

ANNUAL SOCIETY REPORT 2018

LEADERSHIP FOR 2017 – 2019 TERM

Name	Designation
Jason <u>Lee</u> Wei-Chung, CFA	President
Justin <u>Ong</u> Kean Hu, CFA	Vice-President
<u>Chong</u> Jin Yoong, CFA	Honorary Secretary
<u>Phua</u> Yee Boon, CFA	Honorary Treasurer
Muhammad Faridq Rashid bin Ridzuan, CFA	Director
David <u>Meow</u> Li Hwa, CFA	Director
<u>Tham</u> Lih Chung, CFA	Director
Jeannie <u>Tai</u> Hui Jing, CFA	Director
<u>Tee</u> Chia How, CFA	Auditor
Andrew <u>Ho</u> Tho Kong, CFA	Auditor

STAFFED-OFFICE (2017 - present)

Name	Designation
<u>Chin</u> Sok Mei	General Manager (resigned Dec 2017)
Sherry <u>Ooi</u>	General Manager (joined Oct 2017)
Shafiqah Shazreen	Executive (joined Sep 2018)
Bryan <u>Sim</u> Chun Hong	Executive (resigned Sep 2017)
<u>Yip</u> Ming Fai	Executive (resigned Jul 2018)
<u>Liew</u> Yee Yun	Executive (resigned Jul 2018)

Role Duties with CFA Institute (2017-19)

Role	Name
Advocacy	Justin Ong Kean Hu, CFA
Program	David Meow Li Hwa, CFA
Membership	Jeannie Tai, CFA
Scholarship	David Meow Li Hwa, CFA
Sponsorship	Jason Lee, CFA
Industry Outreach	Tham Lih Chung, CFA
Technology	Chong Jin Yoong, CFA
CFA Institute Research Challenge	Phua Yee Boon, CFA
University Relations	Muhammad Faridq Rashid bin Ridzuan, CFA

Presidents of CFA Society Malaysia

Name	Term
Jason Lee Wei-Chung, CFA	2015 – 2019
Lee Yew Chen, CFA	2011 - 2015
Chai Yit Sheng, CFA	2009 - 2011
Jason Lee Wei-Chung, CFA	2005 - 2009
Zainal Izlan Zainal Abidin, CFA	2001 - 2005
Teoh Kok Lin, CFA	1999 - 2001
Loo Kok Yuen, CFA	1999
Lee Kha Loon, CFA	1996 - 1999

President's Statement

Mission Statement

The mission statement of CFA Society Malaysia, resonates with the CFA Institute's mission statement:

CFA Institute Mission Statement – *“To lead the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.”*

CFA Society Malaysia Mission Statement – *“To elevate the quality of the investment profession by promoting the highest standards of ethics, education and professional excellence for the benefit of the investing public in Malaysia.”*

CFA Society Malaysia with support from CFA Institute continues to execute the three-year strategic plan (2017-2019) initiated by CFA Institute and cascaded to all local societies. The strategies involve the following:

- To **develop future professionals** through relevant and accessible credentialing programs,
- To **deliver member value** that accelerates the professional success of our members, and
- To **build market integrity** that benefits investors and our members that serve them

Membership

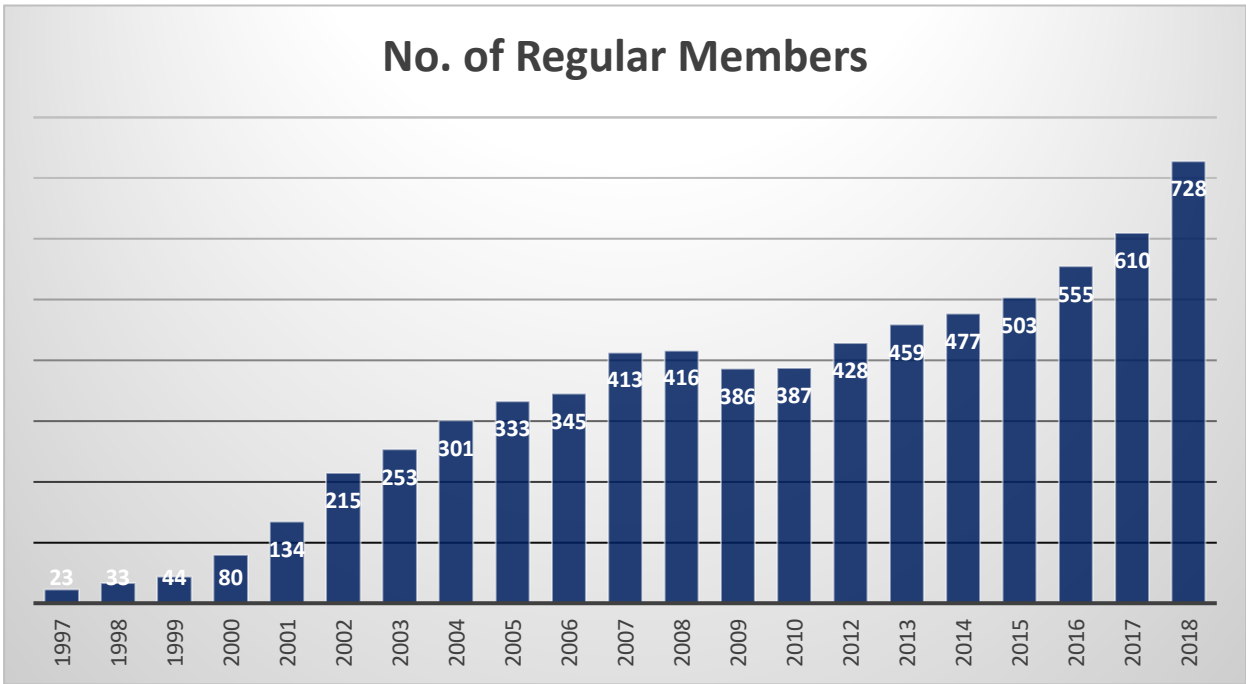
Projects and events undertaken throughout the past year were aimed towards promoting the CFA programme and broadening the membership base. These includes CFA awareness talks at universities, hosting the annual Career Day, New Charter Award Ceremony and the Research Challenge.

For the past 5 years, our membership grew at an average of 9.8% per annum, with double digit growth recorded in 2016 - 2018 (refer to *Table 1*). Last year we experienced the highest growth rate ever at 19%.

Table 1 – Yearly Comparison of Active Members

As of 30 June Each Year	No. of Active Members	% of Growth (YoY)
2013	459	7%
2014	477	4%
2015	503	5%
2016	555	10%
2017	610	10%
2018	728	19%

Chart 1 – No. of active Regular Members from 1997 until 2018



As at 29 August 2018, we recorded a total 739 active members, comprising of 728 Regular members and 11 Associate members. We expect our membership base to continue to experience strong growth in the coming years. This is due to the significant number of ‘charter pending’ which totalled 415 as at end-Aug 2018. The Society will continue to reach out to these group of ‘charter pending’ individuals to encourage them to join as charterholder members as they fulfil the 4 years of work experience requirement.

The Associate membership was launched at the 2018 Career Day targeting university students and CFA exam candidates. The purpose of this membership category is to enable the society to engage with future members at an earlier stage. Associate Members also gain the opportunity to network with the community of CFA charterholders. To qualify for Associate membership, applicants must either be currently registered or have passed any of the CFA exams or be registered in a bachelor's degree program.

CFA Exam Candidates and Affiliated Universities

Continuous visits to the universities are an on-going endeavour to actively promote the CFA programme and ethics. Malaysia currently have a total of 7 universities (with Multimedia University being the newest addition) as listed below recognized as Affiliated Universities under the CFA Institute University Affiliation Programme (UAP).

- | | |
|--------------------------------------|----------------------------------|
| a) University of Malaya | e) Universiti Tunku Abdul Rahman |
| b) HELP University | f) Universiti Sains Malaysia |
| c) Taylor's University | g) Multimedia University |
| d) University of Nottingham Malaysia | |

The increase in the number of CFA exam candidates was significant in year 2015 (refer to *Table 2*). However, the number of CFA exam candidates in the last 3 years have seen mild declines.

Table 2 – Yearly Comparison of CFA Exam Candidates

Year	Level 1*	Level 2**	Level 3**	Total	% of Growth
2011	1178	338	200	1716	
2012	1155	380	176	1711	-0.3%
2013	1072	381	208	1661	-2.9%
2014	1117	393	206	1716	3.3%
2015	1255	463	251	1969	14.7%
2016	1225	487	253	1965	-0.2%
2017	1120	529	260	1909	-2.8%
2018 ¹	1009	563	313	1885	-1.3%

* Level 1 – June & Dec exam

** Level 2 and 3 – June exam

¹ Figures extracted as at 15 Aug 2018

Society Events for the Financial Year ending 30 June 2018

A) CFA Institute Research Challenge

CFA Institute Research Challenge is an annual, global competition that provides university students with hands-on mentoring and intensive training in financial analysis, equity research and valuation, investment report writing as well as presentation skills. Students work in teams of 3-5 members to research and analyze a publicly traded company and then write a research report on their assigned company with a buy, sell, or hold recommendation.

In the 2017/2018 season of the Research Challenge, our country-level competition received encouraging participations from 10 universities. We have been implementing numerous initiatives in organizing this high-profile competition for the past 3 years. To promote the best practices and improve skills in equity research among university students, our organizing committee of the Research Challenge has been meticulously exploring different avenues including choice of subject company, fairness in the grading and judging process, diversity among the industry mentors and participants as well as timing of the entire competition. Corporations, financial institutions and government-linked investment companies have also been supportive in contributing to the success of the competition.

Our organizing committee's efforts returned with results when the judges observed notable quality and knowledge improvements in equity research and financial analysis among the participants as compared to the previous years. Sunway University won the Malaysia-level CFA Institute Research Challenge after going head to head in a battle of analytical wits with 3 other finalist teams.

Sunway University advanced to the Asia Pacific regional level competition co-hosted by CFA Society Malaysia and the CFA Institute in Kuala Lumpur to compete against the best teams from the Asia Pacific countries. Besides co-hosting the regional and global finals with the CFA Institute this year, our volunteers in the Research Challenge walk the extra mile to enhance the publicity of this annual signature event. We have successfully secured media and press coverage for our Society's Research Challenge this year. On top of that, we also managed to achieve a significant breakthrough when we worked with the CFA Institute to broadcast the Asia Pacific regional and global final competitions through livestreams on the internet.

The Sunway University's students' passion towards equity research and their countless hours of hard work led us to our very first title of Asia Pacific's Champion in the CFA Institute Research Challenge after 9 years of participation. We were thrilled with their remarkable performance throughout the competition at the Asia Pacific regional and global final competitions. We are thankful that our Society managed to achieve such a major milestone this year. We wish to express our gratitude to all the volunteers who have been supporting the CFA Institute Research Challenge.

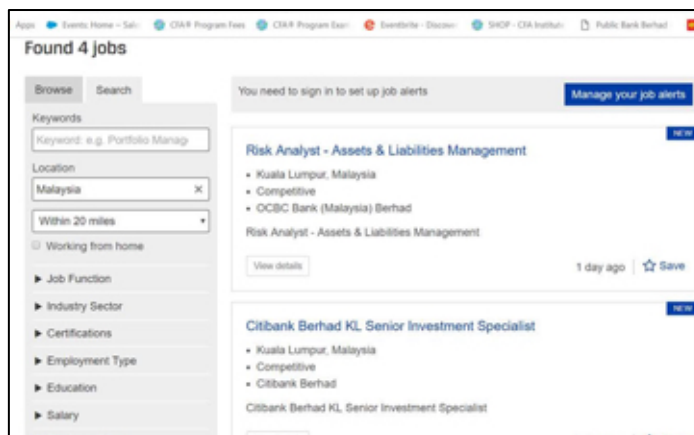
Snapshots from CFA Institute Research Challenge (Season 2017-2018)



B) CFA Society Malaysia Career Day 2018

5 June 2018 - Employer's Networking Event – Career Management Page

CFA Society Malaysia have also been actively connecting with employers via the Careers Management Page platform and our signature Career Day event. On 5 June 2018, CFA Society Malaysia invited our Career Day sponsors and other employers to attend an employer networking event specifically to launch the Career Management Page. 34 HR personnel from various companies attended this event at Common Ground, Damansara Heights.



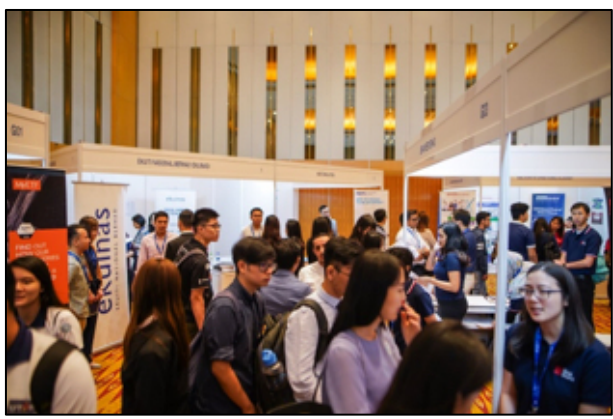
4 August 2018 – Career Day 2018: Embrace, Empower, Emblaze

Our flagship event is back for the third consecutive year. Close to 30 employers from the finance and investment industry and over 1,200 participants attended this event at KLCC Convention Centre.

Key highlights of the event include:

- **Plenary Speech**
By Datuk Zainal Izlan Zainal Abidin, Deputy Chief Executive of Securities Commission Malaysia
- **Industry Leaders Forum sessions**
 - EMBRACE: Ascending the Career Ladder as a CFA Charterholder
 - EMBLAZE: Enlightening Future Career Trends in the Investment & Finance Industry
 - EMPOWER: Limitless Opportunities with the CFA Credentials
- **Crossroad-Counseling**
Over 20 enthusiastic CFA charterholder and candidates joined as career counselors providing insights and guidance to participants on investment banking, asset management and management consulting.
- **Professional Photoshoot**
Professional headshot services was available free-of-charge and participants got to walk back with a printed photo with the softcopy emailed to them.
- **Video Competition Award Ceremony**
Our competition this year – “Will your action get you where you want to be in 3 years?” was joined by many creative individuals coming from different backgrounds.

Snapshots from Career Day 2018



Snapshots from Career Day 2018 (cont')



C) Candidate Support Events

For the year 2018, CFA Society of Malaysia introduced several events targeted at providing support to our future members.

6 Jan 2018 – Exam Technique Workshop

Candidates for the June 2018 CFA Level 1 examinations were invited to participate in the Exam Technique Workshop held on 6 January at the Intercontinental, KL. The speakers for the workshop were invited from the pool of trainers of local prep providers. The speakers provided key insights and shared experience on the recommended preparation for the grueling exam for over 70 candidates.



26 May & 9 June 2018 – CFA Mock Exam and review

The second event was the Live Mock CFA exam for candidates of all 3 levels. This was conducted on 26 May at University Malaya. 14 candidates signed up and were able to undergo a fully proctored 6-hour examination to closely simulate the actual CFA exam format, difficulty and length. This was followed by a review session for the participants of the mock exam. Participants analyzed their results with the help of CFA members with teaching experience.

2018 Access Scholarship

CFA Institute in collaboration with CFA Society Malaysia awarded a total of 52 scholarships to CFA candidates for the 2018 exam cycle.

D) Branding Initiatives

In conjunction with Career Day on 4 August 2018, CFA Society Malaysia ran an advertisement campaign with the Let's Measure Up theme in the month of July and August by placing advertisements along Jalan Ampang, Jalan P Ramlee and KLCC. This was made possible with the support from CFA Institute.

An online branding campaign was also executed with the support of CFA Institute. To-date, CFA Society Malaysia's Facebook page has received more than 10,000 likes.



E) Advocacy Events

ARX Events

25th Aug 2017 – ARX was launched in Malaysia. The following ARX events were held throughout the year

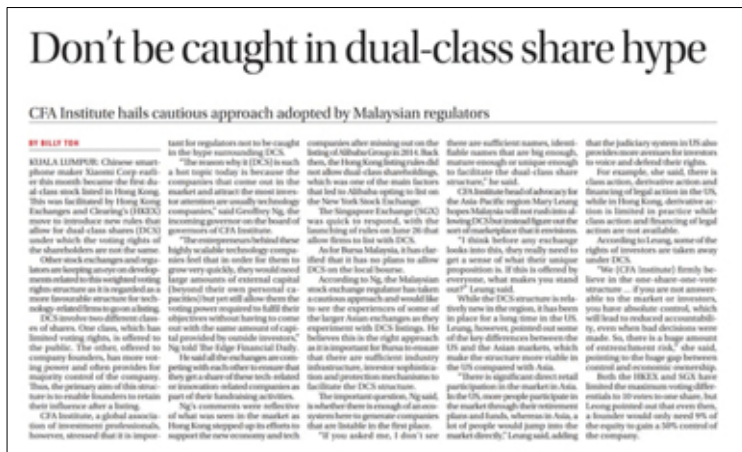
- **O2O Speaker Series with SIDC**
 - 29-Jan-18 – “Top 9 Valuation Mistakes and How to Avoid Them” by Andrew Stotz
 - 26-Apr-18 – “Future State of the Investment Profession” by Nick Pollard

80 participants from SIDC and CFA Society Malaysia attended each event
- **Sponsored Events**
 - 23 May 2018 – Business Ethics Conference organized by Asian Institute of Finance
 - 3-4 Oct 2018 – Global Islamic Finance Forum organized by Association of Islamic Banking Institutions Malaysia (sponsored by CFA Institute)



Regulator Engagement

- **Roundtable Discussion on Dual Class Shares (DCS)**
27th June 2018 - A forum session on DCS was held with Mary Leung and 20 Society members. Members gained valuable insights on the topic and it was also featured in an article in Malaysia’s leading finance newspaper – The Edge.



- **Discussion on Business Valuation Certification with Securities Commission**

There are currently no proper regulatory infrastructure with regards to business valuation standards in Malaysia. In early 2018, our local CFA Society shared the regional practices on how business valuers are regulated regionally, especially in the US where the CFA designation is a mandatory qualification to be certified. The Securities Commission was appreciative of our sharing and will take into account our views on regulating the business valuation profession.

Submission to the Malaysian Qualification Agency for the CFA Program

The Malaysian government agency for higher education, Peneraju has applied to PTPTN, a government agency for student loans, for its approval to advance funding for its participants in the CFA Program. If MQA accredits the CFA program, PTPTN will provide funding for the CFA Program which will ease the burden of many students intending to take the exams.



F) Programming

A total of 7 events were organized. The roster of speakers covered a wide-ranging list of topics from different perspectives. The aim was to provide members with insights into current and upcoming developments that impact the investment management industry.

Date	Title of event	Speaker
28-Feb-18	MFRS 9: Financial Instruments	Justin Ong
09-Mar-18	China after the 19th Party Congress	Xu Si Tao
21-Mar-18	Bitcoin is just the tip of the crypto-iceberg	Chong Jin Yoong
11-Apr-18	Smart Women and Risk Taking	Barbara Stewart
27-Jun-18	CFA Society Malaysia's Roundtable Discussion on Dual Class Shares	Mary Leong
26-Jul-18	SGX Fixed Income Trading - Networking Evening	SGX's Rehan Ahmed
4-Sep-18	Finance for Normal People: How Investors and Markets Behave	Prof. Meir Statman

G) University Relations

Throughout the year, CFA Society Malaysia continues to engage with both the Affiliated Universities as well as non-affiliates to promote the CFA program via awareness talks to future aspiring financial industry practitioners. These talks also incorporate the ethics training workshop as part of our ongoing university engagement.

Date of Awareness Talk	University / Institution of Higher Learning
4 October 2017	University of Malaya, Kuala Lumpur
1 March 2018	UCSI, Kuala Lumpur
7 March 2018	Nottingham University, Semenyih
15 March 2018	HELP University, Kuala Lumpur
3 July 2018	TAR University College, Kuala Lumpur
15 August 2018	UTAR, Kampar

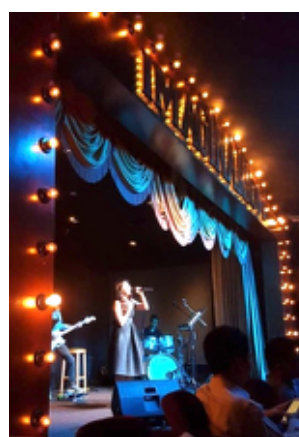


H) Courses / Workshops with SIDC CPE Points

Date	Name of Programme	Trainer
24 Jul 2017	Quantamental Investing Across the World	Dr. Andrew Stotz, CFA
11 Aug 2017	36 Red Flags In Financial Reports - How to Detect Accounting Gimmicks & Frauds Workshop	Prof SS Sandhu
23 Aug 2017	Sovereign Risk Analysis and Bond Flows	Tok Yoke Wang
24 Jan 2018	Embracing Blockchain Technology: How Does It Transform and Propel Finance?	Zann Kwan, CFA

I) Social and Networking Events

Date	Event	Venue
25 Apr 2018	Whisky and Cigar Appreciation Evening	Savini Ristorante Italiane, The Intermark
18 May 2018	Chinese Jazz Night	Imaginarium, One Utama
4 Jun 2018	CFA Society Malaysia Buka Pusa	Contango, Majestic Hotel



J) Other Notable Events

Date	Events
25 August 2017	Launch of Asia Pacific Research Exchange (ARX)
26 August 2017	CFA Malaysia Career Day 2.0
21 September 2017	21 st Annual General Meeting
28-29 October 2017	FY2018 Strategic Planning Workshop
3 November 2017	20th Anniversary cum New Charter Award Ceremony

Acknowledgement

I would like to take this opportunity to express my sincere appreciation to the Board Members of CFA Society Malaysia, for their dedicated support and commitment to fulfil the Society's mission.

Finally, I would also like to express my utmost gratitude to members who have volunteered their precious time and resources for all the events of the Society.

Jason Lee Wei-Chung, CFA
President, CFA Society Malaysia
20th September 2018