

10 YEARS!
1996-2006



Annual Report 2006

and Materials for the General Assembly

General Assembly of Members of Swiss CFA Society
Thursday, March 29, 2007 at 17:30h

Société des Arts de Genève
Palais de l'Athénée
2, rue de l'Athénée
CH – 1205 Geneva
Switzerland



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**Please make sure to vote the Proxy
before March 19, 2007.**

**You are most welcome to participate to the
General Assembly in Geneva. Please register
on the Proxy or per email to info@scfas.org**

Dear Member,



2006 was one of the most active year of your Society, from a very successful CFA Institute Annual Conference in Zurich to the celebration of our 10th anniversary.

The First CFA Institute Annual Conference to take place outside of North America was a huge success with over 1 200 attendees, the highest number so far of participants in 59 years of annual conference memory. Those of you who participated will certainly remember not only the quality of speakers but also the great Zurich hospitality.

When the then Swiss Society of Investment Professionals was created in 1996, there were barely 100 of us regular members. As of today, we are more than 1 500 in Switzerland, and 88 000 worldwide. More than 100 000 candidates took exams in 2006.

Growth also allows your Society to offer quality monthly PD events both in Zurich and Geneva. Presentations take place on central locations, are free for members and various topics are covered by both local and international speakers allowing credits toward satisfying annual PD requirements. Please refer to our updated website for further event information (www.scfas.org).

On a more personal basis, it is unfortunately also time to say goodbye to two of our board members, Remo Kränzlin and David Bodmer. They served with conviction as board members working respectively to organise quality PD events and dealing with universities. Remo and David will focus primarily in 2007 on their respective families and businesses.

I would also like to thank all my other fellow board members for their relentless involvement in developing the activities of the Society.

On behalf of the SCFAS board, I look forward to seeing you again in 2007!

Yours sincerely,

A handwritten signature in blue ink, which appears to be 'JF'.

Julien Froidevaux, CFA
President
Swiss CFA Society

I. Activity Report

A. Professional Development

PD events took place on a monthly basis both in Zurich and Geneva. Topics covered included diversification through hedge funds, pension related issues, future of independent asset managers, development on Asian bond markets, an update on Swiss regulation regarding initial public offerings, GPS update and seminar (in association with Swiss Bankers Association), and many others.

We also promoted other seminars presenting interest to our members, such as the first Women's Finance Conference which took place in September in Zurich.

Finally, we are currently renewing our sponsoring agreement with Reuters for another three years, which allows quality presentations to take place in central locations in Zurich and Geneva.

Remember that participation to SCFAS events automatically updates your PD diary.

B. Social Events

Our traditional forecast dinner took place for the 7th time early 2006 at Savoy Baur en Ville, with Dr. Willy Hautle, Chief Economist at Zürcher Kantonalbank, and Patrick Bucher, Investment Strategist, Credit Suisse Asset Management Division.

We held a successful 10th year anniversary / CFA Alumni party at the Indochine Club in Zurich where close to 100 members gathered to meet among CFA charterholders and enjoy food, wine and music.

Our 9th Charter award dinner was held in Zurich (respectively 4th in Geneva) with guest Alida Carcano, a member of the CFA Institute Board of Governors. The full room was filled at Zunftthaus Zur Meisen in Zurich with more than 125 new charterholders.

Basel lunches continue every second Tuesday of the month (local coordinator Maurizio Parenti, CFA).

C. Advocacy

SCFAS ran a survey among members on three topics: whistle-blowing, independence of research analysts, and local society feedback. More than 200 members participated; results are published on the SCFAS internet site.

We continued in 2006 our work defending interest of the profession regarding the limits set out by guidelines of the Schweizerische Bankiervereinigung on trading by research analysts for their own account.

D. Media / Public Awareness

Media coverage in 2006 focused on the annual conference and CFA diploma curriculum. Articles can be found on the society internet site.

E. CFA Candidates

SCFAS has been active for the past 10 years organising top review courses for local and international CFA candidates. Surveys done by our provider Koppel & Wiley / Schweser have shown that 85% of candidates would recommend the course to others. Additionally, mock exams were held for candidates based on Boston society samples.

F. CFA Institute's 59th Annual Conference

The 59th Annual Conference of the CFA Institute took place in Zürich on 21-24 May 2006. It was the first one ever to be held outside of North America. The Conference was hosted by the Swiss CFA Society and drew international attention with more than 1 200 participants.

Top Swiss speakers included Philipp Hildebrand of the Swiss National Bank, Walter Kielholz of Credit Suisse, Peter Wuffli of UBS AG, and Marc Faber of "The Gloom, Boom & Doom Report." There were also several well-known international speakers, led by Abby Joseph Cohen of Goldman, Sachs & Co.

The success of the annual conference could not have been achieved without the extraordinary work of the SCFAS' Committee consisting of the following Members: Patricia Arnold-Pluth, Marco Bagutti (Chair), Giuseppe Balocchi, Thomas Buri , Anthony Cagiati, Adrian Scherer, Katharina Stumm and Thomas Vock.

II. Society Financials

A. Treasurer's Report

Your Society's financial objective is to use revenues in any period to fund activities of the Society that provide the greatest benefit to our current membership. At the same time, we want to have the financial and operational flexibility to be able to engage in such commercial or other special activities that are of significant value to our members but involve a certain amount of financial risk.

After a "long" financial year of 16 months overlapping 2004 and 2005, the year 2006 showed break-even financial results. The main issue relates to a first-time material loss on the review course. This negative result is due to a lower than expected number of candidates, while expenses remained the same with quality professors and great location in Horgen. SCFAS wants to keep on providing a top quality rated review course for candidates, but with an objective to break-even or to be profitable. This issue will be closely monitored in 2007.

B. Auditor's Report

Urs Müller
Sonnenbergstrasse 49
8603 Schwerzenbach

Beat Ehrismann
Tüfwiesenstrasse 18
8606 Nänikon

Zurich, 22nd February 2007

Auditors' Report to the Annual General Meeting of the Swiss CFA Society

As SCFAS' auditors, we have audited the accounting records and financial statements (income statement and balance sheet) of the Swiss CFA Society for the period from January 1, 2006 till December 31, 2006.

These financial statements are the responsibility of the SCFAS Board. Our responsibility is to express an opinion on these financial statements based on our audit.

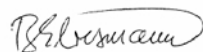
We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used and the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements give a true and fair picture of SCFAS's assets and liabilities at December 31, 2006 and of its income and expenditures during the period from January 1, 2006 till December 31, 2006.

Thus, we recommend that the financial statements submitted to you be approved.



Urs Müller



Beat Ehrismann

C. Balance sheet at 31 December 2006

All values in CHF		31 December 2005	31 December 2006
Assets			
Bank accounts (CHF)		241'143	419'459
Bank accounts (USD)		132'366	121'567
Debtors	1	450	30'966
Recoverable withholding tax		990	1'764
Financial Investments	2	310'058	68'448
Accrued assets		5'688	7'223
Total Assets		690'695	649'427
Liabilities & Equity			
Payables	3	199'121	117'640
Accrued liabilities	3	38'829	83'018
Equity at the beginning of period		380'294	452'745
Profit of the period		72'451	-3'976
Equity at the end of period		452'745	448'769
Total Liabilities & Equity		690'695	649'427

D. Income Statement for the Financial Year ending 31 December 2006

All values in CHF		1-9-04 to 31-12-05	1-1-06 to 31-12-06
Revenues			
Membership dues		146'888	154'021
CFA Institute contributions		7'738	14'212
CFA related / sponsoring		10'000	27'276
Revenues from revue course		286'155	211'130
Revenues from events		20'014	16'410
Investment returns		15'925	10'905
Translation gain		7'137	-
Total Revenues		493'857	433'954
Expenses			
Review courses		311'685	267'745
Events & presentations		101'549	71'134
Administrative expenses		45'856	41'186
CFA related expenses		1'549	-
Advertising		42'892	27'981
Charges & premiums		2'023	1'624
Web-site and brochures		2'568	1'990
Translation loss		787	6'406
Taxes	4	4'767	10'002
Total Expenses		513'676	428'068
Ordinary Profit / (Loss)		-19'819	5'886
Extraordinary Profit / Restatement	5	92'270	-9'862
Total Surplus / (Deficit)		72'451	-3'976

E. Notes to financial statements

1. Debtors are mostly related to the review course. They are monitored closely in early months of subsequent year
2. Of total investments 2005, CHF 250'000 was in a fixed-term deposit, which has now been transferred to the current account. The investment strategy for these funds is under review by the Board
3. Payables and accrued liabilities have been separately reported. A fall in payables related to the review course compared to 2005 was balanced by the additional provision of CHF 40'000 for possible prior-years tax liabilities
4. The Society expects to be liable to pay taxes, and has registered with the relevant authorities. As no assessment of the Society's tax liability has been performed as yet, provisions have been set up for income, wealth, and value-added taxes based on conservative estimates
5. Exceptional adjustments had to be made to reflect late payments from participants of the Review Course in prior years, to recognize a charge for possible prior-years tax liability, and to account for a payable balance which was wrongfully recorded twice



III. Assembly Agenda and Proxy Statement

Each individual listed as a Regular Member of the Swiss CFA Society is being sent the document on hand, which includes a meeting agenda as well as a Proxy Statement, and the Proxy. These materials have been mailed on or about February 28, 2007.

The enclosed Proxy is solicited on behalf of the Swiss CFA Society Board of Directors. For the Proxy to be voted, it must be received by March 19, 2007. Each eligible Member is encouraged to vote by the enclosed Proxy even if the Member is also planning to attend the General Assembly in person.

A. Approval of the Minutes of the 2005 Annual Meeting

The Minutes of the 2005 AGM are available on the Society's website and on site before the Meeting.

://: Motion to be approved

B. Annual Report

The Annual Report consists of sections 1 and 2 of this document.

C. Exoneration of the Board of Directors

://: Motion to grant exoneration to the current Members of the Board.

D. Internal Auditors

According to Art. VII of the Bylaws, the Society has two Internal Auditors who are elected by the General Assembly for a term of two years. The following Members were elected as Internal Auditors for a two-year term starting January 2006:

Beat Ehrismann CFA, born in 1963, is working as a research manager at Coutts Bank von Ernst Ltd. His main task is the evaluation of European equities and as such he supports the stock selection process of the Zurich regional competence centre. He joined Bank von Ernst in 1998 and he was working in different functions over those years. Prior to joining Bank von Ernst, Beat Ehrismann worked six years for UBS and four years for Credit Suisse. He joined the Swiss CFA Society in 1997.

Urs Müller CFA, is an Internal Banking Audit Manager with UBS AG's Global Wealth Management & Business Banking business in Zurich. Previously, Urs was an Internal Auditor at Bank Julius Baer & Co. Ltd. and he specialises in risk management and financial accounting audits. Urs has as well professional experiences as IT Consultant and Sales Specialist at IBM Switzerland and as a manager of health care projects at the Swiss Cancer Society in Zurich. He obtained his CFA Charter in 2002 and qualifies as Financial Risk Manager (FRM), Certified Fraud Examiner (CFE), Internal Auditor (CIA), Internal Information Systems Auditor (CISA) and Dipl. Wirtschaftsprüfer. Urs holds a Bachelor as a teacher in Mathematics from the University of Zurich.

E. Election of the Board of Directors

Election of Officers. The following paragraphs describe the professional backgrounds of the nominees for President, Vice-President, Treasurer, Secretary and Past President of the SCFAS Board of Directors, to be elected for terms beginning January 1st, 2007 and ending December 31st, 2007, and until the choosing and qualification of their successors.

President: Julien Froidevaux CFA, is deputy Head of the Independent Portfolio Managers Department at Lombard Odier Darier Hentsch & Cie. He joined the bank in 1999 and was previously responsible for the development of investment funds. He is currently a senior counsel to Bank's Investment Fund Committee. Earlier, Julien conducted major international projects such as the opening of a Securities Company in Amsterdam and a Management Company in Paris. Prior to joining Lombard Odier Darier Hentsch & Cie, Julien worked six years for Arthur Andersen as auditor / consultant. From 1994 to 1997, he set up and managed a Latin American Equity Fund for GÉRIFONDS. Julien is a founding member of the Swiss CFA Society. He previously served on the Board from 1998 to 2002 as Treasurer. He holds a BSBA from the American University of Washington D.C., with a double major in Finance and International Business.

Vice-President: Dr. Giuseppe Ballocchi CFA, is Head of Risk Management in the Trading Department of Pictet & Cie. Formerly he was Chief Investment Officer of Olsen Ltd. in Zurich – where he had been working since 1995, with a break of two years when he was a portfolio manager for the Asian Development Bank in the Philippines. Giuseppe began his career at CERN as a research scientist in 1989. He holds a PhD and a MA in Physics from the University of Rochester, New York; his MS from the University of Bologna and an MBA from the Open University in the UK. He lectured at several universities, serves in the Executive Advisory Board of the CFA Candidate Curriculum Committee and in the Financial Analyst Seminar’s Board of Regents. He was a member of the 2006 Annual Conference Committee. Giuseppe obtained his CFA Charter in 2000.

Secretary: Daniel Jaedig CFA, works as a Portfolio Manager for Thurgauer Kantonalbank. Previously, he has served in different risk controlling functions at Julius Bär, Elektrizitäts-Gesellschaft Laufenburg and Credit Suisse. He holds a degree from the University of Applied Sciences St. Gallen. Daniel is Charterholder since 2003. In his function as a Board Member since 2005, he was in charge of advocacy issues. He is a German and Swiss national, married and has one child.

Treasurer: Lukas Ziewer CFA, is a consultant with Mercer Oliver Wyman’s insurance practice. Throughout his career, Lukas has focused on improving the financial performance of insurance companies, combining his expertise as an actuary and financial analyst. Lukas has held various actuarial and consulting positions, last at The Boston Consulting Group; he holds a Master of Science in Theoretical Physics from the University of Berne and a “Höheres Lehramt” from the Kanton of Zürich. He obtained his CFA Charter in 2001, and is the Treasurer of the Swiss CFA Society since 2004. Lukas is strongly committed to promoting the exchange of ideas between investment professionals, and to their role in creating efficient markets that help societies to manage risks. He was a member of CFA Institute’s GFRAC subcommittee on insurance contracts.

Past President: Christian Dreyer CFA is principal of Tertium datur AG, an advisory specialising in pan-European pension funds. Previously he was CFO of an IT firm and head of investment research at Basler Kantonalbank. He holds a Master of Laws degree from Edinburgh University and an Honours degree in Political Economics from the University of St. Gallen HSG. He was born in 1966, is a Swiss citizen and lives near Basle, Switzerland.

Election of Directors. The following paragraphs, listed in alphabetical order by each nominee's last name, describe the professional backgrounds of individuals nominated to serve on the SCFAS Board of Directors, to be elected for terms beginning January 1st, 2007, and ending December 31st, 2007, and until the choosing and qualification of their successors.

François E. Aubert is an independent private banker advising his clients on their overall strategy, asset allocation, risk analysis, estate planning and tax evaluation. François is simultaneously a consultant to multinational companies in terms of exports of goods and services to the Middle East. He is furthermore a lecturer at IUKB (State University of Valais) and New-York College (in several of its campuses in Europe) for their Business Administration programs as well as trainer for ISFB (Geneva banks' Training Institute) and a CFA Institute Retained Speaker. François is also a Board member of the Swiss CFA Society and member of the CFA Institute Professional Development Committee. He holds a MBA from the Heriot-Watt University in Edinburgh and is a Certified Financial Analyst and Portfolio Manager (AZEK/CFPI), a NLP practitioner and a PADI Divermaster.

Laurent Bachmann CFA, is head of Special Clients for Credit Suisse in Geneva, focusing on UHNWI and Family Offices. Previously he worked with Lombard Odier Darier Hentsch for ten years, in charge of institutional and private client wealth management. Prior to that, he was consultant with Egon Zehnder and Andersen Consulting (both for four years). His education includes an M.Sc. at ETH Lausanne, a DipCS (Theology) at Regent College, Vancouver and an MBA from IMD Lausanne. Laurent is Charterholder since 1998. He serves on the CFA Annual Conference Committee.

Ulrike Kaiser-Boeing CFA, is head of Institutional Sales for Dexia Asset Management in Geneva. Before that, she was at Lombard Odier Darier Hentsch & Cie where she worked first as an equity analyst and specialised later in fund-based asset management. Previously, she developed training programmes at the International Finance & Commodities Institute (IFCI) in Geneva. Ulrike holds a degree in Business Administration from the University of Cologne and is a Charterholder since 2003. She is German citizen, married and has two girls.

Katharina Stumm CFA, is Portfolio Manager for institutional clients at Credit Suisse. Previously she worked as a Portfolio Manager for ZKB and UBS. Katharina is Charterholder since 2001, in the organizing committee for the CFA Institute Annual Conference 2006 since 2001 and on the board of the Swiss CFA Society since 2005. She is German and Swiss citizen.

://: Motion for proposed Members to be elected



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