

28<sup>th</sup> November 2016

## President's Report

Dear Members,

My first year as President has been both challenging and insightful – strengthening my respect for my predecessors, and inspiring me to continue their work in improving the Society for our members and the financial community as a whole.

### **Review of Operations**

I'm pleased to report that during the year under review, the number of Continuing Education Committee events increased by 33.3%. During the same period, the total number of attendees at our Career Development Committee events more than doubled (up 127.3%), while events hosted by the FinTech Committee and Special Interest Groups (Short Selling, Value Investing and Women in Investment Management) drew 552 additional attendees.

During FY2016, the Society implemented a new operational model to improve overall efficiency – contributing to a 38.7% increase in the number of activities organised under the Continuing Education, Career Development, Member Services and FinTech Committees, as well as Special Interest Groups and the Forecast Dinner. The aggregate number of attendees at these events increased by 50.7% to 3,506 (up from 2,327 in FY2015). Attendance of Members, Candidates and Non-members improved by 39.4%, 165.8% and 52.0%, respectively, indicating encouraging growth in all three categories. Other recurring and new events and initiatives hosted during the year were warmly received and enthusiastically supported by our members and the wider investment community.

Reflecting members' appreciation of the Society's services and activities, the value of HK SFA membership increased by 4.8 % according to the CFA Institute's annual member survey in 2016.

During the year we focused our efforts around two central themes – Enhancing Member Value and Building Brand Awareness – building on our three pillars of continuing education, advocacy and employer outreach. Over the past twelve months, we focused on a number of wide-ranging initiatives to support three main goals:

#### *Raising professional and ethical standards*

To this end, we collaborated with Hong Kong Exchanges and Clearing Limited (HKEX) to launch the new HK SFA-HKEX Portfolio Management Competition this year – open to HK SFA members, qualifying Hong Kong university students and CFA candidates. The inaugural competition attracted 333 contestants, who were evaluated on multiple factors including Sharpe Ratio, investment process, rationale quality and execution.

The past year also marked the first anniversary of the FinTech Committee, which hosted six events on topics including Hong Kong's FinTech landscape, P2P funding, roboadvisory, cybersecurity and big data

– attracting nearly 270 participants. We also launched a series of seven, 3-minute videos featuring 16 industry experts and Society members discussing the latest trends and developments in FinTech.

FY2016 also marked the second year of the Best Research Report Competition (BRRC), which emphasises the importance of upholding the highest professional quality and ethical standards in written investment research. This year’s competition added a new “Best Research House Award” to broaden recognition of leading firms in the investment industry. BRRC 2015 attracted 35 nominations (up from 23 in 2014), and the number of houses participating grew to 15 (up from 10 in 2014).

Garnering additional support from the industry, this year we recruited four supporting organisations for the BRRC: Hong Kong Investment Funds Association, The Hong Kong Retirement Schemes Association, Hong Kong Trustees’ Association and Value Partners Group.

Actively promoting ongoing professional development, the Society hosted a total of 48 Continuing Education luncheons, seminars and workshops during the year under review, increasing the total number of events by 33.3% over the previous year.

The Society also supported the launch of the HKSAR Government’s Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector in the second half of 2016, which aims to attract new blood to join the industry and enhance the professional competency of in-service practitioners.

#### Promoting the Society’s contributions to the community

HK SFA’s second mission is to promote the Society and the benefits of the CFA designation through education of the general public, service to the community and building brand awareness.

“CFA Control Room” – a Cantonese radio programme produced in collaboration with Metro Finance Digital and the Hong Kong Economic Journal – is a major platform for the Society to build public awareness. During the year under review, we updated the show to a panel format with 22 episodes featuring 26 speakers and guest anchors discussing a range of topics including Seeking intrinsic value, Elevating transparency, Long/Short strategies, and Retirement planning.

Enhancing our media efforts to reach a broader audience, the Society introduced a new finance-themed programme on TVB J5 presented in a one-on-one, 15-minute interview format. In FY2016 and subsequent to the year under review we produced and aired six episodes covering topics including MPF portfolio management, Value investing and Due diligence.

This year also witnessed the 10th year of the Investor Education Seminar, which was the first time HK SFA organised this event on our own. Over 270 members of the general public attended the event to learn about Exchange Traded Funds and their application in portfolio management.

We also worked with the CFA Institute to launch a major brand campaign – sharing the value and benefits of the CFA designation with financial, commercial and professional organisations around the world.

#### Providing professional development and career support

In addition to our regular seminars, workshops and themed happy hour gatherings, the Society launched a new career conference this year aimed at providing practical, timely career advice and career development insights. Ten speakers presented on topics relating to our theme of managing career

transition and remaining agile in changing economic environments. The event drew positive response from 108 participants.

During the year under review, we launched two new Special Interest Groups (SIGs) for Women in Investment Management and Short Selling. The Women in Investment Management SIG held two quarterly events which attracted 79 participants, while the Short Selling SIG organised two events during and subsequent to the year under review, drawing 96 attendees.

We also worked with the CFA Institute to host our annual Employer Outreach luncheon, providing us with the opportunity to promote the CFA designation and its benefits to employers in the local financial and investment industries.

### **Review of Membership**

As of 30 Jun 2016, the number of HKSFA members stood at 6,322. Up by 3.2% year-on-year, this growth is respectable given the mature nature of our Society. The Society maintained a high 91% membership renewal rate in FY2016, consistent with that of the previous year.

With 763 new and reinstated members during the year, the Society saw a net increase of 195 members. After three years of declining numbers in Hong Kong, we saw an encouraging 7.0% jump in the number of candidates to 9,319 – a remarkable increase in a mature CFA community.

### **Appreciation**

Taking on any new role presents unique challenges. In this light, I must thank our Board and Committee Members, as well as our Advisory Board, Volunteers and Staff Office personnel for their ongoing support and guidance.

I would like to take this opportunity to welcome our new Directors who joined during the year: Alex Lai, Ho Tak Lee and Vincent Ng. I must also thank our outgoing Director, Edmond Lau for his dedication and contributions to the Society – as well as our former Director, Cedric Wong, who resigned from the Board to take up the position of Managing Director. Special thanks go to our Director, Tony Watson, who served as Acting Managing Director during the interim period.

### **Looking Ahead**

Next year is HKSFA's 25th Anniversary. We look forward to celebrating this milestone of success with our members and industry stakeholders, as we continue to enhance the recognition, reputation and real-world benefits of one of Hong Kong's largest investment professional bodies.

Ashley Khoo, CFA, CPA  
President, HKSFA