



Annual
Report

Fiscal Year Ended

June 30

2012

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Mission Statement

The CFA Society of Atlanta is a not-for-profit services organization fostering the highest level of professional ethics, standards, and competence among the investment professionals of Greater Atlanta. We serve our members and the local financial community through educational and other programs, and thereby contribute to the enhancement of our profession.

President's Letter

To our members:

Thank you for the opportunity to serve as President of the CFA Society of Atlanta for the fiscal year ending 30 June 2012. On behalf of the full Board of Directors, I want to thank you for your continued participation in making the Society the professional resource that you would like it to be.

The Society offered thirteen regular programs this year, with an emphasis on meeting the programming needs of core constituencies, or membership demographic groups, while remaining broadly germane to the markets and the business of investment management. Topics included: investing in emerging Asia; where the commercial real estate market is headed, both regionally and nationally; the business of boutique asset management; the outlook for municipal credit in the fixed income markets, as municipal finances remain volatile and potential changes in taxation loom on the horizon; back-to-back lunches focused on equity management; the challenges facing endowments/foundations; and demographics, among others.

The traditional Program Committee, after a multiyear hiatus that began with the inception of the recently completed Five Year Strategic Plan, which was extended somewhat during leadership changes that occurred in 2009 and 2010, was reformed this year. I would like to thank the Vice President of Programs, Joe T. Porter, and the Committee, for all of their hard work. For the next programming cycle, the Society's membership can expect another set of insightful events, including continued connection with the executive leadership of important regional banks, asset managers, and businesses, and a likely renewal of some corporate presentations.

This year's Forecasting Event, featuring Marc Faber and David Malpass, was sold out at 300+ attendees, and represented the Society's most successful single event in many years, in those terms. Please join me in thanking the Special Programs Committee.

After a three year arrangement with Stalla, the Society finds itself needing to rebuild the exam review course, which is an important part of our mission, and first connection with future members and investment professionals. The for-profit business model of our prior content provider resulted in an unexpected change in the demographic of review course customers, who became over time more and more concentrated in degree program candidates, rather than future charterholders and investment professionals. The Society has renewed its historical relationship with Schweser, to provide content, and has held the first semester of new classes, and a mock exam, this spring.

The Society's relationship with the CFA Institute, and the credential as a brand, is likely to change in near future. At a very high level, the Institute has been working on a set of more standardized uses of the brand, and on society governance and member service infrastructure. Atlanta, like other societies, receives some funding from the Institute, and will likely be expected to mature somewhat, and formalize, where its governance and controls are concerned. This growth will certainly benefit the Society. A structure for interacting with the Institute, regarding standardized aspects of member service and governance, to which we in Atlanta already generally adhere, is in the early stages of development.

I would like to thank the Officers, the Trustees, our volunteers, and our business manager Cathy Ford for another great year for the CFA Society of Atlanta.

Respectfully Submitted,
Andrew H. Higley, CFA
President - 2011-2012

Contact Information

CFA Society of Atlanta

Cathy Ford, Executive Administrator

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2012/2013 Officers, Trustees and Committee Chairs

President: Joe T. Porter

Joe T. Porter's background is fixed-income portfolio management and bank management. From 1987 to 1996 he was Chief Investment Officer for Bank South Corporation in Atlanta responsible for managing the bank's \$2 billion fixed income portfolio, \$3 billion derivatives portfolio, the companies funding and liquidity positions, and implementing asset-liability management.

After the bank's sale to NationsBank in 1996, he and a group of investors acquired Enterprise Bank of Florida, where he served as Chairman of the Board until retiring in March 2007 and returning to Atlanta.

Joe now focuses his time assisting a variety of non-profits with their corporate finance and capital markets needs.

Joe has been an active member of the Society since 1984, and a frequent fixed-income lecturer for the Society's review course. In addition, he served the Board as interim VP-Education and Lead Faculty Coordinator during the fall and spring of 2010, and managed the Society's Global Investment Research Challenge in 2010 and 2011.

VP Programs: Dustin S. Martin, CFA, CPA

I have held various positions with the CFA Society of Atlanta since 2007. The Society has a deep and rich history and I am honored to continue to serve. I am excited about our new initiatives concerning education and community outreach. I look forward to working with you and welcome your ideas for the upcoming year.

VP Education: George Chen, CFA, CIPM

George Chen, CFA, CIPM, is an Assistant Vice President and Research Analyst for Wilmington Trust Investment Advisors, the investment advisory arm of M&T Bank. He conducts due diligence on investment managers for the Wilmington Private Funds and the Wilmington Multi-Manager Mutual Funds, as well as for consulting clients and separate accounts. Additionally, he focuses on portfolio management, portfolio construction, and managing cash flows for the Wilmington Private Funds and the Wilmington Multi-Manager Mutual Funds.

Prior to joining Wilmington Trust in 2004, George spent six years at Balentine & Company as a senior accountant. He holds an MBA from Georgia State University's J. Mack Robinson College of Business and a bachelor's degree in Finance from the University of New Orleans. A current instructor for the CFA Society of Atlanta's CFA review course, George also holds the FINRA Series 7 and Series 63 licenses.

Like many of the current officers and board members, my first involvement with the CFA Society of Atlanta came from teaching the local CFA exam review class starting in 2009. For the upcoming year, I look forward to leading the efforts in staging the local Global Investment Research Challenge event and serving with my fellow colleagues on the board, making sure that the start of the next 50 years for the Atlanta Society are as great as the first 50 years.

Treasurer: Amanda M. Cogar, CFA

I earned my CFA charter in 2007 and soon after sought to become active in the local CFA society. I began teaching CFA exam review courses in 2008, was elected to be Treasurer for the CFA Society of Atlanta in 2011, and am honored to have been reelected to a second term as Treasurer. I look forward to working with my fellow officers and board members to give back to the local community of CFA society members during the upcoming year.

Secretary: Sharon Margetson, CFA, CIPM

Sharon Margetson is Vice President and Senior Research Analyst at Real Estate Management Services (REMS) Group, LLC, where she is responsible for the quantitative aspects of the firm's investment process. In her capacity as a Research Analyst she also oversees statistical research, portfolio analytics, and the firm's research database. Ms. Margetson has a Bachelor of Science in Applied Mathematics with Highest Honor and a Certificate of Economics from the Georgia Institute of Technology. She holds the Chartered Financial Analyst designation and the Certificate in Investment Performance Measurement designation and is a member of the CFA Institute, the CIPM Association and the CFA Society of Atlanta. Since 2010 it has been her privilege to be Secretary of the Board and Volunteer Coordinator of the CFA Society of Atlanta and for the last three years she has been actively involved in administration of the Southern Classic Investment Research Challenge, the Georgia/South Carolina edition of the local CFA Institute Investment Research Challenge.

Trustee term to expire 2013: Craig Ruff, Ph.D., CFA

I am genuinely amazed by the generous contributions of time and talent by the various officers, committee chairs, board members, and numerous other volunteers of the society. As University Liaison, I am delighted that the society continues to extend its university outreach. For instance, this year, a program was put in place to encourage students to attend the various society luncheons. Additionally, the number of Georgia schools competing in our local competition of the CFA Institute Research Challenge continues to expand. The competition has been phenomenally rewarding to the students who have participated. On behalf of the many students, I thank all the great people at the Atlanta and South Carolina societies that make it happen.

Trustee term to expire 2013: Dean A. Austin, CFA, CAIA

I served as President of the CFA Society of Atlanta from 2009-2010 and feel privileged to have been elected to the Board of Trustees where I am currently serving a second term. My involvement with the Society began as a volunteer, also an Instructor for the CFA Review Course, then serving as an Officer and now Trustee. These roles have afforded me numerous opportunities to view and serve the organization from many perspectives and capacities, respectively. I believe strongly in providing more opportunities to meaningfully engage our current members so they can contribute in a way that puts their talents to its highest and best use. Ultimately this will promote wider involvement and create stronger connections between the members and the organization and hopefully enhance the experience they receive by being a contributing member. Through this involvement, we can organically raise the visibility of our Society and continue to strengthen the CFA Brand. I love being a part of this great organization and am excited at the opportunity to continuing serving.

Trustee term to expire 2014: Kathleen C. Chrisman, CFA

I am a longtime member and volunteer for the CFA Society of Atlanta. I believe that local societies are the heart of the global organization that we know as the CFA Institute. I had the privilege of twice serving as President (1995 and 2010) and as a member of the Board of Trustees for three,

three year terms (1989, 1996 and 2011). I was also elected as the Presidents Council Representative for the Southeast U.S. and Caribbean Region at the CFA Institute for two terms. I understand how important it is to preserve institutional knowledge but at the same time to be open to new ideas. I look forward to continuing to be a part of this terrific organization and contributing in whatever way I can.

Trustee term to expire 2014: Mark D. Garfinkel, CFA

I have been a member of the Atlanta Society since 1995, and it has been a good feeling over the last few years to become more involved. I have been impressed with the talented individuals that have given their time to serve as officers and board members of the Society. It is these individuals and those that have served before them that have made ours one of the strongest societies in the country.

Trustee term to expire 2014: Richard Van Nostrand, CFA

I strongly believe that the Atlanta Society holds a special role as the center of gravity for the Atlanta financial community. As Atlanta and the finance community grow together, the Atlanta Society will be that fabric that ensures the community's evolution is not mere asset growth but also development along high standards of professionalism and ethics. The Atlanta Society has stakeholders from many different constituencies in the Atlanta Community, and I look forward to the Board getting continued and increased involvement from each of those communities in the Atlanta Society.

Trustee term to expire 2015: Andrew H. Higley, CFA

As Trustee, I look forward to the opportunity to continue serving the Society, helping us achieve our mission to deliver great programming, networking and development opportunities for our membership, and an exam review course that connects the Society's practitioners with the next generation of investment professionals here in the Atlanta area.

Trustee term to expire 2015: Curtis R. Kimball, CFA, ASA

Curtis R. Kimball, CFA, ASA is a managing director of Willamette Management Associates, a nationally prominent valuation and financial advisory firm, and director of WMA's Atlanta regional office. He is a Chartered Financial Analyst (CFA) of the CFA Institute, an Accredited Senior Appraiser (ASA) of the American Society of Appraisers in business valuation, and a member of the Institute of Business Appraisers. He has been valuing companies and interests in companies, intangible assets and other property for a variety of purposes for over thirty years and was formerly with Wachovia Bank and, later, the Citizens & Southern Trust Company (now Bank of America) prior to joining WMA in 1988. He holds a B.A. in Economics from Duke University and an M.B.A. from Emory University. He is a contributing author to several standard reference works on private business valuation including: *Valuing a Business*, *Valuing Small Businesses and Professional Practices*, *Financial Valuation: Businesses and Business Interests (1997 Update)*, *Business Valuation Discounts and Premiums* and *The Business Valuation Handbook (2nd Edition)*. He also acts as WMA's national director for wealth management valuations including estate, gift, asset protection, buy-sell agreement, trust, fiduciary liability, family, marital and charitable issues. Mr. Kimball has appeared as an expert witness on valuation issues in U.S. District Court, U.S. Tax Court, U.S. Bankruptcy Court and other venues. His most recent appearances include the U. S. Tax Court cases: *Estate of Anna Mirowski* (Mirowski Family Ventures, LLC), *Estate of Georgina T. Gimbel* (Reliance Steel and Aluminum Company), *Estate of H. A. True, Jr. and Jean D. True et al v. Commissioner* (True Ranches and True Oil Company) and *Estate of Harriet Mellinger v. Commissioner* (Frederick's of Hollywood).

Career/Professional Development Committee Chair: Rachel Bryant, CFA, PRM

As the Career and Professional Development Committee Chair, I am committed to providing our members with opportunities to develop professional skills, unearth career prospects, and network with each other and industry leaders. My primary objective is to help our members discover fuller, more gratifying careers. I am honored to be serving the CFA Society of Atlanta in this role. This is my first volunteer position with the society. I earned the CFA charter in 2011, and though my career is still young, I have gained diverse experience in financial advising, portfolio management, corporate finance, and risk management. I believe my varied experience will assist the Career and Professional Development Committee in serving all of our members across all career stages and paths. I look forward to assisting and volunteering with the society for years to come.

Membership Committee Chair: Curtis R. Kimball, CFA

I have been a trustee of and volunteer for various committees within the CFA Society of Atlanta since the 1980s. The Membership Committee can always use regular members who are willing to act as Sponsors for new applicants. Committee work is a great way to meet other members outside your immediate circle of professional contacts. See you at the meetings!

Communications Committee Chair: Darlene van Nostrand, CFA

I am honored to be joining the CFA Society of Atlanta as the Chair of Communications. I have enthusiastically served on the Program Committee for the last year, and I am looking forward to increasing my level of activity with the Society. The Atlanta financial community is strong and vibrant, and I believe the Atlanta Society of the CFA Institute plays a major leadership role in molding the finance community's continued evolution. Never has the CFA Institute's mission been more important than it is today.

Technology Committee Chair: Paul J O'Sullivan, CFA

The core of the CFA Charter is above all else a commitment to our clients and to our industry via our Code and Standards. That shared commitment is enhanced yet reliant upon our members' willingness to volunteer to help uphold its ideals. It is therefore both a privilege and an honor to volunteer with CFA Society of Atlanta as the Technology Chair.

I am well prepared for this role and have a long history of volunteerism. I currently volunteer with the Red Cross, Toys For Tots, and I served in the Marine Corps Reserve for eight years in an IT role. I also have a deep commitment to the Atlanta area financial community. I've worked in accounting and financial analysis capacities in the Atlanta area for the past eleven years. I look forward to making a meaningful contribution now and in the future to CFA Institute and CFA Society of Atlanta.

Past Presidents

2011 – 2012	Andrew H. Higley, CFA
2010 – 2011	Kathleen C. Chrisman, CFA
2009 – 2010	Dean A. Austin, CFA, CAIA
2008 – 2009	R. Vincent Baria, CFA
2007 – 2008	William R. Annis, CFA
2006 – 2007	Eli P. Niepokoy, CFA
2005 – 2006	Richard T. Bartolo, CFA
2004 – 2005	Anna M. Craig, CFA
2003 – 2004	John C. Yeoman, Jr., CFA
2002 – 2003	Bradford S. J. Young, CFA
2001 – 2002	Ronald Jerome Days, CFA
2000 – 2001	Molly M. Guenther, CFA
1999 – 2000	Kurt J. Tesh, Jr., CFA
1998 – 1999	Barry N. Berlin, CFA
1997 – 1998	Jane R. Davenport, CFA
1996 – 1997	Thomas A. Martin Jr., CFA
1995 – 1996	Kathleen C. Chrisman, CFA
1994 – 1995	Lynn T. Blake, CFA
1993 – 1994	Brion D. Friedman, CFA
1992 – 1993	Janet T. Miller, CFA
1991 – 1992	George J. Hauptfuhrer III, CFA
1990 – 1991	Janet B. Bunch, CFA
1989 – 1990	Richard B. Vivona, CFA
1988 – 1989	Carole H. Cox, CFA
1987 – 1988	John L. Haverkamp Jr., CFA
1986 – 1987	John F. Morgan, CFA
1985 – 1986	Donald J. Thompson II, CFA
1984 – 1985	Carolyn Chinn Hughes, CFA
1983 – 1984	Charles B. Morris Jr., CFA
1982 – 1983	Edward C. Mitchell, CFA
1981 – 1982	Daniel W. Boone III, CFA
1980 – 1981	Robert E. Reiser Jr., CFA
1979 – 1980	Keith Anthony Greaves, CFA
1978 – 1979	David Arthur Lee, CFA
1977 – 1978	Hazel A. D. Sanger, CFA
1976 – 1977	Wendell M. Starke, CFA
1975 – 1976	J. Robert Douglas, CFA
1974 – 1975	Frederick L. Muller, CFA
1973 – 1974	Herbert H. Frost, CFA
1972 – 1973	James R. Dillon Jr., CFA
1971 – 1972	Richard W. Agnor, CFA
1970 – 1971	Raymond L. Steele, CFA
1969 – 1970	Solon P. Patterson, CFA
1968 – 1969	Jay L. Levine, CFA
1967 – 1968	Valjean B. Brookshaw Jr., CFA

1966 – 1967 William M. Matthews Jr., CFA
1965 – 1966 Thomas E. Martin Jr., CFA
1964 – 1965 Eugene Caldwell, CFA
1963 – 1964 Frank E. Block, CFA
1962 – 1963 John B. Ellis, CFA
1961 – 1962 Norman S. Welch, CFA

New Members - FY Ending 06/30/12

The Atlanta Membership Committee processed 66 membership applications for the fiscal year running from July 1, 2011 to June 30, 2012 and welcomes the following new members.

Peter Crane Almond, CFA
Justin Anderson
Rusabh R Ashar
Nicholas S Aston
Peter Atwell
Joshua Eric Baker, CFA
Matt B Barber, CFA
William Bargeron, CFA
Denis Barreto Jr., CFA
Abibat Olamide Bello, CFA
Richmond G Bernhardt, CFA
William Harold Bolen Jr.
Matthew Glenn Bracewell, CFA
Jason Michael Buser, CFA
Joshua Carpenter, CFA
Patrick Shane Carpenter, CFA
Kathryn Claire Paradice Chotiner, CFA
Robert Joseph Cremins, III
Christopher Eachus, CFA
Christopher Fellows, CFA
Daniel John Flaherty
Joseph Winfield Fleece
Andrew Dallas Gardner, CFA
Franklin Taylor Glover
Pankaj Goel
Michael Hammill, CFA
Joshua M. Harris, CFA
Matthew David Haupt
James Hill
Nga Lai Hung, CFA
Jason S. Joffe, CFA
Kyle William Johns, CFA
Adam Bradford Kay
Edward G. Kerley, CFA
Brian Kelly King, CFA
Adam Jay Longcrier, CFA

Christy Michelle Loop, CFA
David Wei Lu, CFA
John Marshall Lunati, CFA
Qian Magee, CFA
Randy Martin
Nicholas Meeks, CFA
Ralph Oliver Merten, CFA
David J. Middleton
Eric J Mikulaninec, CFA
Adrian Bjorn Morffi
Ranga Nathan, CFA
James Norman Nelson III, CFA
Emily H Novick, CFA
Mary Brenna O'Donnell
Galen Lee Oelkers
Eston Wycliffe Orr Jr., CFA
Ryan James Peisel
James Brian Pisano, CFA
Liping Qi, CFA
Sandra Reif Graif
Samuel Winters Richwine III, CFA
John L. Snow III, CFA
Brian Paul Solomon
Evan A Stover
Tyler A Townsend, CFA
Stephen A Tuckwood, CFA
Ying Wang, CFA
Janet Yuen, CFA
Mingqi Zhao, CFA
Hao Zhou, CFA

CFA Society of Atlanta Volunteers - FY Ending 06/30/12

Education – CFA Exam Review Classes

George Chen, CFA, CIPM, Lead Instructor
Dean Austin, CFA, CAIA, Instructor
Tony Brown, CFA, Instructor
Adrian Cronje, CFA, Instructor
David Damiani, CFA, Instructor
Steve Davenport, CFA, Instructor
John Douglas, CFA, Instructor
Rex Macey, CFA, Instructor
Lynn Pierson, CFA, Instructor
Joe T. Porter, Instructor
Josh Rosenberg, CFA, Instructor
Greg Silberman, CFA, Instructor

Education – CFA Institute Research Challenge

Russ Allen, CFA, Mentor

Dennis Beeson, CFA, Judge
Patrick Coyne, CFA, Mentor
Anna Craig, PhD, CFA, Judge
Stephen Davenport, CFA, Mentor
J. Chad Deakins, CFA, Judge
Aaron Foresman, CFA, Judge
Brion D. Friedman, CFA, Grader
Michael Funsch, CFA, Mentor
Stephen Griner, CFA, Grader
Marilyn Kimball, CFA, Grader
James R. Loving, CFA, Mentor
Sabrina Macdonald, Judge
Rex P. Macey, CFA, Judge
Patrick McGill, CFA, Judge
Chuck Osborne, CFA, Judge
Paul O'Sullivan, CFA, Grader
Aki Pampush, CFA, Judge
Raanan Pritzker, CFA, Grader
Kent Shaw, CFA, Mentor
Carrie Tallman, CFA, Judge
Spencer B. Wiedemann, CFA, Mentor
Dustin Martin, CFA, CPA, Challenge Committee Chair
George Chen, CFA, CIPM, Challenge Committee
Kathleen C. Chrisman, CFA, Challenge Committee
Sandeep Kakar, PhD, CFA, Challenge Committee
Bill King, CFA, Challenge Committee
Sharon Margetson, CFA, CIPM, Challenge Committee
Joe T. Porter, Challenge Committee
Craig K. Ruff, PhD, CFA, Challenge Committee
John Skinner, Challenge Committee

Programs

Joe T. Porter, Chair
Steven Benjamin, CFA
Michael Blake, CFA
LaShonda Fuselier, CFA
Jay Hinton, CFA
Fred McAuley, CFA
Darlene M. van Nostrand, CFA
Elena Vasilescu, CFA
Thomas Wilkins, CFA

Special Programs – Forecast Dinner

R. Vincent Baria, CFA
John W. McCollum, CFA

CFA Society of Atlanta Board of Directors

Andrew H. Higley, CFA, President
Joe T. Porter, VP – Programs

Dustin S. Martin, CFA, CPA, VP – Education
Amanda M. Cogar, CFA, Treasurer
Sharon Margetson, CFA, CIPM, Secretary
Kathleen C. Chrisman, CFA, Past President, Trustee
Dean A. Austin, CFA, CAIA, Past President, Trustee
R. Vincent Baria, CFA, Past President, Trustee
John W. McCollum, CFA, Trustee
John T. Seeds, CFA, Trustee
Mark D. Garfinkel, CFA, Trustee
Richard van Nostrand, CFA, Trustee
Craig K. Ruff, PhD, CFA, Trustee & University Liaison Chair
Catherine A. May, CFA, Career Development Chair
Curtis R. Kimball, CFA, Membership Chair
Bradford S. J. Young, CFA, Technology Chair
Darlene M. van Nostrand, CFA, Media & Communications Chair

Committee Reports

Treasurer

The 2011-2012 was again a very successful year for our Society. The Society held 16 programming events and it was the second year in which the Society delivered programs through sponsorships. These sponsorships allowed us to serve our membership while working closely with corporations within the investment community. Moreover, the sponsorships allowed us to add value to our members while fulfilling the overall mission.

We recognized \$214,000 revenues for 2012 and held \$352,000 in reserves at June 30, 2012. The reserve base covers approximately 2.0x our \$172,000 normalized run rate of operating expenses. Please refer to the Appendix for unaudited financials and our investment policy statement at 6/30/2012.

Our goal continues to be maintaining a strong financial position while capturing opportunities to create value for our membership. It was a pleasure to serve as Treasurer to the Society this year.

Programs

During the FY ending in June 2012, your Program Committee held seventeen events. As Program Chair, I thank my fellow committee members for their work selecting and securing a set of topics and speakers that you, our membership, had requested. Serving on the committee were Steve Benjamin, Mike Blake, LaShonda Fuselier, Jay Hinton, Fred McAuley, Darlene Van Nostrand, Elena Vasilescu, Sharon Margetson, Dustin Martin and Tom Wilkins. And of course Cathy Ford ensured that all our meetings ran smoothly.

Providing programming is a substantial part of the CFA Society of Atlanta's mission. It keeps us informed and educated, and gives us occasion to gather with our friends and colleagues.

The program events from August 2011 through June 2012 included the following:

August:

- Career and Professional Development full day workshop sponsored by CFA-I.

September:

- Atlanta's Intercontinental Exchange gave an overview of the exchanges and their rapidly changing landscape
- Metropolitan Real Estate Management presented on real estate prospects and its insights

October:

- Mike Masters discussed Hedge Funds - their types, strategies, and regulatory issues
- John Gavin from Disclosure Insights spoke on 'Risks That Hide in Plain Sight'

November:

- Dan Meader, President of CFA-I, addressed our new charterholders and presented their charters.
- Randy Kwei from ING discussed growth and risk prospects in Asia

January:

- David Bloom, SunTrust Counsel, gave a presentation on the new Dodd-Frank legislation and its effects on the industry landscape

February:

- Jim Stueve, President of RidgeWorth Investments, discussed boutique asset management companies and how to become an asset manager
- David Malpass and Marc Farber debated economic growth prospects at the Eighth Annual Forecasting Dinner

March:

- Brian Smith from Atlanta Capital discussed "Thinking Beyond Size & Style: Quality - Been Overlooked?"

April:

- Dan diBartolomeo from Northfield Information Services gave a presentation on low volatility equity strategies
- John Miller, Managing Director and Co-Head of Global and US Fixed Income at Nuveen Asset Management gave an update of the Municipal Bond market

May:

- A panel of foundation, pension and endowment CIOs participated in a moderated panel discussion about their particular investment vehicles, mandates and governance
- John G Feyerer, Head of Product Strategy and Research and Benjamin Fulton, Managing Director, Invesco, hosted a program on Exchange Traded Funds and Exchange Traded Notes at Invesco's offices
- Dick Hockenson, Managing Director of Global Demographics for ISI Group shared economic and investment implications of global demographics

June:

- At the Annual Meeting in June, Dr. Lacy Hunt presented his research on debt, austerity and recovery

2012 Forecast Dinner

On February 13, the CFA Society of Atlanta hosted the eighth annual Forecasting Event featuring Marc Faber of the Gloom, Boom, and Doom Report and David Malpass of Encima Global. John McCollum returned as the moderator. The event, which was held at the Intercontinental Hotel in Buckhead, was attended by 303 members and guests and was sponsored by the following:

Sponsors

Diversified Trust
GMT Capital
Iron Capital Advisors
Liquidnet
Morningstar

In addition to the panel discussion, the event featured a forecasting contest among members. The winner of the previous year's contest, Anthony Raab was announced. He received a gift certificate to the Buckhead Life Group in recognition of his achievement.

Education

In January 2012, we executed a new contract with a different CFA Review provider. We believe this change will assist in meeting the preparation needs of our students while ultimately fulfilling our educational mission. For the Spring 2012 exams, we held classes for both Level I and Level II. We held 16 weekly classes for 11 Level I students and 6 Level II students. Moreover, we held a mock exam this spring that was attended by more than 60 participants.

Changing providers and executing a contract requires a significant amount of work and effort. I would like to thank George Chen for his significant contribution this year.

We look forward to building on this change in the following years and adding value to our student's educational goals.

Secretary & Volunteer Coordinator

The Officers and Board of Trustees of the CFA Society of Atlanta held six regular meetings during the year and also started working on a Strategic Plan for the Society for the next 5 years. Board members also attended three Society Leadership conferences in Los Angeles, Atlanta and Chicago

during the year. Our Media & Communications Chair resigned part way during the year due to increased professional commitments but the spot was filled before year end.

Thanks to outgoing Trustees and Committee Chairs R. Vincent Baria, CFA, John W. McCollum, CFA, John T. Seeds, CFA, Lane Steinberger, CFA, Catherine May, CFA, and Bradford S.J. Young, CFA.

The Nominating Committee recommended the following slate for the 2012/2013 year and having received 242 proxies, representing more than the 20% required for quorum, the following officers and trustees were elected.

Joe T. Porter, President
Dustin S. Martin, CFA, CPA, VP-Programs
George Chen, CFA, CIPM, VP-Education
Amanda M. Cogar, CFA, Treasurer
Sharon Margetson, CFA, CIPM, Secretary
Andrew H. Higley, CFA, Trustee
Curtis R. Kimball, CFA, Trustee
William F. King, CFA, Trustee

On the Volunteer front, CFA Society of Atlanta was delighted that long time volunteer and two-time past President Kathleen C. Chrisman, CFA received the inaugural Volunteer of the Year Award for the Southeastern US and Caribbean Region. This honor was bestowed by the CFA Institute, and Kathy won a trip to Chicago in May 2012 to receive her award. Congratulations to Kathy and thanks for all she does for the Society, the Institute and our profession. At the Society level we had approximately 60 member volunteers contributing to the success of our programs, teaching review classes, mentoring/grading/judging the Investment Research Challenge and running the Society generally. We were pleased to see an increase in member volunteer involvement during the year and hope to maintain the trend going forward. The Society recognizes that member volunteers are one of our most valuable resources and looks forward to being able to provide enhanced programs and services to members as volunteers increase. Sincere thanks to all our dedicated volunteers.

Membership

The Membership Committee took care of new membership applications and other membership changes during 2012. As of June 30, 2012, the Atlanta Chapter had 1,289 active members of all types. Atlanta chapter membership fell slightly, with a loss of 13 members net (from 1,305 members as of June 30, 2011). Our membership retention rate of over 90 percent is among the highest of all the CFA Institute constituent chapters. During the year the following membership actions occurred:

Members who activated or reactivated between 7/1/2011 and 6/30/2012

Affiliate	24
Regular	<u>100</u>
TOTAL	124

Members who lapsed, cancelled or revoked between 7/1/2011 and 6/30/2012

LAPSED	
Affiliate	15
Regular	<u>112</u>
LAPSED TOTAL	127

CANCELLED	
Affiliate	0
Regular	<u>3</u>
CANCELLED TOTAL	3

REVOKED	
Affiliate	1
Regular	<u>3</u>
REVOKED TOTAL	4

TOTAL LAPSED & CANCELLED 134

Communications Committee

I accepted the role of Communications Chair for the CFA Society of Atlanta in May 2012. My goal as Committee Chair is to increase awareness of the Society’s mission and members. This year, the committee will be focused on building deeper relationships with key media contacts with two goals in mind. First, through relationships with the media, we hope to identify the CFA Society of Atlanta as a key resource upon which the media can draw for subject matter expertise in the sometimes dense world of financial news. Second, we believe having these relationships will help the CFA Society of Atlanta proactively communicate with the broader community in matters related to its mission and members.

Career and Professional Development Committee

The capstone of the Career and Professional Development Committee’s program for the 2011/2012 fiscal year was the day-long career conference held on August 26th, 2011. The CFA Society of Atlanta partnered with the CFA Institute to host a successful Career and Professional Development Day, which aimed to enhance participant’s professional skills with the help of credentialed speakers and workshop leaders. The event was specifically designed for CFA Society of Atlanta members and provided development opportunities for both job seeking and non-seeking members. The program included a number of sessions that addressed key, non-technical professional skills that can make all the difference in achieving career goals in the financial services industry.

Scholarships

The CFA Society of Atlanta awards ten CFA Institute Society Scholarships per year. The scholarships themselves are provided by the CFA Institute and cover most of the enrollment and registration fees for each scholarship recipient to take one level of the exam. As part of an effort to build relationships with local universities and further promote the many benefits of the CFA program, the society only awards these scholarships to students currently attending Georgia universities.

This year, we awarded all ten of the scholarships that were provided by the CFA Institute. Recipients included graduate and undergraduate students at Clark Atlanta, Emory, Georgia Tech,

Georgia State, Mercer, and the University of Georgia. We are pleased to report that we continue to expand the number of Georgia schools involved with this program.

Global Investment Research Challenge

This was our fourth year hosting CFAI Research Challenge – Southern Classic. This year’s challenge was co-hosted by the CFA Society of Atlanta and the CFA Society of South Carolina. In addition, we welcomed Auburn University from Alabama. The challenge began on November 8th with our kick-off call. The focus this year was agriculture and our kick off call included legendary investor Jim Rogers in Singapore. Jim provided an outlook to the investment opportunities in the agriculture market.

AGCO Corporation was our target Company. I would like to thank AGCO as this competition would not be possible without companies willing to give back to the local community.

Together there were over 40 volunteers involved in producing this year’s competition for the 9 teams. Wofford College in South Carolina won the Southern Classic competition and advanced to the semifinal round of the top 16 teams in the Americas regional. Wofford lost to the ultimate Challenge winner.



Appendix

Unaudited FY 2012 Financials

CFA Society of Atlanta
 Fiscal Year 2012 (July 1, 2011 - June 30, 2012)
 Financials Review

	2012	(cash basis)		
	Actual 7/1/11-6/30/12	2011 Actual (7/1/10-6/30/11)	2010 Actual (7/1/09-6/30/10)	2009 Actual (7/1/08-6/30/09)
Operating Revenue				
Membership Dues	\$84,105	\$106,545	\$90,825	\$94,500
CFA Review Course	34,958	12,087	30,315	24,423
Forecasting Dinner	31,920	25,050	19,035	5,805
Job Posting	975	1,150	2,200	350
Programming	12,485	20,890	19,662	15,958
Global Investment Research Challenge	5,500	6,000	5,000	4,651
CFA Institute - Operational Support Funding	44,915	38,578	26,351	35,118
CFA Institute - Growth Support Funding	0	3,025	0	0
Total Operating Revenue	214,858	213,325	193,388	180,805
Operating Expenses				
Forecasting Dinner	69,139	38,682	27,267	23,642
Programming	44,904	88,269	72,622	75,571
Management Fees	32,734	31,781	30,855	29,726
CFA Review Course	15,500	(250)	20	250
Liability Insurance	0	0	1,300	1,300
Accounting Fees	3,687	3,783	5,917	8,941
Board of Trustees	12,842	11,799	5,194	5,469
Bank Charges/Credit Card Machine	1,991	2,259	1,368	1,805
Phone Charges	960	960	960	1,040
Office Equipment & Supplies	660	1,127	991	809
Society Newsletters and Communications	0	0	20	154
Public Awareness/Advertising	129	5,885	0	0
Webmaster	1,200	2,000	1,527	1,580
Postage & Delivery	629	377	443	334
Depreciation	0	0	0	2,571
Charitable Contributions	1,000	1,000	1,000	750
Corporate registration	10	50	30	30
Miscellaneous	327	0	1,485	199
Global Investment Research Challenge	4,664	5,897	6,265	4,651
Buckhead Club Membership	2,028	2,490	1,782	1,178
Total Operating Expenses	192,404	196,109	159,046	158,821
Operating Surplus/(Deficit)	\$22,454	\$17,216	\$34,342	\$21,984
Non-Operating Revenue and Expenses				
Dividends and Interest	5,050	7,073	14,964	3,714
Net Surplus/(Deficit)	\$27,504	\$24,290	\$49,306	\$25,698
Cash Balance	\$351,898			

Liquidity Measure

Balances as of 6/30/12

SunTrust Money Market	\$76,550
SunTrust Checking	\$61,004
Vanguard Money Market	\$22,892
Vanguard Investment Account	<u>\$191,452</u>
Total	\$351,898
FY 2012 Actual Expenditures	\$192,404
Normalized Expenditures	\$172,000
6/30/12 Coverage	1.8x
6/30/12 Adjusted Coverage	2.0x

Reviewed FY 2011 and 2010 Financials

CFA SOCIETY OF ATLANTA, INC. Statements of Financial Position

	As of June 30,	
	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents:	\$ 138,172	\$ 119,644
Marketable securities (Note 1)	186,486	179,618
Receivables	11,150	916
Total Current Assets	335,808	300,178
EQUIPMENT, at cost, less accumulated depreciation \$20,792 and \$19,126	539	2,205
TOTAL ASSETS	\$ 336,347	\$ 302,383
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Deferred revenue	25,980	15,120
Total Current Liabilities	25,980	15,120
COMMITMENTS (Note 2)		
NET ASSETS:		
Unrestricted	310,367	287,263
Total Net Assets	310,367	287,263
TOTAL LIABILITIES AND NET ASSETS	\$ 336,347	\$ 302,383

CFA SOCIETY OF ATLANTA, INC.
Statements of Activities

	<u>For the Year Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>
REVENUE:		
Dues	\$ 95,685	\$ 94,578
CFA review course	22,321	22,808
CFA Institute reimbursement	41,603	42,901
Program fees	47,090	18,975
Research challenge income	6,000	-
Interest and dividends	10,720	6,832
Realized gains (losses) on marketable securities	770	-
Unrealized gains (losses) on marketable securities	(4,417)	8,132
	<u>219,772</u>	<u>194,226</u>
Total public support		
EXPENSES:		
Program:		
CFA program educational courses	-	20
Educational programs and gifts	135,087	107,936
Communication:		
Postage and delivery	377	463
Webpage	2,000	1,527
Administrative:		
Management fees	31,781	30,855
Professional fees	3,783	5,917
Leadership activities	10,694	5,194
Bank charges	2,259	1,368
Telephone	960	960
Advertising	5,885	-
Insurance	-	1,300
Depreciation	1,666	2,791
Charitable contributions	1,000	1,000
Other	1,176	2,507
	<u>196,668</u>	<u>161,838</u>
Total Expenses		
CHANGES IN NET ASSETS	23,104	32,388
NET ASSETS:		
Beginning of year	<u>287,263</u>	<u>254,875</u>
End of year	<u>\$ 310,367</u>	<u>\$ 287,263</u>

CFA SOCIETY OF ATLANTA, INC.
Statements of Cash Flows

	<u>For the Year Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 23,104	\$ 32,388
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,666	2,791
Unrealized loss (gain) loss on marketable securities	4,417	(8,132)
Cash provided by (used for):		
Receivables	(10,234)	8,352
Prepaid expenses	-	2,500
Deferred revenue	10,860	(3,742)
	<u>29,813</u>	<u>34,157</u>
Net Cash Provided by (Used in) Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Marketable securities purchased with reinvested income	<u>(11,285)</u>	<u>(6,424)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(11,285)</u>	<u>(6,424)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,528	27,733
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>119,644</u>	<u>91,911</u>
End of year	<u>\$ 138,172</u>	<u>\$ 119,644</u>

Investment Policy Statement

Investment Policy Statement For CFA Society of Atlanta

Investment Policy Considerations

The investment policy statement (IPS) translates goals and objectives, risk tolerances and any entity level specifics into guidelines for an investment portfolio. The IPS is the road map for developing the CFA Society of Atlanta's portfolio asset allocation. We would expect that this IPS should be revisited on an annual basis to be sure it correctly reflects the appropriate investment parameters. There are seven areas to explore in order to develop an appropriate IPS. These areas are discussed below.

Investment Time Horizon - The investor's time horizon has a direct bearing on the appropriate risk tolerance of the portfolio. The longer the time horizon of an investor, the better the investor is able to weather varying performance periods in the market, and, therefore, to assume more risk. This is only one measure of risk.

Risk/Return Tolerance - These two factors are quoted together since they are inextricably linked. Simply put, investments with higher expected returns carry higher risk. This is an area we will want to specifically address as the majority of the CFA Society funds are of the "reserve" type orientation.

Cash Requirements - The expected withdrawal rate for a portfolio affects the asset allocation, dividend and interest income targets, and the overall liquidity of the portfolio. The portfolio allocation should balance the need to provide a certain cash flow with the need to generate long-term capital appreciation.

Tax Considerations - As a non-profit entity, the CFA Society of Atlanta does not pay taxes. The IPS can then be free from this consideration.

Legal or Other Constraints - Incorporating legal or other constraints into the investment plan is critical since even the best investment strategies can be compromised if they do not follow the estate strategy or other legal constraints.

Other Considerations - Other considerations take into account other items that are of importance to the organization.

CFA Society of Atlanta's Investment Policy Statement

Investment Policy Statement: *The purpose of these assets is to provide a 2-3 times fixed cost coverage for the Society's ongoing operational needs. These funds have been established over the years through prudent management of the Society's expenses and several one-time events (such as hosting nationally affiliated conferences) that have allowed the Society to build up these significant reserves.*

For those assets that exceed the reserve levels described above, the CFA Society of Atlanta would like to maintain maximum liquidity such that those resources could be applied to additional programming or other specific items as deemed appropriate by the CFA Society Board and Leadership group.

Investment Time Horizon – Because these assets are primarily viewed as reserves, the investment time horizon is actually quite short as these reserves may be utilized at any point in time.

Risk/Return Tolerance – Because these assets are primarily viewed as reserves, the risk tolerance for any loss of principle is very low such that the return expectations should be commensurate with an enhanced cash type vehicle. These vehicles' returns are dependent on market levels of short-term interest rates.

Cash Requirements – We should determine the amount of daily liquidity needed and set that aside. Other assets could be invested in slightly longer maturity investments to improve the overall yield earned.

Tax Considerations – Given the 501C3 status of the society, there are no tax considerations to be considered.

Legal or Other Constraints – We are not aware of any legal or other constraints at this time.

Other Considerations – The following items need to be confirmed going forward:

- Documentation of the 2-3x fixed operating costs needs to secure those assets as reserves.
- Determine excess if any beyond reserves and discuss liquidity needs associated with those assets.
- Determine whether any exposure should be maintained beyond an enhanced cash type investment.