



ANDREW BAECHLER, PRESIDENT

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PRESIDENT'S MESSAGE

As president of the CFA Ottawa Society, I'm pleased to welcome you to our inaugural semi-annual newsletter. First, let me thank all current and past volunteers who have contributed to the growth, stewardship and management of the Ottawa Society. We're fortunate to have a strong and committed volunteer group this year, including Pierre Barber, secretary; Gabriel Bouchard-Phillips; Trevor Carson, education chair; Julian Deschatelets, vice president; Sacha Imbert, programming chair; Rob Pelletier, treasurer; Roger Soler, membership chair; Jim Steel, past president, Adwaite Tiwary; and Craig Tubman, public awareness chair.

CFA Ottawa's leadership is already off to a busy start with the Board setting some important strategic goals at its first meeting held last September. One of these goals was to increase overall member participation at our locally-hosted events and functions. To achieve this goal in part, we have expanded the types of events we will hold throughout the year. The first of our expanded new event line-up was a cocktail social held at Darcy Mcgee's Pub in September. This event was very well attended and the feedback from the attendees was very positive. We held another social event on December 9th, which despite the severe weather, was a success.

The CFA Ottawa Society held its first annual new Charterholder dinner on November 19. This occasion allowed us to congratulate and welcome our newest CFA Charterholders to the Ottawa Society. Finally, the Society will be holding its first ever annual General Meeting in July. At this event, we will address the Society's current financial position, review our key goals and initiatives and hold our general election.

The Board also approved the creation of a new executive position: The Technology chair. The Technology chair's primary responsibility will be to update and redesign the current CFA Ottawa web site. The new web site will be a vital communication tool between our existing and targeted new constituencies. In the future, the Technology chair will oversee maintenance of the web site and address other technology issues relevant to the Society.

We hope that you enjoy the newsletter and we welcome your feedback. If you have any suggestions for future newsletters or are interested in contributing content, please email Trevor Mulligan at info@cfaottawa.com.

Wishing you a joyous holiday season,

Andrew Baechler, President
CFA Ottawa Society

2009 ANNUAL FORECAST DINNER

Almost two hundred of the National Capital Region's prudent fiduciaries convened at Casino Lac Leamy for the 2009 CFA Ottawa Annual Forecast Dinner.

Bob Dugan, Chief Economist, Canada Mortgage and Housing Corporation; Peter Hall, Chief Economist, Export Development Canada; and Bob Gorman, CFA, Chief Portfolio Strategist, TD Waterhouse Canada Inc. each gave their insights. The dinner was emceed and the panel was moderated by Rob Snow of CFRA 580. We would like to thank the panelists and Mr. Snow for their invaluable contributions.

Mr. Dugan provided his insightful perspectives on where the Canadian Housing sector stands amid this economic uncertainty and how it will fair in the coming months and years. Mr. Dugan pointed out that the market in Canada experienced very strong house price growth between 2002 and 2007 so a flattening off was expected. The recent economic uncertainty and low level of employment have tempered growth further. Reduced sales and increased listings in the existing home market have led to reduced demand in the new home market. Mr. Dugan stated that it has been a tough economy to forecast, but in the second half of 2009 and in 2010, the CMHC expects housing markets across Canada to strengthen as the economy recovers. Low interest rates are a strong purchasing incentive, but the housing recovery may be tepid as people may not have a lot of confidence in their jobs. The CMHC does not expect the subprime crisis to have a substantial effect on Canada as the inherent risks in our mortgage system are much lower.

Mr. Gorman was somewhat bullish suggesting that the S&P 500 will finish the year 6% higher, although the journey would be far from smooth. He stated that consumers would become less risk averse and we could expect to see high demand for corporate bonds. Mr. Gorman used the following points to substantiate his viewpoint that financial fears have largely subsided: LIBOR rates have dipped to 1.5% and the TED spread is down to 1%; companies are more optimistic about borrowing prospects; there have been several issuances in the corporate bond market; the FED model is bullish and the 10 year US Treasuries are yielding 2.8%. In addition, the earnings yield on stocks is close to 6% and S&P equity multiples are an attractive 13 to 14x; many corporate insiders are taking the opportunity to increase positions.

Mr. Hall presented a more cautious stance to the audience and asserted that it would be a while before things bottomed out. He said that we are only 1/3 of the way through the downturn and pointed to a rumour that the IMF is planning to revise upward its estimates of toxic assets from \$2.9 trillion to \$4 trillion USD. To support his position, Mr. Hall cited recent studies done by major international organizations such as the IMF, World Bank and OECD; they have all concluded that the economy has not been this dismal since the 1940s. Mr. Hall suggested that we cannot look at the Asian countries to lead us to recovery as exports have plunged and local demand will not pick up the slack. Mr. Hall added that the prior expansion period was twice as long as normal so the current bubble is bigger than usual. On the bright side, Mr. Hall expressed faith in the efforts central banks and governments and suggested that the stimulus packages should prevent things from getting too much worse and the economy should begin to recover by the 4th quarter of 2009.

(Continued on page 6)

2008 FORECASTER OF THE YEAR

Debra Alves was the low outlier on just about every prediction, hence she won the contest. Congratulations Debra!

We again asked you to make predictions; here is how things have panned out so far.

	DINNER 4/21/2009	NOW 12/15/2009	CHANGE	TARGET 12/31/2009
S&PTSX60	562	690	23%	?
S&P500	850	1,114	31%	?
GOLD	884	1,138	29%	?
CRUDE	57	72	26%	?
CAD/USD	0.81	0.95	17%	?

EVENTS

The 2009 – 2010 year for CFA Ottawa has started in earnest. In September, the CFA Ottawa executive held a networking event at D'arcy McGee's to get the Ottawa CFA community and their friends, better acquainted. This was a new kind of event for CFA Ottawa, and it turned out to be a huge success. This event was recently repeated in December at the Fox and Feather to much acclaim.

The first speaker in our series of luncheons was Mr. David Wolf, Advisor to the Governor of the Bank of Canada. Mr. Wolf spoke about "Canada in the aftermath of the global crisis." CFA Ottawa members appreciated the speech very much, as did the many university students in attendance looking to further their learning directly from a top economist.

The second half of the year will have us organizing more luncheons as well as our big event, the Forecast Dinner. With the increased focus on reaching out to students and the networking events, we have no doubt that the events in 2010 will be a huge success!

CHARTERHOLDER PROFILE



STAN SUSINSKI

The first CFA exam was written by 284 analysts in 1963. Stan Susinski, CFA, obtained his charter in 1968 as Charterholder number 2166. Mr. Susinski earned his charter while working in the investment department of Great-West Life in Winnipeg. In 1981, he went to work for the Alberta Treasury (now AIMCo) as its first Chief Investment Officer. Mr. Susinski was initially responsible for Alberta's \$6 billion portfolio of government bonds and short-term assets. Eighteen years later, at the time of his retirement, he was responsible for 50 staff members managing \$33 billion in assets. Mr. Susinski has served on several investment committees since his retirement.

Education: B. Comm. '59 UBC; CFA '68; Ex. Dev. Program, Banff '73

WE ASKED MR. SUSINSKI ABOUT HIS CAREER AS A CFA CHARTERHOLDER:

YOU OBTAINED YOUR CHARTER IN 1968, WHAT PROMPTED YOU TO TAKE THE INITIATIVE TO EARN THE CHARTER?

I got a job at Great-West Life out of University in 1959 working in their fixed income department in Winnipeg. At the time, the FAS and the CFA program were in the process of being formed in the US. A fellow named Bob McConkey came to work at GWL as head of US Equities. Bob had earned his MBA in Chicago in 1952 and was well-connected and experienced in the finance industry. Bob was instrumental in establishing the original Winnipeg Society of Financial Analysts in 1963. The society at the time was mostly comprised of analysts from Investors Group, Richardson Securities and GWL. The society became a great networking tool and I developed contacts in NY, Boston and many other cities. In 1968, a group of us from the society decided to take the CFA exams as we were looking to broaden our knowledge of the investment industry. We were the first group to write the exams in Winnipeg.

HOW WAS THE EXAM CHANGED SINCE THEN?

There were no formal study programs so we had to form study groups on our own. Starting in February, we would meet on Friday afternoons to study. Back then, the candidates had to be industry practitioners with at least two years of investment experience to get in to the program. The analysts in the group had a variety of expertise and we would share our knowledge with each other.

The questions were more open format, and there were no multiple choice. An example of a question would be that you get the financials of a company and you would be asked to do an assessment and provide your opinion on all securities on the balance sheet.

We wrote the exam in June, as they do today. One year, the exam did not arrive in time so the group had to come back the next day. We had to take an oath to not call any exam-writers from other societies and ask about the questions. One member of our group didn't bother coming back.

WHAT DID THE CFA CHARTER MEAN AT THE TIME?

At the time there was a general feeling that eventually any official documentation that contained financial analysis would need to be signed by a CFA. That never happened, but the charter meant that you had a benchmark of knowledge. In the mid-70s I set up the training program at GWL. I found that a lot of the new employees were good academically but did not have the practical experience. After a few years of experience, I encouraged them to earn the CFA to broaden their knowledge. Having the charter meant that you had a certain level of requisite knowledge. The charter was also great for networking and I met many great contacts in the industry. Each year there was a booklet published with all Charterholder contact information; this was a great resource when visiting other cities.

Equity analysis was the focus of the exams, along with some fixed income analysis. The charter also gave you a practical knowledge on economics. Ethics has always been a part of the exams but it got more dominant as time went on. Questions were very US-centric, I believe they have become less so.

Having the charter meant you had knowledge across a range of different areas in finance. The charter gave you a good perspective on how all the areas tie together. If you wanted to move to a more senior position in the industry, you would need this broad knowledge. The charter was a great door-opener.

IN 1981, YOU BECAME THE FIRST CIO OF ALBERTA TREASURY WHERE YOU REMAINED UNTIL 1999. HOW DID THE PORTFOLIO CHANGE OVER THAT TIME?

Up until the 1970's, the government never had segregated funds for pensions; essentially they wrote IOUs to the pensioners. The auditors got after the provinces and made them set up investment funds. Alberta had a lot of money coming in to the province so by 1981 they had \$6 billion in assets to cover their liabilities. It was all in Government bonds and short term paper, which was not bad because yields were in the range of 12-15%. My first couple of years in Alberta was devoted to setting up a structure and developing investment policies. Alberta Treasury managed funds for various different governmental organizations (as they still do). We worked with many of them to develop investment policies and goals. Once we set a policy allocation, we would then diversify the asset mix of the funds. We hired a large number of internal staff and some external managers.

By the time I left Alberta Treasury in 1999, we were a team of around 50 investment professionals with \$33 billion in assets. We were always pretty independent from the government and experienced limited interference. Fortunately, this was mandated in the pension legislation.

WHAT SORT OF CAREER ADVICE WOULD YOU OFFER A NEW CHARTERHOLDER?

Explore different areas of finance as you are more likely to find discover your strengths and interests. Continue to network and learn; I went to 10-12 CFA annual conferences over my career and found them to be very beneficial. Keep reading the FAJ and learn from fellow analysts!

ELECTION

In the spring of 2010, the CFA Ottawa Society will hold the Society's first election of directors. You will be given the opportunity to vote on candidates via an online voting system. Announcements will follow.

Keep an eye out for job postings, upcoming events and other information on the CFA Ottawa Website www.cfaottawa.com

PLEASE LET US KNOW...

- If you have any comments on the inaugural CFA Ottawa Newsletter, we appreciate any feedback and ideas you have for future issues
- If you are interested in submitting content for future newsletter(s)
- If you have any comments on the programming offered by the CFA Ottawa Society

Please send an email to Trevor Mulligan [admin@cfaottawa.ca]



GOLF TOURNAMENT WITH A WORTHY BENEFACTOR

The annual CFA Ottawa golf tournament was held in June at GreyHawk Golf Club. Turn out was good (41 participants) and feedback was positive.

The tournament was held in support of the Prosperity™ Fund (www.prosperityfund.ca), which was started by two of our Society members Adam Nihmey, CFA and Rob Pelletier, CFA.

The Prosperity™ Fund is an endowed donor-advised fund administered by the Community Foundation of Ottawa. The goal of the Fund is to provide annual, growing distributions to our regional non-profit long-term care (LTC) institutions and other service organizations with funds generated from various community fundraising initiatives, individual donations and other planned giving. As an endowed fund, Prosperity™ will provide an increasing and reliable source of funding to our health care providers, outside of the current funding mechanisms.

The Prosperity™ Fund's mission is to be an additional funding source to support an adequately-funded, flexible and compassionate care system for our region's elderly population, now and forever.

"As founder of the Prosperity Fund, I am extremely grateful that the CFA Ottawa Chapter selected the Prosperity Fund to be headline charity for the CFA Golf Day. This generous gesture from the executive of the CFA Ottawa Chapter helped us expand the Prosperity brand to a new audience and contributed greatly to the future success of the Prosperity Fund."

--Adam Nihmey, CFA

We look forward to the 2010 CFA Ottawa Golf tournament, likely to be held in June.

CFA OTTAWA SOCIETY ANNOUNCES AVAILABILITY OF 10 SCHOLARSHIPS FOR THE CFA PROGRAM

Recipients Will Gain Financial Assistance to Seek Prestigious Global Investment Credential

The CFA Ottawa Society will award up to 10 scholarships for enrollment in the Chartered Financial Analyst® (CFA®) Program of study, the local non-profit organization for investment professionals recently announced.

Administered in three levels, the self-study CFA examinations include ten general topic areas ranging from corporate finance, portfolio management, securities analysis, and ethical and professional standards. Currently, more than 84,000 investment professionals in 128 countries hold the CFA charter, the globally recognized credential for investment analysis and management. All three levels of the CFA exam are offered in June, and Level I is also administered in December of each year.

The CFA Ottawa Society scholarship program will enable Ottawa area candidates to take the CFA exam without having to pay registration and enrollment fees. Candidates normally pay up to US\$1,120 to write the exam, depending on when they register. They must belong to the CFA Ottawa Society or be a fourth-year or graduate student at a college or university within 200 kilometers of Ottawa.

"More and more investment professionals are seeking the CFA charter as a confirmation to clients and employers that their investment knowledge and ethics meet the highest standards, no matter where in the world they practice," said Trevor Carson, CFA, Education Chair. "As a member society of the CFA Institute, we are pleased to offer financial assistance to outstanding candidates who are committed to pursuing this prestigious designation."

About 119,000 candidates enrolled to take the simultaneously administered exams in 86 countries in June 2008. Candidates for the CFA designation must pass a series of three six-hour exams. Each of the three examinations typically requires candidates to spend a minimum of 250 hours in study preparation.

Information on applying for the CFA Ottawa Society scholarships is available by contacting Trevor Carson at trevor.carson@brookfieldpower.com or visiting www.cfaottawa.ca. Scholarship application forms are available on the website and must be completed and submitted no later than Dec 31st, 2009 to the following address:

CFA Ottawa Society • 174 Bank Street
P.O. Box 71047 • Ottawa, ON • K2P 1W0

NEW CHARTERHOLDERS!

As the need for a standard, ethics-focused financial analyst accreditation is as high as ever, there continues to be a record number of enrolments for CFA exams around the world. Regulators, employers and market participants recognize the value of having a designation that stands for competence and integrity. The CFA Charter is increasingly being recognized in international markets with enrolment outside of North America growing very rapidly.

The reward of the CFA Charter follows many hours of study; ultimately, only about one in five candidates who start the program earn the Charter. In Ottawa this past spring, 89 candidates sat for the Level I exam, 94 for Level II and 42 for Level III. Of the Level III writers, 31 passed.

	LEVEL I	LEVEL II	LEVEL III
CFA OTTAWA SOCIETY	45%	47%	74%
OVERALL	46%	41%	49%

Those who passed the Level 3 exam and those who earned the CFA Charter were recognized at a New Charterholder ceremony held on November 19th, at Allegro's on Preston. Previously, the awarding of the Charters was part of CFA Luncheon at the Rideau Club. The dinner allowed the Ottawa CFA Society an exclusive event to honour the new Charterholders who were invited to bring a guest to share in the accomplishment.

Thanks to Benoit Daignault, CFA, EDC's Senior Vice President, Business Development, for being the evening's special guest speaker.

Congratulations to our new Charterholders!



NEW CHARTERHOLDER CEREMONY

CONGRATULATIONS OTTAWA CANDIDATES!

Congratulations to all the Ottawa Candidates who passed the Level 3 exam in June: Darryl Morley, Jun Zhou, Rana El-Mogharbel, Ryan Kerr, Bassam Hammoud, Rami Gabriel, Dominic Blais, Gabriel Bouchard-Phillips, Ryan Cody, Jean-Luc Beaudry, Vincent Didkovsky, Keith LeBlanc, Rahul Vaidyanath, Matthew Pieterston, Blair Cooper, Scott Coombes, Flore Azor Maingrette, Sheng Hai Zheng, Simon Deeley, David Gisborne, Jaeme Gloyn, Alexei Pasyukov, Min Xie, Bang Thuong Ngo, Andrew Malloy, Wesley Blight, Charles Asselin, Boran Plong, Mark de Guzman, Jason Gannon and Deena Padamadan.

2009 ANNUAL FORECAST DINNER (... Continued from p2)

CFA Ottawa Society would like to thank its members and guests for attending the dinner. We would like to thank our Event Sponsors: EDC, CFRA, CFA Institute, National Post, iShares, Stalla, Welch LLP and TD Waterhouse. We would also like to thank Mr. Larry McDonald of Canadian Business Magazine for covering the event. (Mr. McDonald's article was referenced in creating this summary.)

2010 CFA OTTAWA ANNUAL FORECAST DINNER

Save the Date! The 2010 Dinner will be held on March 31st at the Chateau Laurier. Peter Hall will be defending his 2009 forecast. Other forecasters to be announced...

If you are interested in sponsoring the event, please contact admin@cfaottawa.ca.



CFA OTTAWA SOCIETY

c/o Trevor Mulligan
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Executive of the CFA Ottawa Society for the 2009-10 year:

President.....	Andrew Baechler, CFA
Vice President	Julian Deschatelets, CFA
Treasurer.....	Robert Pelletier , CFA
Program Chair	Sacha Imbert, CFA
Public Awareness/Secretary	Pierre Barber, CFA
Education Chair	Trevor Carson, CFA
Membership Committee Chair	Roger Soler, CFA
Golf Event Committee Lead 2010 & Technology/Administrative support.	Trevor Mulligan
Past President	Jim Steel, CFA
2010 Annual Forecast Dinner Lead	Gabriel Bouchard-Phillips, CFA