

Minutes of the general members' meeting of 26 October 2022

Board members present: Melinda Rook, president  
Cees Harm van den Berg, CFA, vice president and treasurer  
Alex Morozov  
Vincent Stap  
Anisa Salomons

Representatives of the staffed office present:  
Anne-Marie Munnik RBA, executive director  
Maarten Mosselman  
Heleen de Vlaam, minutes secretary

Present: 17 voting members

Apologies: 4 member

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### **1. Opening of the meeting**

At 17:03 hours the president of the board Melinda Rook opens the meeting. The agenda is accepted.

### **2. Minutes of the general members' meeting of 14 June 2022**

The minutes are adopted

### **3. Update of activities 2021-2022 (informative)**

Vincent Stap gives an update on the activities in the past year. We saw an increase of activities by and for our volunteers. It was a very good year with regards to the events organised by our committees. Events is the most important way that our society creates member value to our members; by members for members. In total we held close to 40 (!) events, both in webinar form and in-person. Many different committees contributed to this feat. Highlights were for instance the Annual Dinner and the ALM Conference, which are recurring events, and the first Crypto event. We also held 3 Committee Presidents meetings to share topics of interest and have some cross pollination, two online and one in-person. We held a highly attended volunteer appreciation event with a tour of the Amsterdam canals and drinks and dinner. We saw a revamping of the Private Equity Committee, Risk Management and Women in Investment Committee. For the first time in 2.5 years we held a Charter Award Ceremony where 56 new charter holder members were present and received their mini charters. We gladly welcome these new members. We also were able again to have RBA and RMFI award ceremonies and the RBA Thesis Award, and we held a Quant Award Ceremony.

One of the key KPIs of the society is membership retention. For 2022 this stands at 90.9%, well above the target of 80%, and one of the highest for all European CFA societies. We believe the committees and the events are the foremost reason for this high figure.

We intend to further increase member value via close relationships with the committees. This is one of the focus areas for the Board. During the 2021-2022 year we took several initiatives. We implemented a new Committee Charter. This framework sets out the expectations we

have from the committees and also what the committees can expect from the Board. It establishes a framework for the committee set-up process, member rotation, and coordination with the Board. Self-evaluation has been performed by the committee presidents and some “improvement points” were identified, for which they are asking assistance from the Board. We intend to be more involved with the committees and engage regularly.

As a feedback we got that it is not always very clear where the volunteering opportunities are. Therefore we will advertise all the committees openings on the website and also make sure that everyone who wants to become active in our society has all the information needed. We will try to put the committees more into the spotlight via the website and the VBA Journaal, thus increasing committee visibility so that all our members are aware of the committee involvement. We put an ongoing assessment into place and will revamp volunteer management. We intend to involve as many volunteers as possible so they can enjoy their membership to the fullest and will develop a volunteer introduction package and a warm welcome into the society.

Niels Oostenbrug: Any idea about the introduction package?

Vincent Stap: What they can expect of the staffed office, how it works with the Board involvement, how to organize events.

Anne-Marie Munnik: And perhaps some sort of training for volunteers to further increase the added-value they get from volunteering.

Michiel Plakman: What is the number of members at the moment?

Heleen de Vlaam: We currently have over 2000 members and that includes all members and designations, CFA, RBA, etc.

Anne-Marie Munnik: CFA Institute requires members to renew every year and every year we have people moving abroad so with a retention of 91% we will have to get new members in as well to remain stable. Compared to other European societies we are doing good as this is not a growing sector anymore. So stabilization in comparison is good although of course we would like to grow.

Jerome Sfeir: Do you know what the retention rate of other European societies is?

Cees-Harm: Between 80% and 85%, which is lower than pre-covid.

Melinda Rook: As you can see from the next steps we need to focus on volunteering. Not only for the society to have enough resources but also for the members themselves. They want to be more involved so we need to put our focus on that.

Anne-Marie Munnik discusses the educational programs. All our events are involved in professional learning but we also have two education programs. We have the RBA Program which is now realized with partnerships with different universities. We completed all arrangements with VU, TIAS and Nyenrode. It took us 1.5 year to set this up and we are very happy this was finalized. The program consists of the Learn, Change and Lead track. We are excited that the lead track will start in November at Nyenrode with a module on Boardroom dynamics. Than a module follows on growing Investment Leadership, about leadership and how to make an impact on decision-making. So these are more focused on soft-skills while the first two tracks focused on knowledge and content. A new class will start in the Learn track in January. People are signing up for that but we could still use a bit more. Therefore we published an advertisement in FD today with the title: Sharpen your skills and drive change in the investment industry.

In the Change track are the hot topics, such as the pension agreement and how to invest according to the pension agreement, sustainability, etc. Normally these modules would be available every 2.5 years, but we are thinking of offering them every year. We are adjusting the program as we go along and may also reduce the amount of hours spent on a module as we get as feedback that it is quite a heavy load.

The other program is MiFID II Stay Compliant. This program is offered to institutional advisors and/or information providers to comply with MiFID II regulations on professional knowledge. We have offered this for three years in a row now and we have engaged 15 employers, who are very loyal and over 1,100 participants in the program. Of particular note is that it is run by volunteers from the education committee, which is an exceptional achievement.

Jacco Heemskerk: Are the learning outcomes provided by the regulator?

Anne-Marie Munnik: Yes, in the Netherlands this is DSI on request by AFM. Last year we added some modules because we thought the program was a bit too light so we added modules on private assets for instance. We also received a lot of questions about sustainability regulations so we added a module on this topic and some companies with employees who are not required to do the whole program are now participating in that module alone, for instance compliance and risk departments.

Jacco Heemskerk: I noticed you're also eligible for Professional Learning points.

Anne-Marie Munnik: Yes 6 for the investment provider and 8 for the investment advisor.

Jacco Heemskerk: and 4 of those are SER points (Standards, Ethics and Regulations)

Anne-Marie Munnik: Correct

Michiel Plakman: So basically AFM outsourced this to DSI?

Anne-Marie Munnik: AFM has an arrangement with DSI for implementation and compliance with the competence regulations under MiFID II. DSI accredits providers and we are one of three offering the program to the institutional sector and we are by far the largest. We focus so far on the institutional segment and not on retail or banking although their numbers are large.

Melinda Rook: We are proud that this is now our third year. When we started we wondered if it was sustainable to have this made by members for members. As it is a lot of work, can we do this every year? And now it seems that it is possible. This also means that we can have a low price and a big market share. It is an extra income source for the society. This makes us less dependent on income out of membership revenues. So even if membership lowers, another pandemic strikes, than we still have a differentiator at the income side. Next to sponsorships. This was one of our focal points of last year to be less dependent on only the income side from members.

Anne-Marie Munnik: The program is free for members. We started out to make a program for members but a lot of employers also wanted the program for non-members. We are currently looking for new volunteers for the education committee.

As we have mentioned at other AGMs, we agreed at the merger with a name change after three years. We delayed this to four years, because of corona. But on January 1<sup>st</sup> 2023 the official name change will come into effect. Formally we have already changed because according to our bylaws we had to change the name this year. So the official name that

appears on a contract is CFA Society Netherlands. In January we will see the VBA disappear in the trade name as well. But this will have little impact as the VBA Journaal will stay the same as well as our branding. In addition, we do want to maintain the VBA name for education as it is a strong brand name. So we cluster our education in the education foundation Morreau, and we are going to rebrand that to the VBA academy.

Raphie Hayat: Will the VBA Journaal be a publication of the VBA academy?

Anne-Marie Munnik: No, the VBA academy is basically the foundation. The VBA Journaal will stay the VBA Journaal.

#### **4. Financial statements 2021-2022 (voting item)**

Cees Harm van den Berg presents the financial statements. Regarding the financials we also had a very good year. Last year we planned for a neutral budget of a small profit of 595 euros, we actually made a profit before corporate tax of 191,000 euros. Over 2021-2022 we will pay corporate tax. In the past we had quite some losses which could compensate for positive results. As we now made up those losses we will pay corporate tax on the remaining profits. In the long run we envision budget neutrality and we are also targeting for the coming year a break-even budget. This financial year is quite similar to last financial year. During 2020-2021 our results were also more positive than budgeted for and last year has been the same mainly due to the same reasons. There is still a big effect from the pandemic. Last fiscal year we were partially in a lock-down and we were unable to organise events in the way we preferred it. We had an annual dinner with around 100 instead of 200 people and this has an impact on the financials. Our financials were also influenced as we budgeted prudently for a possible member decrease due to covid. On the profit statement both the member dues and the CFA Institute funding is relying mostly on the number of members. Where we budgeted a decline we have actually seen a small increase in members over the last fiscal year resulting in a slightly higher income from society dues than expected.

CFA Institute funding is relying on both the number of members and the number of financial centres of which we have two: Rotterdam and Amsterdam. The operational funding part is also slightly higher as a result of the small increase in members and because of a favourable FX rate with regards to the funds that we receive through CFA Institute. Two other items which we received in the past from CFA Institute funding are both project funding and strategic funding. Strategic funding will not reappear on the financial statements any time soon as it was all about merger related expenses. Last fiscal year we depleted the rest of the strategic reserve. We did not apply for project funding. Before we made a request for funding for projects, such as marketing for the MiFID II program for which we received 35,000 dollars. So in terms of funding from CFA Institute this causes a big difference with the year 2020-2021.

We did a lot more webinars and we provided them for free so there are no revenues from a webinar. Less in-person events caused a small decline in revenues. This was more than compensated by the revenues on the MiFID II program. This helps us diversifying our revenue stream. Webinars are cheaper than in-person events and the fact that we have more webinars helps on the expenses side as well and this is likely to stay. The new normal will be a mix of live events where we can network, connect and meet and the very practicable time-efficient webinars.

Niels Oostenbrug: Will there also be hybrid events?

Anne-Marie Munnik: We tried it a couple of times and it was quite expensive because you need good technical systems and this is not effective for the number of people attending. What we do quite often is to record sometimes and that is better. We often share the recordings of our webinars afterwards.

Niels Oostenbrug: Yes that is what I would suggest than you create the ability to watch afterwards.

Dirk de Vlaam: There is also a potential revenue stream into podcasts, that people listen to in the train, bus or during training.

Cees Harm van den Berg: The expenses with regards to the program are a bit low because the hours of the staffed office are not all allocated to the MiFID II program. The hours of the staffed office are in the staffed office expenses line, but they also do work for MiFID II program and that is not included in the events and program part. Both the revenues of the MiFID II program and the lower expenses because of online events are reasons why profits this year are higher than expected.

We have five strategic sponsors and we want to keep this number.

The office did put hours in the development of the RBA program but we did not hire an additional employee for education so also the allocation of the staffed office to the Stichting Morreau is lower than what we budgeted for. This relieves Stichting Morreau a little bit as there is a deficit on the Morreau side due to investment in the RBA program. Going forward there will be less hours necessary from the staffed office.

With regard to the staffed office, we did not yet hire an extra employee and are still looking for one, as was in the budget for last year.

Anne-Marie Munnik: It is a difficult labour market. Any suggestions for recruitment are welcome.

Cees Harm van den Berg: Publications jumps out because this year we have the 150<sup>th</sup> and special edition of the VBA Journaal which was due in the summer for which we took a little bit more time and it will be published next month so it will be part of this years' budget.

Any questions regarding the actuals vs the budget?

Raphie Hayat: Have the strategic sponsors committed again for next year?

Cees Harm van den Berg: Yes, we offer a one-year contract and have a waiting list of interested strategic sponsors available.

Anne-Marie Munnik: Getting a sponsor onboard is one thing, but we of course would like to build a long-term relationship with added value for both parties.

Raphie Hayat: So we have more people willing to fund than we can commit to.

Melinda Rook: We are in a luxury position regarding sponsoring.

Jacco Heemskerk: Good that you show a positive financial situation, because that was exciting for a while just after the merger.

Cees Harm van den Berg: A good thing from our profit is that we are increasing our equity from about 385k to 562k, while our goal was 500k reserve to be able to weather bad times and also make some investments. We reached our goal, but we should be aware that some of the 200k profit for last year is a one-off and covid related. Another part is also something that is the new normal. Our ambition is to be break-even and increase add member value and invest in people and systems and in particular in volunteer management.

With regards to Morreau that is a bit more difficult, The deficit of 103k (while we envisioned a loss of 93k) is due to the investment in the RBA program. A couple of months ago we introduced Nyenrode as the new university for the lead track. All the money reserved for the redevelopment of the RBA track is invested and we intend to run the program with a zero surplus or deficit so we aim to have enough participants, with mitigated downside risk in running the program with the three partner universities. It is well on track, though are investments into the RBA program have to remain within budget.

Michiel Plakman: How many people sign up for the RBA program?

Cees Harm van den Berg: It varies between the modules. The change track is a hot topic, with 20+ participants, but for some of the modules of the learn track of the VU we barely make 10, which is the minimum.

Melinda Rook: We went into the merger with the promise that we would redesign the RBA program with the 150k of the Morreau stichting. This has now been finalized and all is invested. Every positive result that we get out of it now is a plus for us.

Dirk de Vlaam: But when you make a profit as a society why not use it for scholarships, inclusivity or diversification?

Melinda Rook: Good suggestion. Maybe we should also mention what we still have left for education purposes with the VBA reserves.

Anne-Marie Munnik: At the time of the merger part of the reserves on the side of the VBA were earmarked for educational and research purposes. When we made up the year end balance, we committed to three larger, multi-year research projects on artificial intelligence, ESG and machine learning.

Melinda Rook: In the past years we did not know what the consequences of the pandemic would be and we budgeted for losing members and end up with a loss. With the result that we now have enough equity that we can cover for potential losses in the future and have diversified our income. But it is not a target to make profit.

Niels Oostenbrug: How do we participate in the international organization of CFA Institute. We pay our contribution.

Anne-Marie Munnik: You pay a membership fee to CFA Institute and in it is a local share that we receive and we also receive operational funding from CFA.

Wim Zwanenburg: But for members the CFA Institute website is a bit overwhelming. I am always searching. Maybe it should be a bit better organized with automatic links? And it would also help in participating in the committees.

Anne-Marie Munnik: You can personalize what you receive, but I will explain it to you individually. Good that you mention the CFA committees because our members can also become volunteers at CFA Institute, for instance in diversity or as grader in the CFA program.

Cees Harm van den Berg: With regard to Morreau there is not much to add. With continuing education we budgeted for a loss of 35k and it was 60k because of less participants. We did not hire an new employee for education who would partly be working for the foundation, so this reduced the allocation of the staffed office expenses to Morreau. Equity is going down from 232k to 129k. That is still a healthy reserve for the foundation. But we are looking at a break even for the RBA program or even a small profit so we can provide some grants and scholarships. But overall we further need to grow the RBA program. We have mitigated the downside risks. And we are looking at how to increase participants but we are still close to break even.

Michiel Plakman: In the future would you be able to use the VBA reserves to support the VBA Academy as well?

Inge van den Doel: I am part of the committee for Managing the VBA reserves and this was of course discussed. According to the bylaws this is not what the VBA reserves were set up for. As a committee that advises the board we advised against this.

Cees Harm van den Berg: If the VBA reserves are not empty after eight years, it falls back to the society.

Inge van den Doel: We have a hard time emptying it so if there are any research projects interesting for our society please sign up if you meet the criteria.

Niels Oostenbrug: How many research projects do the reserves support now.

Anne-Marie Munnik: Now three multiyear projects are financed in total for 117k. The results of the first projects will come in a half to one year and then we will organize events and seminars around it.

Cees Harm van den Berg: There were zero in the first year and then three in this year so there is some momentum.

Raphie Hayat: What is the VU academic chair?

Anne-Marie Munnik:

Tom Steenkamp of the VU had an academic chair position which we financed. In mutual agreement we ended this.

Jerome Sfeir: Is the funding we receive of CFA Institute also affected by the number of candidates applying or passing for the exam?

Cees Harm van den Berg: There was a big chance last year where CFA Institute put more emphasis on new level I candidates than on existing members. So the operational funding is changing over the year.

Jerome Sfeir: As we now have more test moments this should give a boost to numbers.

Cees Harm van den Berg: Yes one would expect that but actually in the past year the number of candidates is lower than before Covid.

Anne-Marie Munnik: Other markets which are less advanced in terms of investment sector are still growing. But our market is a more mature market and we do not see that high growth anymore.

## 5. Report of the Financial Committee (Niels Oostenbrug and Michiel Plakman)

We found no irregularities on behalf of the members. Do you agree to give financial discharge to the board?

How do you vote on the proposal for discharge for the board?

- A. In favour 17/17 (100%)
- B. Abstain 0/17 (0%)
- C. Against 0/17 (0%)

Cees Harm van den Berg: Perhaps good to mention that this year for the first time we did a compilation report (*samenstellingsverklaring*) by our accountant, because the balance sheet is growing quite a bit. The accountant compiles the numbers and wrote the report and the director and the treasurer check it and then the financial committee.

Anne-Marie Munnik: The numbers are not that straightforward as they used to be. There are a number of accruals in the report and the compilation report indicates you have used the right processes and valuation methods.

Niels Oostenbrug: We used an accountant for an official audit at the time of the merger because of the complexity of integrating the accounts. At this stage a compilation report is sufficient for the size of our society.

## 6. Board succession (voting item)

Melinda Rook: In general we aim to 6-8 board members. In the last two months two board members left due to either career change or personal reasons, so we are now with five. In October 2023 the term (the maximum term a board member can be at the board is three times two years) of three others, Melinda Rook, Cees Harm van den Berg and Anisa Salomons, expires and therefore we announced at the spring AGM that we put four vacancies up for general board members and set up a nomination committee (with among others former presidents Jacco Heemskerk and Alfred Slager). We are lucky to have four nominated candidates for board positions, all present. Three new board members can start now and one can start at the 1<sup>st</sup> of January. By the time that three of us need to leave they have had a good roll-over period and the new board can start with six once the others leave. Thank you to the nomination committee and the new proposed board members introduce themselves.

Linde Kok works in Investment Relations PostNL. She has a background in insurance, finance, strategy and asset management. She enjoys the benefits of the society as a member.

Raphie Hayat works as an investment strategist for ASR and loves meeting people like all of you.

Doortje Draper is a senior investment manager within PGGM. She is currently responsible for setting up the trading analytics desk in the front office. There they optimise the complete trading process starting with the portfolio manager up to settlement at the back office.

Inge van den Doel is currently general director of PMT, the pension fund for metal workers, and before CIO at PMT and before that had the position of director at VBA so she knows the VBA society before the merger. She likes to have more contact with investment professionals and in-person contact. She is now a board member of DSI since 2016 which will end by the end of 2022. She will officially join the board from January 2023.

Michiel Plakman: Will the new board members have specific topics or are they general board members.

Melinda Rook: We start with general board positions. Every year we have a strategy session, where we will discuss the topics that we need to address in the coming year and there we will divide the portfolios. The board decides among themselves who will be the treasurer and president.

How do you vote on the proposal for appointment of Inge van den Doel (as of January 1, 2023) as a board member?

- A. In favour 16/17 (94%)
- B. Abstain 1/17 (6%)
- C. Against 0/17 (0%)

How do you vote on the proposal for appointment of Noortje Draper as a board member?

- A. In favour 16/17 (94%)
- B. Abstain 1/17 (6%)
- C. Against 0/17 (0%)

How do you vote on the proposal for appointment of Raphie Hayat as a board member?

- A. In favour 16/17 (94%)
- B. Abstain 1/17 (6%)
- C. Against 0/17 (0%)

How do you vote on the proposal for appointment of Linde Kok as a board member?

- A. In favour 16/17 (94%)
- B. Abstain 1/17 (6%)
- C. Against 0/17 (0%)

Please note, the nominated board members each abstained for the vote on their own appointment.

**7. Any other business**

None

The president closes the meeting at 18:03 hours, thanking all for their attendance.

Signatures

*Melinda Rook*

*Cees Harm van den Berg*