 2012, along with the *Board Rotation & Succession Policy*. Finally the *CFA Sweden Travel Policy* was adopted on 27th August 2012.

All governance documents are published on the CFA Sweden website.

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

Advocacy

Over the past year CFA Sweden has nurtured close relationships with Financial Hearings, Handelsbanken Capital Markets, Alfred Berg, KPMG and PwC, and has volunteered its services in the consultation process to the Swedish Regulator and the Finance Department. There has been a successful employer outreach to Handelsbanken Capital Markets, resulting in a number of new candidates. The Meet & Greet pub events with mandatory Board representation, first Tuesday of every month, are also instrumental in attracting new candidates to the program. The Board has also worked extensively alongside Young CFA, often on a one to one basis, to encourage and inspire recruits to the CFA Program.

A substantial outreach opportunity is the Annual Awards events organized by Financial Hearings, where CFA Sweden takes advantage of the opportunity to stage a presentation of the CFA organisation and program to a major part of the financial and business community.

Rolling over benefits from last year's efforts, there are now new cooperation partners, CV Search and FactSet. Hence we embark on the new financial year with great anticipation!

Annual General Meeting 2012

The 2012 AGM will take place 24th October in Kungälv, restaurant Gondolen, Stockholm. Time: 12.00-13.30.

Financials 2011/2012

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 2012

	2011-09-01 --2012-08-31	2010-09-01 -- 2011-08-31
REVENUE		
Membership dues	35 492	43 416
CFA Institute Funding	85 571	87 349
Other	63 306	51 982
Total revenue	184 369	182 747
COST		
Events	- 27 500	- 34 150
Administration	- 84 650	- 82 349
GIRC	-32 032	-32 420
Other	- 38 231	- 1 107
Total expenses	- 182 412	- 150 026
Year end result	1 957	32 721

BALANCE SHEET AS FOR THE YEAR ENDED 31 AUGUST 2012

	2011-09-01 -- 2012-08-31	2010-09-01 -- 2011-08-31
ASSETS		
Accrued revenues	0	32 500
Cash	103 163	106 831
Total Assets	103 163	139 331
EQUITY & LIABILITIES		
Prepaid revenues & accrued expenses	0	38 125
Retained earnings	101 206	68 935
Profit & Loss for the year	1 957	32 271
Total liabilities & equity	103 163	139 331

Broader, Bolder, Bigger - The Landscape for Growth

With the necessary basis for growth - the governance structure - now firmly in place, 2012-2013 is looking to be a very exciting year for CFA Sweden.

At the CFA Annual Conference in May 2012, CFA Institute's new corporate profile, including logotype, was officially launched. CFA Sweden will re-brand our corporate profile to be aligned with CFA Institute's and subject to approval by the 2012 Annual General Meeting change its name to CFA Society Sweden.

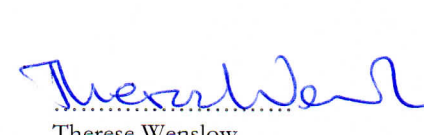
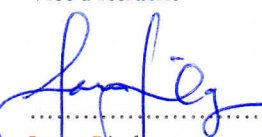
Following the recent re-focusing of CFA Institute strategy defined as a "broader mission, bolder voice and bigger community", the three top priorities for the new fiscal year, also for CFA Sweden, are to (1) launch the Claritas Investment Certificate in May 2013, (2) speak out on important issues with a bolder voice, and (3) uphold the "gold standard" seal of approval for the CFA Program. To realise the aspiration implied in the call for a bolder voice, CFA Institute is launching a global network of Advocacy Ambassadors; CFA Sweden volunteered to take part. This means that CFA Sweden will put additional focus on advocacy over the coming year.

CFA Sweden's membership base is spread over several countries, with Norway being the largest outside Sweden so far. In order to better serve the growing number of CFA Charterholders and CFA Candidates in Norway, the Norwegian Society of Investment Professionals was inaugurated in Oslo on 3rd September 2012, with an aim to change name to CFA Society Norway as soon as the new organisation has been formally vetted by CFA Institute and incorporated into the global network. We will continue to work closely together, especially in the interim transition period, to serve both of our memberships in the best possible way.

Signatures

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

Stockholm, 1 October 2012

			
Henrik Bjerklin President	Marcus Widmark Vice President	Peder Du Rietz Vice President	Therese Wenslow Treasurer
			
Jonas Linnell Secretary	Jonas Lindgren Secretary	Fredrik Ahlin	Mats Waldemarsson
			
Ylva Rehnberg			

CFA Sweden

Board of Directors 2011/2012



Standing, left to right:

Henrik Bjerklin, President, Fredrik Ahlin, Marcus Widmark, Therese Wenslow, Peder Du Rietz.

Sitting, left to right:

Jonas Lindgren, Jonas Linnell, Ylva Rehnberg, Mats Waldemarsson.