

Board of Governors Meeting

Summary Notes

6-7 May 2022

Video Conference Call

Attendees:

- **Board of Governors:**
Alexander Birkin, Marshall Bailey, Daniel Fasciano, Marg Franklin, Joanne Hill, Heinz Hockmann, Punita Kumar-Sinha, Mark Lazberger (Chair), Yimei Li, Karina Litvack, Geoffrey Ng, Diane Nordin, Tricia Rothschild, Maria Wilton.
- **Presidents Council Representatives:**
Ashraf Bava, John Carter, George Chen, Greg Filbeck, Jennifer Garbowicz, Joshua Howard, Shirley Ogden, Pieter van Putten, David Smith.
- **Leadership Team Members:**
Paul Andrews, Marty Colburn, Steven Hendry, Sheri Littlefield, Paul Moody, Barbara Petitt, Chris Wiese.
- **Others Present:**
Julia Bonafede, Melissa Carroll, Corey Cook, Stephanie Ennaco, Claude Hoffmann, Joseph Lange (Secretary), Katelynn Rosson, Tina Sapsara, Randi Tolber.

President's Council Vice Chair Report:

The 2022 PC Chair election process concluded with Jennifer Garbowicz being elected. Elections for the PC Vice Chair will begin in May 2022. PCR terms will start on 1 September 2022. Communications and governance from the Society Engagement Working Group (SEWG) will help shape future PCR roles.

Q3 Committee Reports:

- **Audit and Finance Committee:**
Noted confidence from outside counsel regarding talent management, recruitment, and retention assessments. A succession plan for the Board will be reviewed in Q4.
- **Governance Committee:**
Highlighted the SEWG's progress, emphasizing a need for clear communication and a fair evaluation of society funding based on size and distribution.
- **Investment Subcommittee:**
Two working groups were established to review the revised Investment Policy Statement (IPS) and ESG investments.

CEO Report:

CEO Marg Franklin reported new product sales from certificates, B2B partnerships, and modules as revenue streams. Brand awareness efforts and demand advertising will increase. Strategy acceleration in IT, credentials, and professional learning will enhance CFA Institute's financial impact. The Board requested an updated organizational chart following significant changes.

COO Report:

COO Marty Colburn discussed the organization's transition to a B2B model, with anticipated revenue from research and standards channels. Vendor issues during data migration to the cloud were handled effectively. The COO also noted improved global call center response times.

CFO Report:

CFO Steven Hendry confirmed transparency improvements for FY2023 financials to mitigate risks. Expense reductions since Q1 resulted in a GAAP revenue forecast of \$320M. The relationship with ProMetric, responsible for scheduling CFA exams, is uncertain, and the Charlottesville headquarters is exploring a sell/leaseback agreement.

Investment Policy Statement:

The Board discussed the transition to a new IPS with a focus on ESG. Transition costs would be managed, and flexibility for fund rebalancing was ensured.

Resolution Passed:

- Approval of the revised Investment Policy Statement.

Standards of Practice Council Report:

The Council emphasized its role in promoting ethical conduct within CFA Institute's leadership and maintaining awareness of industry trends, such as the potential for financial crises and the need to uphold ethics, codes, and standards.

Resolutions Passed:

- Approval of the revised Investment Policy Statement (IPS).

Meeting adjourned