



FMA Meeting March 21, 2007

Announcements:

Golden State Warriors Tickets Still Available Please Contact any FMA Officer for Details if you still haven't done so.

CFA Institute

Brian

Spartan Investors

Wells Fargo

Jim Keen

FMA President at Syracuse University in 1979

Out of College worked with GE

2 year program – rotational accounting, consulting, cost accounting, financial accounting (didn't like it much)

He is a person who likes to finish things he starts

Looking for a job in advising people therefore got him into Financial Advisor.

Looked in NY but found job in California

Financial Planning – investment (real estate, RE financing, borrowed money for a living, he found it really fun)

Venturing Leasing – co investing with top tier Venture Capitalist

Value in different way, more about the business and people

Look at business at different perspective

Finished CFA in 1997-1999

Do CFA when you are young

Used it as a transition to advise individuals.

Teaches a review program around CFA, which lead him into teaching at USF and Bangkok, and possibly Beijing and Mumbai.

With Wells Fargo:

Focused on high net individuals and advising on estate planning strategy, tax and risk management. Educational funding, etc.

Courtney – Deloitte

CFA Program

Want to set the global standard for educational excellence.

Common Occupation



- CEO/Principle
- CIO
- Investment Managers

Majority work in Mutual Fund and Investment companies followed by Brokerage/ Investment Banks.

3 exams over the course of 3 years.

Jim Keen – Wells Fargo

=CFA Stats Compensations

- Russell Reynolds- search firm sponsors CFA (MBA Investment)
- Income diff for CFA vs. similar non charters 10 yrs or more = 24% higher income for CFA
- Different amongst all professional = 54% so income 54% higher. Included lower level.
- MBA only vs. CFA = 18% higher income level with CFA only vs. MBA only (investment profession)
- Pay in equity in women vs. men = women paid 13% compared to 15% in men.
- Most Compensation is in Hedge Funds
- Investment council funds are near upper range of earnings
- Does who manage assets vs. does who do not = paid more roughly 15% more.
- Boston, MN, SF earn 15% median than US, NY 38% highest.
- Key data around compensation based around CFA.
- 860 hours spent total in preparing for CFA.

Brian

June 2006 Exam results:

63,249 candidates from 149 countries sat

186 countries worldwide

25% no-show rate (compared to a 10-year average of 26%)

Pass rates –

40% @ Level I

48% @ Level II

76% at Level III

Weighted average pass rate is 52%

Courtney –

Went to Boston

Performance Analysis – looked at Mutual Funds at companies Pension Funds

Wasn't sure if she wanted to be in Finance world, or even take CFA exam

Charles Schwab in SF

Started doing asset tracking and managing budget

Didn't want to be in a supporting operating role, but liked finance like her previous job.

Decided to seriously looking into CFA

Transferred into Corporate finance department at Charles Schwab



Company was going through major changes and allowed her to rotate through many finance departments

Now working with Deloitte

Works with the biggest banks with international presence

Work with people who value the CFA

People who take pride in those who have their CFA

Consulting is her thing now

Bazell 2 – regulatory standard for WHOLE WORLD.

In EU more advance (Banks) than US

US concern about how US banks should be implementing Bazell 2

Affecting big banks at the moment

1<sup>st</sup> year program costs – 2006

Approx costs for new level I candidates

Registration fee for CFA program

How many classes do you take and can we download things at home to help us study?

- Approx 20% go through a review program. 16 to 18 hours a week in a class review program.
- Fast paced which gives you content and what you need to know
- Do lot of studying outside
- 200-350 hours needed to prep
- Study groups
- CFA society keeps lists of people studying at levels
- IT can all be done through self study
- Courtney did 2 years of self study
  - o Went through Stella
    - Do intensive one month before exam prep, but Courtney doesn't believe in that, if you prepare in advance then you can be ready
  - o Sometimes the review or self study is not for everyone
  - o You can do a combo
- Brian
  - o Many employers pay or sponsor for the program
  - o CFA society SF review course
    - Found to be comfortable

What advice you have people who want to invest, if you are not in an IV school?

- Network as much as you can
- Someone committed to the investment community
- Get involved with groups
- Venture capitalists groups
- This is a life-long practice which will always be beneficial

Favorite Publication for Investment?



- Jim
  - o Barons and the Economists
  - o Sunday NY Times
  - o Research and so forth can be boring.
  - o Listen to people more than reading something.
- Brian
  - o NY Times, Wallstreet journals
- Courtney
  - o Barons and Economists

How to learn more about investing?

- Find information through the internet, just need to learn how to be efficient.

What kind of tools do you use in figuring out what to invest?

- use quantitative analysis
- does his own stuff
- make own models
- more of world turning towards quantitative analysis
- less towards fundamental analysis and valuation

Best Work/Life Balance?

- Courtney
  - o Stay away from consulting, IB
  - o Its important that you have a passion for what you do
  - o Willing to travel 60% of time with very short time.
  - o Work 6am to 1am
  - o Must enjoy what you do, if you do not you will be miserable and burnt out
  - o Sometimes making money is not always going to make you happy
  - o When you get the idea of if you are in the right place with the right purpose, then you are in the right place of mind.