



CFA Society  
Toronto



## 2018 ANNUAL REPORT



## SETTING A HIGHER STANDARD FOR THE TORONTO INVESTMENT COMMUNITY





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## OUR MEMBERSHIP

We are one of the largest CFA Societies in the world, with over 10,000 active investment practitioners. With the support of our growing membership, we garner international recognition as a global thought leader in the investment community and provide a powerful voice on issues of concern to our members.

## OUR VOLUNTEERS

The strength of our success is made possible through the commitment of our volunteers. Supported by management staff, the Society is operated by an active board of directors, which oversees and provides strategic guidance to our committees and volunteers. Our volunteers are committed to a wide range of activities:

- Technical programs, workshops, and conferences by asset class and industry sector
- Standing committees on audits, governance and nominations, and membership
- Operating committees that support member communications, university relations, external relations, finance, and awards

## NEW OPPORTUNITIES

In fiscal year 2017–2018, CFA Society Toronto launched its new Project Volunteer Program. This program provides more flexible opportunities for our membership to get involved with the investment community by catering to our diverse membership's commitment levels. This program offers more short-term volunteer opportunities, and is divided into the three following categories:

- Program Assistant – these opportunities are for those interested in being part of a judging panel, being part of a committee task force to address specific projects, or assisting with outreach activities.
- Event Assistant – Society events are the main delivery method of our continuing education opportunities. Individuals who are interested in becoming an Event Assistant can expect to be a part of the preparation and deployment of the event execution process.
- CFA® Candidate Assistant – This opportunity is for Society members who are interested in mentoring other Society members who are CFA® candidates. These assistants provide CFA® candidates with guidance on best ways to prepare for the examinations.

## CHAIR OF THE BOARD'S MESSAGE



*Pamela Steer, CFA*

I have been delighted and honoured to serve as the 2017–2018 chair of CFA Society Toronto's Board of Directors.

Throughout the year, I have had the privilege to work alongside volunteers from our various committees and fellow board members. I also enjoyed meeting, in person, many of our diverse and engaged membership at our events. Putting faces and voices to the CFA charterholders who make up our membership is always a treat when attending Society events. Since joining the Society in 2001, I have seen and actively taken part in the transformation to enhance the Society's member service offerings. Throughout my experience with the Society, I have been able to build and nurture both professional and personal networks while continuing to develop and hone the skills required to maintain a competitive edge in a modern and dynamic finance industry.

One of the highlights during my tenure as Chair of the Board has been working with Society leaders in the creation of the 2019–2021 Strategic Plan. The Society exists as an organization that serves its members through the promotion of high standards of professional ethics and competence, and by encouraging fairness and efficiency in the operation of capital markets. Equipped with the insights we have learned from our 2018 Member Survey and our redefined Vision and Mission in mind, Society leaders have established three distinct strategic objectives. They are:

1. drive member value by meeting the needs and expectations with innovative services and expanding our member community;
2. increase designation value by promoting the values and beliefs embodied in the CFA designation, and establishing the designation as the “gold standard” with industry stakeholders; and
3. increase efficiency and talent development by enhancing a high-performing, member-centric organization through appropriate systems, revenue sources, and talent management.

I would like to extend my appreciation to our dedicated staff, my fellow board members, and our myriad volunteers, who have collectively provided so many hours of their time towards making CFA Society Toronto an organization of which we can all be proud. This year saw us truly enhance the quality of our program offerings and increase our involvement with Toronto's greater finance community through enriched outreach and relationship building initiatives. Together, our efforts show that we have succeeded in reinforcing our Society's position as among the industry's most influential thought leaders, and as true masters of our trade. I look forward to continuing my service to the Society as Past Chair in the coming year.

**Pamela Steer, CFA**  
**2017/2018 Chair of the Board**

## CHIEF EXECUTIVE OFFICER'S MESSAGE

Fiscal year 2017–2018 has been a productive one at CFA Society Toronto. We have continued our work to improve our member services over the past year by prioritizing the needs of our members in the planning and execution of Society initiatives (listed below).

### Events and Programming

2018 marked a full year of planning and executing events under our new programming committee structure, which involved streamlining away from the old asset class model. This new structure enabled us to better harness the expertise of our volunteers as we streamlined the Society's continuing education opportunities, with an eye to a more modern focus on our members' professional and career development needs. Over half of the events were sold out, which speaks to the success of the new structure and offerings. The five new programming committees are:

- Industry Relations & Corporate Governance,
- Professional Development,
- Corporate Finance,
- Institutional Asset Management, and
- Private Wealth Management.

Each committee is responsible for developing high-quality programs that incorporate, but are not limited to, relevant equity, fixed income, risk management, alternative investments, and portfolio management perspectives, all designed to benefit end users. The new model also includes a committee responsible for outreach initiatives that will extend and enhance our existing brand and profile, and raise awareness of the CFA charter and the Society with important external groups. Read more about our 2017–2018 events and programming on page 11.

### New Vision and Mission

Working alongside the Society's 2017–2018 Board of Directors, we took on the task of revising the Society's Mission and Vision statements together. Given the global leadership stature of Toronto in the financial services industry, we focused on how best to position and serve our members by providing the most up to date technical and professional competencies required to stay relevant in a rapidly evolving industry. While the Vision statement is aspirational, it is also a reality that already exists, with many of our members running global businesses from their bases here in Toronto. Our new statements read as follows:

**Vision:** The leading source of world-class investment professionals.

**Mission:** Creating opportunities for our members to raise standards and make high-quality contributions towards a trustworthy financial community.

2018 has been a year of many achievements thanks to our volunteers, experienced staff, and the support of our growing and diverse membership.

**Sue Lemon, CFA**  
Chief Executive Officer



*Sue Lemon, CFA*

# SPONSORSHIP & CORPORATE RELATIONS

## OVERVIEW

Organizations are finding that aligning with CFA Society Toronto, through our sponsorship offerings, is an excellent way to enhance their brand visibility amongst a unique cross-section of investment professionals. Society sponsors help support our valuable mission by providing revenue, which is used, in turn, to offset program costs. These reciprocal relationships allow us to continue our work in the ongoing development and implementation of Society outreach programs and the continuing education of CFA charterholders in the Greater Toronto Area and its surrounding regions.

The Society's traditional pillars of sponsorship include corporate, facility, and event support. Each sponsorship pillar ranges in scope from single to multi-year engagement types. CFA Society Toronto recognizes the invaluable role played by all of our sponsors, and we acknowledge each of them for their ongoing patronage.



## Corporate Sponsors

Platinum and Gold corporate sponsors enjoy full brand presence through the breadth of the Society's channels and platforms. Our respected Platinum and Gold corporate partners include:

**PLATINUM: Refinitiv**, formerly the Financial & Risk business of Thomson Reuters, is one of the world's largest providers of financial markets data and infrastructure.

**GOLD: Horizons ETFs**

**GOLD: S&P Dow Jones Indices**

**GOLD: TMX Group**

## Event Sponsors

CFA Society Toronto annual events can range in size from 100 to over 700 attendees. Hard costs associated with these events are offset by sponsor support of meals, networking breaks, networking receptions, and/or other event sponsorship opportunities. Whether looking to target a specific job function or asset class cohort, event sponsorship can help organizations by supplying the right Society-driven initiative to reach the right Society members. Annual Society event highlights include:

- the Annual Investment Dinner,
- the CFA Charter Recognition,
- the Annual Spring Pension Conference,
- the Annual Wealth Conference, and
- the New Member Welcome Reception.

## Facility Sponsors

Our Facility sponsors enjoy benefits that feature naming rights and brand positioning for each of the modern meeting spaces within our downtown Toronto office. CFA Society Toronto's office is capable of hosting meetings of many different sizes and formats. Our facilities include state of the art A/V and other available technologies. Our Facility sponsors are:

- National Bank Independent Network
- Vanguard Investments
- Sionna Asset Managers

## Affiliations

Cross-promotional activities with like-minded financial industry organizations are an important part of expanding and amplifying the Society's network. Our affiliations currently include:

### Capitalize for Kids

**CETFA** – Canadian ETF Association

**CICBV** – The Canadian Institute of Chartered Business Valuers

**CIPPB** – Canada Pension Plan Investment Board

**CIRI** – Canadian Investor Relations Institute

**CPA Canada** – Chartered Professional Accountants Canada

**CPAB** – Canadian Public Accountability Board

**CVCA** – Canadian Venture Capital & Private Capital Association

**FPSC** – Financial Planners Standards Council

**IASB** – International Accounting Standards Board

**ICD** – Institute of Corporate Directors

**PMAC** – Portfolio Management Association of Canada

**Rotman School of Management** at University of Toronto

**Schulich School of Business** at York University

**SOA** – Society of Actuaries

**Smith School of Business** at Queen's University

**TFI** – Toronto Finance International

**WCM** – Women in Capital Markets

**WETM** – Women in ETFs

# CFA SOCIETY TORONTO SPONSOR BACKGROUNDS



## ABOUT REFINITIV

### PLATINUM CORPORATE SPONSOR

Refinitiv, formerly the Financial & Risk business of Thomson Reuters, is one of the world's largest providers of financial markets data and infrastructure. Serving more than 40,000 institutions in over 190 countries, Refinitiv provide information, insights, and technology that drive innovation and performance in global markets. Refinitiv's 160-year Reuters heritage of integrity enables customers to make critical decisions with confidence, while Refinitiv's unique open platform, best-in-class data, and cutting-edge technology bring greater opportunity to their customers. By advancing their customers, Refinitiv drives progress for the entire financial community. For more, go to <https://www.refinitiv.com/en/#1>



## ABOUT HORIZONS ETFS MANAGEMENT (CANADA) INC.

### GOLD CORPORATE SPONSOR

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product suite includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs currently has approximately \$10 billion of assets under management and 81 ETFs listed on major Canadian stock exchanges. Horizons ETFs Management (Canada) Inc. is a member of the Mirae Asset Global Investments Group. Visit <https://www.horizonsetfs.com/home>.

## S&P Dow Jones Indices

A Division of **S&P Global**

## ABOUT S&P DOW JONES INDICES

### GOLD CORPORATE SPONSOR

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets. S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit <https://ca.spindices.com>.



## ABOUT TMX GROUP

### GOLD CORPORATE SPONSOR

TMX Group's key subsidiaries operate cash and derivative markets and clearinghouses for multiple asset classes including equities and fixed income. Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, Trayport, and other TMX Group companies provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products, and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver, and New York), as well as in key international markets including London, Beijing, and Singapore. For more information about TMX Group, visit their website at [www.tmx.com](http://www.tmx.com). Follow TMX Group on Twitter: @TMXGroup



**ABOUT NATIONAL BANK  
INDEPENDENT NETWORK  
FACILITY SPONSOR**

National Bank Independent Network (NBIN) is Canada's leading provider of custody, trade execution, and brokerage solutions to independent wealth management firms. NBIN is a division of National Bank Financial Inc. (NBF Inc.), a wholly owned subsidiary of National Bank of Canada (NBC). The National Bank Independent Network trademark is owned by NBC and used under license by NBF Inc. For more information about National Bank Independent Network, visit their website at <https://www.nbin.ca/repositories/publicsite/index.html>.



**ABOUT SIONNA INVESTMENT MANAGERS  
FACILITY SPONSOR**

Sionna Investment Managers is an independent, privately owned investment management firm that manages assets on behalf of institutional and private clients. The firm strives to provide downside protection and deliver long-term, above-average returns by applying a disciplined value approach. More details at [www.sionna.ca](http://www.sionna.ca).



**ABOUT VANGUARD INVESTMENTS  
CANADA  
FACILITY SPONSOR**

Vanguard Investments Canada Inc. is a wholly owned indirect subsidiary of The Vanguard Group, Inc. and manages over CAD \$16 billion in assets with 36 Canadian ETFs (as of May 31, 2018). The Vanguard Group, Inc. is one of the world's largest investment management companies and a leading provider of company-sponsored retirement plan services. Vanguard manages USD \$5 trillion (CAD \$6 trillion) in global assets, including over USD \$900 billion (CAD \$1.1 trillion) in global ETF assets (as of May 31, 2018). Vanguard has offices in the United States, Canada, Europe, Australia and Asia. The firm offers 400 funds, including ETFs, to its more than 20 million investors worldwide.

Vanguard operates under a unique operating structure. Unlike firms that are publicly held or owned by a small group of individuals, The Vanguard Group, Inc. is owned by Vanguard's U.S.-domiciled funds and ETFs. Those funds, in turn, are owned by Vanguard clients. This unique mutual structure aligns Vanguard interests with those of its investors and drives the culture, philosophy, and policies throughout the Vanguard organization worldwide. As a result, Canadian investors benefit from Vanguard's stability and experience, low costs, and client focus. For more information, please visit [www.vanguardcanada.ca](http://www.vanguardcanada.ca).

## CAREER CENTRE

For job seekers, CFA Society Toronto offers a valuable online career centre with financial industry-specific job opportunities and search resources. New jobs are posted daily and weekly, promoted via email and social media, and are available exclusively to Society members.

For organizations looking to promote a career opportunity online, our website's job posting service is an excellent way to reach a uniquely qualified audience of over 9,500 Society members for a fee that is far more cost-effective and targeted than competitive online services. Looking to hire the right candidate, with the right experience and education? Contact us at 416-366-5755 ext. 221 or [jobs@cfatoronto.ca](mailto:jobs@cfatoronto.ca).

## MEMBERSHIP DISCOUNTS

CFA Society Toronto members enjoy exclusive discounts and special offers through our Membership Discounts program. Discount partners include the Adelaide Club Toronto, ALF Group Services Inc., Brooks Brothers, the Ontario Science Centre, Ripley's Aquarium, Perropolis, the Shangri-La Hotel Toronto, and Tempo Framing Systems. Stay up to date with the Affinity Program and find out more at <https://www.cfatoronto.ca/membership/discounts> (accessible by members only).

## 2018 TECHNOLOGY UPDATES

The Society has made significant updates to its IT infrastructure in 2018. The year started with the launch of our new customer-relationship management (CRM) system project. Updating the Society's CRM system allows us to stay operationally relevant by enabling us to gain real-time insights into our members, and Society leaders now have a better understanding of the diverse needs and professional requirements of our members. Modernizing our CRM system has also put us on the path to expanding our member service offerings through integration with our various communications channels.

## PUTTING INVESTORS FIRST MONTH

Putting Investors First is part of CFA Institute's Future of Finance Initiative, which is about taking a leadership role to shape a trustworthy, forward-thinking investment profession that better serves our community. This past April and May, CFA Society Toronto launched a campaign to educate the investment community on what investors are seeking for, and how charterholders are taking an active role in filling the needs of their clients.

The campaign has earned over 1.8 million impressions and over 8,500 engagements.

Find out more about the 2018 Putting Investors First campaign here: [investorsfirst.cfatoronto.ca](http://investorsfirst.cfatoronto.ca).

## 2018 MEMBER SURVEY

Earlier this year, CFA Society Toronto conducted a member survey to help the Society prioritize and allocate resources. We also wanted to gain greater insight into the challenges practitioners are facing, and see how we can better support our members. The information we gathered has provided us with a deeper understanding of our membership and their needs, as uniquely expressed by our three member cohorts by charterholder tenure (< 5 years, 5–10 years, and >10 years).

Although there are clear differences in the technical needs of each cohort, further analysis of the survey responses has revealed the cohorts also have common needs. They are:

1. relevant professional/career development,
2. networking and social opportunities, and
3. access to more information and insights on current Canadian financial markets and trends.

The survey revealed, furthermore, that the Society needs to improve and expand its ability to communicate with our diverse membership. We are already making plans to meet these needs in 2019.

# THREE-YEAR STRATEGIC PLAN

Over the next three years, CFA Society Toronto staff and volunteers will be focused on meeting the new 2019–2021 strategic plan objectives. Furthermore, each board member has committed to supporting specific objectives contained within the three-year plan. Collectively, we will support and champion these initiatives from the board level and right through the organization.

Our three main objectives for the new strategic plan are as follows:

<p><b>#1</b> <b>DRIVE MEMBER VALUE</b></p> <p>Meet member needs and expectations with innovative services and expanding member community</p>	Enable greater diversity & inclusion
	Increase voice & recognition for less tenured members
	Ensure a greater sense of community
	Anticipate and prepare members for trends/competitive advantages for members
	Provide alternative learning mediums
<p><b>#2</b> <b>INCREASE DESIGNATION VALUE</b></p> <p>Establish designation as "gold standard" with industry stakeholders</p>	Increase pride in profession
	Be viewed as a Centre of Influence amongst key local stakeholders
	Define verticals to build and enhance as outreach
	Provide greater attention to candidates and prospective members
<p><b>#3</b> <b>Increase Efficiency &amp; Talent Development</b></p> <p>Enhance high-performing member-centric organization through appropriate systems, revenue sources and talent management</p>	Proceed with ongoing office modernization
	Continue to leverage technology to improve business processes
	Provide improved financial efficiency
	Maintain greater engagement and retention of human capital (staff & volunteers)
	Continue process development & enhancement

## THE CANADIAN ADVOCACY COUNCIL FOR CANADIAN CFA INSTITUTE SOCIETIES

The Canadian Advocacy Council (CAC) is a group of dedicated volunteers that come from CFA Societies across Canada and from all sectors of the capital markets and investment industries. Currently we are made up of 12 members who are geographically dispersed across Canada. The CAC seeks to maintain a dialogue with securities and other regulators, standard setters, and self-regulatory organizations and responds to many of their requests for comment. Through these efforts we seek to advocate for investor interests and promote high standards of ethical and professional conduct in the investment industry consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct.

The first half of fiscal year 2017/2018 has been marked by a noticeably slow start for regulatory consultations as Canadian regulators were digesting some of the more substantive consultation from the past years including the proposal of a regulatory best-interest standard on financial advice, to the consideration of banning embedded commissions and the derivatives reform from G20 commitments. During that period, the council responded to six consultations with the most important being 93-101 Derivatives: Business conduct. Also of note is two consultations that illustrate the breadth of skills the council can count on: the AMF consultation on the conflict of interest risk in relation to incentives in the insurance distribution industry and the CSA consultation relating to Designated Rating Organizations. As the financial industry transforms, complexifies and integrates between sectors, the CAC constantly adapts and the last two years of recruitment have yielded good results – the council can count on a solid team to analyze complex issues.

The second half of the fiscal year has been the exact opposite of the first. At its peak, the council had to review up to 19 concurrent consultations. Considering the delay to respond is often just a few weeks, our capacity has been tested a few times. Nonetheless, the council pushed through and responded to 13 consultations in the last six months of the year. Some of the topics discussed will be core to the Canadian financial industry for years to come, especially fintech, gender diversity and fair treatment of seniors.

In total in fiscal 2017-2018, the CAC has responded to 19 different regulatory processes via formal comment letters and reviewed numerous other public requests for comment. In addition to formally published comment letters, the CAC regularly interacts with regulators, policy-makers, and other related industry groups during in-person meetings and through its involvement in discussion forums like roundtable discussions. It also interacts through less formal channels with regulators by building and maintaining relationships with key points of contact. To engage with its stakeholders, the CAC holds three yearly in-person meetings. In 2017-2018, these meetings were held in Vancouver (Fall 2017), Toronto (Winter 2018) and Montréal (Spring 2018). Continuing on the theme of transformation, at its in-person meetings the CAC has met with numerous stakeholders from the fintech industry in order to prepare for future consultations. Canadian and worldwide regulators are putting some focus and building capacity around fintech and digital transformation – the council will need to continue building skills in this area.

Moving forward, we are excited to work with CFA societies Canada on joint projects that can leverage the skills and network of the CAC. In order to plan for the years of collaboration ahead, the CAC and CFA Societies Canada held a joint workshop in Montréal and hopefully laid the foundation of something that has the potential to provide real value for CFA charterholders.

If you are interested in learning more about the CAC, please visit: [www.cfaadvocacy.ca](http://www.cfaadvocacy.ca) or reach out to one of our members across the country.

Moad Fahmi, CFA  
Chair, Canadian Advocacy Council

# 2017-2018 EDUCATION AND EVENTS

## PROGRAMMING HIGHLIGHTS:

### Year One of the Programming Rstructure

In support of CFA Society Toronto's vision to be the leading source of world-class investment professionals, its programming committees provide a vital member service by organizing audience-specific programs and events that are educational and network-building in nature.

Fiscal year 2017-2018 was the first year of implementation for a new programming committee structure. The restructure was prompted in fiscal year 2016-2017 after a thorough review of our members' feedback on the Society's ability to provide relevant and sufficient content through its programming and events offerings.

CFA Society Toronto's group of Programming Committees now consists of:

#### Corporate Finance

Chair: Kevin Dickinson, CFA

#### Industry Relations & Corporate Governance

Chair: Parham Nasser, CFA

#### Institutional Asset Management

Chair: Heather Cooke, CFA

#### Kitchener-Waterloo

Chair: David Brattan, CFA

#### Professional Development

Chair: Paul Hamilton, CFA

#### Private Wealth Management

Chair: Kathrin Forrest, CFA

Among these six committees, 74 member volunteers collaborated with Society staff to bring forward 46 professional development offerings in a variety of formats, such as seminars, workshops, courses, conferences, social networking, webinars, roundtables, and affiliated events.

## PROGRAMMING SERIES

In fiscal year 2017/2018, the Society focused efforts to elevate program offerings by developing a series of events, sometimes in collaboration with other financial industry organizations with common interests. These events provided attendees with diverse tools and insights designed to drive discussion and enrich professional development opportunities. Events from this year's Programming series include:

18-19 Sep 2017	<b>ALPHA GENDER DIVERSITY 2017: THE COMPETITIVE EDGE</b> Collaborators: CFA Society Toronto, CFA Institute
17 Oct 2017	<b>CFA SOCIETY TORONTO GRAND OPENING AND CFA SOCIETIES CANADA OFFICIAL LAUNCH</b> (sold out) Collaborators: CFA Society Toronto, CFA Institute, CFA Societies Canada
01 Nov 2017	<b>ESG INTEGRATION: BEST PRACTICES FROM ASSET OWNERS &amp; CREDIT PRACTITIONERS</b> (sold out) Collaborators: CFA Society Toronto, CFA Institute, Principles for Responsible Investment (PRI), Aequitas NEO Exchange
30 Nov 2017	<b>THE ROLE OF CORPORATE GOVERNANCE AND STRUCTURE IN ACHIEVING SUSTAINABLE RETURNS</b> (sold out) Collaborators: Industry Relations & Corporate Governance Committee, Institute of Corporate Directors (ICD)
16 Jan 2018	<b>MACHINE LEARNING FUNDAMENTALS FOR FINANCIAL PROFESSIONALS</b> (sold out) Collaborators: Professional Development Committee, Thomson Reuters
31 Jan 2018	<b>INTRODUCTION TO DATA SCIENCE AND PYTHON FOR FINANCE</b> (sold out) Collaborators: Professional Development Committee, Cognitir
19 Apr 2018	<b>SHAREHOLDER ACTIVISM: WHEN SHAREHOLDERS COME KNOCKING</b> (sold out) Collaborators: Industry Relations & Corporate Governance Committee, Institute of Corporate Directors (ICD)
17 May 2018	<b>FINANCIAL MARKET OUTLOOK: IS THIS THE END?</b> (sold out) Collaborators: Institutional Asset Management Committee, Toronto Association for Business and Economics (TABE)
6 Jun 2018	<b>RESPONSIBLE INVESTING: UTILIZING SASB STANDARDS FOR ESG INVESTING</b> Collaborators: CFA Society Toronto, Sustainability Accounting Standards Board (SASB)

In total, the Society successfully delivered 70 events that welcomed over 5,700 registrants. This was made possible by both programming and non-programming committees, as well as a number of staff driven events.

# 2017-2018 SUMMARY OF EVENTS, AND HIGHLIGHTS

## 2017 ANNUAL INVESTMENT DINNER

Wednesday, 15 November 2017, 5 p.m. – 10 p.m.

Canadian Room, Fairmont Royal York

The 2017 Annual Investment Dinner celebrated the dinner's 60th anniversary by exploring the Future State of the Finance Profession. Over 700 finance professionals attended the event, which featured Dianne Buckner, the host of CBC's Dragon's Den as our host and MC for the evening, and welcomed keynote speakers Jason Furman, professor of practice at Harvard's Kennedy School and former economic advisor to Barack Obama, and Bob Prince, co-CIO of Bridgewater Associates, to share their insights into our theme and investment advice with our audience. The keynote sessions were followed by an engaging and interactive fireside chat featuring both keynote speakers, along with Donald Guloein, retired CEO of Manulife.



Keeping with tradition, attendees and members of the financial industry answered questions about the markets, economic growth, and their predictions for 2018 using audience response devices.

Our guests made the following predictions for 2016/2017, using audience response devices:

### Economic growth in the United States and Canada over the next decade will be:

3% – no sweat	8.3%
We can do a bit better than 2%	41.86%
Stuck at 2%	25.57%
Below 2%	20.20%
No idea	4.07%
Fall 25% +	3.92%

### Global stock markets are:

Always rational and correctly valued	7.12%
A real bargain right now – buy!	11.65%
Overvalued – sell!	53.56%
No idea	27.67%
More than \$65	5.33%

### When will the next downturn be?

2018	17.42%
Within 3 years	56.26%
Within 5 years	21.96%
Not for at least a decade	4.36%





# 2018 EQUITY SYMPOSIUM

Wednesday, 24 January 2018

TMX Gallery | Private Wealth Management Committee

The Equity Symposium is a popular annual half-day event that has sold out every year since it was introduced in the Society's event and programming offers. The Equity Symposium provides attendees with an opportunity to gain unique insights from six influential portfolio managers. This year's speaker panel outlined their best investment ideas and provided investment tactics that can then be utilized in active portfolio strategies. The speaker panel for this year included Hamish Dingwall (Baille Gifford), Richard Gable, CFA (MFS Investment Management), Jeffrey Germain, CFA (Brandes Investment Partners), Craig Basinger, CFA (Richardson GMP), Charles Nadim (Jarislowsky Fraser), and Rafi Tahmazian (Canoe Financial).

Six of the industry's most top influential portfolio managers joined us to unveil their market outlooks and top investment ideas at the 2017 Equity Investment Symposium. These six managers are each responsible for large proprietary investment funds, making this a yearly "must attend," sold-out event for investment advisors, portfolio managers, asset allocators, and private investors.

# ANNUAL CFA CHARTER RECOGNITION – CLASS OF 2017

Tuesday, 27 February 2018

Arcadian Court, 401 Bay Street | CFA Society Toronto (Special Event) Registration number: 493 | Actual number of attendees: 422

In 2017, CFA Society Toronto welcomed 690 new charterholders to its membership. As a celebration of their achievement, CFA Society Toronto held their Annual CFA Charter Recognition event on 27 February, 2018, at the Arcadian Court, along with this year's keynote speaker, Kim Shannon, CFA, founder of Sionna Investment Managers. The Class of 2017 was one of the Society's largest new CFA charterholder celebrations to date, attracting over 420 guests—which included graduates, and their family and friends—to share this monumental milestone achievement.



## 10TH ANNUAL SPRING PENSION CONFERENCE

Thursday, 5 April 2018, 8 a.m. – 5:30 p.m.

The Annual Spring Pension Conference celebrated its 10th anniversary in 2017. The event provided attendees with the latest updates from thought leaders and practitioners in the Canadian and international pension industry. The event honoured its past by showcasing its past speakers on screens throughout the room as attendees arrived for breakfast. The conference welcomed a diverse range of speakers from across North America including Megan Greene, the director and chief economist from Manulife Asset Management, who kicked off the event by providing an overview of the global economy. Speakers also tackled the topics of artificial Intelligence and its implications to pensions and investments, a pension de-risking case study from BCE and Bell was reviewed and the importance of why and how diversity matters to investment results. Other topics for the day included asset allocation and innovation, as well as disruption and sustainability. The event concluded in a lively networking reception that featured a celebratory cake-cutting, and closing remarks from CFA Society Toronto's CEO, Sue Lemon. Entertainment for the evening included a photo booth, along with delicious food and drinks to celebrate a milestone year for the pension conference.



## 2018 ANNUAL WEALTH CONFERENCE

Wednesday, 16 May, 2018

Arcadian Loft, 401 Bay Street | Private Wealth Management Committee

CFA Society Toronto's Private Wealth Management committee hosted their Annual Wealth Conference on 16 May at the Arcadian Loft. This year's Annual Wealth Conference recognized that the private wealth management industry in Canada continues to be highly competitive, with clients continuing to expect much more from their advisors than just traditional investment management. This sold-out conference focused on answering three important questions:

1. What are clients expecting?
2. How do you keep clients engaged and remind them of your value?
3. What does it take to be successful in this highly competitive industry?

Ten speakers were invited to address these questions, and each provided their best business practices to guide practitioners beyond their traditional comfort zone in order to meet and exceed client expectations in an ever competitive business environment.

Speakers were: Keith Sjögren (Strategic Insight), Gregory Kells (Sunbelt), Barton Waring (retired), Susan Hyatt (Silver Sherpa), Lisa Wiseman (Eldercare Home Health Inc.), Peggi Shepherd Degroote (Wellbeings Pain Management and Dependency Clinic Inc.), Jonathan Fairtlough (Kroll), David Blanchett, CFA (Morningstar Investment Management), Adam Jagelewski (MaRS Centre), and Matthew Jackson, CFA (Simon-Kucher & Partners).

## SPRING HAS SPRUNG WHISKY-TASTING SOCIAL

9 May 2018, 5:00 p.m. – 7:30 p.m.

CC Lounge & Whisky Bar | Corporate Finance Committee

The Society's Corporate Finance committee organized a unique networking opportunity for our members and the greater financial community at CC Lounge & Whisky Bar on Front Street. The event welcomed finance professionals to enjoy a wide selection of whisky, bourbon, and scotch, complete with chocolate pairings and hors d'oeuvres. A whisky expert walked attendees through the history, flavour profile, and tasting notes associated with each whisky variety. Attendees then enjoyed networking time to form new contacts and catch up with familiar industry faces.

## VOLUNTEER SUMMER SOCIAL

Thursday 13 June 2018

Venue: Walrus Pub & Beer Hall | Committee: CFA Society Toronto (Special Event)

The Volunteer Summer Social is CFA Society Toronto's way to acknowledge and thank their dedicated Programming, Non-Programming, Project, and Mentorship program volunteers for all their hard work, and to get together one last time before everyone departs for the summer.

Even though the rain was pouring that day, over 50 volunteers joined the festivities at the newly opened Pong Bar, located in the basement of the Walrus Pub & Beer Hall, and made the best of the occasion. There were plenty of smiles and laughs shared with peers while attendees enjoyed the variety of activities that were offered that evening, such as ping-pong, tarot card readings, and graphology analysis, accompanied by drinks and appetizers.



## THE ULTIMATE ESCAPE ROOM: CHALLENGE AND SOCIAL

Wednesday, 20 June 2018

Trapped! (Escape Room) & Suite 114 | Professional Development Committee

CFA Society Toronto's Professional Development committee hosted a unique way to network with peers by introducing their first Ultimate Escape Room Challenge and Social at Trapped! and Suite 114. Participants were organized into three teams and then assigned to different escape rooms with puzzles designed specifically to provide a highly intensive physical and mental experience. Teams had to hunt for clues, use logic, and, most importantly, work together to have the highest chance of escaping while racing against the clock.

All teams broke out of their comfort zones and collaborated to successfully escape within the 45-minute time frame, and celebrated over drinks and appetizers at Suite 114.



## TASTE OF SUMMER SOCIAL

27 June 2018, 5:00 p.m. – 7:00 p.m.

Assembly Chef's Hall | Institutional Asset Management Committee

The Society's Institutional Asset Management committee invited finance professionals from across Toronto to join us for an evening to sample unique foods and beverages, and to network with peers at Assembly Chef's Hall this past June. The event gave financial district professionals the opportunity to visit this brand new food hall and to try a variety of hors d'oeuvres, samples, and signature cocktails from the food hall vendors and bar. A prize wheel gave attendees the opportunity to suggest some great ideas for future events and programming in exchange for a chance to win CFA Society Toronto swag.

## 2018 CFA SOCIETY TORONTO ETHICS CHALLENGE

The Canadian Ethics Challenge is designed to embody the mission of CFA Institute by promoting "the highest standards of ethics, education, and professional excellence." Its design also focuses on many of the elements of CFA Institute's Future of Finance initiative: transparency and fairness, regulation and enforcement, and safeguarding the system. Equally importantly, the challenge helps new entrants to the investment profession to prepare for the ethical challenges that they will face in the workplace.

The first local Ethics Challenge was started by a CFA Society Toronto volunteer in 2014, and had three teams from the CFA Institute's University Affiliation Program in Toronto competing. This past year marked CFA Society Toronto's fifth time hosting the annual local competition, and CFA Societies Canada's second annual national competition. The winner of this year's competition was a team of students from the University of Ottawa's Telfer School of Management.



(L-R) Nicholas Pelchat, Natalie Dokmajian, Christian Cotroneo, Aamena Chato, and James Beaudoin

## CFA SOCIETY TORONTO AND THE HILLSDALE CANADIAN INVESTMENT RESEARCH AWARD

CFA Society Toronto and Hillsdale Investment Management Inc. are committed to advancing the knowledge of investment management practices through the publication of quality academic and practitioner-relevant research. Submissions for the award are judged on the potential contribution of their applied research to topics of interest related to Canadian capital markets. Areas of research interest include any aspect of investment management, such as portfolio management, asset valuation, risk management, compliance, and performance evaluation. Investment fields include traditional and alternative investments, as well as all asset classes and investment vehicles (e.g., fixed income, equities, and derivatives). Research papers are judged on relevance, importance, and the degree to which their research has an impact on practitioner behaviours.

Last year's winning research paper was "Equity Premium Predictability: Combination Forecasts versus Multivariate Regression Predictions," written by Dr. Stéphane Chrétien, CFA, Laval University, Dr. Claudia Champagne, Sherbrooke University, and Dr. Frank Coggins, Sherbrooke University.



(L-R) Dr. Frank Coggins, Dr. Stéphane Chrétien, and Chris Guthrie, CFA, president and CEO, Hillsdale Investment Management Inc.

## CFA INSTITUTE RESEARCH CHALLENGE

The CFA Institute Research Challenge is an annual global equity research competition that provides university students with hands-on mentoring and intensive training in financial analysis. Students gain real-world experience as they assume the role of a research analyst, and are tested on their ability to value a stock, write an initiation-of-coverage report, and present their recommendations.

For the fourth year in a row, the University of Waterloo's School of Accounting and Finance was the winning team at our ninth annual local competition.



(L-R) Steve Balaban, CFA, faculty advisor; Katherine Chan, Hammad Shams, Uday Sandhu, Justin Lee, and Kevin Li (Faculty Advisor), Judy Dong and Talha Siddiqui

## UNDERGRADUATE FINANCE & ECONOMIC SCHOLARSHIP AWARDS

This scholarship award is open to all third-year undergraduate students currently enrolled in a finance or economics program at an Ontario university, and is intended to reward students who've shown excellence in academics. No prior knowledge or experience with the CFA designation is required.

First Place (\$3,000) – Paul Okundaye, Western University

Second Place (\$2,000) – Cindy Qin, University of Toronto

Third Place (\$1,000) – Jonathan Hui, University of Waterloo



Paul Okundaye and Stephanie Poon, CFA, 2018 Awards Reception emcee

## FINANCIAL JOURNALISM AWARDS

The Financial Journalism Awards were created to acknowledge the contributions of Canadian-based financial publications and journalists who show true commitment to high professional standards. CFA Society Toronto recognizes their contributions towards improving transparency and strengthening investor education, which serves to shape a trustworthy and forward-thinking financial industry. The three award categories are Publication of the Year, Journalist of the Year, and The Spirit of the Future of Finance. The Spirit of the Future of Finance award was launched in 2015 in support of CFA Institute's global Future of Finance initiative.

The winners for this year's Financial Journalism Awards are:

PUBLICATION OF THE YEAR	JOURNALIST OF THE YEAR	THE SPIRIT OF THE FUTURE OF FINANCE
<i>Bloomberg</i>	James Langton, <i>Investment Executive</i>	" <i>The New Kid on The Infrastructure Block,</i> " Martha Porado, <i>Benefits Canada</i>

# MEET THE TEAM

## 2017/2018 BOARD MEMBERS



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Steven Balaban, CFA  
Sue Lemon, CFA  
Jennifer Schillaci, CFA  
Christopher Sheridan, CFA  
Camilla Sutton, CFA, MBA  
Marcus Turner, CFA

*Back Row (L-R): Jennifer Schillaci, CFA; Christopher Sheridan, CFA; Vadim Gracie, CFA; Steven Balaban, CFA; Camilla Sutton, CFA; Alain Bergeron, CFA  
Front Row (L-R): Pamela Steer, CFA; Amy Stephenson, CFA; Sue Lemon, CFA Absent: Brenda King, CFA; Daniel Lavallee, CFA; Marcus Turner, CFA*

## 2017-2018 STANDING COMMITTEES

### **AUDIT COMMITTEE**

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Wendy Wang, CFA  
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Vadim Gracie, CFA  
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Brian Shaw, CFA  
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### **MEMBERSHIP**

**CHAIR**  
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**VICE CHAIR**  
Answerd Ramcharan, CFA

### **MEMBERS**

Mike Chung, CFA  
Andrew Morgan, CFA  
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# PROGRAMMING COMMITTEE VOLUNTEERS

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### MEMBERS

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Stephen Co, CFA

Fanny Doucet, CFA

Angela Ma, CFA

Suneil Ramesh, CFA

Viktor Russu, CFA

Sophie Song, CFA

Christopher Tschlas, CFA

Adam Waldman, CFA

Stanley Yeung, CFA

## **KITCHENER - WATERLOO**

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### LEAD

Terence Sawchuk, CFA

### MEMBERS

Steve Cornell, CFA

Robert Lennox, CFA

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Ryan Modesto, CFA

Fabio Pucci, CFA

Elena Stephanchuk, CFA

Michelle Wang, CFA

Michael Williams, CFA

## **INDUSTRY RELATIONS & CORPORATE GOVERNANCE**

### CHAIR

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### LEAD

Michael Marchetti, CFA

### MEMBERS

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Nino Boezio, CFA

Lucy Gao

Peter Tesche, CFA

Colette Tom, CFA

Ashley Warburton, CFA

Jane Zheng, CFA

## **INSTITUTIONAL ASSET MANAGEMENT**

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### LEADS

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Aaron Vale, CFA

Grace Cleary-Yu, CFA

### CO-SENIOR ADVISORS

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James Davis, CFA

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Helen Chan, CFA

Mike Demeter, CFA

Catherine Dimitriadis, CFA

Trevor Franklin, CFA

Scott Henshaw, CFA

Trang Lam, CFA

Yeganeh Pakdaman, CFA

Yelena Stepanyan, CFA

Viren Wong, CFA

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### LEADS

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Jiayi (Joyce) Chen, CFA

Brian Galley, CFA

### CO-SENIOR ADVISORS

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Tom Trainor, CFA

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Zubair Ladak, CFA

Marcus Mitchell, CFA

Linda Palin, CFA

Robert (Morgan) Pampe, CFA

Craig Thompson, CFA

## **PROFESSIONAL DEVELOPMENT**

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### LEAD

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### SENIOR ADVISOR

Sean Cleary, CFA

### MEMBERS

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Razvan Boconcios, CFA

Tanya Kirsch, CFA

Hei Wai Kwan, CFA

Asiya Merchant, CFA

Bria Murphy, CFA

Becky Perry, CFA

Andreas Prucker, CFA

Rupel Ruparelia, CFA

Jenifer Rush, CFA

Maurice Smith, CFA

Andy Sun, CFA

Alexandra Zvarich, CFA

# MEET THE TEAM

## NON-PROGRAMMING COMMITTEE VOLUNTEERS

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#### VICE CHAIR

Anthony Visano, CFA

#### MEMBERS

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Joel Bangalan, CFA

Jason Basch, CFA

Christy DeCosimo, CFA

Craig Geoffrey, CFA

Marian Hoffmann, CFA

Mark MacDonald, CFA

Lara Misner, CFA

Tim Nakai, CFA

Gerry Ramos, CFA

Noam Silberstein, CFA

Maureen Stapleton, CFA

Camilla Sutton, CFA

Aaron Vale, CFA

Otto Yung, CFA

### MEMBER COMMUNICATIONS

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Devin Crago, CFA

#### VICE CHAIR

Vanja Peric, CFA

#### MEMBERS

Salman Amin, CFA

Victoria Barclay, CFA

James Barry, CFA

Stephanie Condra, CFA

Vincent Didkovsky, CFA

Lisa Hui

Victor Lee, CPA, CFA

I. Rossa O'Reilly, CFA

Camilla Sutton, MBA, CFA

### MENTORSHIP

#### CHAIR

Terri Ellis, CFA

#### VICE CHAIR

Omar Masud, CFA

#### SENIOR ADVISOR

Mike Schankula, CFA

#### MEMBERS

Irina Issakova, CFA

Kar-Wei Lam, CFA

Francis Lau, CFA

Brian Madden, CFA

Eve Makarova, CFA

Jason Parker, CFA

Chris Spencer, CFA

## MANAGEMENT OFFICE



### CHIEF EXECUTIVE OFFICER

Sue Lemon, CFA

### CHIEF OPERATING OFFICER

Norma Summers

### DIRECTOR, PROGRAMS & MEMBER SERVICES

Jenny Yeo

### CORPORATE ENGAGEMENT & SPONSOR RELATIONS MANAGER

Chris Burke

### IT MANAGER

Alexandra Pegg

### VOLUNTEER RELATIONS MANAGER

Mike Duhome

### MARKETING & COMMUNICATIONS SPECIALIST

Jonathan Mai

### PROGRAMS & EVENTS ASSOCIATES

Ashley Plume

Dawn Wong

### OFFICE ADMINISTRATOR

Courtney McNeillie

Back Row (L-R): Alix Cooper, Jonathan Mai, Mike Duhome, Chris Burke, Alexandra Pegg

Front Row (L-R): Ashley Plume, Alison Murray, Norma Summers, Sue Lemon, CFA, Jenny Yeo, Dawn Wong





# FINANCIAL STATEMENTS

## Independent Auditor's Report

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August 27, 2018

To the Members of  
**The Toronto Society of Financial Analysts**  
(operating as CFA Society Toronto)

We have audited the accompanying financial statements of The Toronto Society of Financial Analysts (operating as CFA Society Toronto), which comprise the statement of financial position as at June 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Toronto Society of Financial Analysts (operating as CFA Society Toronto), as at June 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

PricewaterhouseCoopers LLP  
400 Bradwick Drive, Suite 100, Concord, Ontario, Canada L4K 5V9  
T: +905 326 6800, F: +905 326 5339

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership

**Statement of Financial Position**

As at June 30, 2018

	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	681,070	717,895
Restricted cash (note 3)	8	127,243
Investments (note 4)	1,573,053	1,751,496
Accounts receivable	187,679	257,521
Prepaid expenses	73,705	143,121
	2,515,515	2,997,276
<b>Investments</b> (note 4)	304,068	101,056
<b>Capital assets</b> (note 5)	990,370	1,215,574
<b>Intangible assets</b> (note 6)	259,380	104,482
	4,069,333	4,418,388
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	359,882	570,698
Unearned revenue (note 8)	653,608	684,412
Due to Canadian Advocacy Council (note 9)	8	126,446
	1,013,498	1,381,556
<b>Deferred capital contributions</b> (note 10)	61,401	72,897
<b>Deferred lease inducements</b> (note 11)	729,134	852,367
	1,804,033	2,306,820
<b>Net assets</b>		
Investment in capital assets (note 12)	519,702	465,502
Stabilization reserve	940,000	865,000
Opportunities and technology reserve	371,300	371,300
Event cancellation reserve	100,000	100,000
Capital expenditures reserve	212,500	112,500
Unrestricted	121,798	197,266
	2,265,300	2,111,568
	4,069,333	4,418,388
<b>Commitments</b> (note 13)		

Approved by the Board of Directors

Director 

Director 

The accompanying notes are an integral part of these financial statements.

**Statement of Operations**

For the year ended June 30, 2018

	2018 \$	2017 \$
<b>Revenues</b>		
Membership dues	1,768,500	1,389,915
Program and sponsorship revenue	855,974	891,188
CFA Institute discretionary grants	561,467	525,863
Membership placement services	245,887	297,520
Member operations revenue	37,150	140,719
Other member services	21,377	45,392
Facility services	74,474	22,967
Interest and miscellaneous income	43,887	34,163
Candidate education	7,368	5,274
	3,616,084	3,353,001
<b>Expenditures</b>		
Salaries and related benefits	1,343,880	1,296,774
Program expenses	564,944	649,270
Member operations expenses	351,976	391,798
Amortization of capital and intangible assets	291,790	136,176
Rent and utilities (note 11)	290,975	150,972
Professional services	220,328	229,606
Telecommunications and website	168,939	149,392
Marketing and development	127,911	79,493
Office and general	52,624	53,247
Meetings, conferences and honoraria	48,646	26,418
Moving costs	339	51,548
Loss on disposal of capital assets	-	81,047
	3,462,352	3,295,741
<b>Excess of revenues over expenditures for the year</b>	153,732	57,260

The accompanying notes are an integral part of these financial statements.

## Statement of Changes in Net Assets

For the year ended June 30, 2018

	<b>2018</b>						
	<b>Investment in capital assets</b>	<b>Stabilization reserve</b>	<b>Opportunities and technology reserve</b>	<b>Event cancellation reserve</b>	<b>Capital expenditures reserve</b>	<b>Unrestricted</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Balance - Beginning of year</b>	465,502	865,000	371,300	100,000	112,500	197,266	2,111,568
Excess (deficiency) of revenues over expenditures for the year (note 12)	(167,284)	-	-	-	-	321,016	153,732
Transfer to (from) internally restricted funds	-	75,000	-	-	100,000	(175,000)	-
Investment in capital assets (note 12)	221,484	-	-	-	-	(221,484)	-
<b>Balance - End of year</b>	519,702	940,000	371,300	100,000	212,500	121,798	2,265,300

	<b>2017</b>						
	<b>Investment in capital assets</b>	<b>Stabilization reserve</b>	<b>Opportunities and technology reserve</b>	<b>Event cancellation reserve</b>	<b>Capital expenditures reserve</b>	<b>Unrestricted</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Balance - Beginning of year</b>	136,310	715,000	500,000	100,000	375,000	227,998	2,054,308
Excess (deficiency) of expenditures over revenues for the year (note 10)	(80,807)	-	-	-	-	138,067	57,260
Transfer to (from) internally restricted funds	-	150,000	(128,700)	-	(262,500)	241,200	-
Investment in capital assets (note 12)	409,999	-	-	-	-	(409,999)	-
<b>Balance - End of year</b>	465,502	865,000	371,300	100,000	112,500	197,266	2,111,568

The accompanying notes are an integral part of these financial statements.

**Statement of Cash Flows**

For the year ended June 30, 2018

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures for the year	153,732	57,260
Items not involving cash		
Amortization of capital and intangible assets	291,790	136,176
Amortization of deferred capital contributions	(11,496)	(6,273)
Amortization of deferred lease inducements	(123,233)	(61,411)
Write-off of deferred lease inducements	-	(98,777)
Loss on disposal of capital assets	-	81,047
	<u>310,793</u>	<u>108,022</u>
Changes in non-cash working capital		
Accounts receivable	69,842	(86,855)
Prepaid expenses	69,416	27,122
Accounts payable and accrued liabilities	(210,816)	(166,365)
Unearned revenue	(30,804)	43,783
	<u>208,431</u>	<u>(74,293)</u>
<b>Financing activities</b>		
Additions to deferred lease inducements	-	87,414
<b>Investing activities</b>		
Purchase of investments	(1,774,323)	(1,004,755)
Proceeds from sale of investments	1,749,754	978,717
Purchase of capital assets	(7,305)	(206,064)
Purchase of intangible assets	(214,179)	(71,105)
Restricted cash	127,235	(25,209)
Due to Canadian Advocacy Council	(126,438)	32,571
	<u>(245,256)</u>	<u>(295,845)</u>
<b>Change in cash during the year</b>	<b>(36,825)</b>	<b>(282,724)</b>
<b>Cash - Beginning of year</b>	<b>717,895</b>	<b>1,000,619</b>
<b>Cash - End of year</b>	<b>681,070</b>	<b>717,895</b>
<b>Non-cash transactions</b>		
Leasehold improvements capitalized through deferred lease inducements	-	785,492
Leasehold improvements capitalized not yet paid	-	221,186
Deferred capital contributions not yet received	-	73,356

## Notes to Financial Statements

June 30, 2018

### 1. Nature of operations

The Toronto Society of Financial Analysts (operating as CFA Society Toronto) (the Society) was incorporated by letters patent under the Corporations Act of the Province of Ontario on June 30, 1970 as a not-for-profit corporation. The purposes of the Society are:

- to provide and maintain an organization for those persons who are directly or indirectly engaged in financial analysis as related to securities investment and to advance and protect generally the status, welfare and interests of such persons;
- to formulate and promote high standards of ethics in financial analysis;
- to educate and inform financial analysts as to techniques, standards and developments with regard to financial analysis, securities and securities markets in order that they might serve the public more competently;
- to hold or sponsor conferences, seminars, courses and workshops or otherwise disseminate information and ideas among members of the Society and to the public relating to financial analysis as related to securities investment; and
- to publicize information regarding financial and security analysis in order to promote public understanding of its role and usefulness.

### 2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), Part III of the Chartered Professional Accountants of Canada Handbook, as issued by the Canadian Accounting Standards Board. The financial statements reflect the following significant accounting policies.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the period in which the related expenditures are incurred.

Membership dues are collected by the CFA Institute and are distributed to the Society. Revenue is recognized as revenue in the period to which it relates.

Program, sponsorship and facility services revenues are collected by the Society and are recognized as revenue on the date the event occurs, or if applicable, over the term of the agreement.

CFA Institute discretionary grants are recognized as revenue when revenue is received or receivable.

Member operations, membership placement services, candidate education revenues and other member services are recognized as revenue as the related services are provided.

Interest is calculated on the daily balance and is recognized as revenue at the end of each month.

#### Net assets

The financial statements have been prepared in a manner that segregates net asset balances as follows:

- investment in capital assets represents the Society's net investment in capital assets purchased with Society funds, less accumulated amortization thereon since acquisition;
- stabilization reserve represents an internally restricted fund to ensure the continuity of the Society by providing a liquidity reserve;
- opportunities and technology reserve represents an internally restricted fund for new initiatives and opportunities as they arise; this fund will ensure new initiatives can be pursued in the absence of funding availability in the current year's budget;
- event cancellation reserve represents an internally restricted fund to be drawn on when a major event needs to be cancelled due to poor attendance or unforeseen circumstances; and
- capital expenditures reserve represents an internally restricted fund to finance any capital projects that are considered necessary without the need to fund such a project entirely from the current year's operating budget.

Unrestricted comprises the remaining excess of revenues over expenditures from operations that are available for general use.

#### Financial instruments and risk management

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost. Financial assets include cash, restricted cash, investments and accounts receivable. Financial liabilities include accounts payable and accrued liabilities.

Credit risk associated with cash, restricted cash and investments is minimized substantially by ensuring these assets are invested in financial obligations of major financial institutions that have been accorded investment grade ratings by a primary rating agency. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the Society. Credit risk associated with accounts receivable is reduced by monitoring overdue accounts receivable.

Notes to Financial Statements (continued)

June 30, 2018

Liquidity risk is the risk the Society cannot repay its obligations when they come due. The Society has liquidity risk in accounts payable and accrued liabilities and due to Canadian Advocacy Council (CAC) of \$359,896 (2017 - \$697,144).

The Society reduces its exposure to liquidity risk by ensuring it documents when authorized payments come due and holding assets that can be readily converted into cash. In the opinion of management, the liquidity risk exposure of the Society is low.

It is management's opinion that the Society is not exposed to significant interest rate risk, currency risk, liquidity risk and market risk.

**Cash**

Cash consists of cash balances with major financial institutions.

**Capital assets**

The costs of capital assets are capitalized on meeting the criteria for recognition as capital assets, otherwise, costs are expensed as incurred. The cost of capital assets comprises their purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

The Society provides for amortization using methods and rates designed to amortize the cost of the capital and intangible assets over their estimated useful lives. Amortization is provided on a straight-line basis, over the following periods:

Furniture and fixtures	5 years
Computer equipment	3 years

Amortization of leasehold improvements is recorded over the remaining term of the lease.

**Intangible assets**

Intangible assets consist of website design and computer software, which is amortized over three years on a straight-line basis.

**Impairment of long-lived assets**

An impairment charge is recognized for long-lived assets, including intangible assets with definite lives, whenever an event or change in circumstance causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the asset and its carrying value.

**Deferred capital contributions**

Deferred capital contributions consist of capital purchases funded by the CFA Institute and are amortized on a straight-line basis over the estimated useful life of the asset for furniture and fixtures, computer equipment, website design and computer software purchases. The leasehold improvements are amortized on a straight-line basis over the term of the lease and are netted against rent and utilities on the statement of operations.

**Deferred lease inducement**

Deferred lease inducements consist of leasehold improvement reimbursements and rent allowances from the landlord, and are amortized on a straight-line basis over the term of the lease and are netted against rent and utilities on the statement of operations.

**Contributed services**

The work of the Society is dependent on the voluntary service of many members. The value of donated services is not recognized in these financial statements.

**Use of estimates**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the current estimates.

**3. Restricted cash**

Restricted cash comprises a balance held in trust for the CAC in the amount of \$8 (2017 - \$126,446) (note 9) and the Toronto Options and Futures Society in the amount of \$nil (2017 - \$797) to be used toward conferences, events or other work related to derivatives and risk management.

**4. Investments**

	Interest rate %	Maturity date	2018 \$	2017 \$
Current				
Savings accounts			12,863	37,595
Guaranteed investment certificates	1.20 to 2.05	August 4, 2018 to June 25, 2019	1,560,190	1,713,901
			1,573,053	1,751,496
Long-term				
Guaranteed investment certificate	1.50	August 4, 2019	304,068	101,056
			1,877,121	1,852,552

**5. Capital assets**

	Cost \$	Accumulated amortization \$	2018 Net \$	2017 Net \$
Furniture and fixtures	274,236	240,887	33,349	43,677
Leasehold improvements	1,022,643	168,788	853,855	998,234
Computer equipment	331,047	227,881	103,166	173,663
	1,627,926	637,556	990,370	1,215,574

## Notes to Financial Statements (continued)

June 30, 2018

## 6. Intangible assets

	2018		2017	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Website	112,922	46,074	66,848	104,482
Software	214,179	21,647	192,532	-
	<u>327,101</u>	<u>67,721</u>	<u>259,380</u>	<u>104,482</u>

## 7. Accounts payable and accrued liabilities

	2018 \$	2017 \$
Accounts payable and accrued liabilities	357,672	568,222
Government remittances	2,210	2,476
	<u>359,882</u>	<u>570,698</u>

## 8. Deferred and unearned revenue

	2018 \$	2017 \$
Balance - Beginning of year	114,000	164,733
Additions	406,636	317,828
Amortized to revenue	(398,136)	(368,561)
Balance - End of year	<u>122,500</u>	<u>114,000</u>

## 9. Due to Canadian Advocacy Council

The Society performs back office services for the CAC and the balance represents unspent amounts received from the CAC. The CAC is the primary obligor undertaking its activities and the Society bears no risk in the activities of the CAC.

On July 13, 2017, the CFA Societies Canada incorporated under the Corporations Act of the Province of Ontario on June 30, 1970 as a not-for-profit corporation and obtained custody of the aforementioned services for the CAC. The Society no longer performs back office services for the CAC in fiscal 2018 and returned the majority of funds to the CAC. The activities of the CAC, which are set out below, are not recorded in the statement of operations:

	2018 \$	2017 \$
Balance - Beginning of year	126,446	93,875
Receipts	157	126,693
Disbursements	(126,595)	(94,122)
Balance - End of year	<u>8</u>	<u>126,446</u>

## 10. Deferred lease inducements

	2018			2017	
	Leasehold improvements \$	Furniture and fixtures \$	Computer equipment \$	Total \$	Total \$
Opening balance	62,069	7,067	3,761	72,897	5,814
Additions during the year	-	-	-	-	73,356
Amortized to expense	(7,790)	(2,379)	(1,327)	(11,496)	(6,273)
Closing balance	<u>54,279</u>	<u>4,688</u>	<u>2,434</u>	<u>61,401</u>	<u>72,897</u>

## 11. Deferred lease inducements

During the prior year, at the landlord's request, the Society relocated its premises. The original lease agreement was due to expire on December 31, 2018. On February 6, 2017, the Society entered into a new agreement, which extended its office space lease for an additional 65 months to May 21, 2024. The office relocation required the Society to incur moving costs and invest in leasehold improvements. However, the Society received leasehold improvement reimbursements and rent allowances to offset the outlays. The deferred lease inducements are being amortized on a straight-line basis over the term of the lease.

	2018		2017	
	Leasehold improvements \$	Rent allowance \$	Total \$	Total \$
Opening balance	781,657	70,710	852,367	139,649
Write-offs during the year	-	-	-	(98,777)
Additions during the year	-	-	-	872,906
Amortized to expense	(113,010)	(10,223)	(123,233)	(61,411)
Closing balance	<u>668,647</u>	<u>60,487</u>	<u>729,134</u>	<u>852,367</u>



## Notes to Financial Statements (continued)

June 30, 2018

**12. Investment in capital assets**

Net assets invested in capital assets are calculated as follows:

	2018 \$	2017 \$
Capital assets (note 5)	990,370	1,215,574
Intangible assets (note 6)	259,380	104,482
Deferred lease inducements relating to leasehold improvements (note 11)	(668,647)	(781,657)
Deferred capital contribution	(61,401)	(72,897)
	<u>519,702</u>	<u>465,502</u>

The change in net assets invested in capital assets is calculated as follows:

	2018 \$	2017 \$
Excess of expenditures over revenues		
Amortization of capital and intangible assets	(291,790)	(136,176)
Amortization of deferred lease inducements	113,010	55,938
Amortization of deferred capital contributions	11,496	6,273
Writeoff of deferred lease inducements relating to leasehold improvements	-	74,205
	<u>(167,284)</u>	<u>(80,807)</u>
Investment in capital assets		
Capital and intangible assets acquired	221,484	1,283,847
Deferred capital contribution	-	(73,356)
Deferred lease inducements relating to leasehold improvements	-	(800,492)
	<u>221,484</u>	<u>409,999</u>

**13. Commitments**

The Society is committed to lease office premises under a lease ending May 21, 2024. Future minimum lease payments, including estimated operating costs and realty taxes, are approximately as follows:

	\$
2019	390,000
2020	394,000
2021	403,000
2022	405,000
2023	405,000
2024	370,000
	<u>2,367,000</u>

**14. Comparative figures**

Certain prior year figures have been reclassified to conform to the current year's financial statement presentation.







**CFA Society  
Toronto**

120 Adelaide Street West, Suite 2205  
Toronto, ON M5H 1T1  
[www.cfatoronto.ca](http://www.cfatoronto.ca)