



CFA Society of Austin

Annual Meeting for Members

June 11, 2009

CFA Society of Austin



Our Society & The Year In Review –

Eric C. Boyce, CFA CIC
President
2008-2009

CFA Society of Austin



State of the Society

- We have a dynamic, diverse membership base which is growing
- We are growing our financial resources
- We have restructured our by-laws and governance structure to bring them current with our organization
- We are “visioning” for the future
- We are encouraging a new “generation” of leaders to move our society forward
- We are incrementally becoming more visible in the Austin business community.

CFA Society of Austin



Membership Demographics

- 307 active members (Austin ranks 53rd out of nearly 125 societies)
- 6% growth year-over-year; 9% annual total membership growth since 2004
- 12% growth in CFA charterholders since 2004
- 79% of members are CFA charterholders (87% is the global CFAI average)
- 90% of members are Regular members, 10% “Affiliate”
- Plan to poll membership to understand where we are growing.

CFA Society of Austin



Source of Future Membership Growth

- 10% growth in enrolled CFA Program candidates in Austin since 2004
- 295 Austin-area candidates were registered for the June 2009 exam – up 19% from 2008
- Projected 5-7% annual member growth during the next 5-10 years

CFA Society of Austin



Age of Membership

- Under 31 Years: 10%
- 32-42 Years: 37%
- 43-53 Years: 31%
- +54 Years: 17%
- Not available: 5%

CFA Society of Austin



Accomplishments

- Another Successful Year for Programs with record attendance.
- Increased volunteer support, communication, transparency, and further networking opportunities.
- First open “community-oriented” Forecast Panel dinner.
- Participated in and co-sponsored a team in the Investment Research Challenge competition.
- 5-year Strategic Planning process underway.
- New Governance Committee redrafted By-laws.
- First Form 990 tax filing as a 501(c)(6) a non-profit entity.
- Revamped website www.cfaaustin.org with more content and interactivity.

CFA Society of Austin



■ **THANK YOU VOLUNTEERS!**

- *Brian Aylieff – Program*
- *Nick Ballard – Forecast Dinner*
- *Marie Bereens – Public Awareness*
- *Jeremy Blackman – Forecast Dinner*
- *Will Cowden – Exam Day Lunch*
- *Samir Desai – Programs*
- *Ralph Linn – mentor for the Investment Research Challenge team*
- *Nancy McCarthy – Governance Comm.*
- *Donald Meek - Program*
- *Scott Neuendorf – Programs*
- *Hui Park – Public Awareness*
- *Richard Piotrowski – Forecast Dinner, Strategic Planning*

CFA Society of Austin



Programs

- 11 events in 9 months covering multiple topics + the Forecast Dinner 2/26/2009
- 2 social events @ Threadgills
- Average attendance of 65 with ~ 105 for Dr. Lacy Hunt's presentation in May

Date	Event	Guest Speaker	Firm	Topic
9/3/2008	Member Social	N/A	N/A	Social Gathering
9/18/2008	Lunch Program	Dr. Richard E. de Rooy	Middle Europe Investments	"Invest where Europe Grows"
10/2/2008	Lunch Program	Mr. Paul F. Obrien	Morgan Stanley Invest. Mgmt.	Global Economics and Finan. Mkt Impacts
10/30/2008	Lunch Program	Mr. Rick Lacher	Houlihan Lokey	"M&A: What Now?"
11/14/2008	Lunch Program	Leo Mariani	RBC Capital	Crude Oil
12/9/2008	Lunch Program	Jason MacQueen	Alpha Strategies	Using Portfolio Risk Analysis in Rebalancing
1/17/2009	Member/Candidate Social	N/A	N/A	New CFA recognition & Social
3/11/2009	Lunch	Lynn Tyson	Dell	Company Update
4/3/2009	Lunch	John Kosar	Asbury Research	Price Trends, Investor Sentiment and Inter-Market Analysis: What They Say About US Financial Market Direction In Q2 2009
4/22/2009	Lunch	Richard Hokenson	Hokenson and Company	Global Demographics and the Impact on Investment Opportunities
5/21/2009	Lunch	Dr. Lacy Hunt	Hisington Investment Management Company	Dr. Lacy Hunt: View on Inflation and Portfolio Mgmt

CFA Society of Austin



<i>CFAI Level I Funding</i>	<i>Requirements</i>	<i>Results</i>
■ <i>Programs</i>	8	11
■ <i>CE Hours</i>	4	11
■ <i>Special Events</i>	1	3
■ <i>Social/Networking</i>	2	3
■ <i>Outreach Activities</i>	3	3
■ <i>Scholarship Awards</i>	8	10

Operations – Annual Budget and Financial Statements

Technology – new Website (www.cfaaustin.org)

Governance – Strategic Plan; By-law update

CFA Society of Austin



Strategic Planning Process

- Ongoing - complete in the fall
- Redeveloped our Society Mission Statement
- Established interim conceptual goals as a society and key areas of focus
- *Objectives:*
 - Brand Awareness
 - Member Value
 - Sustainability
- *Next steps:* finish Mission Statement, Vision, and complete action plans for Strategic Objectives

CFA Society of Austin



Mission Statement – 2009 Working Draft

The Mission of the CFA Society of Austin is to:

- Enrich the networking and professional development opportunities for its members by offering topical and relevant programs that make them more successful;
- Advance the professional interests of its members; and
- Assist CFA Institute in furthering the ideals of the CFA charter, especially in the area of ethics

CFA Society of Austin



Conceptual 5-Year Goals

- Continuously growing membership of 400 investment professionals who are actively involved in the society because of the excellent value they receive
- Value is added to the CFA charter through public education initiatives, such that the society is the “go to” resource clearinghouse and its members are trusted sources for investment knowledge
- Have a transparent volunteer leadership structure that proactively plans for future growth and has sufficient financial reserves and operating revenues to achieve the society’s future objectives

CFA Society of Austin



Multi-year areas of focus

- Create, source and deliver relevant professional development and learning for Members
- Enhance the CFA brand in Austin, and promote the CFA Program and the Charter more effectively
- Connect & develop stronger relationships with members
- increase member connection through technology
- Further develop opportunities for social interaction and networking amongst the membership
- Solidify the society's capabilities

CFA Society of Austin



Next Year

- Completing 5-year strategic goals from the ongoing strategic planning process
- Cultivate future leaders through volunteer efforts
- Fall Survey of membership
- More timely webcasts/conference calls specifically for CFASA members.

CFA Society of Austin



Restructuring of the Board - Components

- Board Size
- Board Composition and Eligibility
- Board Rotation
- Transition
- Draw upon Experienced Prior Leaders
- New Committees

CFA Society of Austin



Larger board size needed for governing larger society

- No fixed upper limit on board size.
- Maximum ratio of 1 board member for every 20 Society members.
- Current maximum under formula is 15, essentially doubling the board's size.

Two-tiered board created

- Officer tier keeps one year terms to match service in office.
- Officers must be Charterholders.
- At-large board members have 2-year terms.

CFA Society of Austin



Elimination of 'Rotating' board

- Rotating board served well when Society members numbered in the dozens, not hundreds.
- Required service commitment of up to 8 years, could discourage recruitment.
- Required service at all offices and positions, also could discourage recruitment.
- Restricted and reduced “institutional memory” with constant shuffle.
- Disallowance of multi-year service in same or similar capacity probably reduced effectiveness.
- Automatically ended the service of board members, even if they wanted to continue to serve.

CFA Society of Austin



Affiliate members now welcome to serve as at-large Directors

- 65 of 302 current members are Affiliates, increases potential universe by over 20%.
- Many Affiliate members are Charter Candidates or at a career point where the various benefits of board service have greater appeal.

Reach out to former Board Members

- Elimination of rotating board means end of automatic sunset to service.
- Former members may also wish to rejoin.

CFA Society of Austin



Gradual ramp-up to maximum board size

- Assimilating new board members will take time, current board slate of 10 means 5 openings that can be filled via appointment.
- Retain preference for prior Society service, either on board or as volunteer.

Maintain messaging on Volunteers

- Continue to improve volunteer recruitment.
- Continue to improve volunteer task matching.
-

CFA Society of Austin



Created 2 new Standing Committees for improved function and transparency

- Audit Committee
- Governance Committee

○

CFA Society of Austin



Audit Committee

- Ensures financial compliance with state and federal organizations
- Responsible for proper organization and transparency of society financial records
- Assists the board with monitoring financial risk exposures
- Responsible for oversight of both internal & external audits as necessary

CFA Society of Austin



Governance Committee

- Develops and oversees structure of standing committees and chairmanship qualifications
- Assesses board size and composition
- Develops qualifications for board membership
- Nominates board members for Executive Officers
- Leads board in annual self-evaluation process

CFA Society of Austin



Election Results -

***Eric C. Boyce, CFA CIC
President***

CFA Society of Austin



Financial Review -

Mark Albert, CFA
Treasurer

CFA Society of Austin



Actual FY2008-2009

REVENUE

Annual Dues - CFA Institute	\$29,500
	<i>(22,125 collected FY to date)</i>
Sponsorship Fee Income	\$6,151
Schweser Course Fees	\$1,816
CFA Institute	
2007-2008 FY Reimbursement	\$4,174
Level 1 Funding	\$24,000
Level 2 Funding - Forecast Dinner	\$6,720
Program Guest Fees	\$900
TOTAL REVENUE	\$73,261

EXPENSES

Program Event Facility Expenses	\$34,693
Program Speaker Fees	\$11,343
Public Awareness	\$7,325
Administrative	\$7,765
TOTAL EXPENSE	\$61,126

Projected Excess of Revenue over Expenses **\$12,135**

6/30/08 Beginning Balance **\$6,740**

6/30/2009 Projected Ending Balance **\$18,875**

CFA Society of Austin



2009 Forecast Dinner

CFAI Level 2 Award	6,720
Fees Collected	3,486
Sponsorships	2,000
Total Revenue	12,206
Austin Club	(6,700)
Bob McTeer Speaker Fee	(5,000)
David Abramson Travel Expense	(1,194)
Audio Visual Expense	(949)
Total Expense	(13,843)
Net Expense	(1,637)

CFA Society of Austin



Proposed Budget for FY2009-2010

REVENUE

Annual Dues - CFA Institute	\$30,800
CFA Institute	\$24,000
Sponsorship Fee Income	\$5,000
Schweser Course Fees	\$1,300
Program Guest Fees	\$900
TOTAL REVENUE	\$62,000

EXPENSE

Program Event Facility Expenses	\$34,500
Program Speaker Fees	\$6,600
Public Awareness	\$1,500
Administrative	\$10,365
TOTAL EXPENSE	\$52,965

Projected Excess of Revenue over Expense \$9,035

6/30/09 Projected Beginning Balance \$18,875

6/30/2010 Projected Ending Balance \$27,910



CFA Society of Austin

Annual Meeting for Members

June 11, 2009