



**ANNUAL REPORT
2017/2018**

PRESIDENT'S LETTER

CFA Society of Indianapolis enjoyed another great year of activities and advancement in fiscal year 2017-2018. We inherited a strong, experienced foundation of Society leaders. We also managed through the departure of two seasoned board members who took on new, broader roles in their professions that required out-of-state moves. The report that follows summarizes some of the key initiatives we have undertaken this year. Our aim is to keep you, our members, informed about the health of our Society and the value we offer you, your clients, and the broader investment community.

Under the leadership of Dan Sailer, we enjoyed another excellent year for programming and events. Our primary focus of these events is professional and ethical development, and promoting the value and awareness of the charter. At our 2018 Annual Investment Forum, speakers included Howard Marks, the co-founder and co-Chairman of Oaktree Capital Management; as well as Andrew Fastow, the former CFO of Enron Corporation, who spoke to our Society about ethics and "Rules versus Principles".

The CFA Society of Indianapolis hosted its first ever local CFA Research Challenge, led by our Education and Outreach Chair, Vincent Riedy. Indiana University won our local competition and went on to the national competition in Boston. This was a big step forward for our society, and it did not come without challenges. Special thanks to Vincent Riedy and Neil Banwart.

Our Society recognized seventeen new charterholders this fiscal year in the state of Indiana, one of which will be joining our society's leadership immediately in fiscal year 2018-2019. The annual New Charterholder Ceremony was an extraordinary event, held at the Dallara Indycar Factory in December in Indianapolis. Special thanks to Austin Crites for the planning and coordination of this excellent event. In addition, CFA Society of Indianapolis held its second annual mock exam earlier this month through Kaplan Schweser. Special thanks to Matt Henry and Austin Crites for organizing the exam.

Under the financial oversight of our Society Treasurer, Megan Bennett, and efforts to secure funding by our Sponsorship chair, Kris Patel, our Society continues to remain financially strong and stable. More detail is provided in the Treasurer's Report below.

To conclude, the Society continues into the 2018-2019 fiscal year in excellent condition with a great foundation of experienced leadership. It has been my pleasure to serve alongside all of you. Thank you for allowing me to be a part of this great leadership team and serve as your president.

Sincerely,

Andrew L. Thorne
President, CFA Society of Indianapolis

MINUTES FROM 2017 ANNUAL MEETING

June 28, 2017

Location:

St. Elmo Steakhouse
127 S Illinois St
Indianapolis, IN 46225

Attended:

58 members in attendance

Call to order: 12.00PM

Mitch DePoy, CFA President of Society of Indianapolis made opening remarks and reviewed completed 2016-2017 Strategic Initiatives. Treasures and Sponsorship report was reviewed.

Consent Agenda:

Minutes from 2016 annual meeting approved. The Nominating Committee of the CFA Society of Indianapolis submitted the following individuals for the 2017-2018 officer and board positions:

Officers:

- President: Andrew Thorne, CFA
- Vice President: Dan Sailer, CFA, CPA
- Treasurer: Megan Linnemeier, CFA
- Secretary: Anthony Bykovsky, CFA

Continuing Board Members:

- Andrew Thorne, CFA
- Dan Sailer, CFA, CPA
- Megan Linnemeier, CFA
- Anthony Bykovsky, CFA
- Mitchell D. DePoy, CFA
- Sunjay Goel, CFA
- Tony Huang, CFA
- Matthew Henry, CFA
- Vincent Riedy, CFA
- Robert "Bo" Ramsey, CFA

New Board Members:

- Paige Sheraw, CFA
- Neil Banwart, CFA
- Austin Crites, CFA
- Tom Evans, CFA
- Eric Thornburgh, CFA
- Krisna Patel, CFA

Motion made to approve slate of nominees, motion seconded and then motion passed unanimously by those present. 77 members also cast votes online ahead of the annual meeting. All 77 voted to approve slate of nominees.

Slate approved as required by ByLaws.

President Mitch Depoy made closing remarks and passed the Presidency to Andy Thorne.



PROGRAMMING REPORT 2017-2018 DAN SAILER, CPA, CFA

Planning events broader than scheduling a tee time has never been a strength of mine, but thankfully no one steps into the Programming Chair feeling alone. So, right off the bat I owe a huge "thank you" to the officers (Andy, Megan, and Matt), past-president Mitch DePoy, and to those who were never short of great ideas or volunteering to help – especially Sunjay Goel, Kris Patel, Austin Crites, and our assistant, Ashley Merder.

We kicked off our year on a sunny August day by returning to Bridgewater for our annual golf outing. We also heard a fixed income update from Dan Siluk, portfolio manager at Janus Henderson Investors and team member with the legendary Bill Gross.

In September, we heard a presentation from Ben Carlson, director of institutional asset management at Ritholtz Wealth Management and creator of the popular investment blog A Wealth of Common Sense. Attendees also received a copy of Ben's book, Organizational Alpha.

To highlight Indiana's ever-growing venture capital community, we hosted an evening event in October at the downtown Speak Easy. We were fortunate to have Ben Pidgeon, executive director of VisionTech Partners/VisionTech Angels, moderate a panel of seasoned VC professionals: Oscar Moralez, serial entrepreneur and founder/managing director of VisionTech Partners/VisionTech Angels, Ting Gootie, CFA, chief investment officer at Elevate Ventures, and Joe Muldoon, CEO of FAST BioMedical.

November's luncheon featured Chicago-based LJM Funds and a presentation about the characteristics of volatility as an asset class and active vs. passive volatility strategies. Unfortunately, in hindsight this event was filled with irony, as – after numerous years of impressive returns – the unprecedented volatility spike in early February led to severe losses within the funds and ultimately LJM's closure. These subsequent events served as a stark reminder of the reality and magnitude of left-tail risks.

The board recognized seventeen new CFA charterholders at December's New Charterholder Ceremony. Held at the Dallara Indycar Factory, attendees were able to share exam war-stories, try their luck at the racing simulators, and hear words of wisdom from Society past-presidents Tim Voegele, Rob Twitchell, and Jeff Mantock. Many parents, spouses and colleagues were in attendance to celebrate with the new charterholders as well.

We hosted our Annual Forecasting Event in January at Eddie Merlot's. Bill Smead, founder of Smead Capital, returned to share his latest thoughts on growth versus value, FAANG stocks, and his observations of his hometown Seattle and Amazon's impact on it. Winners of the 2017 Forecast Challenge were recognized, and we shared the "consensus" view from our 2018 survey.

Our signature event – the Annual Investment Forum – was held at the Ritz Charles on March 8th. First, legendary investor Howard Marks, CFA of Oaktree Capital was interviewed by Rob Cook, CFA from our Society. (Since Howard quipped a public reprimand for my failure to mention his newest book, let me make up for that now by reminding you to buy Mastering the Market Cycle when it comes out this October!) Chen Zhao, founder of Alpine Macro, then offered a macro update, followed by Richard Mathieson of BlackRock, who presented how AI and Big Data are reshaping the investment industry. Andy Fastow, the former CFO of Enron, discussed rules versus principles and why following the letter of the law is frequently not enough. Finally, Jeff Sherman, CFA, deputy chief investment officer of DoubleLine, provided a fixed income update and presentation titled Quantitative Tightening. The Forum was well-attended – many thanks to past-president Jim Bergstrom for sharing his Forum playbook!

We did not host a formal event in April, but the Finance Club at the University of Indianapolis invited members of our Society to attend its Risk Panel Discussion. Several Society members and alumni attended, and one of the featured panelists was one of our own Society's past-presidents: Charlotte Lippert, CFA.

David Oppedahl – senior business economist at the Federal Reserve Bank of Chicago – joined us in May to present an agricultural update. David authors the quarterly AgLetter for the bank. It was nice to see several ag-focused members in attendance, as well as some farmers attending as guests.

Our Society hosted a Mock Exam (provided by Kaplan Schweser) in early June at the KSM Conference Center. About thirty-five candidates across the three levels participated. Thank you Austin Crites and Tom Evans for giving up a beautiful Saturday to be on site to make this possible!

That concludes our programming year; I hope you were able to attend many of these events and encourage you to participate in the great ones ahead.



TREASURER'S REPORT: MEGAN LINNEMEIER, CFA

I was handed the reigns of Treasurer in the Summer of 2017 and the Society was on solid financial ground. At the end of fiscal year 2018, I am happy to report that the Society remains in great financial shape. Our Board continues to make smart financial decisions and deploys resources in a conservative and thoughtful manner. In summary:

- Despite budgeting for a loss for fiscal year 2018, the Society was cash flow positive
 - Our new Sponsorship Chair (Kris Patel) stepped into the role left vacant by Sunjay Goel. Sunjay's efforts were incredibly resourceful for the Society and Kris did an excellent job filling his shoes. We were able to raise \$19,000 in sponsorship revenue, compared to our budget of \$8,000.
 - A very successful Investment Forum event came in under budget
 - The lunch program also came in under budget
- For those interested in the details, I have included an outline of cash receipts and disbursements below:

- Cash receipts totaled \$82,500.
 - o Society Dues: \$18,000
 - o CFA Institute Funding: \$31,000
 - o Event Dues: \$13,000
 - o Sponsorships: \$19,000
 - o Other (Job Postings, etc): \$1,500

- Cash disbursements totaled \$71,000.
 - o Event expenses: \$54,000
 - o Administration/Operations: 13,000
 - o Advertising: \$2,000
 - o Charitable Giving: \$2,000

There will be some differences in these figures as we close out the year, but rest assured, there is an auditing process in place which we will go through as we wrap up FY 2018. It has been my honor to serve as your Treasurer and as a Board Member for the CFA Society of Indianapolis.

Thank you.



MEMBERSHIP & SCHOLARSHIP COMMITTEE REPORT: AUSTIN CRITES, CFA

Our Indianapolis membership base is strong with 333 total active members: 310 Regular members, 7 Affiliate members, and 16 Adjunct members. In December, we congratulated 23 members for passing level 3 at the Dallara Indycar Factory at our annual New Charterholder Event. That event is open to all members and we had 73 people in attendance. We helped expand our candidate pool by offering 4 CFA exam scholarships to candidates needing financial assistance. The scholarship program is really critical in helping candidates accelerate their careers.

Our society is partnering with CFA Society Minnesota to offer a Compensation Survey in 2018, our first since 2016 and second overall. The plan is to conduct these every other year instead of annually in order to avoid survey fatigue. Members can expect to see the compensation survey results published later this calendar year. Finally, we partnered with Kaplan Schweser again this year to provide a mock exam for our candidates of all levels. This is a full day event where an exam type of environment is simulated to help improve the success rates for our local candidates. We expect to continue all of these programs into next year as we strive to enhance the value of society membership and grow our ranks.

SECRETARY'S REPORT: MATT HENRY, CFA

The Secretary is primarily responsible for maintaining all records of meetings and communication with the appropriate members, directors, and officers.

FY 2018's highlights included: We had another strong year of interest in posting career opportunities. Job openings are posted on the Society's website for three months and emailed to the entire membership base. 17 job openings were posted on behalf of employers, generating \$2,550 in revenue for the Society.

Represented CFA Society Indianapolis in the 2017 Americas Society Leadership Conference in San Jose, CA. Supported the Vice President and Programming Committee Chair by posting events to the Society website and emailing announcements to the membership base. Several improvements were made in marketing and membership contact, including redesigned communications and several back-end logistics enhancements.

FY2019 will see several improvements and changes for the Secretary, as the Society and CFA Institute partner to roll out Society 2.0, One Membership, and other exciting initiatives.



EDUCATION & OUTREACH COMMITTEE REPORT

As mentioned in the President's letter, the CFA Society of Indianapolis hosted its first ever local CFA Society Research Challenge. MBA Students from Indiana University analyzed KAR Auction Services [KAR]. As the winners of the local challenge, the team went to Boston, MA to participate in the CFA Institute Research Challenge- Americas Regional. Neil Banwart accompanied the IU team to the Regional Finals. The evening before the finals commenced, the team did a mock presentation (including Q&A) as a final run through. At the Regional finals, the IU team was placed into a four team 'bracket.' Each team is given exactly 10 minutes to make their presentation, then 10 minutes for a question and answer session from a panel of Judges. The IU team performed very well, but did not advance to the semifinal round. Ultimately, it was a great experience and beneficial to have a local team represent the CFA Society of Indianapolis.

Looking ahead to our next fiscal year, the CFA Society Board will ensure that this initiative, led by Vince Riedy and Neil Banwart continues. The CFA Society of Indianapolis looks forward to hosting a local challenge with the winner advancing to the Americas Regional in New York, NY. We look forward to having a team advance to, and win the Global Final at some point in the future!

Respectfully submitted,
Neil Banwart, CFA



SPONSORSHIP: KRISNA PATEL, CFA

Sponsorships are instrumental in enabling our Society to provide outstanding education, speakers, and venues for our membership base. Sponsors allow our members to interact with their representatives to gain key insights into industry and market metrics which are current and relevant to our members. Sponsorship opportunities filled up quickly this year based on the foundational work of Sunjay Goel and the Board of Directors. Sponsors are clearly seeing the benefits of engaging with our members, and our board is grateful for their support. We would like to thank our sustaining Platinum sponsor First Trust, Gold sponsors VanEck and Invesco, and Silver sponsors Janus, Lord Abbett, and Nuveen. Our Annual Forum sponsors included BlackRock, JP Morgan, Thornburg, Janus, Schwab, Harding Loevner, and American Century. Golf outing sponsors included PGIM, JP Morgan, Deutsche Bank, Legg Mason, BlackRock, and SPDRS. As we move forward we will continue to take feedback from our sponsors and members in making this a rewarding and sustaining relationship.

NOMINATING COMMITTEE REPORT

The Nominating Committee of the CFA Society of Indianapolis would like to recommend the following persons be brought before the voting membership at the 2018 annual meeting for the purpose of being approved as officers and/or board members for the 2018-2019 fiscal year.

Officers:

President: Dan Sailer, CFA, CPA - Manager, Business Valuation Services, Katz, Sapper, & Miller
Vice President: Matthew Henry, CFA - VP, Senior Investment Officer, STAR Wealth Management
Treasurer: Austin Crites, CFA - Equity Analyst, Goelzer Investment Management
Secretary: Paige Sheraw, CFA - Director, Investor Relations, Anthem

Continuing Board Members:

Andrew Thorne, CFA - Assistant Treasurer, Home Point Financial
Mitchell D. DePoy, CFA - Research Analyst, Oppenheimer Investment Management
Sunjay Goel, CFA - Portfolio Manager, Spectrum Management Group
Vincent Riedy, CFA - Senior Investment Analyst, Anthem
Tom Evans, CFA - Senior Investment Analyst, 40|86 Advisors
Eric Thornburgh, CFA - Senior Investment Analyst, 40|86 Advisors
Krisna Patel, CFA - Owner, Om Wealth Management
Neil Banwart, CFA - Data Analyst, Cummins

New Board Members:

Kenny Blickenstaff, CFA - Owner, Titan Investment Management
Matt Cushman, CFA - VP, Manager of Equity Research, Old National Wealth Management
Nagendra Rayapureddi, PhD, CPA, CFA - Director, Business Development, Elanco Animal Health
Dan Ford, CFA - Senior Investment Strategist, Oxford Financial Group

Respectfully Submitted,

The Nominating Committee:

Mitchell D. DePoy, CFA
Andrew Thorne, CFA