

DEAR MEMBERS AND CANDIDATES

First of all, I hope you and your families find yourselves in good health and have been able to adapt well to these times of pandemic and social distancing. When we produced the last newsletter, we had begun to see the initial effects of the pandemic, but at that point it was unthinkable that three months later we would find ourselves in the same situation. Let's hope that soon the number of cases begin to decrease and we can little by little think of the new normal and how to adapt to it.

At CFA Society Argentina we have succeeded in adapting ourselves to the new reality and continue producing activities for all of you. Along those lines we began a series of conferences on Equities that to date has seen Pampa Energia and Galicia participating. We are also working on specific topical events as evidenced by the conferences on restructuring of debt and tax issues concerning Argentina and Uruguay. At the same time, we are plugging in to events that other Societies in the world have organized, and came to an agreement with the CFA Society New York to allow you all to access the events that they organize. Finally, we continue with informational talks on the CFA program as well as the Research Challenge competition. During the rest of this year we will keep finding new ways to be in contact. We have already started a new set of conferences denominated CEO Talks, that had its kickoff with an interview of Osvaldo Gimenez, the CEO of Mercado Pago.

A few months ago, we commented to you that CFA Institute also had to adapt to the new reality. The principal milestone was the postponement of the CFA Exams. All of the candidates registered to sit for this past June's exams have been notified of the new dates, being either December or January depending on which level they were registered for. Another milestone in this process of adaptation was the shift of the Annual Conference from a live event to a virtual event, which was scheduled to take place in May in Atlanta and was changed to a series of webinars with the same speakers that were going to participate in the live conference. For those of you who want to see the webinars, please visit the CFA Institute website.

Lastly, for this version of the newsletter we thought we would bring something new, so for that we include a note written by Paolo Orifici, a Member and Volunteer of the CFA Society Argentina. Paolo shares his opinion on the Berkshire Hathaway Annual Conference that was a virtual event this year, something completely unheard of for an event that normally has an attendance of 40 thousand people. If any of you wish to share your opinion about a specific issue, we invite you to get in touch with us.

I hope you enjoy the rest of the newsletter, and, as always, your comments and suggestions on how to make this newsletter even better are more than welcome.

Warm regards,

Santiago Padua, CFA

President CFA Society Argentina

EVENT 1816: RESTRUCTURING THE SOVEREIGN DEBT OF ARGENTINA

The year 2020 began full of expectations for the Event Committee of the CFA Society Argentina. An ambitious agenda of events and networking and conferences focused on generating member value led us to imagine a year chock-full of work and satisfaction.

Unfortunately, the pandemic has forced many changes in the way we confront this year, but our motivation has not been diminished.

We did our first online conference, with a few doubts as to attendance, technological logistics, and the value to members to be generated. For these reasons, we decided to assure the quality of the speakers, and so the partners of the company 1816, consultants specialized in macroeconomics and local financial markets with proven expertise in Argentine debt.

On Thursday morning April 23rd, we hosted the webinar “Restructuring Argentine Debt in the Context of Covid-19” with the pleasure of having two Members as speakers: Mariano Skladnik, CFA, and Adrian Ronzanski, CFA who presented during the hour the general outline of the restructuring offer, the monetary policy during the pandemic, the risks of the sovereign debt curve in Pesos and Dollars, and the position of local institutional investors vis-a-vis the fiscal challenges they face.

Several weeks after the start of the quarantine, more than 100 Members could see each other, at least via computer, and listen and share experiences amongst colleagues, talking about shares concerns and telling about recent events.

The event turned out very positive, which clearly displayed the confidence the Society has in their Members to keep collaborating to make the industry more sophisticated, ethical, and dedicated in spite of the difficulties it is going through.

EVENT: TAXATION IN ARGENTINA AND URUGUAY

After the great success that CFA Society Uruguay had for their conference on taxation last summer in Punta del Este, on the morning of April 24th we hosted a webinar entitled “Taxation in Argentina and Uruguay” with a focus on international investments.

CFA Society Argentina, together with our Uruguayan colleagues, WTC Montevideo and WTC Punta del Este, brought together specialists from KPMG Argentina and KPMG Uruguay to discuss the tax pressure and the complexity of the tax systems that has increased to the point where it has a priority role in financial planning.

The conference, originally planned to be held in a group setting and which then had to migrate to a digital format given the complex situation in which we find ourselves, allowed more than 300 attendees to discuss changes in tax residency, new taxes, double taxation and the different tax schemes between the two countries.

The large attendance and the follow-up feedback from Members and other attendees does nothing more than ratify the importance of this type of topic in delivering value that CFA Society Argentina constantly tries to deliver with each conference that it arranges, the principal objective for this year’s events.

Lastly, it must be mentioned that the synergies that are generated by working with other Societies in the region, in this case CFA Society Uruguay, with whom we have a very close relationship.

INDUSTRY CONFERENCES SERIES - PAMPA ENERGIA

On the morning of Tuesday, June 9th, we organized the first talk of the “Industry Conferences Series” together with AR Partners, for an analysis of the local equity market.

The objective of this series of conferences is to offer our Members the opportunity to listen to a leading company in each industry, relating to the challenges and opportunities of the sector in general and the company in particular, with a focus on business and the equity markets.

With Santiago Wesenack, CFA, as moderator, the first speaker was Lida Wang, Investor Relations Manager of Pampa Energía.

More than 50 Members listened to the presentation and discussion of the peculiarities of the energy sector in which it acts as one of the most important utilities in the country, participating in the production, transformation and distribution of energy.

The plan is for this series to be repeated on the first Tuesday of every month. We hope to count on presentations of a diverse group leading companies in other industries such as banking and petroleum, amongst others, and of course with the active participation of each of our Members.



INTERNATIONAL EVENTS: ASSET OWNERS SERIES – CFA SOCIETY NEW YORK

Taking advantage of the great opportunity this new vehicle gives us, in which the interconnectivity is every day more fluid and abundant, at CFA Society Argentina we work to bring our Members close to relevant international events. In this regard, thanks to CFA Society New York we are tied into a series of webinars that they organize, in association with CAIA, wherein we can have the perspectives of the principal portfolio managers and investment consultants of the world.

The Asset Owners Series (AOS) is a series of exclusive events in which more than 300 investment advisors and portfolio managers have spoken.

These speakers represent organizations that collectively have more than 70 billion in assets under management.

Since its beginning in 2015, more than 6 thousand people have attended AOS events. The speakers at AOS have represented all categories of fund managers: sovereign funds, insurance companies, single- and multi-family office, foundations, private banks, pension funds, institutional investment consultants, central bank reserve funds, and supranational development banks.

Asset Owner Series Presents

AOS Virtual Keynotes

A webinar series featuring the world's leading asset owners by CFA Society New York in partnership with CAIA Association.



POSTPONEMENT OF THE JUNE CFA PROGRAM EXAMS

As a consequence of COVID-19, the CFA Institute has decided, and is now public knowledge, to postpone the CFA Program Exams which were due to be given in June.

The Candidates that were scheduled to take an exam in June have the following options:

- Level I candidates have the option to take the exam in December 2020 or February 2021
- Level II and III candidates can register for December 2020 or June 2021

Aware of the questions that the Candidates might have concerning these changes, we strongly suggest reading the questions and answers section on the CFA Institute website.

CFA INSTITUTE & CFA SOCIETY ARGENTINA MEMBER RENEWAL

Membership renewal is now open for the CFA Institute and the CFA Society Argentina.

The deadline to renew this year has been extended to August 31st, 2020.

Recognizing the difficult macroeconomic situation that the country has faced in recent times, the renewal fee for the CFA Institute has been reduced to USD100 while in the case of the CFA Society Argentina the fee is USD50.

EVENT: UPDATE ON FOREIGN EXCHANGE REGULATIONS

Thanks to the initiative of the law firm Marval O'Farrel & Mairal, a company with which the CFA Society Argentina has worked with for many years and which is considered a strategic partner, we organized a webinar "Update of Foreign Exchange Regulations."

The event was held on Wednesday June 24th and, as the name suggests, dealt with the recently published regulations on foreign exchange by the Central Bank of Argentina and the CNV (which is roughly the Argentine equivalent of the SEC in the US) to deal with controlling capital flight. 60 Members were able to ask questions and actively participate in the discussion with Pablo Gayol, CFA and Francisco Abeal, Partner and Associate, respectively, at Marval, O' Farrel & Mairal. Moderating the event was Agustin Ortiz Fragola, CFA, Vice President of the CFA Society Argentina.

We at the Society will continue to generate content, such as we did with this event, that helps Members to stay up to date during these volatile times.

THIRD QUARTER 2020 EVENTS

We began the trimester with the first event of the new cycle that we dubbed "CEO Talks," taking place on July 3rd and we welcomed the presence of Osvaldo Giménez, CEO de Mercado Pago. You can find on the link <https://www.youtube.com/watch?v=fNgINLM6hk8>.

Apart from this, we will continue with the Industrial Conference series on the first Tuesday of every month. We have confirmed for July 7th Pablo Firvida, Head of Institutional Relations at Banco Galicia, to discuss the financial industry and the role of one of the largest private banks in the country. Additionally, we are moving forward with the "Women in Finance" conference and talks on Macroeconomics and Debt, a very timely topic during these times of high volatility.

CFA INSTITUTE RESEARCH CHALLENGE 2019/2020 EDITION: REGIONAL AND FINAL STAGES

The 2019-2020 edition of the CFA Institute Research Challenge finished on April 22 as scheduled. In spite of the challenging times, the organizers of the event adapted.

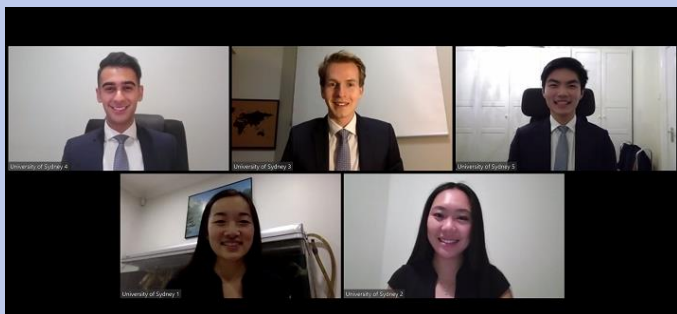
Every person involved in the event carried out their task remotely. Margaret Franklin, CFA, CEO of the CFA Institute, presented the award to the winning university via video. We invite readers to see it on the following link: <https://www.youtube.com/watch?v=fNgINLM6hk8>

The Final participants were The University of Sidney (the winner), Bi Norwegian Business School, the University of Lausanne, Seton Hall University, and representing our region and the CFA Society Brazil, the University of Sao Paulo.

The CFA Society Argentina wishes to congratulate the University Torcuato Di Tella for its excellent representation of the country. We also recognize CFA Society Sidney and the University of Sidney for winning this edition of the Research Challenge.

The Final marked a precedent for the competition. Given the situation that we are currently living in, the next edition of the competition will be done virtually, following the lines of this last one.

The CFA Institute and the volunteers of the CFA Society Argentina and the CFA Society Uruguay understand the importance of physical presence and the value travelling for students and professors. Nevertheless, given the uncertainty of international flights, live events, and university operations, it was decided that this is the best way to proceed for the 2020/2021 edition.



Winner Team - CFA Institute Research Challenge 2019/2020

CFA INSTITUTE RESEARCH CHALLENGE 2020/2021 EDITION: LOCAL STAGE

With respect to the local stage of the next edition of the CFA Institute Research Challenge, which is organized by the CFA Society Argentina and the CFA Society Uruguay, we hereby give you a heads up that the launch of the new edition will be done remotely. The health and safety of all the participants in the competition is our top priority. Apart from that, to operate in this manner will contribute a large amount of value. Demonstrating the capacity to adapt to changes, particularly during the global situation.

Another novelty of the new edition of the competition is the addition of another stage "Sub-Regional." This addition is a long-term change, not only for the 2020/2021 edition. The rules for advancing from the local stages has not changed and now the local stage winners will enter into the sub-regional stage before advancing to the regional stage. The winner of the local stage organized by the CFA Society Argentina and the CFA Society Uruguay will compete with the winners of the Atlantic Islands, Brazil A and B, Central America, Chile, Colombia, Mexico and Peru local stages.

The new process for advancing in the competition will consist of: Local, Sub-Regional, Regional Semifinal, Regional Final and Global Final.

This news as well as other news were explained on Monday June 29th, 2020 in the first informative webinar on the local competition. Our volunteer and a Member of the Board, Sergio Gonzalez, CFA, participated. The informative talk has been uploaded on our YouTube channel, and you can watch it from the following link: <https://www.youtube.com/watch?v=5PxUsUESjSI>

To learn more about the competition, you can go to <https://www.cfainstitute.org/en/societies/challenge>

To consult about the local competition of the CFA Institute Research Challenge can send a message to rc@cfaargentina.org.

It is a free competition, open to all undergraduate and graduate students.

INFORMATIVE TALKS ON THE CFA PROGRAM

We are very pleased to have organized two informative talks about the CFA Program during the second trimester of the year, where almost 250 people participated and another 300 saw them via YouTube, numbers that display a great interest for the CFA Program.

Thanks to digital tools, for the first-time people who were interested from all parts of the country and even neighboring countries could tune in.

The talks focused on the subjects covered in the CFA Program, the benefits of being a CFA Charterholder, who is eligible to take the exams, the costs, inscription dates, available scholarships, study materials, and how to prepare for the exams. We also took questions from the participants.

The presenters were Cristian Brau, CFA, Sergio Gonzalez, CFA, and Sol Testa, CFA, all of whom are part of the Board of the CFA Society Argentina.

We will continue hosting informative talks on regular basis. If you want to access the recording of the last talk, please use the following link:
https://www.youtube.com/watch?v=7Vo22eix_V4



2020 BERKSHIRE HATHAWAY MEETING: NOTES OF PAOLO ORIFICI, MEMBER OF CFA SOCIETY ARGENTINA

The annual meeting of the shareholders of Berkshire Hathaway Inc. is considered the Woodstock of capitalism, and one must admit that the nickname is accurate.

Every year around the beginning of March thousands of people arrive in Omaha, Nebraska from various cities of the United States and many other countries to listen to the legendary investor Warren Buffet and his lifelong business partner Charlie Munger.

In recent years, according to the local press, the small city of Omaha received 40 thousand people who come to listen and seek inspiration in the words of who is now known as the Oracle of Omaha.

This year the traditional event could not escape the effects of the pandemic, in a world always more globalized.

In February, when news of the virus was first arriving, Warren Buffet said in an interview with CNBC that he was going to consult Bill Gates about the chance of going forward with the meeting. Bill Gates, apart from being the co-founder of Microsoft Corp. is also very active in the areas of combatting poverty and global diseases, through the Bill and Melinda Gates Foundation, to which Warren Buffett makes generous donations every year.

As expected, on Friday, March 13th a press release from Berkshire Hathaway advised that due to the rapid development of the events related to Covid-19, the traditional meeting was going ahead as planned on Saturday, May 2nd, but without the live participation of the shareholders, and all the other special events for that weekend were cancelled.

Clearly the idea was to decrease the risk of employees of Berkshire Hathaway getting the virus as well as preventing the city of Omaha from becoming a hotspot of the virus. Also, the presence of Charlie Munger was not assured.

It was a true mystery for all of those who had planned to attend because nobody understood how the agenda was going to work and who was going to participate. Was there going to be a formal board meeting or was there going to be an opportunity to ask questions and who the accredited journalists were going to be. That is what many of the fans of the event asked themselves.

Saturday, May 2nd the meeting began at 3 PM in the CHI Health Convention Center, a venue that holds more than 17 thousand. But this time it was completely empty and on the podium, there were two tables separated according to sanitary protocol, without missing the traditional can of Coke and a package of peanut brittle.

At the first table sat Warren Buffett, and, at the second one, Charlie Munger, his partner and Vice President of Berkshire Hathaway, was not seated. Instead, Greg Abel, CEO of Berkshire Hathaway Energy sat there.

For reasons of age and distances Charlie Munger was not permitted to participate, during this time of health emergency. Nevertheless, in Warren Buffett's first words he reassured his audience that Charlie was very healthy and was actively participating daily meetings via Zoom and would be personal present next year.

The first message that Warren Buffet gave was the importance of putting the difficult circumstances of the moment in a broader context. With the help of a few slides, he showed that the United States has been capable, over the years to get past and grow in complicated circumstances such as the Civil War (1861-1865) World Wars, viruses and economic crises such as 1929 and the 9/11 attacks.

In all of these difficult situations the United States found a way to grow and maintain development, realizing the famous "miracle and American dream."

The first message is to never bet against the United States. Although it is true that there is still a long way to go to create a more affluent and equal society, never and never bet against the United States, he repeated.

What we do not know and perhaps nobody knows is what the financial markets will do tomorrow, next week, in one month, or next year; but we know with certainty that the United States will advance in the next years.

The way to take advantage of the future growth and development of the United States is through equity as a long-term investment and not speculation. To do this it is important to understand that having equities is equal to receiving a participation (however small) in a company whose price can change from one day to a next according to the feeling of the financial markets, but whose intrinsic value stays the same or even can grow. It is important to invest long-term in businesses that one has knowledge in and not let oneself be taken by the short-term mood of the market.

Berkshire Hathaway makes investments through majority control for the long-term in companies or by way of the purchase of minority positions in the stock market.

An alternative to having individual stocks for many people that do not have or do not want to have specific knowledge of a business or who do not have the psychological stability to withstand the strong turbulence that often characterizes the financial markets is via a vis an index that represents the economy or a part of it, like for example an index of the S&P500.



The event continued with a presentation of accounting numbers recently published of the balance sheet of Berkshire Hathaway Inc., that shows a growing liquidity with the guarantee of its well-known financial strength. Nevertheless, Warren Buffett announced the sale of its participation in the four principal airlines of the United States, which have been hit hard by the effects of the pandemic. The prognosis is that it is possible that demand for travel will drop drastically and even if it returns to 70-80%, there will be an excess of planes.

Finally, a special compliment goes to Jay Powell, the Federal Reserve Chairman, for having acted rapidly to inject liquidity into the economy. However, nobody knows with certainty all of the future effects of the measures taken.

A first effect was pointed out by Charlie Munger in an interview with The Wall Street Journal a few weeks before the event, when he revealed that the telephone at Berkshire Hathaway did not ring as much as in other crises, leading us to believe that many companies in trouble due to the pandemic have found a life vest in the prompt reaction of the Fed, without needing to call Berkshire Hathaway.

Now we are getting to the heart of the conference and many groups on social media are actively commenting on the words of the legendary investor, demonstrating that the pandemic had not put the breaks on the enthusiasm of the thousands of followers of Warren Buffett and of value investing.

The event continues forward with a question and answer session with Becky Quick, the well-known journalist at CNBC, who confesses that in the few minutes since she opened the possibility of sending her email messages, she had already received 2500 questions for Warren and Abel.

The subjects touched on were quite variable, from question related to the insurers and how they can be affected by the pandemic and about the lowering of the interest rate in the United States all the way to topics related to the stock buyback policies instead of paying dividends.

There were also questions more along a social bent, like for example the necessity to protect in this exceptional moment people living on a salary and that unexpectedly have to worry about something that they never would of imagined would pass. In a country with so many economic means like the United States, nobody should be left aside, says Warren Buffett.

Towards the final of this marathon lasting four and a half hours uninterrupted, Warren Buffet emphasizes the value of capitalism and how wonderful it is to have a market system but needs some government intervention to correct the imperfections.

The event ended with an important praise to Ben Graham, professor, and mentor to Warren Buffett, and more importantly, the father of value investing.

“Until next year, I will fill this place with people!” was the final message.

CFA SCHOLARSHIP PROGRAM

On May 15th registration was opened for the Access scholarships for all three levels of the CFA Program.

Those who receive an Access scholarship can sign up to take any exam of any level of the CFA Program Exams in 2021.

The Access scholarships are for those candidates who for economic reasons cannot afford to pay the complete cost of the exams.

The scholarship consists of the complete cost to enroll in the CFA Programs well as a reduction of USD250 in the registration cost of the exam (this includes access to the curriculum via e-book).

Registrations will be accepted until September 15th.

We invite you to visit the official CFA Institute page to obtain more information on scholarships: <https://www.cfainstitute.org/en/programs/cfa/scholarships>

Should you have any questions on the scholarships available for the CFA Program you can write to us at: scholarships@cfaargentina.org

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