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Minutes of the general members' meeting of 17 June 2020

Board members present:     Jacco Heemskerk, CFA, president (chairman)  
                                  Alfred Slager RBA, vice president  
                                  Cees Harm van den Berg, CFA, treasurer  
                                  Jeroen Bos, CFA, CAIA  
                                  Melinda Rook RBA  
                                  Anisa Salomons

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

Present:                       35 voting members

Apologies:                   1 member

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

At 16:01 hours, the chairman opens the meeting. The meeting is conducted in English. Contrary to what the agenda indicates, the item VBA reserves is added to the agenda as item 9. The agenda is thus set.

Welcome to the first virtual general meeting for us. It is a very special session because it is an end of an era for some of us and the beginning of an era for others. A couple of board members will retire, board members returning and new board members joining.

### **2. Minutes of the general members' meeting of 30 October 2019**

The minutes are adopted, with thanks to the minutes secretary.

### **3. Policies and implications COVID-19 CFA Society VBA Netherlands (informative)**

Alfred Slager fills in the members. We are repeatedly confronted with a new reality against which you have to test your policy. In the beginning we said everything goes virtual, we haven't had any live meetings, staff members work 100% from home.

We organised Skill-based Mondays, a series of online workshops by Chris Lemke from CFA Society Luxembourg and Insightful Thursdays, with content driven webinars.

There is also cooperation with other societies under CFA umbrella with access to webinars of CFA UK and access to events of CFA NY.

Soon we should have our thoughts on what it will look like in September. Then we will talk about the Annual Dinner and also the ALM congress in November.

### **4. Policy and implication COVID-19, Gary Baker, CFA, managing director (EMEA) of CFA Institute (informative)**

For CFA Institute this has a number of implications. Our Beijing office was very much effected, as was Hong Kong and Shanghai. The Annual Conference in May was cancelled.

The GIPS Conference, we were hoping to run here in Amsterdam, was postponed.

It was very quickly apparent that there was some real benefit to what an online world provide. A total different picture in terms of connectivity, accessibility and inclusiveness you suddenly make available and present. Working outside an office environment has flatten communication structures.

The June exams were cancelled and by now it has been confirmed that these exams can be done in December of this year. CFA Institute had to find exam venues for 253.000 people in December. Reregistration currently has been close to 70%.

Cancellation of the June exams means for the overall institute that revenues that come in on the back of these large candidate numbers come down sharply. And to an extent this is a deferral into December but it has real life implications for instance for conversion of people that are candidates into members or candidates into CFA charter holders and then from CFA charter holders into members.

You have to get on and deal with the situation that we are facing now. Accept that an online world will stay with us however much we can than add back in person meetings at some point in the future. The way that you as a society have embraced that is fantastic. The world of credentialing the professional learning is probably even more vitally important going forward. If we can get the platforms right, we can get the delivery right, we can get that association and focus on the member than I think we have a very bright future.

*Jacco Heemskerk:* We have seen the mass demonstrations around the globe with regards to racism and race. We are a cosmopolitan society active in a 115 countries. Many candidates come from all parts of the world. How do we deal with this issue? Did we take a stand?

*Gary Baker:* By large. Yes Margaret Franklin (President and CEO of CFA Institute) she did put out a message in terms of have firm stands on inclusion, anti-racism. We always have to listen, we have to learn and that is a ongoing process. Education is such a vital factor within inclusion and being able to give people options, status and features.

*Cees Harm van den Berg:* Gary, given your view on EMEA do you see any impact from Covid on employment in finance?

*Gary Baker:* It is inevitable in some ways. Finance is never immune. We are not immune for what goes on in the industry we are engaged in. What Covid has done is accelerate trends that were already in place.

*Alex Morozov:* Do remote events coordinated globally reduce the need for local society events. With the exception of country specific ones that is.

*Gary Baker:* In a theoretical way yes but that ignores the other benefits. From an Institute level we can make sure that we are trying to provide societies with high quality content. But the real success is that last mile to the actual consumer. That is were the real difference is made. It is putting in contacts, it is making it relevant, it is bringing it to live within the financial world that you are existing in.

## **5. Launch VBA executive modules (informative) by Melinda Rook RBA, board member**

Melinda Rook presents the renewed RBA program. It will be a modular setup where you can still obtain the RBA title. But it is certainly also the intention that people can follow a single module or several separate modules. Much more has been put into executive teaching. In September, the first of the twelve modules (each of ten weeks with ten to twelve hours of study) will start.

The ambition is to make it much more of a modern and future proof programme. The RBA programme will fall within the VBA Academy, while retaining the letters VBA and the name recognition.

The RBA programme forms different sets of modules around the areas Learn, Change and Lead. Where Learn is about building investment content, Change deals with the game changers, the big trends we see in the Investment Management industry and Lead, how to take the leadership.

The Learn environment consists of the following five modules.

1. Understanding clients and behaviours
2. Regulatory dynamics and practical implications
3. Advanced asset allocation
4. Balance sheet management
5. The future of manager selection, monitoring and evaluation

The Change environment consists of the following four modules.

6. Enhanced sustainable investment in practice
7. Impact and long-term investing
8. New investment technologies
9. Lifecycle investing and DC management

The Lead environment consists of the following three modules.

10. Understanding board room dynamics and interaction
11. Investment innovation and change management
12. Growing your investment leadership

*Hilko de Brouwer:* Looks good. I'm going to look at the brochure and I'd like to participate in some of those modules.

*Jacco Heemskerk:* The reason why we are so proud of this new RBA program is when we talked about merging the two societies one of the biggest issues we needed to tackle was a repositioning of the VBA program. We had in depth discussion with CFA Institute to see to it that the program that we would launch was something that would be of added value. A program that was tailored to local needs and requirements. A program that has very different content from the former VBA program that was similar to the CFA Institute program.

## **6. Update on MiFID II stay compliant program (informative), Anne-Marie Munnik, RBA, executive director**

Anne-Marie Munnik gives some background about the MiFID II stay compliant program. We are accredited by DSI for institutional advisors and institutional information providers. Fortunately a lot of employers choose for our organization as a provider for this program. Currently we have about 500 registrations. We believe to grow to 900 this year. We are still building the program. A program to be developed by volunteers. Volunteers who review the program. A program where you can really relate to if you work in the industry. You can sign up as an individual as member or not member but most registrations are collectively by employers.

*Pieter van Putten:* My question regarding the new RBA program is it an additional revenue for the society. How does the split of revenue show between us and the VU?

*Anne-Marie Munnik:* That is not public information.

*Melinda Rook:* We are not here to make money but to educate. It is a program affordable for members and beyond.

*Jacco Heemkerk:* Thank you Anne-Marie. You and staff have put an enormous amount of effort into implementing the merger. And in addition found time to also work on MiFID. Well done.

### **7. Relocation staffed office (informative), Cees-Harm van den Berg, treasurer**

The staffed office is going to move as per 1 September to Amstelveen. The board asked a relocation committee to look into a possible new location. In an industry that has become much more cost conscious, renting in the most expensive area in The Netherlands is not reflective of our purpose. As an industry leader APG decided to move from the Zuidas. Our new location will be in Amstelveen. A special thanks for Remco Rothkrantz for his effort in the relocation committee.

### **8. Update annual plan 2021 and adoption of the 2020-2021 budget (voting item) by Cees-Harm van den Berg, CFA, treasurer**

Our vision, mission and ambitions has not changed. The strategy pillars, Member Value, Credentialing, Standards & Advocacy and Governance are still in place. We lost the Integration pillar were the work has been done.

The first half 2020-2021 we still focus on delivering those strategic projects as MiFID II stay compliant program and VBA Academy / RBA program. Keep an eye on developments impacting revenues (f.e. member renewals) and costs. To give you a small inside, the fact that CFA exam was cancelled or postponed in June, means that there are no CFA level III candidates and no people that passes level III exam and who will become member of CFA Society VBA Netherlands next year. Therefore we foresee a possible decline in number of members for next year.

Formulating risks scenarios and possible actions in case of disappointing revenues. Decisions on events calendar (f.e. annual dinner) on the back of ongoing COVID-19 restrictions.

The second half, we aim to step up advocacy efforts, with focus on strategic themes and in cooperation with CFA Institute.

Looking in to the budget for next year I want to show you the budget for 2020-2021 comparing to our adjusted budget of last year but also to the budget that we proposed before the adjusted budget. The reason is that the adjusted budget for 2019-2020 included a large part of project funding by CFA Institute and strategic funding. That was because we had some additional expenses related to consultancy fees and marketing. That inflated the budget of last year.

If we look at the revenues the three big parts are society dues, CFA Institute funding and strategic sponsors. We expect a potential decline in members but the discount of former VBA members expires which means we have higher society dues. This will compensate a potential decline in members. With regards to CFA Institute funding compared to the adjusted budget of last year we foresee a decline. That is mainly due to the fact that we do not budget for any project funding this year that has to do with the Corona crises.

The reason that we do have a higher CFA Institute expected funding compared to the previous budget for 2019-2020 is that regarding the agreement with CFA Institute for having a second financial centre in Rotterdam.

Regarding the strategic sponsors we do feel that in the current environment we have to keep an eye on the added value we can provide sponsors.

Events & programs and staffed office relates both to revenues and expenses. With regards to revenues on events & programs we expect a benefit from the MiFID II stay compliant program. On the expenses side we do expect that more virtual events will make us to lower our expenses. Events & programs which we usually think are budget neutral we might see a small profit there for next year.

A part of the staffed office is allocated to Stichting VBA Opleidingsinstituut Morreau and we expect a neutral compared to last year. Although we are going to hire an additional education staff executive we can charge part of that to Stichting Morreau. With moving the office to a cheaper location we believe it is budget neutral.

The developments for Stichting VBA Opleidingsinstituut Morreau show a negative budget for 2019-2020 but we most likely will not see a deficit that large in the realisation this year. The reason is that we postponed the optimalization of the RBA program into next year. So the investment that we planned to do last year we did partially but a large part will also be next year. Also we will not have a 2019-2020 class for the RBA program will impact revenues and royalties for this and for next year. We have no continuing education modules planned for 2020-2021. Given the fact that the new RBA program is already having quite some interest that might surprise us on the up side.

There are no questions. Members are invited to vote in adopting the budget. The budget 2020-2021 is voted in with 74%.

How do you vote on the proposal to adopt the 2020-2021 budget?

A. In favour 26/35 (74%)

B. Abstain 2/35 (6%)

C. Against 0/35 (0%)

No Answer 7/35 (20%)

## **9. VBA reserves, Jens van Egmond, CFA, RMFI**

Jens van Egmond, Chair of the committee for the management of the VBA reserves, makes his introduction. The VBA reserves originate from the excess financial buffer that the VBA had when merging with CFA Society Netherlands. The reserves amount to roughly 470.000 Euros and are designated to be spent over 10 years in the spirit of the goals of the VBA and foundation Morreau.

The committee for the management of the VBA reserves evaluates any requests for funding against a set of criteria. The main criterion is that any project that is funded from the reserves contributes to the interest in and knowledge about investment and financial analysis in the Netherlands. Projects that should or would be financed as regular activities of the society are ruled out; the goal of the reserves is to sponsor projects that transcend regular activities and carry the legacy of the VBA.

The committee believes that the new RBA program as just presented by Melinda is a great accomplishment and congratulates Melinda, Anne-Marie and all others involved. Furthermore the committee believes that the new RBA program aligns very well with the goals of the reserves. As a result, any funding requests aimed at generating knowledge that could be useful for the RBA program, such as specific scientific research projects and relevant PhD programs are very much encouraged.

So far, one small request has been funded from the reserves and multiple larger requests are currently being considered. The Board of CFA Society VBA Netherlands decides on submitting a proposal for funding and the committee will then process that request. The criteria are listed on the application form that will be distributed among members after this meeting.

On behalf of the Committee I encourage you all to think about potential projects and please don't hesitate to present these to the Committee.

### **10. Retirement board members**

This agenda item brings the retirement of Jacco Heemskerk and Alfred Slager. Jacco joined the board about eight years ago at the aftermath of the global financial crises. The debate at that time was on what the future of finance should be and what our role as an industry should be in that. I felt that I could contribute to that through joining the CFA board. I saw at that time a very lively fast growing local Dutch society. I also saw a very strong and powerful ally in the CFA Institute, the international network. A very affective platform to create change in the world. I also noticed that we had two societies in the Netherlands, VBA beleggingsprofessionals and CFA Society Netherlands and saw an opportunity to come together and really claim a seat at the table in the industry in the Netherlands. The intention of that was to have the very best on offer for our members. All of that at that time was an ambition and it had been tried many times before but six years ago now Alfred Slager met with Hilko de Brouwer and myself at the VBA offices. We discussed for the first time the possible potential merger of our two societies. We formed a steering committee and after four years we succeeded in making the legal merger a reality. It was not only the board but also both offices who contributed to that. As of 1 January 2018 Anne-Marie and her team had the big task to integrate both offices, both programs and everything that we had to build a new society with one culture, one purpose, one that was very ambitious. Those ambitious has translated into realization and we share that with you over the course of this annual general meeting. The society is stable, it has a lot to offer for its members. We realize we are nothing without the help of all the volunteers. All the people that we have in the various committees, the hart, the live blood of this organization truly is our committees.

It has been a great pleasure to be part of the team and to have served as your president. A round of applause via all screens.

Alfred says it has been fun working with great people, sharing knowledge, ideas. As a former president of the VBA we extended our role in the CFA family. Basically I asked Anne-Marie a couple of year ago please trust me it is going to be a great adventure. Thank you for sticking with me. An advice for the new board, we ask a lot of you, we are all volunteers. At crucial times and periods it almost became a day job. Because it matters, the investment industry matters, advancing with trust and knowledge. I wish Melinda all the best in her new role. I am looking forward serving as a volunteer.

### **10. Update from Nomination Committee on board succession (informative), by Anne Gram, CFA, member of nomination committee**

With two other past presidents, Hans de Ruiten and Hilko de Brouwer, Anne Gram formed the nomination committee. A quite thorough procedure. All members were able to apply for the board positions. We received five applications for the general board position and one for the position of president. In February we had interviews with everybody. We had quite long



interviews and discussions with the candidates and also among committee members. In order to objectify the process as much as possible we had already formulated some criteria that we would be looking at. Those criteria were (I stage them to be transparent about it), motivation, relevant experience with CFA Institute and/or other societies, vision (where do you see the society going), time commitment, collaboration with board, office, committees and Institute. We looked at the seniority of the candidates and not only individual quality but also what would the future team composition look like. We looked also at factors like continuity risks. After the interviews we had made a written recommendation and the results you can see today.

### 11. Nomination new board members (voting item)

1. How do you vote on the proposal to install Ivo Kuiper, CFA as board member?

A. In favour 23/33 (70%)

B. Abstain 1/33 (3%)

C. Against 0/33 (0%)

No Answer 9/33 (27%)

2. How do you vote on the proposal to install Alex Morozov, CFA as board member?

A. In favour 23/33 (70%)

B. Abstain 1/33 (3%)

C. Against 0/33 (0%)

No Answer 9/33 (27%)

3. How do you vote on the proposal to install Vincent Stap, CFA as board member?

A. In favour 22/33 (67%)

B. Abstain 1/33 (3%)

C. Against 0/33 (0%)

No Answer 10/33 (30%)

Not surprisingly we are voting in favour of installing Ivo, Vincent and Alex on to the board.

### Nomination Melinda Rook RBA as new president

Jacco proposes Melinda Rook as next president and chairman. Melinda has been instrumental in the merger. She is high energy, she is pragmatic and positive. She was one of the people that put tremendous amount of energy and creativity into the VBA Academy and RBA program. With Melinda you will have someone who has not only the energy, the youth, the enthusiasm and her vision but we also contribute to a more inclusive and diverse board. This was not an aim in itself, but given her undisputed qualities ends up being the outcome. The president is chosen from the board member itself. It is not an election.

Melinda thanks the former president for the vote of confidence. She is very happy and proud to be the new president of our great society.

Gary Baker adds his congratulations to Melinda's elevation to that great position.

This has been an extraordinary team effort to get to the position here we are talking about this wonderful merged society. It is a wonderful testament to you that you managed to achieve

what you have. It all comes down to trust. It was trust on both sides of the table. You sacrifice a lot. Negotiations were always challenging. Two very proud organization that were really trying to work out to come together for the benefit of both sets of members. It was really a tribute that that trust was held throughout that process. A large part of that was based on Jacco and Alfred and the leadership to exhibited. The countless time, hours you put in, private conversations, public conversations, but always keeping people firmly of the view this is why we are doing this. Always having that determination, that bigger picture. That is a tribute that you are both leaving at a point with the society in such strong hands, in such strong strategic position. My thanks and congratulations to both of you.

**12. Any other business**

None.

**13. Closing remarks**

The new chairman closes the meeting at 17:42 hours, thanking all those for their attendance.

Signatures

*Jacco Heemskerk*

*Alfred Slager*