



**CFA Society  
Mauritius**

## NEWSLETTER ISSUE 20

December 2016

Dear Members/Candidates,

The sifting sand grains in the hourglass bring us inexorably towards the end of yet another calendar year. Like the most common of mortals, our dear readers too, would have had their fair share of great moments of aspirations/success interspersed with some disillusion/failures during the year gone by.

Cognitive theories of personality have revealed that though we are all self-attributive in the reasons of our successes, in our failures we are not all on the same wavelength!! Those of us with an internal locus of control orientation believe that our misfortunes result from the mistakes we make; while, individuals with an external locus blame everything else but themselves for their mishaps. It is no surprise that individuals with an internal locus believe their positive and active participation would make a difference in their environment.

This difference in personality traits is telling on organizations, committees or any other forms of group activity due to the effect it has on the problem solving style and capacity of the individual to interact or

collaborate with colleagues. Organizations wanting to tap the full potential of their constituents, therefore, induce this shift from an external locus to an internal locus mindset through the use of corporate culture or a code of deontology.

The time honed CFAI Standards of Ethics and Code of Professional Conduct, too, foster this internal locus consciousness and empower its members to be the catalysts of ethical change in their work environment and fiduciary duties. Examples abound but a few would illustrate the point.

For example, a member cannot plead to have gone with the flow in an environment of rampant capital market manipulation. Standard II B “Market Manipulation” is clear in its guidance as to the responsibility of the member. The Standard enforces the member to be an enabler of change rather than refuge in the external locus role of a hapless witness.

Standard IV C “Role of Supervisor” contrary to the external locus trait, does not allow a member to wash his hands off, for the wrong doings of his subordinates. It makes the member responsible for putting in place reasonable procedures of control

for monitoring the individuals under his supervision.

Another example of how granular the Code can get, is the guidance under caption CFAI Membership of Standard VII B which makes the member responsible for the payment of membership dues on a timely basis. The employer of a member may pay the membership fees but the ultimate responsibility lies solely with the member. An internal locus member would accept the consequence of a non-follow up of payment as personal negligence whereas the external locus individual will imagine machinations even in the thin air around!!

It is fascinating how the Standards when practiced earnestly could mold behavior by putting the member at the center of the change he wants to see in the world around. A nice idea for a New Year resolution if you are not already there!!

Enjoy the festivities and come back rested. Wish you all a very Happy New Year 2017!!!

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### **Annual General Meeting, 23 September 2016**

*The CFASM organised its 16th Annual General meeting of members on 23 September 2016 at Flying Dodo in Bagatelle. Encouraging number of members participated. Out of 57 regular compliant members with voting rights, 39 were present or voted by proxy. In addition to the usual statutory items, the president highlighted that the major focus during the year was Membership Value and Member Engagement both at the level of the local society and the CFA Institute. Mention was made of a few of member-centric events such as: speaker series on Women In Investment Management, a networking Golf event, a movie screening family event for members and a charter ceremony dinner with Paul Smith the CEO of the CFAI. Among the non-member-centric events or initiatives were the launch of the first Research Challenge, organisation of a first ever Study Group initiative and mock exams for candidates.*

*A special resolution was also passed to propose amendments to the Rules of the society which would enable the creation of a new membership class called the Aspirant class targeting CFA program and CIPM candidates. The president also explained the importance to have a corporate office of the Society and the various options being considered. The amended Rules would also permit the acquisition of a corporate office.*

### **SEMYIA AWARDS CEREMONY, 25 August 2016**

The Stock Exchange of Mauritius (SEM) held the Awards Ceremony for the 24<sup>th</sup> edition of the SEM Young Investor Award Competition (SEMYIA) 2016 at the Octave Wiehé Auditorium, Réduit, on 25 August 2016. This year's Event has attracted 890 students from 101 colleges across the country. The Awards Ceremony 2016 is sponsored by a number of financial institutions whose top Management representatives were present for the occasion.

This year also, CFASM took part in the SEMYIA Awards ceremony, where we presented a challenge trophy to the winning team for the Best Report 2016. Forest Side SSS were the happy winners for 2016. Nousher Sait, Sazia Khobacksh as well as Ved Auckaloo represented CFASM at the ceremony.

### **EMEA Regional Meeting, 6 to 8 October 2016**

This year the following representatives (Ved Auckaloo, Imrith Ramtohul, Norman Fon Sing and our administrative officer, Sudha Ramsurrun), attended the CFA Institute EMEA Regional Meeting: 6 to 8 October 2016 in Budapest, Hungary

The theme of the conference was "From Idea to Impact; Implementing Strategy" and the focus in the various workshops were threefold namely Credentialing, Member Value and Standards & Advocacy as well as continued Society Staff Training to better serve our members.



*The reception at Boscolo Hotel, Budapest*

**RESEARCH CHALLENGE 2016/2017**

**Research Challenge Launch, 20 October 2016**

CFA Society Mauritius kicked off this year's Research Challenge on the 20<sup>th</sup> October at Flying Dodo. The event was attended by students from the participating universities, namely, University of Mauritius, University of Technology, Charles Telfair University, Université des Mascareignes, Middlesex University, their respective faculty advisors and industry mentors. The subject company chosen by the Management Committee was Rogers Group, on which participants will be required to prepare and present a research



*Sazia Khodabacksh, Education chair of CFASM*

**Research Challenge Q&A Session, 10 November, 2016**

Rogers Group organized a Q&A session for the Research Challenge participants on the 10<sup>th</sup> November, which was also attended by the faculty advisors and industry mentors. Ziyad Bundhun, Executive Director and the Chief Finance and Investment Executive of Rogers made a presentation of the group's activities, financials and prospects to the crowd present. The next step in the challenge requires the students to submit a first draft of the research report to their mentor for feedback after which they will submit the final report for grading. The final presentation of their research findings will take place in front of a judging panel of industry experts. The winning team will then travel to Prague where the regional competition is scheduled in April 2017.



**The Use of Futures Markets to reduce Portfolio Volatility, 07 November 2016**

On 7<sup>th</sup> November, CFASM had the honour of having Mr Jeremy O'Friel, CFA speak to its Members and other finance professionals. Mr O'Friel is the Founder & Managing Director of Belmont Investments and is a regular guest on CNBC Asia. He made an enlightening presentation on 'The Use of Futures Markets to Reduce Portfolio Volatility'. During his presentation, Jeremy demonstrated (by using various examples) that adding managed futures to an investment portfolio could result in a reduction in overall risk. There were more than 55 attendees, coming from both banking and non-banking organizations at the event.

The Management Committee of CFASM continues to look for opportunities to invite foreign speakers at its events. If you are aware of well-known investment professionals who would be interested to speak at our future events, please let us know.



*From L to R: Ashwin Prayag, Jeremy O'Friel and Nousher Sait*



*Jeremy O'Friel accompanied by Imrith Ramtohol, Advocacy Chair of CFASM*



*Jeremy O'Friel giving the presentation*

### Charter Award Ceremony and End of Year 2016

CFASM organised its annual Charter Award Ceremony and its End of Year Dinner 2016 on Friday 9th December 2016 at The Westin Turtle Bay Resort & Spa, Balaclava. CFASM welcomed 10 new charterholders, bringing the number of charterholders to 59 and members of the society to 68 presently. In addition, the number of Charter pending has now grown to 19. The new charterholders are Shakeel Summun, Vij Bheenick, Chetanraj Goindo, Irshad Jackaria, Clinton Madgwick, Ahmed Mamode Ally, Kushwant Mussai, Yashwin Rughooputh, Sebastien Marc and Rudyard Sam Soobaroyen. The Guest speaker for the Charter Award Ceremony was George Spentzos, CFA – member of the CFA Institute Board of Governors.

We also had a raffle for members who attended the event and Alexandre Bechard was the lucky winner. He was offered a night stay for two at Le Meridien.



*From L to R: George Spentzos, CFA, Member of board of governors of CFA Institute, Irshad Jackaria, Sebastien Marc, Clinton Madgwick, Yashwin Rughooputh, Chetanraj Goindo, Ahmed Mamode Ally, Kushwant Mussai, and Nousher Sait.*



*Shakeel Summun and Vij Bheenick accompanied by George Spentzos and Nousher Sait*



*The prize winner of the raffle, Alexandre Bechard and George Spentzos*



*Jessica Ha Shun, Membership chair presenting a souvenir to George Spentzos*



*Norman Fon Sing, Treasurer, doing the Vote of Thanks*



*Rudyard Sam Soobaroyen, getting his charter in Sydney*

### Employer Outreach

On 12<sup>th</sup> December, George Spentzos, CFA and Imrith Ramtohul participated in an Outreach event. They met with senior officials at MCB Capital Markets (MCBCM), SBM Mauritius Asset Managers (SBM MAM) (both corporate patrons of CFASM) and the Stock Exchange of Mauritius (SEM). George was pleasantly surprised to hear about the growing number of MCBIM and SBM MAM staff members attempting the examinations of the CFA Program. He mentioned that other employees (especially those outside of pure investment roles) could be encouraged to attempt the CFA Institute Investment Foundations program. MCBCM and SBM MAM were also encouraged to adopt the Global Investment Performance Standards (GIPS) as well as the Asset Manager Code of Professional Conduct.

The Management of SEM updated George on the new products being listed on our Stock Exchange and how Mauritius (as a financial centre) could potentially benefit from such listings. George highlighted that both CFA Institute and CFASM would continue supporting the local Stock Exchange in its future initiatives.

### George Spentzos, CFA visit to the FSC

George Spentzos, CFA, CFAI Board Governor accompanied by Ved Auckaloo paid a courtesy visit to P.K Kuriachen, the Acting CEO of the Financial Services Commission of Mauritius. Discussions were held regarding: raising the level of education among finance professionals, Code of Ethics & Standards of Professional Conduct and Asset Manager Code of Professional Conduct. The Acting CEO was very supportive of the various CFAI initiatives. Both the FSC and CFAI have a number of commonalities especially in the field of financial education for professionals as well as for the general public and the promotion of the highest standards of ethics and code of conduct. It was also mentioned that in addition to the CFA Research Challenge which is already being organized by the CFASM it was also felt desirable to organize the Ethics Challenge with the objective to create a general awareness of ethics among would be professionals. George also highlighted that the CFAI offered a number of scholarships for the CFA Programs specifically to staff members of regulators.

### Media Presence:

A sustained media presence has been maintained through a panoply of event press releases, placed articles and paid brand campaign advertising inserts.

An article relevant to the pension industry “Challenges faced by members of Defined Contribution Plan” appeared in the SEM May Newsletter. This article was further echoed in the November 2016 edition of the Vinkers Personal Finance Magazine.

In the SEM June Newsletter an article entitled “The Concept of Smart Beta” was published.

A press release covering the Futures workshop conducted by Jeremy O’Friel was highlighted in the 11<sup>th</sup> November edition of BizWeek under the title “Adding futures to portfolio can reduce volatility”.

On the 7<sup>th</sup> December 2016, an opinion article in L’Express was published under the heading “L’idee d’un nouveau ministre de finances ne plait pas aux investisseurs.”

The Charter Ceremony 2017 was covered by both LeMauricien dated 14<sup>th</sup> December 2016 and BizWeek dated 16<sup>th</sup> December 2016.

There was an interview of George Spentzos, Member, CFAI Board of Governors by LeDefi which appeared on the 16<sup>th</sup> of December 2016. This interview was under the Media Outreach initiative organized by the Society.

Photo People



**THE MANAGEMENT COMMITTEE**



*Nousher Sait, CFA  
President*



*Sharona Rambocus, CFA  
Vice-President (Until 26<sup>th</sup>  
Sept 16)*



*Vedprakash Auckaloo  
Secretary*



*Norman Fon Sing, CFA  
Treasurer*



*Imrith Ramtohul, CFA  
Advocacy Chair*



*Jessica Ha Shun, CFA  
Membership Chair and  
Assistant Treasurer*



*Sazia Khodabaksh, CFA  
Education Chair and  
Assistant Secretary*

**OUR CORPORATE PATRONS 2016/2017**

