

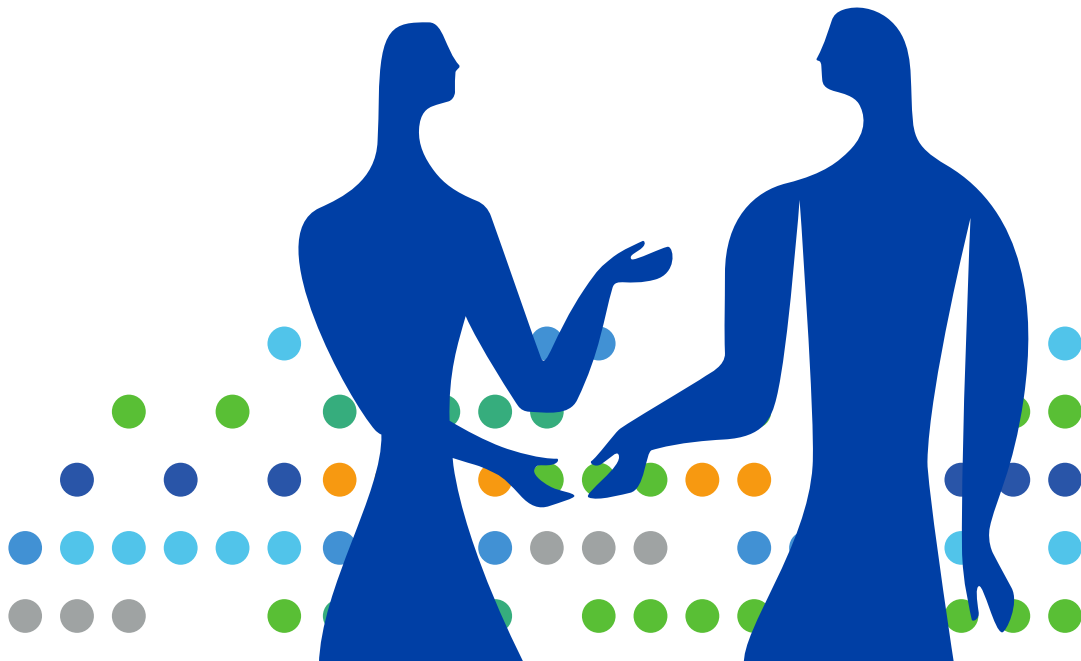


CFA Societies
Australia

LET'S MEASURE UP™

Introduction to CFA Institute and CFA Societies Australia

2019 Portfolio Management Conference
IMAP



A unique force within the investment profession



CFA Institute

- A global not-for-profit organisation
- The world's largest association of investment professionals
- Industry leader promoting the highest standards of ethics, education, and professional excellence
- A vast global network of members, societies, and relationships with key financial organisations around the world



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.**



Largest association of investment professionals

167,000+
CHARTERHOLDERS

The CFA® Program is the most respected and recognized investment designation in the industry held by more than **150,000 CFA charterholders** around the world.

157
CFA® SOCIETIES

Over 70% of CFA Institute charterholders belong to one of the **151 local CFA® Societies** across the globe, creating both global and local influence and opportunities.

30,000+
FIRMS

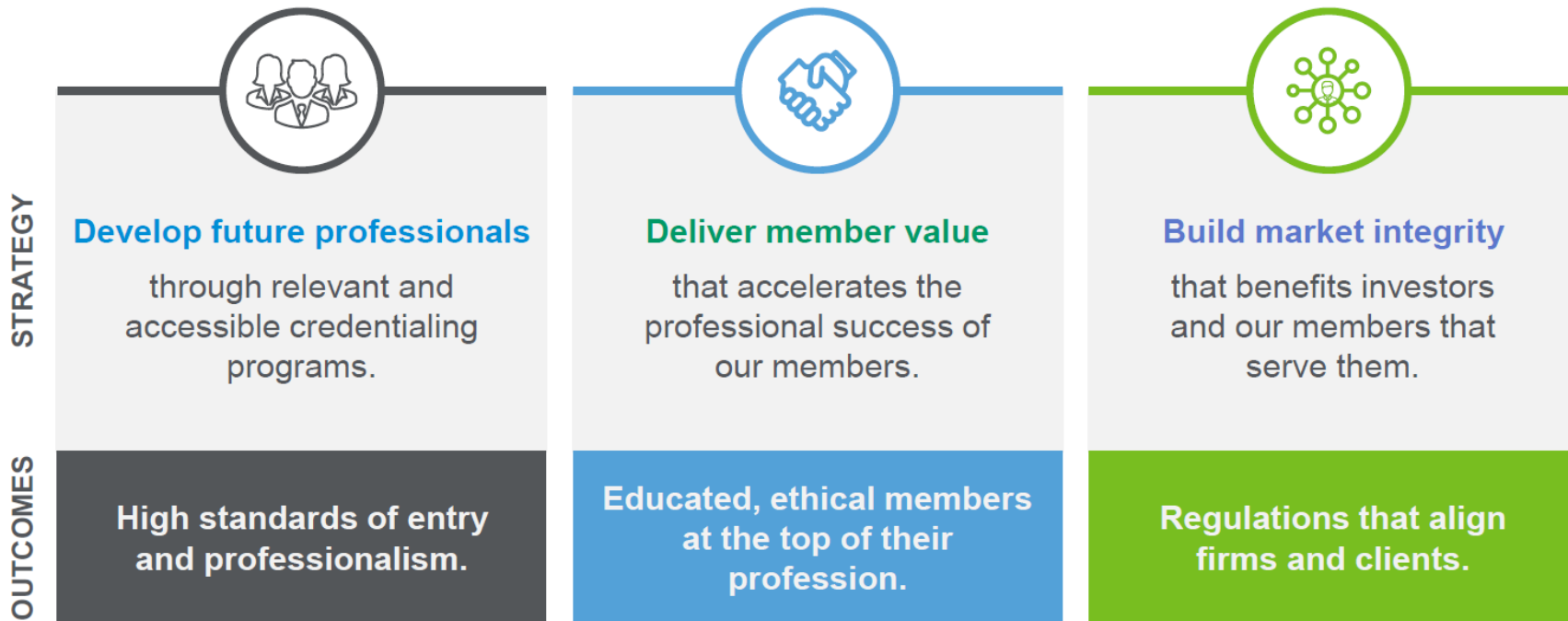
The CFA® charter is the gold standard in the industry with charterholders working in over **30,000 investment firms** worldwide.

320,000+
REGISTRATIONS

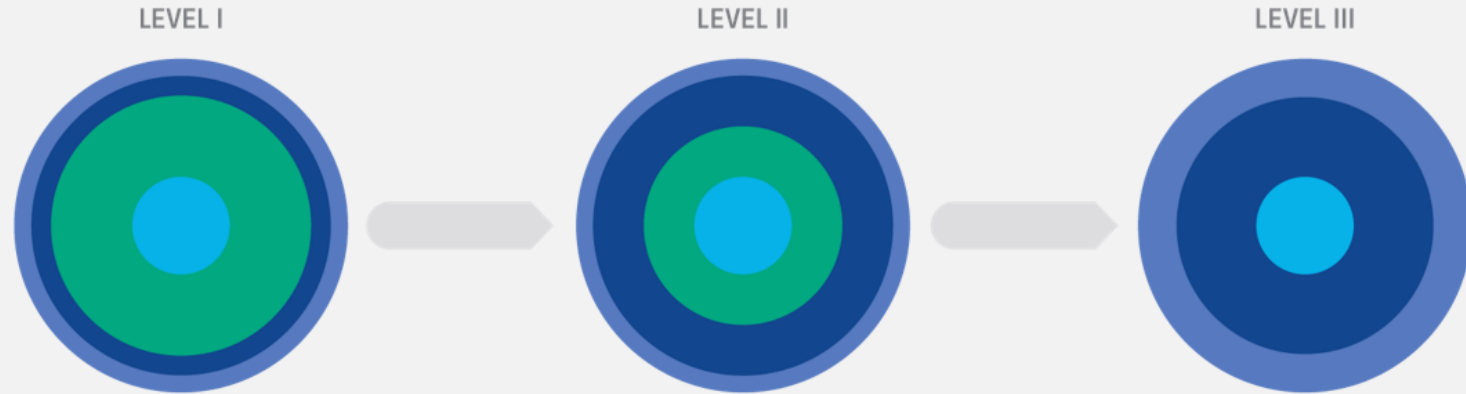
Over **320,000 registrations** occur yearly for one of the three CFA Program exams.



Our strategy



Levels of the CFA Program



PORTFOLIO MANAGEMENT AND WEALTH PLANNING

- Portfolio management
- Wealth planning

ASSET CLASSES

- Equity investments
- Fixed income
- Derivatives
- Alternative investments

INVESTMENT TOOLS

- Quantitative methods
- Economics
- Financial reporting and analysis

ETHICS AND PROFESSIONAL STANDARDS

- Ethical decision-making framework
- Skills to demonstrate a commitment to high standards of accountability



Developing future professionals

CFA® PROGRAM

Investment decision making and strategy

- Broad range of investment analysis and decision-making skills
 - Portfolio and wealth management
 - Ethical integrity
-
- Three exams
 - ~300 hours of preparation per exam
 - Four years of relevant experience

CIPM® PROGRAM

Investment performance, risk evaluation, and manager selection

- Performance measurement and evaluation in ethical framework
 - Manager search and selection
 - Client communications and relations
-
- Two exams
 - ~125 hours of preparation per exam
 - Four years of relevant experience

INVESTMENT FOUNDATIONS® PROGRAM

Industry essentials

- Foundational knowledge of the global investment industry
 - Common vocabulary
 - Ethical awareness and compliance
-
- One exam
 - ~100 hours of exam preparation
 - No experience required



PROFESSIONALISING FINANCIAL ADVICE

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry in Australia, led by Kenneth Hayne, published its final report in February 2019. It identified multiple problems that undermine consumers' trust and confidence in the industry and its practitioners.

CFA Institute and CFA Societies Australia have developed a set of 10 policy recommendations. They aim to improve access to quality financial advice, ensure better outcomes for consumers and advance professionalism in the industry.

Best Interest Duty and Consequences of Misconduct

Ensuring that financial advisers put clients' interests first

- 1 Strengthen enforcement of best interest duty
- 2 Deter bad behaviour by punishing those who act against clients' interests



Fees and Conflicted Remuneration

Promoting fair and transparent remuneration practices

- 3 End grandfathering of trail commissions
- 4 Compel advisers to disclose and explain fees
- 5 Ban conflicted remuneration arising from platform fees
- 6 Align advisers' and executives' remuneration with consumers' interests

Ensuring Independence of Advice

Eliminating conflicts of interest

- 7 Require all financial advisory firms to disclose institutional ownership or exclusive product relationships.
- 8 Consider a ban on vertical integration if issues persist



Professionalising the Industry

Raising professional standards and accountability

- 9 Establish an independent industry body with powers to register and discipline advisers
- 10 Implement individual licensing of financial advisers

Read the recommendations in detail at
www.cfas.org.au/brc



Thank you



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Australia
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