Bonjour, Montréal! I’m Paul Smith, President and CEO of CFA Institute. Bonjour and une bière s’il vous plaît are about the only French a true Englishman ever masters, so I apologize for that. I’ll switch now into English.

It’s great to be here in Canada, especially in Montreal, and to speak to all of you including those who are listening by livestream today. This is, as was said yesterday, our biggest annual conference ever, with record-breaking attendance. Please raise your hand if this is the first annual conference that you’ve ever been to. Wow, that’s fabulous, a great number of newbies. Thank you all for coming.

We have, in fact, well over 1,000 CFA Institute members here today. And I want to take this opportunity to tell you all what we are doing and what you can do specifically to help us advance our mission. I hope also that this will be of interest to non-members because we all believe passionately in the future of our industry and in inspiring our collective performance.

I want to get this conference off to a happy start. I’d like to acknowledge the great work that our members do here in Canada and around the world. And I want to be sure that you understand your [CFA] Institute’s strategy for the next three years, and it is your [CFA] Institute. We need each and every one of you if we are to succeed. So this morning I am asking for your help.

Canada is truly the heartland of CFA Institute. Canada has the highest penetration of CFA charterholders employed in the investment management profession anywhere in the world. In Montréal, we have well over 800 of them. And I think you will agree the society here has done a fabulous job in helping us organize this conference. The chair of our board of governors—Beth Hamilton-Keen—is also Canadian. Beth, stand up and wave. Beth has the good fortune of not being as large as I am so she’s not that easy to spot, but please do go up to Beth and say hello. I know she’d love to meet you all, and she’s doing a fabulous job as our chair. Since 2004, CFA Institute has benefitted from the great talent of no less than four Canadian board chairs, three of whom are women.
If that’s not enough, the next generation of Canadian investment professionals looks very promising, too. At this year’s Research Challenge the student team from Ontario’s own University of Waterloo beat out 1,000 other competing universities worldwide to win that global competition. This is the first time a Canadian team has ever won the competition.

On the topic of getting it right—and Canadians obviously are getting it right—I’m delighted to say that our global CFA Institute community is making great progress, too. Collectively, everyone in this room and the hundreds of thousands of other who comprise our community—colleagues, employers, those who govern our profession, the media—we are collectively making progress in building a stronger, more trustworthy profession that better serves our investor base.

Around the world exciting things are happening that support the recognition of our profession—a profession that advocates on behalf of investors for professional excellence that ultimately benefits society. We can make a tremendous positive impact if we execute the basics well.

I want to talk first today about where we are getting it right. This is a long list. To deliver the mission of CFA Institute we are focused on three strategic outcomes. This is important.

- Firstly, to set high standards of professionalism;
- Secondly, to create business models geared toward achieving investor outcomes;
- And finally, to advocate for regulations that align firms and clients.

If there’s just one thing I want you to remember from my remarks this morning it’s these three strategic outcomes.

I want to take each one in turn and talk a little bit about it and the very tangible and positive steps we’ve taken in the last year to move these outcomes forward.

Our credentialing and education programs have never been in more demand. This year, new Level I CFA exam registrations were at record levels—103,000 candidates globally. For the first time, new Level I registrations in China exceeded new Level I registrations in the United States of America. So this is proof, if proof were needed, of the widening interest in our global credential.

CIPM® credential holders today are just shy of 1,500 and Claritas® certificate holders are nearing a key milestone of 10,000—a number that it took the CFA charter some 15 years to accomplish.

At universities today, we count over 400 universities globally with courses that map to the CFA® Program curriculum and most importantly teach CFA Program-based ethics. We have a tremendous opportunity to play an early and influential role in building the next generation of technically competent and ethically minded investment managers.
Membership pricing. On the 27th of April we announced, with immediate effect, a new pilot program for differential membership pricing in developing and emerging markets. This exciting program will be available in India, Pakistan, Nigeria, Egypt, Hungary, Ukraine, and Argentina. We’re reducing the price of the CFA Program from US$275 per year in these markets to US$100 per year in these markets. It’s an effort to recognize that pricing power in emerging markets is not the same as in the developed world. And I hope you’ll all be as excited as we are in doing this for our friends in those countries who really do struggle to stay affiliated with CFA Institute.

New partnerships. We have two new partnerships that I want to talk to you about this morning. The first is with the Aspen Institute, an organization with a global reputation for bringing together leaders across industries to focus on the idea of “a good society.” We heard a little bit about that topic last night from our speaker. We are a founding sponsor of their new Financial Leaders Fellowship Program. This partnership will contribute to developing the next generation of leaders in the investment profession, and we are thrilled to partner with such an influential organization.

The initiative for this partnership came from Ranji Nagaswami, CFA, a prominent leader in the investment field and an active CFA Institute volunteer over many, many years. For more details, please visit aspeninstitute.org and please do send us the names of individuals that you would like to nominate for the next class of fellows.

The second strategic outcome is creating business models geared towards achieving investor outcomes, and this is where our second partnership comes into view. This week we will announce our partnership with State Street Global Advisors. This is a partnership that recognizes our joint power and ability to drive change in the industry and it’s a model I think we can use more widely to help change the investment profession.

Simply put, this partnership incorporates firm-wide support by State Street of the three CFA Institute programs and there are now more than 1,400 employees worldwide who currently participate within State Street in one of our programs. Together we will combine our voices to amplify the mission and vision of CFA Institute and SSGA through joint research and thought leadership efforts as well. State Street volunteers are also poised to contribute to our practice analysis and exam development process.

This morning I want to particularly call out Ron O’Hanley, president and CEO of State Street Global Advisors, who is the executive sponsor of this initiative. Ron has championed the team that includes Fredrik Axsater, CFA, and many others who have made this partnership a reality.

SSGA has also adopted the Asset Manager Code and joins the ranks of 1,295 other firms, including BlackRock, Investec, and TD Asset Management here in Canada, who have done the same thing. So we continue to deepen relationships with employers and institutions.
As part of this effort, you’ll see this month a very public testament to the value of the Asset Manager Code—an open letter signed by eight North American asset owners. This slide shows the graphic that we’ve just published, which will appear in prominent publications including the Wall Street Journal and The Globe & Mail as part of our effort to raise awareness and acknowledge the importance of ethical practice amongst investment professionals. This campaign started last Thursday and lasts for the next month. So we’re very excited about that.

GIPS—the Global Investment Performance Standards—has now been adopted by 74 of the top 100 global asset management firms, representing more than US$46 trillion of institutional assets. We are very proud that adoption of our codes and standards has been embraced by some of the biggest names in the industry.

Our Women in Investment Management initiative continues to gain momentum. This is a program that I am particularly proud of and passionate about. We expect this year’s conference in Boston 14–15 September—please remember those dates—to sell out. Registration is now open. We will focus on the business case for diversity and discuss how gender diversity can improve investor outcomes. We have great speakers and just to reiterate SSGA’s involvement—they’re a platinum sponsor for this conference. So please do come and join us in Boston.

To reinforce this initiative, we’re also pleased to announce a new scholarship program, geared solely towards women, that provides access scholarship money for them to pursue the CFA Program. If you know any young women anywhere in the world who would benefit from that, please simply send an expression of interest to scholarships@cfainstitute.org. Our main access scholarship program now offers scholarships to 7,800 students globally per year... that’s 7,800 young people being helped by your (CFA) Institute’s scholarship program.

For the third year in a row, our Putting Investors First Month campaign is inciting member spirit and volunteerism everywhere. It has really, really caught fire! This campaign is creating impact and advancing its goal of “uniting financial professionals in a commitment to place investor interests above all others.” Societies and members will use our Statement of Investor Rights, those 10 principles, which are now available in 21 languages, to create awareness of what investors should expect from their financial advisers. We’re very pleased that a number of societies are using the increased project funding available from CFA Institute to support these programs, and we intend next year to increase that funding even more to help societies do even more great work on the ground.

The final strategic outcome is to advocate for regulations that align firms and clients. Let’s start with what’s happening right here in Canada. Very excitingly, IIROC has a proposed rule, currently in a public comment period, which would recognize CFA Program Level I as an alternative to the Canadian Securities course.

In the United States, the Fiduciary Rule recently issued by the Department of Labor has been a very, very hard-won battle, in a long and not yet over running war, to protect investors and to help put investor interest first.
In Asia, societies participate in the Listing Advisory Committee on the Singapore Exchange and are championing stewardship and higher standards of corporate governance in Japan.

In EMEA, a number of societies and CFA Institute are collaborating to review the performance of regulatory processes between the various jurisdictions.

Our advocacy focus going forward will include more of this kind of work, but I want to make an important point to you. As a global organization we, again collectively we, are in a position to influence the debate. We live in a connected world. Globalization is real. Markets are connected and we as an organization have a voice that really matters in all of these markets globally.

So, what does this all mean for you as members? As a brand, awareness of the CFA designation is improving. I hope you will agree.

A Difference that Matters is our new global brand campaign launched two months ago in the United States, Canada, the United Kingdom, China, and in India. This summer the campaign launches in six additional markets in local languages, a first for us, in Brazil, Germany, and Mexico, and also in Australia, Hong Kong, and Singapore. The brand campaign will increase awareness of the CFA designation and the difference the three letters make when selecting or hiring an investment adviser.

We have also increased funding and support to CFA Institute societies. Our members play the lead role in amplifying and localizing our global mission. This year, we adopted a new Society Funding Model that significantly upscales our financial support to these societies. These efforts help engage members and volunteers, broaden awareness of our mission, and demonstrate the value we serve as investment management professionals.

Most importantly, they have a real influence in advancing our mission in the communities in which we work. So please, please keep your great ideas coming, keep up the energy levels, keep up the great work, and the wonderful engagement that you’re all showing. Remember, this is your [CFA] Institute. Help us to help you better execute your work.

As you can see, we’re making progress on a number of fronts. I hope you can understand that I think that’s an impressive list of achievements that the Leadership Team and I are very proud of, but there are a few things that aren’t going so well.

As an organization, we spend significant resources trying to create value for our members—in conferences like this, in publications, in content published on our website. These efforts cost far in excess of the dues we collect from our members. And yet, despite this, surveys show that members don’t value enough the goods and services that we produce.
So, how can we make ourselves more relevant to you, our members? Nitin Mehta who heads up member value is here at the conference all week. Where are you, Nitin? Please stand up and wave. I encourage you all to make your signal with Nitin this week to let him have your views on what we can do to help support you better. For us, *nothing* is more important than getting this right.

So, I’ve talked enough about what we’re doing. What can you do going forward to help advance this mission?

To make more progress, to make quicker progress, we need the help of every one of you in this room today. If we get this right, we can really magnify the impact of our efforts globally. We are one organization, but we support 147 societies who, in turn, support 137,000 members globally. There is tremendous power in these numbers. Together we have local, regional, and global influence. Together, we can transform the perception of our industry and inspire others to act positively. As members, as charterholders, we’re asking you to step out of your comfort zone and do these four things:

- Firstly, *advocate* publicly for higher educational and ethical standards in the industry, individually or through your company;
- Secondly, *act* to broaden awareness of the difference a CFA charterholder can make with clients;
- Thirdly, *adopt* CFA Institute codes, the Asset Manager Code and the Global Investment Performance Standards, at your firm; and
- Finally, *ask* your HR department what your firm is doing to support the next generation of investment management professionals.

These are simple things you can do to help us all build a sustainable and better investment management profession. So please look at this aide memoir. It’s on the conference app under presentations and plenary sessions. Take it to heart. Put it on your desk and please help us act in this way to really impact the businesses in the communities that you serve.

It’s great to see so many familiar faces here over this last couple of days. As you know, I travel incessantly and I’ve been around the world a few times in the last 15 months. Why do I do that? The reason really is so that I can meet with you, to listen, and to learn from you because everything we do at CFA Institute is for our members. Remember, this is your organization. I and my management team never forget this, and I hope you all feel that.

I’m really excited to meet many more of you this week and connect again with those that I’ve met before. I really want to hear what you have to say. Do not hesitate to come up, introduce yourself, say hello, and give me the benefit of your views.

I hope you now know how you can help us and contribute to our mission and strategy. I’m very, very honored to continue to lead such a community of committed investment professionals.
Together let’s make the world a better place for investors everywhere.

Thank you, enjoy your conference, and bonne journée.

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