

EFFAS



1962–2012

Continuing Development
for Investment Professionals



EFFAS THE EUROPEAN FEDERATION
OF FINANCIAL ANALYSTS SOCIETIES





50 Years of EFFAS

Authentic: A founding member recounts...

In 1962, the founding members of EFFAS had great visions, but even they could not have imagined what Europe would look like 50 years later.

Peter Freeman, one of the personalities involved, and a future chairman himself, told us how it all began.

"The first steps towards a European Federation of Financial Analysts Societies were taken when it became clear that President de Gaulle would prevent the United Kingdom from joining the European Economic Community. At a committee meeting of the British Society of Investment Analysts in 1961 we agreed that in our sphere at least we should seek to create a European movement, and letters suggesting this were sent to societies or analysts known to us in France, the Netherlands, Germany, Belgium and Switzerland. Encouraging replies came from all but France – a puzzle that was resolved some months later when an invitation was extended for a European analysts meeting to be held in January 1962 in Courchevel (then a new resort in the French Alps). The French analysts group was encouraged by Pierre Cabon, with Philippe Denis active in the arrangements for the meeting and thereafter.

The creation of a European Federation was agreed in Courchevel and Pierre Cabon and I drafted its statutes around midnight in the Hotel des Célibataires in time for the plenary session the next day.

Administrative arrangements were made in the period that followed and I was appointed Vice President and Executive Chairman of the Federation's committee, whose active members included, notably, Nils Taube (UK), Pierre Cabon and Philippe Denis (France), Michael Hauck (Germany), Jean-Claude Hentsch (Switzerland) and Adolph Van Grovestins (Netherlands). Our first act was to announce and prepare for a Congress to be held

in Cambridge in July 1963, over whose organising committee I presided. As a nascent European professional organisation this was a serious affair which could be attended only by analysts selected by their national societies to work in one of twelve study groups. (Practical local assistance during the Congress was offered by Cambridge residents, among whom David Damant, whose subsequent role as chairman of the Federation is known.) Judged a success, the Cambridge Congress was followed at about two-yearly intervals by others, hosted by the respective national societies.”

2 2012 is a landmark year for the European Federation of Financial Analyst Societies: EFFAS has turned 50. It will be a year of gratitude to all who have passionately and enthusiastically volunteered over all these years to promote the mission of EFFAS, and it will provide motivation for those currently involved to continue to make EFFAS' voice heard and to work for what EFFAS stands for: Promoting Integrity, Thriving on Diversity, Creating Wealth.

Respecting and acknowledging different cultures, languages and national values is a fundamental principle governing EFFAS.



EFFAS

... overview

EFFAS was set up as an umbrella organisation for professional associations in Europe. Today 27 member organisations represent more than 16,000 investment professionals in Europe.

With six commissions in place, EFFAS is well equipped to participate proactively in the advance of the European financial markets.

The six commissions are:

| | |
|---|-------------|
| Commission on Environmental, Social & Governance Issues | CESG |
| Commission on Intellectual Capital | CIC |
| European Bond Commission | EBC |
| Financial Accounting Commission | FAC |
| Market Structure Commission | MSC |
| Training and Qualification Commission | TQC |

Serving the needs of their members well and providing an environment where professionals can competitively fulfil their tasks in their local markets is the most important challenge for EFFAS and its Member Societies. As a result of the common European Market, this member service is becoming more and more focused on the European level. That is why EFFAS Member Societies benefit from continuous co-operation more than ever.

EFFAS is a reliable counterpart for politicians and EU representatives in their efforts at achieving an integrated European financial market. EFFAS sets standards in the fields of professional ethics and qualification as well as in investment research, asset management and investment advice.

Today

- EFFAS acts as a platform enhancing – not competing with – the activities of its Member Societies whose tasks are becoming increasingly pan-European.
- EFFAS provides a network of Member Societies in order to co-ordinate and communicate their diverse activities.
- EFFAS represents Member Societies' interests in political and social fields whenever a better representation at the joint European level is to be expected or is desired.
- EFFAS provides integration and organisational services for projects of its Member Societies.

The main tasks of EFFAS, as set out in its Charter, are:

- Promoting ties/exchanges of information between the national investment professional associations.
- Establishing a European network/communication and co-ordination platform for the national analyst associations.
- Representing the interests of investment professionals at the EU level.
- Developing and promoting international professional standards and an international code of professional conduct.
- Promoting the European public's understanding of the significance and function of financial analysis and asset management, and playing a role in informing investors.

... a reliable partner in European capital market regulation

As experience from practice demonstrates, the European financial market can function very well on its own without imported sets of regulations. European capital market law is the most advanced legal system in this field worldwide. It is essential for European values, such as diversity of opinion and cultural differences, not to be neglected.

EFFAS is represented in various working groups of the Commission, the European Securities and Markets Authority (ESMA), the International Accounting Standards Board (IASB/IFRS), the European Financial Reporting Advisory Group (EFRAG), eXtensible Business Reporting Language XBRL and other European and global bodies. Through its Market Structure Commission (MSC), EFFAS has contributed to supporting the development of financial services regulation by incorporating the practical knowledge of the professionals e.g. in position papers. These activities are important for the national societies, as well as for their relations to the domestic regulatory organisations.

EFFAS' overall aim is to set standards for investment professionals in the fields of communications, ethics, and qualifications, to actively bring our influence to bear on relevant EU guidelines whilst recognising and respecting regional market characteristics.

... standards

The various standards are being developed by the relevant EFFAS commissions, either independently or in co-operation with Member Societies. The standards are based on the basic exercise of the profession and the corresponding ethical guidelines, as well as on the subject-specific work in the relevant professional areas such as research, asset management or investment advice.

Standards allow experts and market participants to make products and services more transparent, thus making the capital market more efficient.

... standards: Principles of Ethical Conduct

EFFAS monitors the integrity of its members. Investors' confidence in the integrity of professional advice is the most important precondition for a well-functioning European financial market.

EFFAS is committed to the pluralism of a federal Europe and therefore does not impose a unified European code of ethics on its members, but instead promotes the Principles of Ethical Conduct. These respect the different cultural and legal frameworks of each EFFAS society, provide a guideline for Member Societies in shaping their own codes of conduct, and ensure that financial analysts and asset managers conduct their professional activities in compliance with internationally recognised standards of professional conduct and the European regulation.

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... the standards for day-to-day work

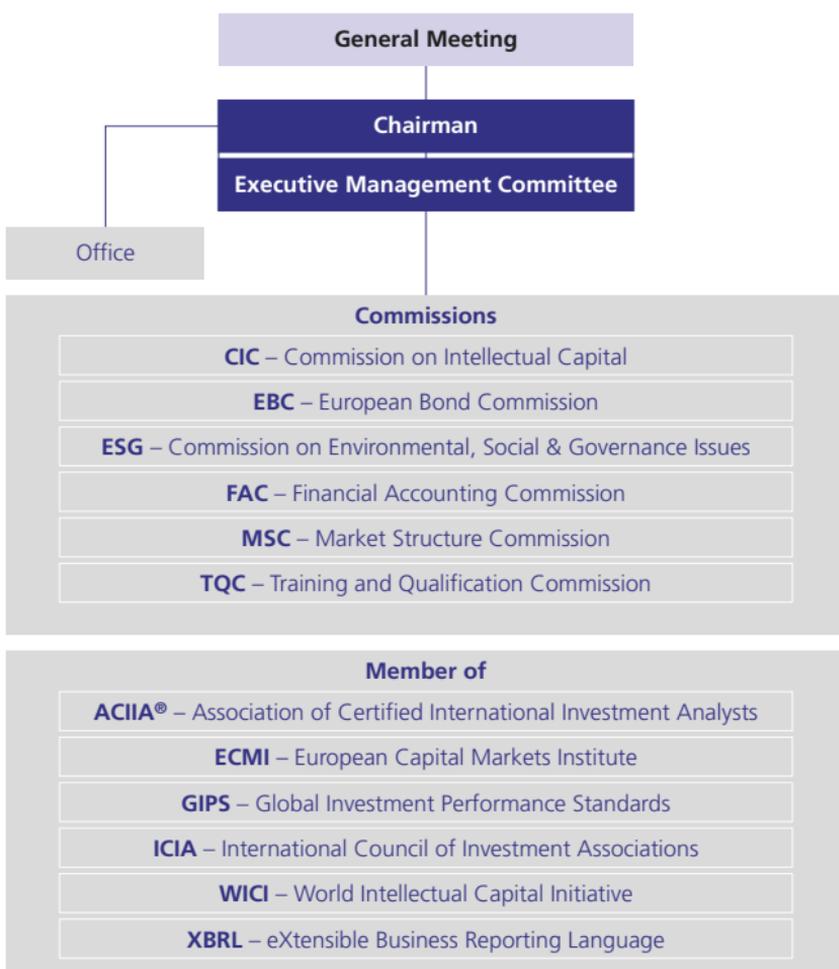
- For the evaluation of non-financials, KPIs for ESG and Principles for Effective Communication of Intellectual Capital,
- Manual for European Regulation of Financial and Capital Markets,
- Minimum Standards for Bond Communication.

Further to these, EFFAS is continuously working on the development of additional standards that are instrumental in guaranteeing a high level of quality in the exercise of the investment profession.

... governance

The two executive bodies of EFFAS are the General Meeting of members and the Executive Management Committee (EMC). The General Meeting (GM) is composed of the authorised representatives of the National Member Societies. The Head Office is located in Frankfurt am Main.

The EMC is responsible for the day-to-day management of the Association, as well as supporting the chairman in his daily work. The EMC consists of the Chairman, the Deputy Chairman and four other members. Following the 2011 elections by the General Meeting, the current EMC members are: Chairman: Giampaolo Trasi (AIAF, Italy), Deputy Chairman: Jesús López Zaballos (IEAF, Spain), EMC Members: Vincent Bazi (SFAF, France), Friedrich Mostböck (ÖVFA, Austria), Frank Klein (DVFA, Germany), Hans Buysse (ABAF, Belgium). The EFFAS Secretary General is Claudia Stinnes.



Training and qualification

Investment professionals must be able to respond competently to volatile developments in markets, sectors and companies, and to continuously adapt to a rapidly changing business and economic environment. Demographic changes in Europe are also pointing to an imminent shortage of highly qualified professionals, which in turn threatens the economic growth and prosperity as well as orderly functioning of the integrated European capital market. In addition to ethical standards, continuing professional training is needed more than ever to provide a solid basis for professional practice.

... Certified European Financial Analyst (CEFA)

EFFAS has been fully aware of how crucially important professional training is to the development of European financial markets and, as a consequence, from the early 90s has encouraged Member Societies to develop training programmes for their memberships. Activity in the area of qualification and training led to the creation of the designation of Certified European Financial Analyst (CEFA). The CEFA is accredited among the European partners. It is a benchmarked qualification with decentralised exams, ensuring the major professional skills that candidates need. The training includes both materials relevant to the investment profession (irrespective of where such professionals are located) and a significant coverage of regulatory and market structure material that is closely related to the European marketplace. To date, over 14,000 European professionals are CEFA holders.

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Certified European Financial Analyst (CEFA) diploma at a glance

- First set up in 1990
- Benchmarked to CIIA® Foundation Exam + national specific examination as threshold
- Quality control by EFFAS Review Panel
- CEFA provides another direct route to the CIIA®
- Offers issues of highly practical relevance
- Respects local market requirements, conditions and characteristics as well as individual cultures

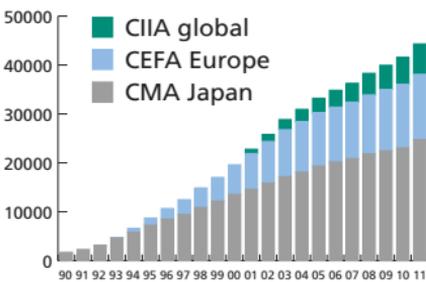
In many European countries EFFAS designations are recognised by the regulators.

... Certified International Investment Analyst (CIIA®)

It was a growing demand for a globally recognised designation as well as the determination to preserve their independence and to support the integrity of their personal members that brought Asian, Australian, Latin American and European professional societies together in their efforts to offer a globally recognised designation.

To expand the European reach of the CEFA title, EFFAS participated in setting up the global Association of Certified International Investment Analysts (ACIIA®) and in developing the Certified International Investment Analyst (CIIA®) examinations.

CIIA / CEFA / CMA Diplomas
as of December 2011



ACIIA® represents over 60,000 investment professionals worldwide in 37 member Societies in Europe, Asia, Latin America and Africa. Respecting and acknowledging different cultures, languages and national values are fundamental not only for doing business globally but also for creating an education and qualification

programme for investment professionals on a global basis. As a global designation, the exams can be taken in different languages.

For the graduates, the CIIA® designation truly serves as a passport to the world's financial markets, ensuring professional qualification by offering global as well as local market knowledge within its examination structure.

Certified International Investment Analyst (CIIA®) diploma at a glance

- First set up in 2001
- Common standard of ethics
- Globally applicable common knowledge base in finance and investment
- Coverage of local regulation and market practices
- Examination available in 11 local languages
- Short demand for study time by classroom teaching
- Officially recognised as professional qualification in many countries
- Recognised by 37 professional societies representing more than 60,000 investment professionals

Communication and EFFAS Summer School

EFFAS plays an indispensable role as a communication platform for its Member Societies and their views. EFFAS creates synergies and respects the European principle of subsidiarity. As a network of highly qualified professionals, EFFAS makes the individual strengths of the various societies mutually accessible to all members. EFFAS provides a network in which nationally based tasks can grow into Europe-wide projects.



...Conferences

To enhance networking between the personal members of the association, capital market leaders and decision makers, EFFAS organises regular analysts meetings, conferences and seminars. The main purpose is to provide the opportunity to exchange ideas, develop new contacts and actively participate in leading-edge discussions.

Conference programmes are conceived by the EFFAS commissions or are organised at the initiative and responsibility of the respective national Member Society.

Well established EFFAS conferences are the ESG Conference, the traditional Bond Conferences of the European Bond Commission and the conference day in conjunction with the EFFAS Summer School organised every year in Madrid with the support of IEAF, the Spanish Association of Investment Professionals and the Banco Santander Group.

Apart from that, EFFAS teams up with other organisations in various international conferences.

... Seminars

In an ongoing commitment, international seminars are being offered under the ACIIA umbrella to ACIIA and EFFAS designation holders as well as to members.

The EFFAS Summer School is relevant as a preparation course especially for potential candidates for the CEFA, the CIIA designation or other related designations offered by the national organisations.

The Future

As one popular saying puts it: "If you want to go fast, go alone, but if you want to go far, go together." The history of EFFAS provides an excellent illustration of this, with the EFFAS idea setting the trend for further developments within Europe.



EFFAS Chairs

| Chairs | Year |
|--|-----------------|
| Jacques Koenig, <i>France</i> | 1962-1963 |
| Peter Freeman, <i>Great Britain</i> | 1963-1964 |
| Duc d'Ursel, <i>Belgium</i> | 1964-1966 |
| M. Priess, <i>Germany</i> | 1966-1968 |
| J. C. Hentsch, <i>Switzerland</i> | 1968-1970 |
| R. Termes Carrero, <i>Spain</i> | 1970-1973 |
| Pierre Jars, <i>France</i> | 1973-1975 |
| David Damant, <i>UK</i> | 1975-1977 |
| André Laviolette, <i>Belgium</i> | 1977-1980 |
| E. L. Vervuurt, <i>The Netherlands</i> | 1980-1982 |
| Arnold Weissmann, <i>Germany</i> | 1982-1983 |
| André Laviolette, <i>Belgium</i> | 1983-1990 |
| Jean-Guy de Wael, <i>France</i> | 1990-1996 |
| David Damant, <i>Great Britain</i> | 1996-2001 |
| Fritz H. Rau, <i>Germany</i> | 2001-2008 |
| Giampaolo Trasi, <i>Italy</i> | 2008 to present |

EFFAS Member Societies

| | |
|--------------------|---------|
| Austria | ÖVFA |
| Belgium | ABAF |
| Bosnia Herzegovina | SMS-DTS |
| Bulgaria | BIMA |
| Croatia | HUFA |
| Finland | FSFA |
| France | SFAF |
| Germany | DVFA |
| Great Britain | CISI |
| Greece | HACSA |
| Hungary | HCMP5 |
| Italy | AIAF |
| Kazakhstan | FIAK |
| Latvia | LASMP |
| Lithuania | FAA |
| Luxembourg | ALGAFI |
| Netherlands | VBA |
| Norway | NFF |
| Poland | PABIA |
| Portugal | APAF |
| Romania | AAFBR |
| Russia | GIFA |
| Serbia | UFAS |
| Spain | IEAF |
| Sweden | SFF |
| Switzerland | SFAA |
| Ukraine | USFA |

EFFAS

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