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**Back Cover:**

*Left: Chairman Leo Harmon, CFA, recognizes Jay Eisenhardt, outgoing Candidate Services Advisory Group Chair, at the Annual Business Meeting.*

*Right: Gary Brinson, CFA, at the CFA Chicago Annual Dinner.*
MISSION STATEMENT

CFA Society of Chicago aims to be the premier local resource for Chartered Financial Analyst designees, candidates and other investment professionals. Specifically, the Society empowers a community of financial professionals and serves as a platform to:

- Create programs, disseminate information, and provide services of direct benefit to members;
- Promote adherence to the highest ethical and professional standards; and
- Foster a culture of inclusion, diversity, and respect among investment professionals.

VISION STATEMENT

As the world’s first investment analysts’ society, the CFA Society of Chicago strives to be the pre-eminent association of Chartered Financial Analysts and other investment professionals. CFA Chicago has long collaborated closely with allied groups linked by the CFA Institute (formerly AIMR).

CFA Chicago effectively, and with fiscal discipline, delivers quality programs and services fostering the development and application of technical skills and ethical practices within the profession and by the individual practitioner. CFA Chicago enables its members to serve as mutual sources of support directed at their attainment of the highest professional standards.

The talent and integrity of CFA Chicago’s members are recognized throughout the investment community. Their expertise and dedication are sought by both institutional and individual investors across the full range of economic and financial issues.

Hortense Friedman, CFA, Award for Excellence Recipient Gary Brinson, CFA; Wally Fikri, CFA; Annual Dinner Keynote speaker Steven D. Levitt; Chairman Leo Harmon, Jr., CFA; Michelle Seitz, CFA; and CEO and President, Angela McKay, CAE.
Dear Fellow Members,

I am pleased to report another financially and operationally successful year for CFA Society of Chicago. In the midst of volatile markets and an uncertain economy, our financial position continues to exhibit the strength and soundness to ensure our ability to meet the needs and requirements of the membership.

Though financial accomplishments are only a small measure of organizational fitness, I am nonetheless delighted to convey our fiscal achievements this year. Revenues (excluding gains on investments) increased 15% to $1.18 million and inclusive of investment gains increased over 23% to $1.34 million. Total programming cost increased just about 6% to $775 thousand reflecting an increase in the number of programs as well as higher overall attendance. Nevertheless, total expenses decreased slightly to $953 thousand reflecting lower overall staffing costs. During the year, the society reached another milestone in its storied history by adding its 4,000th member. For the year, membership growth increased over 3% as we ended the year with 4,023 members.

The balance sheet of CFA Chicago remains “rock solid” and conservatively invested with $1.61 million of unrestricted net assets, $983 thousand of investments, and $826 thousand of cash and equivalents as compared to $1.22 million, $806 thousand, and $484 thousand, respectively, in the previous fiscal year. The society’s financial position provides it with the wherewithal to deliver programs and services to its membership over all environments from good times to sustained adverse periods.

It is this financial strength that has allowed CFA Society of Chicago to deliver on its mission to its members. Active and dedicated volunteers along with a dynamic staff provided over 60 educational, career, and networking events this year including the Annual Dinner. Programs and events reached 5,455 members which is an increase of 9% over the previous year. The number of members who attended at least one event increased over 8% from the previous year. Member participation demonstrates the diversity of programming choices available and highlights the value that the CFA Society of Chicago strives to offer to its members.

During the year, the Board of Directors approved and initiated a focused strategic plan that was primarily based on feedback received from a broad cross-section of our membership encompassing three broad areas:

- Job creation and career development opportunities
- Branding and promoting our designation for real tangible benefit
- Educational content and broader access to content through technology

Staff and volunteers have started to implement this broad plan which incorporates many of the outcomes desired by our membership:

- Significant increases in programming quantity and quality;
- Additional professional development opportunities including a permanent development curriculum;
- Multiple touch points and access to educational content through technological improvements;
- Customized programming to address the diverse needs of our membership;
- Strategically highlighting the benefits of the CFA designation and capabilities of our members to potential employers and clients.

The Board, staff, and especially our volunteers have done a marvelous job of preserving the operational and financial integrity of our organization and have been extremely diligent in ensuring we remained positioned to meet long-term strategic objectives and the future needs our members. I am confident that we will continue to progress toward our goals as our new Chairman, Heather Brilliant assumes leadership. Thank you for allowing me to serve as you Chairman. It has truly been an honor.

Sincerely,

Leo Harmon
Chairman
CFA Society of Chicago
CFA SOCIETY OF CHICAGO
OFFICERS & DIRECTORS 2010 | 11

Chairman
Leo Harmon, Jr., CFA
Fiduciary Management Associates

Vice Chair
Heather E. Brilliant, CFA
Morningstar, Inc.

Director 2011 (1-year term)
Kristin Finney-Cooke
NEPC, LLC

Vice President Operations/Treasurer
Daniela Mardarovici, CFA
Harris Investment Management, Inc.

Vice President Member Development/Secretary
Lisa Curran, CFA
Perspicua Strategic Partners

Director 2011 (1-year term)
Joseph T. Lower
The Boeing Company

Vice President Academic Programs
Howard Cohen, CFA
Blaige & Co.

Vice President Special Events
Jeffrey W. Kernagis, CFA
PowerShares Capital Management LLC

Director 2011 (1-year term)
Theresa Mozzocci, CFA
Pluscios Management

Immediate Past Chairman
Joan K. Rockey, CFA
Hadelrock Capital Management LLC

Ex-Officio Director/CEO/President
Angela McKay, CAE
CFA Society of Chicago

Director 2011 (1-year term)
Scarlett P. Ungurean, CFA
ABA Retirement Funds
CFA SOCIETY OF CHICAGO
DIRECTORS 2010 | 11

Director 2011 (3-year term)
Gautam Dhingra, CFA
High Pointe Capital Management LLC

Director 2012 (3-year term)
John J. Kelley, CFA
US Trust-Bank of America

Director 2013 (3-year term)
John Simmons, CFA
Nuveen HydePark Group

Director 2011 (3-year term)
Jodie Melissa Gunzberg, CFA

Director 2012 (3-year term)
Carol A. Levenson, CFA
Gimme Credit Publications Inc.

Ex-Officio Dir./Leadership Council Chair
James P. Stirling, CFA
UBS
(July 2010)

Director 2011 (3-year term)
Thomas J. Marthaler, CFA
Neuberger Berman LLC

Director 2013 (3-year term)
James A. DeZellar, CFA
Chicago Equity Partners, LLC

Director 2012 (3-year term)
Sean M. Casey, CFA

Director 2013 (3-year term)
John F. Jostrand, CFA
William Blair & Co, LLC
Chairman Leo Harmon, CFA, recognizes Jay Eisenhardt, outgoing Candidate Services Advisory Group Chair, at the Annual Business Meeting.
CFA SOCIETY OF CHICAGO
PAST CHAIRPERSONS 1925 | 2010

Raymond J. Sidney
1925-1926

Harland H. Allen
1932-1933

Paul L. Morrison
1939-1940

Virgil R. Liptrap
1944-1945

James Milton Coulter
1926-1927

Erwin W. Boehmler
1933-1934

John H. Weedon
1940-1941

Earl Meyer
1945-1946

Dudley Hall, Jr.
1927-1928

W. Philip Moncreiff
1934-1935

Raymond W. Duning
1941-1942

Albert Y. Bingham
1946-1947

Standish W. Robinson
1928-1929

Henry K. Wilcox
1935-1936

Alfred L. Burke
1941-1942

M. Dutton Morehouse, CFA
1947-1948

John P. Campbell
1929-1930

James H. Clarke
1936-1937

Evan V. Shierling
1942-1943

Richard H. Samuels
1948-1949

R. M. Plaister
1930-1931

Corliss D. Anderson, CFA
1937-1938

Richard E. Weeks
1942-1943

William D. Heer, Jr., CFA
1949-1950

W. B. Prickitt
1931-1932

Arthur J. O’Hara
1938-1939

Wm. E. Stiegelmeier
1943-1944

Glenn M. Trumbo
1950-1951

CFA Chicago does an excellent job in creating valuable programs, events and content for its membership and also excels in marketing these professional development opportunities.
CFA SOCIETY OF CHICAGO
PAST CHAIRPERSONS 1925 | 2010

John C. Ratcliffe
1951-1952

J. Parker Hall, III, CFA
1952-1953

Philip C. Biggert
1953-1954

William B. Maas
1954-1955

William C. Norby, CFA
1955-1956

Stanford O. Ege
1956-1957

Russell J. Eddy
1957-1958

Clarence E. Torrey, Jr.
1958-1959

Neil E. Heikes
1959-1960

Hartman L. Butler, Jr.
1960-1961

Lang Elliott
1961-1962

William A. Stenson
1962-1963

Robert E. Peckenpaugh, CFA
1963-1964

Richard C. Barbour, CFA
1964-1965

William S. Gray, III, CFA
1965-1966

George H. Norton, Jr., CFA
1966-1967

C. Reed Parker, CFA
1967-1968

Philip C. Biggert, CFA
1968-1969

Clair V. Felker
1969-1970

Mary Petrie, CFA
1970-1971

Olin McReynolds, Jr., CFA
1971-1972

J. Parker Hall, III, CFA
1972-1973

Brierly W. Anderson, CFA
1973-1974

Richard M. Burridge, CFA
1974-1975

H. Robert Powell, CFA
1975-1976

William A. Cornish, CFA
1976-1977

Edward B. Dillmann, CFA
1977-1978

F. Conrad Fischer, CFA
1978-1979

Henry G. Van der Eb, Jr., CFA
1979-1980

James E. Depies, CFA
1980-1981

Priscilla Perry, CFA
1981-1982

John C. Kirscher, CFA
1982-1983

John F. Richards, CFA
1983-1984

Alison A. Winter, CFA
1984-1985

Frank E. Helsom, CFA
1985-1986

Phillip E. Arnold, CFA
1988-1989

James C. Goss, CFA
1989-1990

Charles F. O’Connell, CFA
1990-1991

Nathaniel B. Jones, CFA
1991-1992

Jon T. Ender, CFA
1992-1993

F. Conrad Fischer, CFA
1993-1994

Robert H. Harper, CFA
1994-1995

Kenneth G. Shay, CFA
1995-1996

Larry A. Lonis, CFA
1996-1997

Alexander B. Knowles, CFA
1997-1998

Michelle A. Moreno, CFA
1998-1999

John A. Edinger, CFA
1999-2000

Fred Duda, CFA
2000-2001

James F. Whitney, CFA
2001-2002

Laura N. Stern, CFA
2002-2003

Kevin J. Vandolder, CFA
2003-2004

Nicholas Ronalds, CFA
2004-2005

Mark C. Hutchinson, CFA
2005-2006

Michael N. Lindh, CFA
2006-2007

Arch E. King, CFA
2007-2008

Joseph R. Knecht, CFA
2008-2009

Joan K. Rockey, CFA
2009-2010
LEADERSHIP COUNCIL

The Leadership Council provides former CFA Chicago leaders and current business executives the opportunity to network, exchange ideas, and contribute to the first-established U.S. investment analysts’ society.

Membership is comprised of approximately 50 persons. Five to ten members are former leaders and the rest of the Council members are current Chicago-area business leaders. Membership does not require dues or financial contributions to CFA Chicago.
2010 | 2011
LEADERSHIP COUNCIL MEMBERS

Chair
James P. Stirling, CFA
UBS

Gary P. Brinson, CFA
GP Brinson Investments

William Brodsky
Chicago Board Options Exchange

John Canning
Madison Dearborn Partners

Duke Chapman
ABN AMRO Inc.

Michelle Collins
MC Advisory, LLC

E. David Coolidge
William Blair & Company

James Crown
Henry Crown & Company

Jeffrey J. Diermeier, CFA
CFA Institute

Craig S. Donohue
CME Group

W. James Farrell
SLP, LLC.

William Foote
USG Corporation

David Fox
Northern Trust Company

T. Bondurant French, CFA
Adams Street Partners, LLC

Christopher Galvin
Harrison Street Capital

King Harris
Harris Holdings, Inc.

Mellody Hobson
Ariel Investments

Mark C. Hutchinson, CFA
Credit Suisse

Donald Jacobs
Kellogg School of Management

Richard Jaffee
Oil-Dri

Edgar Jannotta
William Blair & Company

Dennis Keller
DeVry, Inc.

Archibald E. King, CFA
Northern Trust Company

Joseph Raymond Kneckt, CFA
Harris myCFO™

Robert Krebs
Burlington Northern Santa Fe Corporation

John Madigan
McCormick Foundation

R. Martin
The Commercial Club of Chicago

John McCarter, Jr.
The Field Museum

Susan N. McDermott, CFA
Stratford Advisory Group, Inc.

Andrew McKenna
Schwarz Paper Company

Alan G. McNally
Walgreen Co.

William Mynatt
Dovenmuehle Mortgage, Inc.

James O’Connor
Commonwealth Edison Company

Thomas Pritzker
Pritzker Organization

J. Christopher Reyes
Reyes Holding, LLC

Joan K. Rockey, CFA
Hadelrock Capital Management LLC

John Rogers
Ariel Capital Management, LLC

Patrick Ryan
Ryan Specialty Group

John Sandner
Chicago Mercantile Exchange

Michelle R. Seitz, CFA
William Blair and Company

Harrison Steans
Financial Investment Corporation

Robert Stucker
Vedder, Price, Kaufman & Kammholz, P.C.

Allan Sutherland
Illinois Tool Works, Inc.

Richard Thomas
JPMorgan Chase & Company

John Walter
Ashlin Management Company

James F. Whitney, CFA
Credit Suisse Family Wealth Management

Paul Yovovich
Lake Capital

(December 2010)
SOCIETY AWARDS

CFA Chicago makes it a priority to regularly celebrate the achievements of its talented members. Recognition is awarded for both career accomplishments and contributions from volunteers performing functions that benefit the membership.

Hortense Friedman, CFA, Award For Excellence:
Hortense Friedman was a well-known member of the Chicago-area investment community. She was affiliated with the University of Chicago between 1922 and 1969, where she was involved with investments for the Endowment Fund and helped pioneer a number of new investing initiatives. Hortense, along with 11 others, was a founding member of what was formerly the Investment Analysts Society of Chicago, and she served on the first Board of Directors. She was a member of the Institute of Chartered Financial Analysts and was awarded the CFA designation in 1964 (Charter Number 354).

The Hortense Friedman Award, named in her honor, is presented at the CFA Chicago Annual Dinner by the Board of Directors to a member of the Chicago-area investment community who has demonstrated initiative, leadership, and a commitment to professional excellence. In 2006, the Board decided to add a posthumous award as well.

Corliss D. Anderson, CFA (posthumous)
The first CFA Chicago President (1937-1938) to be awarded the CFA designation, Mr. Anderson was a pioneer who made noteworthy contributions within the investment and academic communities, as well as within our local society and on a national platform. He was a member of the Institute of Chartered Financial Analysts (ICFA) “Initiating Group” (1937-1938), and also served as an original member of the Council of Examiners (COE). After his tenure as President, Mr. Anderson became a founding partner of Duff, Anderson and Clark (DA&C), sister firm to Duff and Phelps (D&P). DA&C was created in 1945 to extend the original D&P utility coverage that had been established in 1932 to industrial and financial stocks; these firms were later combined under the original name of Duff and Phelps.

In 1959, Mr. Anderson led a project for the National Federation of Financial Analysts Societies’ (NFFAS) Corporate Information Committee (CIC), resulting in the publishing of “Corporate Reporting for the Professional Investor” (1962), as well as its distribution to all FAF societies and the presidents of over 3,000 corporations. Mr. Anderson subsequently proceeded to serve as Chairman of the CIC (1963-1964). In addition, he was the recipient of the Distinguished Service Award (1983) from the Association for Investment Management and Research (AIMR) for his exceptional contributions to the national organization through leadership and service over many years.
Gary P. Brinson, CFA

A former Director of CFA Chicago (1983-1986), Mr. Brinson is President of GP Brinson Investments, Founder of Brinson Partners, Inc., and is a nationally recognized authority on global investing. He is the co-author of two books on global investing, has authored numerous articles on an array of investment topics, and has lectured and contributed to educational and professional investment forums over the past thirty years.

Mr. Brinson is a former Executive Committee member and past Chairman of the Institute of Chartered Financial Analysts. Throughout his many years of service, Mr. Brinson has made countless contributions to the Financial Analysts Journal and the CFA Digest, including articles such as “The Application of Investment Theory to the Asset Allocation Process” (1979), and “U.S. Equity Returns from Colonial Times to the Present” (1993). Mr. Brinson has also been an active participant in the “Continuing Education” program, presenting five times over a 20 year period, more than any other member or participant.

Mr. Brinson’s dedication to journalism extends beyond publications and presentations: he is currently a member of The Financial Analysts Journal Advisory Council, as well as a former member of the Advisory Council for the CFA Centre for Financial Market Integrity. In 1991, Mr. Brinson was named the “Outstanding Financial Executive” by the Financial Management Association, and was also awarded the Award for Professional Excellence from the CFA Institute (1999). In April of 2008, Mr. Brinson was inducted as a lifelong Member of the Horatio Alger Association of Distinguished Americans. After his retirement in 2000, Mr. Brinson, along with his wife and two daughters, created The Brinson Foundation, a philanthropic organization that funds charitable grants with a focus on support in the area of education, science, and public health.

Mr. Brinson received his B.A. in Finance from Seattle University and his M.B.A. from Washington State University. He is a member of CFA Chicago and CFA Institute.
Annual Dinner

The Annual Dinner Advisory Group orchestrates financial underwriting and provided program guidance for the Annual Dinner – CFA Chicago’s flagship event honors our society’s new CFA Charterholders. It solicits corporate sponsorships from local investment firms and vendors utilizing a network of contacts, while also supporting society staff in obtaining commitments from past sponsors. Our volunteers provide suggestions on potential speakers to the incoming board Chairman and help shape event staging with suggestions to the board and society staff.

Annual highlights included:
• Attendance of close to 800 investment professionals
• 48 corporate sponsors whose support financed the addition of a professional event planner
• 240 new CFA Charterholders were recognized
• Former volunteer leader for our society Gary Brinson, CFA was honored with the Hortense Friedman, CFA, Award for Excellence
• Steven D. Levitt, Author of FREAKONOMICS & SUPERFREAKONOMICS, William B. Ogden Distinguished Service Professor of Economics from the University of Chicago and U.S. Economist – Recipient of the American Economic Association’s prestigious John Bates Clark Medal presented a witty and informative keynote address

Candidate Services

The Candidate Services Advisory Group supports candidates during their qualification efforts towards the CFA designation. It administers the Candidate Services section of the society website, reviews scholarship applications for the Kimberly Paige Memorial Scholarship and the CFA Institute Exam Scholarship, coordinates study groups, and assists with the June post-exam party, study group kick-off parties, and any candidate related events. The group also innovates in engaging the new Candidate Member class (established in 2009) to participate actively within the Society.

Annual highlights included:
• Four candidates were awarded the Kimberly Paige Memorial Scholarship, and 14 candidates were awarded the CFA Institute Exam Scholarship
• Roughly 275 Chicago area candidates signed up for the study groups
• Study Group Kick-Off parties on July 27, 2010 and Dec. 7, 2010 drew crowds of over 150 connecting candidates with peers, Charterholders, and CFA Chicago members for exam-related discussions
• The Post-Exam party, co-sponsored by Kaplan Schweser, allowed candidates to unwind (and get free neck massages) immediately after test taking
The Career Management Advisory Group focuses on planning and conducting programs that assist members to enhance and manage their career and develop their professional skills. Events are held after-hours or online covering a broad range of topics from resume writing, networking, industry roundtables, industry trends, to salary negotiation. The group also hosts the society’s annual members-only Job Fair in March and conducts outreach to Chicago hiring professional to secure job postings on the society’s online job board.

Annual highlights included:
- 4th Annual Industry Roundtables for Investment Professionals featuring leaders from 14 industries discussing global opportunities and challenges
- 6th Annual members only Career Fair entitled “Career Crossroads: A Showcase of Opportunities” - a twist on the traditional “job fair” with participation by top investment firms, local recruitment agencies, career coaching and leadership training specialists and CFA exam review service vendor Kaplan Schweser

Communications
The Communications Advisory Group informs key internal and external audiences about CFA Society of Chicago and its members. It publishes The Efficient Frontier quarterly newsletter and the Annual Report. It builds public awareness via relationships with the media. It supports CFA Chicago’s marketing/member satisfaction efforts. Finally, it cooperates with CFA Institute on brand building efforts.

Annual highlights included:
- Newsletter: Recognized by CFA Institute Society Relations unit on its Best Practices website as an outstanding global example for member communications
- Information Channels: Implemented new outreach strategies, supporting transition from online CFA Community to social media framework on LinkedIn
- Strategic Integration: Reinforced impact of messaging tools by coordinated communications across all platforms, complementing established reporting techniques with related commentaries connecting with LinkedIn and Twitter audiences
- Organizational Support: Recruited and integrated new volunteers into group operations to develop future cadre of Society activists
- Member Relations: Publicized the accomplishments of members, such as successful career advancement in their professional roles
- Media Relations: Provided timely responses to media information requests leading to CFA Chicago’s commentary featured in various publications
ADVISORY GROUP SUMMARIES

CFA Women

The CFA Women Advisory Group is an alliance of dedicated investment professionals, recognizing the importance of women’s contributions to CFA Chicago, the investment industry, and the local community. Its programs range from presentations on investment topics by prominent female practitioners, small group discussions, mission appropriate co-sponsored events to social networking activities. It is also dedicated to supporting Chicago area women in need via designating for support local charitable organizations serving that population and staging events at which items are collected for donation.

Annual highlights included:
• Promoted networking and improved the industry visibility of women through:
  o Annual CFA Women Networking Happy Hour at a new venue, Nacional 27, for peer professional sharing of ideas on best industry practices
  o An Inside View of Commodities at the CBOE - expert panel discussion on the commodities market and outlook for pricing, regulation, and technological change
  o Grilling Class and Networking Night at Carmichael’s - partnering with CFA Chicago’s Social Advisory Group for an evening of grilling, dining, and conversation with a diverse audience

Education

The Education Advisory Group is focused on providing high quality educational programming including half-day education seminars, financial modeling courses, and the Fundamentals of Investing series. It also organizes a monthly book club on topics of member interest, and contributes articles about group activities for the society newsletter.

Annual highlights included:
• A historic Behavioral Finance Seminar marking the 20th anniversary of “Decision Theory,” the 1991 ground-breaking financial analyst seminar featuring Hersh Shefrin, Paul Shoemaker, Werner DeBondt and Michael Falk, CFAA seminar on the impact of the Dodd-Frank legislation on, on the industry with regulatory, legal and academic presenters including Jerrold E. Salzman, Christopher Sikorski and Karim Pakravan, with moderator Michael N. Lindh, CFA
• An Asset Allocation Spotlight on Alternatives panel featuring Gary Fencik, Russell Ivinjack, and Tom Macina, CFA
• Continued to offer financial modeling courses in partnership with Wall Street Training
• Held monthly Book Club meetings with increasingly improved attendance
• Laid the ground work for an annual, full-day educational conference to be held in March 2013
• Utilized the CFA Chicago LinkedIn Group to promote and discuss events and collect new event ideas
Finance

The Finance Advisory Group supports the CFA Chicago CEO and Treasurer in managing the internal finances of the Society. The group provides expertise and assistance to staff and the Board of Directors.

Annual highlights included:
• Regularly reviewed the society’s investment portfolio monitoring fund flows and verifying that asset allocation targets are being maintained
• Reviewed and commented on the 2010-2011 society budget and financial statements in preparation for submission to the Board of Directors
• Drafted and presented the first ever management discussion and analysis (MD&A) to accompany the audited financial statements in the annual report

Lunch Programs

The Luncheon Programs Advisory Group identifies timely and relevant topics of high member interest as gauged by regular surveys. It secures prominent speakers for the Distinguished Speaker Series including corporate executives, economists, asset managers, government officials, and nationally recognized academics to deliver the presentations. It also schedules company presentations featuring C-level executive presentations from companies and/or associations offered at no cost to members.

Annual highlights included:
• 12 Distinguished Speaker luncheons and one Company Presentation drawing nearly 1,800 attendees in total: Nick Stavropoulos (American Gas Association), Gail Sussman (Moody’s Investor Services), William McLean, CFA (Northwestern University), Dr. Howard Schilit (Financial Shenanigans Detection Group), David Herro, (Harris Associates), Gus Sauter (Vanguard), Susan Garrett (Illinois State Senator), Rick Waddell (Northern Trust), Leslie Seidman (Financial Accounting Standards Board), Doug Cliggott (Credit Suisse), Brian Singer, CFA (Singer Partners), Laurie Goodman (Amherst Securities), Jeffrey Gundlach (Doubleline)

Outreach & Member Development

The Outreach & Member Development Advisory Group recruits local potential members, including students, welcoming new recruits and familiarizing them with membership benefits and programs. It also sponsors new members lacking CFA Chicago member sponsors within their firms and innovates on member recruitment, retention, and volunteer participation experience by recognizing member contributions and developing their leadership potential.

Annual highlights included:
• Over 4,000 members at year’s end (including regular, affiliate, reinstated, candidate, and student)
• Recruited 93 student members from local universities
• Greeted members via “Welcome Wagon” calls detailing the many membership benefits inviting members to upcoming events
• Supported 10 volunteer participants at 5 different student events at IIT, Loyola University, University of Chicago and University of Illinois at Chicago
• Launched the Student Liaison Program which enlisted university students from DePaul, IIT, Loyola, Northwestern, Chicago, Illinois at Chicago and Illinois at Urbana-Champaign to promote the society and student memberships on campus
• Recruited volunteers to enable participation in the 2011-2012 CFA Institute Research Challenge, hosted by CFA Chicago
ADVISORY GROUP SUMMARIES

Social

The Social Advisory Group organizes relaxing, entertaining, and networking-oriented events across different environments appealing to our diverse membership. Events include group outings to professional sports, happy hours, networking dinners, and themed programs such as scavenger hunts, golf outings, museum excursions, wine tastings, and cooking classes.

Annual highlights included:

- Quarterly networking dinners for member contacts in a relaxing and informal setting conducive to indentifying career opportunities
- 6th annual golf outing at Wynstone Golf Club a premier private Chicagoland course
- Monthly series of informal happy hours gathering 15-20 members at changing locations
- 2nd annual “Expand Your Network” happy hour with over 120 members from 11 area finance-related organizations
- Co-sponsored with CFA Women a cooking-experience grilling class for summer BBQ season at Carmichael's in the West Loop

CFA members learn grilling tips from Executive Chef Dean Eliacostas at Carmichael's. The event was hosted by Social and CFA Women Advisory Groups.
HONORED VOLUNTEERS
2010 | 2011

Annual Dinner
Clarke Michalak, CFA

Candidate Services
Joseph Grandis, CFA

Career Management
Phineas Troy

CFA Women
Sarah Ribbens, CFA

Communications
Michele Gambera, CFA

Education
Janet Wilson

Finance
Alan Zhang, CFA

Lunch Programs
Todd Parvis

Outreach & Member Development
Derek Schmidt, CFA

Social
Raymond Mau, CFA

Multiple AG:
Cindy McLaughlin
ADVISORY GROUP VOLUNTEERS

Annual Dinner
Walid Fikri, CFA - Co-Chair
Douglas Jackman, CFA - Co-Chair
Jeffrey Kernagis, CFA - Vice President - Special Events

Candidate Services
Jay Eisenhardt - Chair
Lisa Curran, CFA - Vice President - Member Development/Secretary
Heather Brilliant, CFA
Joel W. Brown, CFA
Gagneet Singh Chadha
Seung Hwan Choi
Ann Noelle Gabor
Joseph H. Grandis, CFA
Patrick Hager
Clarke Michalak, CFA
Samuel E. Miller, CFA
Geoffrey S. Shaver, CFA
Peter M. Yi, CFA

Career Management
Melanie A. Angers - Chair
Jane E. Belcher, CFA - Co-Chair
Jeffrey Kernagis, CFA - Vice President - Special Events
Benjamin Bartelt, CFA
Emmanuel Bernabe
Heather Brilliant, CFA
Zachary I. Campbell
Yuhe Chang, CFA
Heerhal Choudhary, CFA
James Kent Daley, CFA
Eric R. Dunlap, CFA
Anne Therese Durkin, CFA
Steven P. Eschbach, CFA
Ying Ge
Leo Harmon, Jr., CFA
Lee T. Hayes, CFA
Thomas Roger Hefty
Janet S. Henry, CFA
Jui Ya Huang
Harry Kobetttsch
David Kucek
Joseph W. Lamberti, CFA
Ryan McGloin, CFA
Kirill Miroshchkin
Yalemzewd Nega, CFA
Joseph Paszkiewicz, CFA
Adam W. Polacek, CFA
M. Patrick Quinn, CFA
Mary J. Roupp
Derek D. Schmidt, CFA
Timothy G. Solberg, CFA
Cheryl Sulima, CFA
Michael Sullivan
Richard Tauber, CFA
Phineas William Troy
Jacob Vincent, II
Alexis Zemaitis
Alan C. Zhang, CFA

Communications
Gregory Gocek, CFA - Chair
Daniela Mardarovici, CFA - Vice President - Operations/Treasurer
Eric C. Ause, CFA
Heather Brilliant, CFA
Robert Cohen, CFA
Alexander Condrell, CFA
Donald D. Duncan, CFA
Michael Scott Falk, CFA
Michele Gambera, CFA
Jui Ya Huang
Kerry Jordan, CFA
Peter T. Marchese, CFA
Dennis William Markey
Cynthia McLaughlin
Alain Ause, CFA
Toireasa H. Moran
Mark F. Toledo, CFA
Peter Wahlstrom, CFA
Kevin Wapis, CFA

CFA Women
Kerry Jordan, CFA - Chair
Lisa Curran, CFA - Vice President - Member Development/Secretary
Heather Brilliant, CFA
Alison Dawn Finn
Michelle Froeschle, CFA
Ying Ge
Bonnie Goldsborough, CFA
Kathleen A. Graham
Jodie Gunzberg, CFA
Margaret Hampton, CFA
Rhonda L. Hopps, CFA
Daniela Mardarovici, CFA
Cynthia McLaughlin
Krista B. McLeod, CFA
Toireasa H. Moran
Theresa Mozzocci, CFA
Maura J. Murrihy, CFA
Nancy B. Prial, CFA
Sarah Ribbens, CFA
Mary J. Roupp
Chin-Chern Soen, CFA
Cheryl Sulima, CFA
Min Ye
Elizabeth Young, CFA
Sarah Young
## Education

- **Alexander N. Rabinovich, CFA** - Co-Chair
- **Daniel Robert Rudewicz, CFA** - Co-Chair
- **Howard S. Cohen, CFA** - Vice President - Academic Programs

- **Mustafa Baig, CFA**
- **Heather Brilliant, CFA**
- **James Butler, Jr., CFA**
- **Peter B. Cook, CFA**
- **Adam M Fleck, CFA**
- **Leo Harmon, Jr., CFA**
- **Lee T. Hayes, CFA**
- **Janet S. Henry, CFA**
- **Joel Hirsh, CFA**
- **Harold Janecek, III**
- **Patrick Kelly, CFA**
- **Laura Kernaghan, CFA**
- **Harry Kobetitsch**
- **Michael N. Lindh, CFA**
- **Lucas Mansberger, CFA**
- **Dennis William Markey**
- **Damon McLaughlin, CFA**
- **Kiriil Miroshchkin**
- **Branimir Petranovic, II, CFA**
- **Sebastien Pigeon, CFA**
- **Derek D. Schmidt, CFA**
- **Joseph Simpson, CFA**
- **Oliver Rawley Thomas**
- **Jacob Vincent, II**
- **Orlando E. Visbal, CFA**
- **Kevin Wasp, CFA**
- **Janet Marie Wilson**

## Finance

- **Christopher W. Peifer, CFA** - Chair
- **Daniela Mardarovic, CFA** - Vice President - Operations/Treasurer

- **Christopher Ashbee, CFA**
- **Patrick S. Barwin**
- **James Boudreau, CFA**
- **Heather Brilliant, CFA**
- **Kevin Broglio, CFA**
- **Gagneet Singh Chadha**
- **Alexander Cordre, CFA**
- **Jan-Bart De Groote**
- **Jorge Fung**
- **Jonathan Greer, CFA**
- **David L. Hofer**
- **Jason C. Hogan, CFA**
- **Jui Ya Huang**
- **David Johnson, CFA**
- **Christopher Krakowski, CFA**
- **Joseph Lamberti, CFA**
- **Michael N. Lindh, CFA**
- **Roger Lumpp, III, CFA**
- **Mario Manfredi, Jr., CFA**
- **Jonathan McCumber, CFA**
- **Tchapu Napoe, CFA**
- **Manoj H. Patel, CFA**
- **Thor Perplies**
- **Joan K. Rockey, CFA**
- **Peter James Rogers, CFA**
- **Zachary Rosenstock, CFA**
- **Mary J. Roupp**
- **Mark L. Sansoterra, CFA**
- **Kyle Shinnick**
- **Nicolas Valaperta, CFA**
- **Peter C. Wahlstrom, CFA**
- **Jeffrey Robert Weniger, CFA**
- **Randall J. Wostratzky**
- **Alan C. Zhang, CFA**

## Lunch Programs

- **Joanna B. McGinley, CFA** - Chair
- **Howard S. Cohen, CFA** - Vice President - Academic Programs

- **Ted Andrews, CFA**
- **Benjamin Bartelt, CFA**
- **Heather Brilliant, CFA**
- **James W. Butler, Jr., CFA**
- **Peter B. Cook, CFA**
- **Steven Eschbach, CFA**
- **William Florida, CFA**
- **David Lewis Frank, CFA**
- **James Allyn Franke, CFA**
- **Leo Harmon, Jr., CFA**
- **Jui Ya Huang**
- **Patrick Kelly, CFA**
- **Bradley Leak, CFA**
- **Kiriil Miroshchkin**
- **Jeffrey Moster, CFA**
- **Abhay Munot**
- **Mary O’Connor**
- **Todd Parvis**
- **Branimir Petranovic, II, CFA**
- **Sebastien Pigeon, CFA**
- **Gordon C. Scott, CFA**
- **Jeffrey W. Smith, CFA**
- **James P. Stirling, CFA**
- **Philip Charles Traven, CFA**
- **Jacob Vincent, II**
- **David Ian Wales, CFA**
- **David E. Watkins, CFA**
- **Eric J. Welt, CFA**
- **Alan C. Zhang, CFA**

## Outreach & Member Development

- **Judith L. Dicenzo, CFA** - Chair
- **Lisa Curran, CFA** - Vice President - Member Development/Secretary

- **Heather Brilliant, CFA**
- **Sean M. Casey, CFA**
- **Steven Eschbach, CFA**
- **Jui Ya Huang**
- **Lucas Mansberger, CFA**
- **Jonathan McClam, CFA**
- **John Pascente, CFA**
- **Himanshu Rastogi, CFA**
- **Derek D. Schmidt, CFA**
- **Kevin Wasp, CFA**
- **Nestor Wozny**

## Social

- **Christopher Ramesh Lakumb, CFA** - Chair

- **Jeffrey W. Kernagis, CFA** - Vice President - Special Events

- **Benjamin Alpert, CFA**
- **Kimberly Appapillai, CFA**
- **Heather Brilliant, CFA**
- **Yuhe Chang, CFA**
- **Steven Eschbach, CFA**
- **Adan Galvan, CFA**
- **Jonathan Greer, CFA**
- **Thomas Roger Hefty**
- **David L. Hoffer**
- **David Kucek**
- **Mario Manfredi, Jr., CFA**
- **Lucas Mansberger, CFA**
- **Dennis William Markey**
- **Raymond K. Mau, CFA**
- **Kiriil Miroshchkin**
- **Robert V. Obarski, CFA**
- **Peter Rogers, CFA**
- **Zachary Rosenstock, CFA**
- **Whitney Ross, CFA**
- **Abhay Shah**
- **Chin-Chern Soen, CFA**
- **Michael Sullivan**
- **Phineas William Troy**
CFA INSTITUTE

CFA Institute – a global, not-for-profit professional association – administers the Chartered Financial Analyst® (CFA®) and Certificate in Investment Performance Measurement (CIPM®) curricula and examination programs worldwide. We publish research, conduct professional development programs, and set voluntary, ethics-based professional and performance reporting standards for the investment industry. CFA Institute is affiliated with 135 professional societies in 58 countries/territories and operates CFA China, a member service initiative in Beijing and Shanghai.

We offer a range of educational and career resources for investment professionals and are a leading voice on global issues of fairness, market efficiency, and investor protection.

CFA Institute Mission

To lead the investment profession globally by setting the highest standards of ethics, education, and professional excellence.

CFA Institute Vision

Our vision builds on our beliefs that:

• Financial markets should be equitable, free, and efficient so that every investor has a chance to earn a fair return;
• The interests of the ultimate investor must take precedence over the interests of all other market participants; and
• High ethical principles and self-regulatory standards are as important to market efficiency and fairness as rules and regulations.

As stated in the CFA Institute 2011 Annual Report
CFA INSTITUTE
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CFA Digest Editorial Board

Heather Brilliant, CFA
Annual Conference Advisory Group

Gary Brinson, CFA
Financial Analysts Journal Advisory Council

Keith Cardoza, CFA
Annual Conference Advisory Group

Peng Chen, CFA
Financial Analysts Journal Editorial Board

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Financial Analysts Journal Advisory Council

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CFA Digest Abstractor and Education Advisory Committee,
Professional Conduct Liaison

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FAS Board of Regents

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Financial Analysts Journal Editorial Board

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CFA Institute Board
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Frank Reilly, CFA
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Brian Singer, CFA
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James Stirling, CFA
Annual Conference Advisory Group

Chris Vincent, CFA
Annual Conference Advisory Group

James Ware, CFA
FAS Board of Regents

Anthony Wilkins, CFA
Disciplinary Review Committee

(As of Aug. 31, 2011)
CFA EXAM SCHOLARSHIPS

CFA Society of Chicago is pleased to offer two types of scholarships for candidates sitting for the CFA Exam: the CFA Institute Exam Scholarship and the Kimberly Paige Memorial Study Scholarship.

CFA Institute Exam Scholarship

CFA Institute and CFA Society of Chicago awarded 14 Exam Scholarships (scholarships cover everything but $225 of exam registration fees, as well as the CFA program curriculum materials) for the year. CFA Institute provided 10 exam scholarships and CFA Chicago subsidized an additional 4 exam scholarships.

Kimberly Paige Memorial Study Scholarship

The CFA Society of Chicago awarded 3 Study Scholarships (a full Kaplan Schweser prep-course package review course in the candidate’s preferred format) for the June 2011 exam.
The CFA Institute Exam Scholarship Winners:

Level 1:
Troy Costlow
Molly Gelli
Scott Meader
Daniel Montoya
David Passey
Akobe Joshu Sandy
Ryan David Wirtz
Mikhail Zarki
Qianying Zhang

Level 2:
Shantanu Chandra
Gu Gon
Patrick McGough
Julie Uluocha

Level 3:
Steven Hempel

Kimberly Paige Memorial Study Scholarship (sponsored by CFA Chicago) Winners:

Level 1:
Steven Schouten

Level 2:
Kurt Leo Davis, Jr.

Level 3:
Eric Castro
In 2010, the CFA Chicago Board embarked on a three-year strategic plan. The plan clearly defines the key priorities, and puts a framework in place to support initiatives that advance the society’s mission and vision.

**Branding:**
CFA Society of Chicago will raise the level of recognition and the perception of value of both the CFA designation and the society.

**Education/Content:**
CFA Society of Chicago will develop and deliver content that is high quality, timely, successful and relevant to members at all stages of their careers.

**Career/Jobs:**
CFA Society of Chicago will help members strategically build their brand and career roadmap by connecting them with pertinent career development opportunities.
Branding:
• Worked with leadership and outside consultants to more clearly define the society’s mission statement and branding initiatives.
• Moved from using Leverage to LinkedIn as the preferred platform for society online group discussions, saving over $10,000/year and making more effective use of existing social media tools.
• Implemented the Student Liaison Program, a successful initiative designed to reach more student members, raise awareness of the society and the CFA designation, and offer members an opportunity to volunteer at student outreach events.
• Worked with The Chicago Council of Global Affairs and the Federal Reserve Bank of Chicago, which organizes Money Smart Week, to increase awareness of the society and to offer programs to members at a reduced rate, or in some cases at no cost to attend.

Education/Content:
• Held more than 60 programs and events including the monthly Book Club and informal monthly happy hours.
• The Efficient Frontier quarterly newsletter was recognized by CFA Institute and added to the best practices on their website for reference by other society leaders.
• Expanded educational programming by implementing quarterly Financial Modeling classes.
• Held a very successful Annual Dinner, revamping the event to attain a record level of sponsorship which offset expenses and enabled new Charterholders to attend for free.
• Created an RSS feed on the website to integrate event and programs into other websites, social media sites and RSS readers.

Career/Jobs:
• Improved the language on the website to better inform companies of our various job posting options and fees.
• Hosted “Best Practices in Client Communications” workshop; Rainmaking event; Career Fair; Headhunter Panel; Top Money-Making Strategies.

Operations:
• Implemented a new membership approval process that allows new members to be approved twice a month, rather than monthly.
• Selected Kaplan Schweser for a three year alliance as the preferred exam prep provider for local candidates. This three-year alliance will help our candidates by offering broader access at reduced rates to Kaplan Schweser’s comprehensive CFA course programs, including its Mock Exam and Review seminars.
• Offered the first-ever Advisory Group Chair Orientation and created a new Advisory Group “Resources” section on the website to centralize resources, make information accessible, provide more transparency/clarity of roles and functions, and improve efficiency.
• Instituted a new process allowing the accounting function to be performed off site one day weekly; this and other changes resulted in a savings to the Society of approximately $10,000 annually.
• Worked to put in place a comprehensive screening, review, and hiring process resulting in the recruitment of the new Director, Communications and Development.
# Member Anniversaries

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Anniversary</th>
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<tbody>
<tr>
<td>Richard C. Carr, CFA</td>
<td>40th</td>
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<td>Joseph B. Glossberg, CFA</td>
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<td>Joel H. Jastromb, CFA</td>
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<td>Theodore C. Kauss Jr., CFA</td>
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<td>Richard B. Peterson</td>
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<td>Peter F. Bauer, CFA</td>
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<td>Charles S. Boone, CFA</td>
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<td>John A. Jacobs, CFA</td>
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<td>David R. Johnsen, CFA</td>
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<td>Luke D. Knecht, CFA</td>
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<td>Robert M. Levy, CFA</td>
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<td>Charles P. McQuaid, CFA</td>
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<td>Calvin J. Pedersen, CFA</td>
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<td>Robert S. Takazawa Jr., CFA</td>
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<td>Karim H.K. Ahamed, CFA</td>
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<td>Michael D. Andelbradt, CFA</td>
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<td>Gregory P. Anderson, CFA</td>
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<td>Brian T. Bradford, CFA</td>
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<td>Karen L. Brethauer, CFA</td>
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<td>Brian D. Brookover, CFA</td>
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<td>Ed M. Bruere, CFA</td>
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<td>Dale R. Burrow, CFA</td>
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<td>Nick P. Calamos, CFA</td>
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<td>Tsang-Wah Cheng, CFA</td>
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<td>John C. Culver, CFA</td>
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<td>William Dougherty III, CFA</td>
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<td>Daniel J. Doyle, CFA</td>
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<td>Alice Hammer, CFA</td>
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<td>Julia Hammond, CFA</td>
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<td>David A. Hershey, CFA</td>
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<td>Phillip J. Hofmann, CFA</td>
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<td>Carl W. Janas, CFA</td>
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<td>Glen A. Kleczka, CFA</td>
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<td>Brenton H. Rupple Jr., CFA</td>
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<tr>
<td>Anthony E. Wilkins, CFA</td>
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</tbody>
</table>
## 2010 Continuing Education Program Milestones

<table>
<thead>
<tr>
<th>Member Name</th>
<th>Milestone Year</th>
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<tbody>
<tr>
<td>Krzysztof M. Ostaszewski, CFA</td>
<td>20</td>
</tr>
<tr>
<td>Jason Patrick Abbott, CFA</td>
<td>5</td>
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<tr>
<td>Alaina Mikoa Anderson, CFA</td>
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<tr>
<td>Marius W. Andreasen, CFA</td>
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<td>Brian Francis Antenucci</td>
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<tr>
<td>W. Clifford Aque III, CFA</td>
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<td>Julie W. Austin, CFA</td>
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<td>Jeffrey P. Bolduc, CFA</td>
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<td>Robert K. Ellis Jr., CFA</td>
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## 2010 Continuing Education Program Milestones Continued

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<td>Leslie Kate Lenzo, CFA</td>
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About the Organization

Founded in 1925, CFA Society of Chicago is the world's oldest not-for-profit organization dedicated to serving the needs of investment professionals. With more than 4000 members, including more than 3200 CFA Charterholders, we are dedicated to enabling their excellence as practitioners through quality educational programs, networking opportunities, and services that promote adherence to the highest ethical and professional standards. While remaining independent, yet working closely with the CFA Institute and its predecessor organizations, we are connected with a global community comprised of over 100,000 investment professionals and 130 local member societies.

Membership has increased steadily in recent years, averaging a 5.8% growth rate since 2003. Approximately half of our membership consists of portfolio managers and research analysts, with consultants, financial advisors, relationship managers, risk professionals, strategists, and traders constituting most of the rest. More than 90% of our members are employed full-time, and close to half hold graduate degrees. Approximately 15% are women. Growth in our membership is closely related to the increase in the number of CFA Charterholders living and working in the Chicago area.
General Comments
As a not-for-profit professional membership corporation, our criteria for success extend beyond the economic results recorded in our financial statements. However, in order to continue to provide a high level of service to our membership, it is important that CFA Society of Chicago (“CFA Chicago”) remains a financially stable organization, with adequate revenues to support its mission and adequate reserves to weather periodic fluctuations in the investment markets associated with the employment of our membership. We are pleased to report that our fiscal year 2011 financial performance met the above objectives. The following discussion and analysis is intended to amplify and expand on these general comments. For further detail, please refer to the audited financial statements that follow, including the notes to the financial statements.

Revenues and Expenses
Total revenues and other support increased from $1.08 million for the fiscal year ended June 30, 2010 (“FY2010”) to $1.34 million for the fiscal year ended June 30, 2011 (“FY2011”). Out of the total of $1.34 million in revenue for FY2011, member dues and program-related revenues accounted for $997,702, compared to $874,066 in FY2010. Membership dues increased by less than $5,000 in FY2011, as annual membership dues remained at $150 for the sixth straight year. CFA Chicago carefully manages its expenses in order to keep dues at reasonable levels for members. Revenue from academic programs increased from $106,009 in FY2010 to $125,774 in FY2011. CFA Chicago earned significantly more revenue from special educational events in FY2011 versus FY2010, due to the increased number of educational events sponsored by CFA Chicago. Special educational event revenue increased from $149,199 in FY2010 to $236,463 in FY2011. The majority of this increase was due to obtaining more sponsors for the annual dinner, as well as having more event registrations during the year. As the accompanying charts indicate, total member attendance at events increased from 4,985 in FY2010 to 5,455 in FY2011. Member development and royalty revenue also increased. Net gain on investments increased by just over $100,000 in FY2011 due to gains in the stock and bond markets between July 1, 2010 and June 30, 2011, but this represents unrealized gains on investments currently held by CFA Chicago and does not represent cash received by CFA Chicago.

Total expenses (program services and supporting services) declined from $963,109 in FY2010 to $953,284 in FY2011. Total expense margins improved from 88.8% of total revenue in FY2010 to 71.1% of total revenue in FY2011. While it is not the intention of CFA Chicago to maximize profit, earning a profit provides the opportunity to increase future spending on program services for members. Academic programs expense actually decreased slightly from the prior fiscal year to $220,287, but remained well above academic programs revenue. In FY2011, CFA Chicago incurred a net expense for academic programs of $94,513 (academic program revenue of $125,774 minus expense of $220,287). Special educational events expense increased sharply from $247,219 in FY2010 to $328,061 in FY2011. This increase was directly attributable to the greater number of special educational events sponsored by CFA Chicago. Regarding special educational events, CFA Chicago incurred a net expense of $91,598 in FY2011 (special educational event revenue of $236,463 minus expense of $328,061). The excess of expenses over revenues for academic programs and special educational events is generally offset by revenues from royalties, interest and dividend income, net investment gains (losses), and other income. Job placements and communications expense declined as these services were not utilized as often by Chicago area businesses during FY2011. For job placements and communications, the net expense was $76,307 (job placements revenue of $42,150 minus expense of $118,457). Member development expense was only slightly higher in FY2011. For member development, CFA Chicago incurred a net expense of $90,145 (member development revenue of $108,320 minus expense of $18,175). It is evident that the fees charged by CFA Chicago for various member services including attendance at academic programs and educational events, job placements and communications, and member development do not cover the costs of these member services. In all, total program services expense increased from $734,935 in FY2010 to $775,125 in FY2011. As a percentage of revenue, program services expense margins improved from 67.7% of revenue in FY2010 to 57.8% of FY2011 revenue. Supporting services expense, comprised of management and general expenses, declined from $228,174 in FY2010 to $178,159 in FY2011. This decline was primarily due to overlapping CEO salaries during part of FY2010 as outgoing CEO Jill Epstein and the current CEO Angela McKay were both on the payroll during a brief transition
period in FY2010. With only one CEO on payroll during all of FY2011, supporting services expense declined. However, this expense is expected to increase again in FY2012 due to the addition of a new employee as well as increased rent expense since CFA Chicago expanded its office space at the beginning of FY2012.

CFA Chicago experienced a change in net assets (net income) of $387,452 in FY2011, compared to a change in net assets of $121,844 in FY2010, due primarily to net gain on investments, increased royalties, and lower management and general expenses.

Excluding revenue from interest and dividends and net gain on investments, CFA Chicago would have had a change in net assets of $210,500 in FY2011, and $44,028 in FY2010. The analysis above separates revenues and expenses largely under the control of CFA Chicago from those revenues (largely investment related), which are substantially subject to market fluctuations. CFA Chicago’s overall resource strategy is to maintain a break-even or better status over the market cycle.

Financial Position
Aside from relatively minor accounts payables and accruals, our major liability consists of deferred revenue comprised largely of membership dues paid in advance of the fiscal year in which they are due. Our cash flow situation is helped considerably by the collection of member dues during (or before) the first several months of the fiscal year, which are then gradually drawn down during the rest of the year. Consequently, we have not experienced any material liquidity issues for a number of years.

Our net assets (all of which are unrestricted) increased from $1,224,621 on 6/30/10 to $1,612,073 on 6/30/11. Given the steady growth of our membership coupled with proven experience in keeping program expenses in line with their associated revenue, we consider our financial position to be strong.

Cash and Investment Detail
As of 6/30/11, we held $825,706 in cash/cash equivalents, and $982,954 in bond and equity Vanguard index funds, which are close to (and regularly rebalanced to) our target allocations of 35% U.S. bonds, 35% U.S. equities, and 30% non-U.S. equities (see the chart entitled Investment Allocation at June 30, 2011). These allocations are strategic in nature and are modified infrequently. The bulk of cash/cash equivalents are held in one or more money market funds and are used to meet the short-term cash needs of CFA Chicago.

Risks
The business model of CFA Society of Chicago rests substantially on (1) a stable or growing number of CFA Charter holders and candidates, and (2) the provision of benefits and services to its membership which continue to make membership in CFA Chicago attractive to investment professionals. Possible risks to the business model would include a major disruption involving the CFA Institute and its membership, competition from other professional societies with competing designations, substantial price increases from vendors which could limit the amount and kind of academic and educational events that can be sponsored by CFA Chicago, and loss of finance related jobs in the Chicago area which could slow or even reverse the growth in the number of CFA Charter holders and candidates in the Chicago area.

In addition to the business model risks discussed above, CFA Chicago faces risks to its endowment including financial reporting and management risks within CFA Chicago, as well as the potential for substantial declines in global capital markets. The CFA Chicago endowment is invested in passively managed index funds which generally follow the performance of the U.S. bond market, the U.S. stock market, and international stock markets. Significant disruptions in these markets could cause a substantial decline in long-term reserves and threaten CFA Chicago’s ability to continue to provide programs and services and add value to its membership. CFA Chicago balances this risk by maintaining a significant cash position which can cover one year of non-program expenses. This allows CFA Chicago to withstand market volatility while not being limited to cash only investments which do not keep up with inflation.

Conclusion
CFA Society of Chicago remains well positioned financially to continue to carry out its mission to meet the professional needs of its members.
TRENDS

Total Annual Revenues (000's)

Total Annual Expenses (000's)

Total Members

Annual Membership Fee

Total Attendance at Events

Member Attendance - One Event
Total Jobs Posted on Website

Only members have access to jobs postings

Investment Allocation at June 30, 2011

Source: Notes to Fiscal 2011 Audited Financial Statements.
CFA Society of Chicago

Financial Statements

Years Ended June 30, 2011 and 2010
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INDEPENDENT AUDITORS’ REPORT

October 24, 2011

Board of Directors
CFA Society of Chicago
Chicago, Illinois

We have audited the accompanying statement of financial position of the CFA Society of Chicago (Society) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Society’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CFA Society of Chicago as of June 30, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Mann, Weitz & Associates L.L.C.
CFA SOCIETY OF CHICAGO

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

ASSETS

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<td><strong>Total Current Assets</strong></td>
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<tr>
<td>Deposit</td>
<td>3,300</td>
<td>3,300</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>986,254</strong></td>
<td><strong>809,720</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 1,865,427</strong></td>
<td><strong>$ 1,380,596</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 35,190</td>
<td>$ 24,037</td>
</tr>
<tr>
<td>Accrued salaries and vacation</td>
<td>39,867</td>
<td>23,926</td>
</tr>
<tr>
<td>Accrued rent - Note 5</td>
<td>2,729</td>
<td>2,690</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>159,610</td>
<td>96,380</td>
</tr>
<tr>
<td>Program revenue</td>
<td>10,500</td>
<td>755</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>247,896</strong></td>
<td><strong>147,788</strong></td>
</tr>
<tr>
<td>NONCURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued rent - Note 5</td>
<td>5,458</td>
<td>8,187</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>253,354</td>
<td>155,975</td>
</tr>
<tr>
<td>NET ASSETS, Unrestricted</td>
<td>1,612,073</td>
<td>1,224,621</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$ 1,865,427</strong></td>
<td><strong>$ 1,380,596</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
CFA SOCIETY OF CHICAGO

STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2011 AND 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES AND OTHER SUPPORT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership dues</td>
<td>$ 575,140</td>
<td>$ 570,845</td>
</tr>
<tr>
<td>Academic programs</td>
<td>125,774</td>
<td>106,009</td>
</tr>
<tr>
<td>Special educational events</td>
<td>236,463</td>
<td>149,199</td>
</tr>
<tr>
<td>Job placements</td>
<td>42,150</td>
<td>45,468</td>
</tr>
<tr>
<td>Member development</td>
<td>18,175</td>
<td>2,545</td>
</tr>
<tr>
<td>Royalties</td>
<td>139,822</td>
<td>75,097</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>21,143</td>
<td>23,172</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>155,809</td>
<td>54,644</td>
</tr>
<tr>
<td>Other</td>
<td>26,260</td>
<td>57,974</td>
</tr>
<tr>
<td><strong>Total Revenues and Other Support</strong></td>
<td>1,340,736</td>
<td>1,084,953</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic programs</td>
<td>220,287</td>
<td>231,687</td>
</tr>
<tr>
<td>Special educational events</td>
<td>328,061</td>
<td>247,219</td>
</tr>
<tr>
<td>Job placements and communications</td>
<td>118,457</td>
<td>151,818</td>
</tr>
<tr>
<td>Member development</td>
<td>108,320</td>
<td>104,211</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>775,125</td>
<td>734,935</td>
</tr>
<tr>
<td>Supporting Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>178,159</td>
<td>228,174</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>953,284</td>
<td>963,109</td>
</tr>
</tbody>
</table>

| **CHANGE IN NET ASSETS** |        |        |
|                         | 387,452 | 121,844 |

| **NET ASSETS**         |        |        |
| Beginning of year      | 1,224,621 | 1,102,777 |
| End of year            | $ 1,612,073 | $ 1,224,621 |

The accompanying notes are an integral part of this statement.
## CFA SOCIETY OF CHICAGO

### STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$387,452</td>
<td>$121,844</td>
</tr>
<tr>
<td>Adjustment to reconcile change in net assets to net cash provided by (used for) operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>4,669</td>
<td>4,943</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>(155,809)</td>
<td>(54,644)</td>
</tr>
<tr>
<td>(Increase) decrease in assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalty receivable</td>
<td>49,230</td>
<td>(49,230)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(12,592)</td>
<td>4,080</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(7,738)</td>
<td>5,338</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>11,153</td>
<td>(2,488)</td>
</tr>
<tr>
<td>Accrued salaries and vacation</td>
<td>15,941</td>
<td>(70,120)</td>
</tr>
<tr>
<td>Accrued rent</td>
<td>(2,690)</td>
<td>(1,753)</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>72,975</td>
<td>(43,437)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used for) Operating Activities</strong></td>
<td>$362,591</td>
<td>(85,467)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |               |
| Purchase of investments          | (334,681)     |
| Proceeds from sale of investments| 313,956       |
| **Net Cash Used for Investing Activities** | (20,725) |

| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 341,866       |
| **CASH AND CASH EQUIVALENTS** |               |
| Beginning of year                | 483,840       |
| End of year                      | $825,706      |

The accompanying notes are an integral part of this statement.
1. **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES AND ORGANIZATION**

The CFA Society of Chicago (Society) is a tax-exempt, nonprofit, professional membership organization, which provides educational and networking opportunities for approximately 4,000 investment professionals. These services include developing and conducting academic programs and hosting special events. Funding for these services is primarily derived from membership dues and fees for programs and events. The Society is based in Chicago, Illinois.

**BASIS OF ACCOUNTING**

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

**BASIS OF PRESENTATION**

Information regarding the financial position and activities of the Society are reported in three classes of net assets as applicable: unrestricted, temporarily restricted and permanently restricted, based on the existence or absence of externally (donor) imposed restrictions. As the Society does not currently have any net assets with donor-imposed restrictions, the Society’s net assets and related activity have been reported as unrestricted. The Society reports its expenses by function (i.e., by program).

**CASH EQUIVALENTS**

The Society considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

**UNCOLLECTIBLE ACCOUNTS**

The Society considers its receivables to be fully collectible. Accordingly, no allowance for uncollectible accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made. This direct write-off method does not materially differ from the allowance method required by U.S. generally accepted accounting principles.

**INVESTMENTS AND INVESTMENT EARNINGS**

Investments are recorded at fair value. Fair value measurements under FASB ASC 820 (formerly known as Statement of Financial Accounting Standards No. 157) are categorized as: level 1, fair value measured using quoted market prices; level 2, using other observable inputs; or level 3, using significant unobservable inputs. All of the Society’s investments are valued using quoted market prices, level 1.
1. **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
   - Continued

**INVESTMENTS AND INVESTMENT EARNINGS - Continued**

Interest and dividends, as well as realized and unrealized gains and losses on investments, are included in the statement of activities. Interest and dividends are reported as increases in unrestricted net assets unless their use is restricted by the donor. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

**PROPERTY AND EQUIPMENT**

Property and equipment is recorded at historical cost. The Society capitalizes all fixed asset additions over $500. Depreciation is computed by use of the straight-line method based on an estimated useful life of three to seven years. Maintenance and repairs, which neither materially add to the value of the fixed assets nor appreciably prolong their lives, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in the statement of activities.

**REVENUE RECOGNITION**

Membership dues are recognized as revenue in the applicable membership period. All dues collected for future years are deferred and recorded as unearned dues revenue. Program and event revenues are derived from the industry-specific offerings and are recognized as each event occurs.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and other activities are presented on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the program and supporting services benefited based on time devoted to the functional areas and other appropriate allocation methods.

**USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and expenses during the reported period. Actual results could differ from those estimates.
INCOME TAXES

The Society is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code for all business income related to its exempt purpose. The Society is subject to income taxes on its unrelated business income after related expenses relating to job placement revenue. No tax provision was required for the years ended June 30, 2011 and 2010.

EVALUATION OF TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of June 30, 2011 and 2010, the Society had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

SUBSEQUENT EVENTS

The Society has evaluated subsequent events for potential recognition and/or disclosures through October 24, 2011, the date the financial statements were available to be issued.

2. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Society maintains its cash and cash equivalents and investments with high quality financial institutions, which are not federally insured or if covered, at times may exceed federally insured limits.

3. INVESTMENTS

The aggregate carrying amount of each major type of investment at June 30 is as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Market Index Fund</td>
<td>$321,857</td>
<td>$285,780</td>
</tr>
<tr>
<td>International Stock Index Fund</td>
<td>299,620</td>
<td>228,819</td>
</tr>
<tr>
<td>Stock Market Index Fund</td>
<td>361,477</td>
<td>291,821</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$982,954</strong></td>
<td><strong>$806,420</strong></td>
</tr>
</tbody>
</table>
4. PROPERTY AND EQUIPMENT

Major classes of fixed assets at June 30 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture</td>
<td>$14,621</td>
<td>$14,621</td>
</tr>
<tr>
<td>Computers</td>
<td>$32,654</td>
<td>$32,654</td>
</tr>
<tr>
<td>Computer software</td>
<td>$7,185</td>
<td>$7,185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$54,460</td>
<td>$54,460</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>$43,605</td>
<td>$38,936</td>
</tr>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td>$10,855</td>
<td>$15,524</td>
</tr>
</tbody>
</table>

Depreciation expense for the years ended June 30, 2011 and 2010, was $4,669 and $4,943, respectively.

5. LEASE COMMITMENT

The Society leases office space in Chicago, Illinois under a lease agreement which was set to expire on June 30, 2013. The lease was amended during July 2011 to include additional space and an expiration date of June 30, 2014. This lease provides for the payment of base rents plus a proportionate share of real estate taxes and certain building operating expenses. In addition, the original lease contained a four month rent abatement at the beginning of the lease. U.S. generally accepted accounting principles require rent expense to be recognized evenly over the life of the lease. During the initial years of the lease, this results in more rent expense recognized than cash payments made at year end. The excess of future payments of rent over future rent expense recognized is to be recorded as a liability on the statement of financial position. As of June 30, 2011 and 2010, the excess of rent expense recognized over rent payments made was $8,187 and $10,877, respectively.

Future minimum lease commitments are as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$54,180</td>
</tr>
<tr>
<td>2013</td>
<td>$55,392</td>
</tr>
<tr>
<td>2014</td>
<td>$56,616</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$124,812</strong></td>
</tr>
</tbody>
</table>

Rent expense charged to operations for the years ended June 30, 2011 and 2010, was $42,481 and $41,335, respectively.
6. RETIREMENT PLAN

Effective January 1, 2003, the Society’s Board of Directors approved a 401(k) plan for eligible employees. The plan covers all employees who are at least 21 years of age. The Society annually contributes 3% of compensation for all eligible employees. Total Society’s contribution expense amounted to $9,089 and $10,090 for the years ended June 30, 2011 and 2010, respectively.

7. EMPLOYMENT CONTRACT

The Society entered into an employment contract with its previous Chief Executive Officer commencing September 2003 that provided for a minimum annual salary, an achievable performance-based bonus and paid vacation. The contract terminated during the year ended June 30, 2010. The Society entered into an employment contract with its current Chief Executive Officer commencing January 2010, which also covers salary, bonus, and vacation. This contract has no specified expiration date.

8. VOLUNTEER SERVICES

A significant amount of donated services is contributed to the Society by various members to support the Society’s program and supporting services. These volunteer activities include participating on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements.