



Your Society News & Updates

A word from the Board

Best wishes to everyone for 2019 from the Board of Directors of CFA Society Luxembourg!

With the start of the New Year, the Board is busy devising a new agenda of events for our members. Members will tentatively be able to benefit from more educational events on traditional financial skills in either traditional or alternative asset classes, as well as events on soft skills e.g., executive presence or networking. Not to be forgotten will be social events, which permit members to casually mingle and network in a relaxed environment. Finally, partnering with other local organisations on key topics will continue, where resources and speakers will be shared to give members of collaborating organisations access to high-quality content and networks. Past partners include Bocconi University Alumni, CAIA, RICS and LSE Alumni, who we are all happy to continue our collaboration.

So continue to stay tuned for new events and if you have an idea for one or would like to get involved, feel free to reach out to the Board at contact@cfa.lu.

Board of Directors, CFA Society Luxembourg

Thanks to our Sponsor

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Local Events

Upcoming Events

- New Year's Cocktail (Jan. 15)
- Royal Academy of Dramatic Art (RADA) Soft Skill Workshop (Feb. 19)
- Event on Securitisation (tentatively March)
- Putting Investors First Event (tentatively April/May)

Past Events

Private Equity Event with SHU and EY

On the evening of Tuesday, October 2nd, a large crowd of over 200 people attended an event organised by Sacred Heart University at Luxembourg at EY's premises. CFA Society Luxembourg partnered with SHU Luxembourg to help bring this event to members. The presentations and panel discussion included experts from many parts of the private equity investment chain including the administrative, legal and investment sides. Many good questions were asked and participants enjoyed a nice cocktail reception afterwards.



Luxembourg Real Estate Event with Bocconi AA



Early in the evening of October 24th, CFA Society Luxembourg partnered with Bocconi Alumni Association as well as Intertrust, Inowai, Arendt, Banque et Caisse d'Epargne de l'Etat and ImmoBel to bring participants two different round table discussions on the real estate market in Luxembourg. The event was at Arendt and was very well attended with an impressive cocktail reception that followed

Innovations in the Credit Industry Event with Bocconi AA

During the evening of November 28th at the Hotel Le Royal, Prof. Edmondo Tudini from SDA-Bocconi School of Management presented the recent innovations in the credit industry that aim to compete with traditional financial methods in the credit and loan market. About 35 members and Bocconi alumni were present and enjoyed a light mixer afterwards.

Charter Award Ceremony

On the evening of December 3rd, CFA Society Luxembourg held its annual Charter Award Ceremony at Cercle Munster. Approximately 35 new Charterholders were present to receive their diploma and listen to Gary Baker, CFA, share his inspiring views of the CFA Program and its mission. Congratulations to our new Charterholders and welcome!



Regional Events



Economic Outlook 2019: What About Europe?

Where: BNP Paribas Asset Management, 14 rue Bergère 75009, Paris

When: January 23rd, 2019

The economic outlook will be reviewed in the context of the Euro Single Currency framework, the consistence of economic and fiscal policies and the structural convergence. CFA Society France is very pleased to host this unique event. The speakers are Prof. Pierre Bezbakh and Dr. Alain Durré.

Prof Pierre Bezbakh is an economist, lecturer at Dauphine University, historian and regular columnist for Le Monde. Dr Alain Durré is Executive Director and "Economiste en chef" of the Paris office of Goldman Sachs.

[Find out more.](#)

Investment Firm Of The Future: Alternative Business Models & Strategies For A More Forward-Thinking Industry

Where: BNP Paribas Asset Management, 14 rue Bergère 75009, Paris

When: February 14th, 2019

Following the publication of "Investment Firm Of The Future" report which discussed the context for the organizations in our industry, by again looking out over the next 5-10 years with the aim of helping firms better face realities, manage risks, and craft alternative pathways, the speaker will construct how business models will be organized by their functional parts to generate value.

Mr. Rhodri Preece, CFA, Head of Industry Research at CFA Institute will present the challenges and the opportunities our industry will face over the coming years in this event. This is a unique opportunity to share views on mega trends and solutions to benefit from them.

[Find out more](#)

Machine Learning Insights: Digital MSME Lending, a disruptive game changer

Where & When: Webinar & January 31st, 2019

In this webinar, Shalabh Singhal, CFA, Co-Founder, ZipLoan will discuss how Digital MSME Lenders are using alternate data and ML (machine learning) to solve the "low credit supply to MSMEs" problem that India has. The webinar will address the following learning outcomes including understanding the:

1. Size of the Digital MSME Lending opportunity in India and its impact on overall economy,
2. Key enablers for the Digital MSME Lending ecosystem,
3. Key Machine Learning applications (credit decision making and beyond) in Digital MSME Lending,

4. Popular Machine Learning models in Digital MSME Lending, and
5. Key risks and control measures in ML powered Digital MSME Lending.

[Find out more](#)

Local News

Luxembourg Business Run

On September 20th, CFA Society Luxembourg members Javier Magdaleno, CFA, Marie-Laure Mounguia, CFA, and Pablo Imaz, CFA (as pictured) formed the team that participated in the Luxembourger Wort's annual Business Run around Kirchberg, which starts and ends at d'Coque. They finished in 164th place out of 395 mixed teams with a time of 31:53.2 (all while having deep discussions on disruptive financial models). More than 800 teams each composed of three members competed in this year's 5.5 km run. Congratulations to the participants and thanks to the organisers!



Members who are interested in competing in next year's race should get in contact with the Board in August 2019 at contact@cfa.lu. So mark your calendars!

Global News

December Level I Exam Results Expected Soon

Results for the December 2018 Level I CFA examinations are expected to be released in February, roughly sixty days after the exam was given on December 1.

For the 2017 December exam (given only for Level I), the pass rate was 43%, which is in line with the rates for the June Level I exam given in 2017 and 2018.

Hats off to all of those who studied for the exam.

Free Investment Foundations Offering (formerly Claritas)

CFA Institute has announced that the Investment Foundations Program (formerly known as Claritas) has evolved to become a fully online learning experience and more importantly available free of charge to anyone who would like to better understand the investment management industry. People currently registered for the program will receive a refund.

For more information, [please click here](#) and pass the word along to get colleagues other potentially interested people informed about the new offering.

Reminder: CIPM Exam Registration Deadline

For members seeking a new challenge, registration for the March 2019 CIPM Exams runs until **January 31st**.

The Certificate in Investment Performance Measurement (CIPM) gives candidates advanced, globally relevant, and practice-based investment performance and risk evaluation skills.



CFA Charterholders and others who have passed Level III are now eligible to proceed directly to Level II of the CIPM Program. [See the website for more details.](#)

Latest Research Foundation Publications

Fundamentals of Value Versus Growth Investing and an Explanation for the Value Trap

In publication, Stephen Penman and Francesco Reggiani discussed the value trap in the view of fundamental analysis. Value stocks earn higher returns than growth stocks on average, but a “value” position can turn against the investor. Fundamental analysis can explain this so-called value trap: The investor may be buying earnings growth that is risky. Both the earnings-to-price ratio (E/P) and the book-to-price ratio (B/P) come into play. E/P indicates expected earnings growth, but price in that ratio also discounts for the risk to that growth; B/P indicates that risk.

A striking finding emerges; for a given E/P, a high B/P (“value”) indicates higher expected earnings growth—but growth that is risky. This finding contrasts with the standard convention that considers a low B/P to be “growth” with lower risk.

[Read the full article](#)

The Future of Investment Management

During last decade (2008-2018), active management has been under pressure with phenomena such as investors switching from actively managed funds to index funds, new “smart beta” products offering low-cost exposures as a substitute to many active strategies, and the proliferation of ETFs. Markets and regulations have changed significantly over the past 10-20 years, and data and technology—which are increasingly important for investment management—are evolving even more rapidly.

Ronald N. Kahn discusses the future of investment management by addressing the questions: what ideas will influence its evolution and what types of products will flourish over the next 5-10 years?

[Read the full article.](#)

Financial Crises

In a podcast released in November 2018, Gary Gorton states that 147 systemic events have occurred since 1970. They generally occur when people no longer believe their banks are safe and thus want their money back en masse, creating a run on the banks. History suggests that financial crises are inevitable because new forms of short-term debt continually transforms the system, Gorton says. However, regulation can potentially cushion these blows. Of course, there may also be a trade-off between crisis-avoiding regulations and economic growth.

[Read the full article.](#)

Career Corner

Latest Job Offers

- [Conducting Officer Portfolio Director - Real Estate AIFM at Funds Partnership Luxembourg Sarl Luxembourg](#)
- [Investment fund risk specialists – International affairs \(m/f\) at CSSF Commission de Surveillance du Secteur Financier Luxembourg, Luxembourg](#)

- [Lean Expert \(m/f\) at CSSF Commission de Surveillance du Secteur Financier Luxembourg, Luxembourg](#)
- [Banking Operations Securities \(m/f\) - full-time / permanent contract](#)
- [Senior Regulatory Compliance Officer – Luxembourg](#)

CFA Institute Career Center: Career Tools at Your Fingertips

The Career part of the CFAI website has been updated and contains new information and functionalities for CFAI members. Career Tools, a Career Center Library and a Career Center online job search engine are available and have been refreshed to facilitate easy use.

For more information, [visit the website](#).

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