

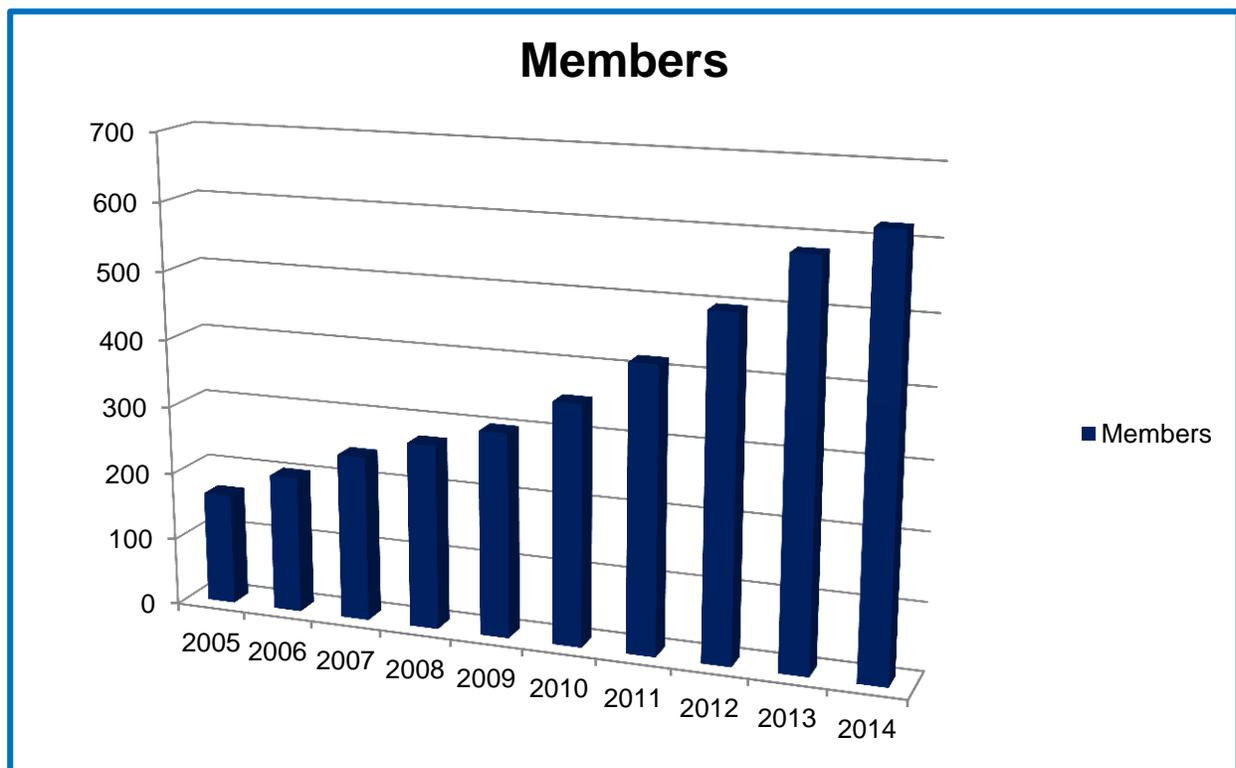


CFA Society Brazil turns 10 in 2014!

The CFA Society Brazil, (CFASB), was created in March 2004 by a group of CFA Charterholders: Alex Carpenter, Gaspar Gasparian, Luiz Ribeiro, Juan Carlos Morales, Luciana Pazos, Hilton Tokunaga and Fábio da Motta Pinto. At the time, it was not legal to create a trade association with a name written in a foreign language and our Society was opened with the name of *Associação Brasileira de Profissionais da Área de Investimento* – BRASIP (Brazilian Society of Investment Professionals), including the parenthesis and the italics!

For the rest of 2004 the Society struggled to get to the minimum number of members, 75, in order to become a full-fledged Member Society within the newly renamed CFA Institute (that same year the former Association for Investment Management and Research (AIMR) had changed its name to become the CFA Institute).

By the end of 2005, however, the CFA Society Brazil had grown to be 165-member strong and has been growing at impressive double-digit rates of 15% annually on average since then:



In the last 10 years, the numerous CFA Charterholders involved with the Society, always as volunteers, have been able to develop numerous activities focused on the members, CFA Program candidates and the Brazilian financial community in general. Below we mention just a few of these initiatives:

- Annual Conference: annual gala dinner with relevant international and domestic guest speakers held since 2011. Some of our past speakers include Marc Faber, Luis Stulberger, Gustavo Franco, Marcos Lisboa and Rodrigo Azevedo.
- CFA Program prep course: created in partnership with Anbima between 2010 and 2013, the prep course trained more than 300 students for the CFA Levels I and II examinations. The prep course initiative was discontinued in 2014 as we came to the conclusion that the Brazilian market has been able to attract a large enough number of prep course choices for the candidates.
- CFA Institute Research Challenge: this “mock” sell-side competition among undergraduate level teams organized globally by the CFA Institute is now at its 7th year in Brazil and has involved thus far over 20 different universities and dozens of CFA Charterholders as volunteers.
- Advocacy Board: started in 2011 with the support of a Growth Fund allocation from the CFA Institute, the Board is responsible for leading the Society’s advocacy efforts with Brazilian regulators and other market entities. From 2011 to date, the advocacy initiative has involved more than 200 of the Society’s members through participation in the surveys and as volunteers in the Technical Committees and Working Groups. The Advisory Board also leveraged significantly the Society’s relationship with the Brazilian Securities Commission (CVM).

Understanding the structure of the CFA Society Brazil

On 1 July 2014, a new Board of Directors of the CFA Society Brazil will take office. The Board is composed of seven members with pre-assigned responsibilities. The members of the Board are all volunteers and perform their activities with the help of Débora Fernandes, the CFASB’s staff person.

Below we briefly describe the responsibilities of the Board:

- ✓ Presidency: besides coordinating the Board’s activities, the President of the CFASB is also the primary person responsible for the relationship with the CFA Institute, as well as being the representative of the CFASB in the Presidents Council, which meets once a year and gathers the 140 presidents of all current Societies.
- ✓ Advocacy and Institutional Relations: responsible for coordinating the Advocacy Board as well as the relationship with all regulatory entities (CVM, Central Bank, etc.) and with other trade associations, such as Apimec, Amec, Anbima, etc.
- ✓ Employer Relations and Job Opportunities: the activities coordinated by this Board member are among the most important for the members of the CFASB. For the members that are already employed, it entails, for example, promoting the value of the CFA designation in order to enhance the chances of the members getting promotions or getting a partial or full payment of the CFAI and CFASB annual fees. For the members seeking to change jobs, it seeks to generate a preference for hiring CFA Charterholders. It also seeks to incentivize the employers to support CFA Program candidates by paying for the exam fees and/or for prep courses.
- ✓ Programming and Education: this Board member coordinates all events offered by the CFASB to its members, such as Member Lunches and the Annual Conference.

- ✓ University Relations and CFA Institute Research Challenge: this is the door to present the capital markets, the CFA Institute and the CFA Program to the future professionals of finance. Besides the coordination of the local level competition of the Research Challenge, there are other activities that involve universities, the CFA Institute and the CFASB, such as partnerships, scholarships and special campaigns promoted by the CFA Institute.
- ✓ Public Awareness and Sponsorships: this Board member is responsible for increasing the awareness of the CFA designation and of the activities of the CFA Institute and CFA Society Brazil. The relationship with the media is an important part of this, but it also involves other market participants not already covered by the other Board positions.
- ✓ Treasury: responsible for managing the finances of the CFASB.

The names and contact information of the volunteers that will fill up these positions starting on 1 July will be announced shortly. We urge all CFASB members to reach out to them with questions, suggestions, complaints or requests.

The CFASB exists for its members, so please speak up and get involved!

EVENTS CFA SOCIETY BRAZIL

In the second quarter of 2014, the CFA Society Brazil, in partnership with our sponsors Thomson Reuters, Ned Davis Research and FACTSET organized two Member Luncheons at Cantaloup Next Door, on 30 April and 16 May respectively, exclusively for members of the Society.

On 30 April 2014 we had as speakers Giuliano Colombo and Sam Aguirre, CFA. Mr. Colombo is a corporate restructuring partner of Pinheiro Neto Advogados and Mr. Aguirre, CFA, is a senior managing director in FTI's Corporate Finance practice and specializes in advising on debt restructurings in Latin America. The speakers presented the subject "Alternative Asset Class – Distressed Debt and Distressed Assets". The event was fully booked. Members gave positive feedback, describing the event as valuable and informative.

On 16 May 2014, also in partnership with our platinum sponsors, we had the second Member Luncheon this quarter. The topic "Challenges of Performance Attribution in the Brazilian Markets?" was presented by Mr. Joe Stuhr, Vice President, Portfolio Analytics at FACTSET. Mr. Stuhr joined FACTSET in 2001 within the Consulting Services Group and in 2003, he transitioned into a Portfolio Specialist role where he focused on selling and supporting FACTSET's portfolio suite of products. The event was useful and we had just under 30 attendees.

We would like to thank those who attended these events and send special thanks to this quarter's speakers!

UPCOMING EVENTS

SÃO PAULO

07 August - Panel Event

Location: Insper University

Speakers: Luis Stuhlberger and Dan diBartolomeo

Topics presentation: "Scenarios and Strategies" and "Analysis of Hedge Funds and their Managers: What Most Investors Get Wrong!" - Time: 06:30 – 09:30 pm

SÃO PAULO

16 October - Annual Conference 2014

Location: Unique Hotel

Speakers and sponsors will be defined.

PICTURES OF THE SECOND QUARTER MEMBER LUNCHES



Speakers Giuliano Colombo and Sam Aguirre, CFA. Amanda Viana Marketing Coordinator for Financial & Risk Thomson Reuters - Member Lunch 30 April 2014 Cantaloup Next Door



FACTSET Team and attendees at the Member Lunch 16 May 2014 Cantaloup Next Door

ADVOCACY

CFA SOCIETY BRAZIL AND THE REFORM IN THE MUTUAL FUNDS LEGISLATION IN BRAZIL

On 28 April the CVM issued Public Consultations numbers 3/2014 and 4/2014. The first public consultation changes the definition of “qualified investor” and proposes the creation of a new category, the “professional investor”. While the first category of investor must have at least R\$1m in financial investments, the second one must have a minimum of R\$20m in financial investments. According to the CVM proposal, each category of investor will be granted differentiated access to financial investments.

Public Consultation number 4/2014 aims to create a new mutual funds regulation to replace CVM Instruction number 409. The new legislation proposed brings several enhancements and the most relevant are changes in the communication between a fund’s administrator and its quotaholders, reduction in the number of types of funds and remuneration practices of funds’ distributors. It also proposes an increase in the investment limits in foreign assets by Brazilian domiciled funds as well as changes in the calculation of the performance fee.

In order to analyze and propose enhancements to the CVM, the CFA Society Brazil made a call for volunteers for a Working Group to focus on these Public Consultations. Eleven volunteers attended the call. As part of its mission, the Working Group sponsored a Survey among all CFA Society Brazil members about their opinion on the key points of these Public Consultations and got 49 answers. The group also met Ms. Ana Novaes and Julia Franco, respectively, Commissioner and Head of Staff at CVM, to discuss the main points of the proposal.

With all these actions, the Working Group will propose a set of enhancements to the CVM’s proposals that represents, as much as possible, the Society’s consensus on such points. The proposals shall be approved by the Society’s Advisory Board before being sent to the CVM.

The Public Consultation was supposed to end on 30 June but it has been postponed for two weeks by the CVM. The proposals sent to the CVM by the CFA Society Brazil will be available on the Society’s website as soon as they are concluded.

In its turn, the Corporate Governance Committee is developing a “Quick User’s Guide” of best practices in Corporate Governance for privately owned companies. This subject has been the subject of studies by several entities in our market and is of special interest of companies that are being targeted by Private Equity Funds or studying the possibility of issuing public offerings, for instance.

We are grateful to our Sponsors

Platinum Sponsors



THOMSON REUTERS



Ned Davis
Research
Group

FACTSET

Contact Information

Débora Fernandes

Tel: +55 (11) 98446-9646

CFA SOCIETY BRAZIL

staff@cfasociety.org.br

www.cfasociety.org/brazil