

# Mind Swap



## **CFA Philippines Year End Review**

Mark L. Yu, CFA

CFA Philippines President (2006-2007)

Dear Society Members,

Greetings!

Babe Ruth, widely regarded as one of the greatest baseball players in history, once said that the way a team plays as a whole determines its success. As an organization, we may have the greatest bunch of financial professionals in the country but if we do not work together, nothing will be achieved.

This fiscal year, we have numerous accomplishments that speak of our commitment to continuously improve CFAP's services for the benefit of CFA members, CFA candidates, and the Philippine capital markets. These could not have been achieved if not for everyone's support to the local society. Hence, I am taking this opportunity to thank everyone for contributing their time and effort in making our local society's accomplishments possible.

First, let me thank and acknowledge the dedicated officers and volunteers of our local society: Lester T. Castolo, CFA, VP-Membership and Programming; Ria Mangonon-Caintic, CFA, VP-Education; Michael L. Delos Reyes, CFA, Treasurer; Raymund R. Abara, CFA, Secretary; Ildemarc C. Bautista, CFA, Advocacy Committee Chair; Virginia O. Luy, CFA, Scholarship Committee Chair. Our gratitude also goes to Atty. Francisco Ed. Lim, PSE President; Fe B. Barin, SEC Chairman; and Amando M. Tetangco, Jr., BSP Governor, for supporting the CFA Society Scholarship Program.

With everyone's support, our local society has accomplished the following:

1. We organized three (3) Continuing Education Events with International Speakers – Understanding Credit Risk Spreads with Frank K. Reilly, CFA, Long and Short Term Economic, Political, and Financial Considerations with Dr. Marc Faber, and Using Exchange-Traded Funds to Implement Strategic and Tactical Portfolio Strategies with Dr. Mary Champion, CFA;
2. We had the CFA Day Commemorative Dinner with Hon. Manuel Villar, Senate President and Chairman of the Committee on Finance, as Keynote Speaker and Mr. Kha Loon Lee, Asia Pacific Head of the CFA Institute for Financial Market Integrity, as guest of honor;
3. CFA Day Information Sessions were simultaneously held at eleven (11) banks and other financial institutions with more than two hundred (200) participants;
4. We entered into a Memorandum of Agreement (MOA) with the Bangko Sentral ng Pilipinas (BSP), Philippine Stock Exchange (PSE), and Securities and Exchange Commission (SEC) with regard to the CFA Society Scholarship Program;
5. We worked with the Financial Executives Institute of the Philippines (FINEX) during the Inter-Collegiate Finance Competition (ICFC), by providing the questions and acting as judges during the activity which was participated by students from sixty-nine (69) schools from all over the country and the Singapore Management University (SMU);
6. We awarded CFA Society Scholarships to ten (10) recipients; and
7. Other activities such as mock exams and after-exam party for CFA candidates, University Relation events, posting of various job opportunities for members and candidates in our group email, and newspaper, magazine and TV coverage on our society's activities and initiatives.

We are looking forward to more activities as we strive to improve further our local society's services for our members, the candidates, and the country's capital markets. We hope that you will continue to participate in our upcoming projects.

Thank you.



CFAP and SEC sign MOA on the Society Scholarship Program during the CFA Day. From L-R: SEC Officer-in-Charge, Graciano Felizmenio; SEC Chairman, Fe B. Barin; CFAP President, Mark L. Yu, CFA; Asia Pacific Head of CFA Institute for Financial Market Integrity, Kha Loon Lee

### **CFAP stages CFA Day, earmarks \$46K for scholars** By Rizchelle Sampang

The CFA Philippines (CFAP) staged CFA Day last June 13, 2007 to celebrate CFA Institute's 60<sup>th</sup> and CFA Philippines' 10<sup>th</sup> anniversaries respectively.

The celebration was highlighted by a commemorative anniversary dinner at Renaissance Hotel, Makati City for CFA charterholders, CFA candidates, and distinguished guests from the finance industry. Senator Manuel Villar, Senate President and Chairman of the Committee on Finance, and Mr. Kha Loon Lee, Asia Pacific Head of the CFA Institute Center for Financial Market Integrity, graced the affair as keynote speaker and international guest speaker respectively.

Significant during the affair was CFA's allocation of an initial \$46,000.00 (about Php2.2M) worth of CFA Program Scholarship over a period of ten (10) years to the Philippine Stock Exchange (PSE), Security and Exchange Commission (SEC), and Bangko Sentral ng Pilipinas (BSP) executed through a Memorandum of Agreement (MOA) signed between the aforementioned partner institutions and CFAP through President Mark L. Yu, CFA.

The day also featured simultaneous information sessions conducted by CFA charterholders among eleven (11) banks and other financial institutions. Both information sessions and dinner celebration was attended by more than four hundred participants.

## **CONTINUING EDUCATION EVENTS FISCAL YEAR 2006-2007**

Dear Fellow Society Members,

I am pleased to share with you the activities of the society's Continuing Education Committee for the recently concluded fiscal year 2006-2007. We organized three (3) well-attended and profitable seminars featuring high caliber speakers, whose presentations varied from credit risk, global and regional economic outlook, to portfolio management using exchange-traded funds. All the seminars were eligible for Professional Development (PD) credits. CFA Philippines members had their PD credits automatically credited to their respective PD diaries (accessible in the CFA Institute website).

Thanks to committee member Jerome D. Ferreria, CFA, who gamely pitched in the preparations, our volunteer CFA candidates who manned the registration tables and served as ushers, and fellow society officers who served as emcees, reactors and even event photographer! The society would also like to acknowledge the cooperation of our event partners, the Philippine Stock Exchange (PSE), the Philippine Dealing & Exchange Corp. (PDEX), and the AIM-JBF Center for Banking & Finance, for helping make these events a success.

Cheers,  
Ria Mangonon-Caintic, CFA

### **"Understanding Credit Risk Spreads" featuring Frank K. Reilly, CFA**

Date: 07 May 2007  
Venue: SGV Hall, 3/F AIM Conference Center  
Manila Benavidez cor. Trasierra Streets,  
Legaspi Village, Makati City  
PD Credits: Eligible for 3.0 PD credit hours

bond markets. Professor Reilly's lecture covered a historical analysis of credit risk spread movement over periods of business cycle recessions and expansions, and monetary ease and tightness, as well as the various credit risk variables that affect such spreads.

#### **Synopsis:**

In this half-day seminar co-sponsored by the AIM-JBF Center for Banking & Finance, Dr. Frank Reilly, highly respected professor and author of *Investment Analysis and Portfolio Management* CFA (a book which charterholders and candidates alike are very familiar with) gave a lecture on credit risk spreads for the investment-grade and high-yield

#### **About the Speaker:**

Professor Reilly received his BBA (Cum Laude), University of Notre Dame; MBA, Northwestern University; Ph.D. University of Chicago, and is a Chartered Financial Analyst (CFA). Dr. Reilly is the author of *Investments*, 7th Edition (South Western, 2006) and *Investment Analysis and Portfolio Management*, 8th Edition (South Western, 2006).

**“Long and Short Term Economic, Political & Financial Considerations” featuring Dr. Marc Faber**

Date: 19 June 2007  
 Venue: Ballroom 1, Renaissance Makati City Hotel  
 Manila (formerly New World) Esperanza  
 Street corner Makati Avenue, Makati City  
 PD Credits: Eligible for 2.0 PD credit hours

**Synopsis:**

Over 200 participants came to hear the 2-hour lecture of renowned Dr. Marc Faber of “The Gloom Boom & Doom” fame. Dr. Faber discussed his analysis and views on a variety of topics such as the sustainability of the current global economic boom and its consequences, monetary policies, asset allocation and value investing. His lecture was followed by an engaging Q&A forum, with most participant questions focused on where, when and in what to invest. This seminar was co-presented by the Philippine Stock Exchange.

**About the Speaker:**

Dr. Marc Faber publishes a widely read monthly investment newsletter “THE GLOOM BOOM & DOOM” report which highlights unusual investment opportunities, and is the author of several books including “TOMORROW’S GOLD – Asia’s Age of Discovery.” Dr. Faber is also a regular contributor to several leading financial publications around the world. A regular speaker at various investment seminars, Dr Faber is well known for his “contrarian” investment approach. He is also associated with a variety of funds and is a member of the Board of Directors of numerous companies.

**“Using Exchange-Traded Funds to Implement Strategic and Tactical Portfolio Strategies” featuring Dr. Mary Campion, CFA**

Date: 26 July 2007  
 Venue: Ballroom 1, Renaissance Makati City  
 Hotel Manila (formerly New World)  
 Esperanza Street corner Makati Avenue,  
 Makati City  
 PD Credits: Eligible for 2.5 PD credit hours

**Synopsis:**

Dr. Campion, a fellow CFA charterholder, presented the basics of Exchange-Traded Funds (ETFs), their construction and redemption processes, and their practical applications to investment and portfolio strategies. Dr. Campion’s lecture also featured the ETF global and regional market size, which shows the extent of global ETF use and acceptance. While ETFs are still not currently offered in the domestic market, there seems to be significant interest in these instruments, as evidenced by the attendance of several of the country’s largest fund managers and brokerage firms, officials from the Securities and Exchange Commission, as well as representatives from PSE and PDEX, the country’s two (2) exchanges. PSE and PDEX also co-presented this seminar.

**About the Speaker:**

Dr. Campion is president of Champion Capital Research, Inc., an independent research company incorporated to provide objective analysis, advice, and research to institutional investors. Dr. Campion has nearly twenty years of experience in the investment industry.

## University Relations Recap

By Raymund Abara, CFA

It has been a busy year for the University Relations Committee. Just to recap, society members have done a total of four university relation events. In the first half of the year, campus visits were done in University of the Philippines, Diliman, San Beda College and De La Salle – Lipa. And during the second half of the year, CFA Philippines (CFAP) graced a convention hosted by Angeles University Foundation.

For the most part, these visits served as an orientation talk about the CFA program. Students and teachers were able to listen as speakers presented the benefits of having the CFA charter, the details of the CFA program (enrollment and registration requirements, exam coverage, exam fees, requirements for the award of the CFA charter) and scholarship information. But more importantly, the speakers were able to relate their own personal experiences on the difficulties, hardships and victories as they underwent their rigorous preparations for the CFA exam. To paraphrase one student, “I’m suddenly very much interested to do finance!”

In other times, CFAP members were requested to be a resource speaker for the school. With topics such as derivatives and portfolio management, members shared their expertise and know-how in these areas. Without a doubt these lectures served to advance the finance know-how of our schools.

These events are but a tip of the iceberg. There were many other events that CFAP were not able to participate in due to personnel constraints. For this reason, we would like to invite all members to spend a little time fostering and nurturing our local schools. We believe that by doing these university outreaches, campus talks, and road shows the understanding of finance as a whole will be furthered in our schools.

CFAP would like to thank the speakers who were involved in doing these talks in 2007: They are Ernie D. Francisco, Jr., CFA, Mary Jane Chiong, CFA, John Balce, Ryan Norman Lim, and Mary Grace Dumalaog.

Also let us welcome and support our new University Relations Committee Chair, Ms. Sheryll P. Verano, CFA!



MOA signing on the Society Scholarship Program with the BSP. From L-R: BSP Deputy Governor, Nestor Espenilla, Jr.; BSP Governor, Amando M. Tetangco, Jr.; CFAP President, Mark L. Yu, CFA; & CFAP Scholarship Committee Chair, Ernie D. Francisco, Jr., CFA

### CFAP Signs MOA on Society Scholarship Program with BSP, PSE, & SEC

By Ernie D. Francisco, Jr., CFA

The CFA Philippines (CFAP) has strengthened its partnership with the country's regulatory institutions – Philippine Stock Exchange (PSE), Securities and Exchange Commission (SEC), and the Bangko Sentral ng Pilipinas (BSP) by allocating US\$46,000 or approximately Php2.2M worth of CFA Society Scholarship Program over a period of 10 years.

CFAP through its President, Mark L. Yu, CFA, signed Memoranda of Agreement with the following: SEC Chairman Fe B. Barin on June 13, 2007; BSP Governor Amando M. Tetangco Jr. on August 7, 2007; and the PSE President Francisco Ed. Lim on August 21, 2007. Each institution will be allocated 3 scholarships per fiscal year starting with the 2008 exams.

The initiative is part of CFAP's strategy to improve the competency of our regulatory and self-regulatory institutions.

### Know Your CFA Scholarship Programs

- **Local Society Scholarship.** The local society sponsors a limited number of scholars based on ability to pass, financial need, potential contribution to the Society, and career fit to CFA designation. Scholarship application for December 2008 Exam will open soon.
  - **Student Scholarship.** CFA charterholders teaching at least 6 units can sponsor up to 5 students as scholars for Level 1. **So if you are a student, ask your professors about the program. If you are a CFA charterholder, please consider teaching 6 units and sponsor your student.** For further details, please visit, [http://www.cfainstitute.org/cfaprog/university/student\\_scholarship.html](http://www.cfainstitute.org/cfaprog/university/student_scholarship.html)
  - **Professor/Faculty Scholarship.** Faculty teaching 6 Units can avail of the scholarship program offered by the CFA Institute. Scholars only need to pay \$220 for the exam. For further details, please visit <http://www.cfainstitute.org/cfaprog/university/pdf/professorscholarshipjune.pdf>
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- **HP 12C Calculators** will be provided to CFAP Scholars. Thanks to HP for the donation.
  - Be a **CFAP Educator (CFAPE) Scholarship Fellow!!** Support the development of our finance educators by being a Founding CFAPE Scholarship Fellow.

## CFA Philippines (CFAP) 2007-2008 Officers

### Congratulations to the new set of officers!

President  
 VP-Membership & Programming  
 VP-Education  
 Treasurer  
 Secretary  
 Vice-Chair, Education  
 Chair, Advocacy Committee  
 Chair, Scholarship Committee  
 Chair, University Relations  
 Chair, Technology Committee  
 Chair, Publications Committee  
 Chair, Investment Research Challenge Committee

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 Raymund R. Abara, CFA  
 Michael B. Garcia, CFA  
 Vandermir T. Say, CFA  
 Juliet S. Dytoc, CFA  
 Jerome D. Ferreria, CFA  
 Ildemarc C. Bautista, CFA  
 Ernie D. Francisco, Jr., CFA  
 Sheryll P. Verano, CFA  
 Chiu Ying Wong, CFA  
 Alexander N. Gilles, CFA  
 April Lee-Tan, CFA