



CFA Society  
Singapore



CELEBRATING

30

YEARS

OF PROMOTING  
PROFESSIONAL EXCELLENCE

ANNUAL REPORT 2016



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# Vision & Strategic Plan

## Mission

To lead the investment profession by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society.

## Vision

To inspire the Asian investment community to pursue life-long learning and align with the CFA Institute code of conduct for the ultimate benefit of society.

## Strategic Objectives

- Identify and meet members' life-long career development needs
- Position CFA Singapore as the recognised of value-added professional development to the Asian investment profession
- Position "CFA" as the premier investment stakeholders in Singapore and throughout partnership with other regional member societies
- Establish CFA Singapore as the regional centre for professional practice and standards





# BOARD MESSAGE

**Dear Members,**

2017 marks the **30th Anniversary** since the founding of CFA Singapore. It is a historic event as Singapore was the first society formed outside of America, and over the years, it has grown to become one of the most active and largest societies of CFA Institute worldwide with about 3,500 members. In addition to our directors who volunteer on the CFA Singapore Board, many of our members also volunteer on our committees. Committees that focus on organizing events and engaging stakeholders in promoting professional excellence in the investment industry are: ***Advocacy Committee, Asset Management Committee, Candidate Programmes Committee, Career Development Committee, University Outreach Committee, Membership Committee, Networking Committee, and Professional Development Committee.***

Excluding events related to CFA candidate programmes, CFA Singapore provided over 100 talks, events, and workshops to our membership last year. These included our Annual Forecast dinner in June 2016 at Capital Tower, a member's Golf Challenge in October 2016 at Orchid Country Club, the CFA Singapore Charter Award Ceremony in November 2016 along with many professional development luncheon talks, livestream events in collaboration with other CFA societies, career development panels, networking events, and talks supporting Singapore's non-profit sector.

We are grateful to **Dr Aaron Low, CFA, Manraj Sekhon, CFA** and **George Lee, CFA** for volunteering to join the Society's Advisory Council. They have contributed invaluable advice to our Board drawing on years of expertise accumulated from top leadership roles with organizations that are pillars of Singapore's finance industry.



Jan M. Richards, CFA  
President  
CFA Singapore





Please note that we are planning for a **30th Anniversary Gala Dinner** to be held later this year to celebrate the Society's growth and milestones, and to show appreciation to all the volunteers who contributed to the Society's success. Please plan to join the dinner for a time of celebration and networking!

### Singapore wins Asia-Pacific Investment Research Challenge!

On behalf of the Board, I wish to extend my congratulations to the Society's **University Outreach Committee** (chaired by **Simon Ng, CFA**) for its success with the CFA Institute Research Challenge. A team of students from Singapore Management University did us proud in March 2017 by clinching the Asia-Pacific championship title at the finals in Bangkok. This is a huge achievement as it is the first Singapore team to win the Asia-Pacific finals since 2009!

More than 20 finance and investment professionals, largely from the **University Outreach Committee**, are involved with training, mentoring and judging competition over a nine month timeframe for this global competition annually. The competition is a powerful platform that closes the gap between tertiary education institutions and the investment industry.

Over the years, we have seen constant improvement in the investment research skillset of the university participants. I congratulate the **University Outreach Committee** on its contribution to the quality of fresh entrants to our investment community.

### Newly formed Investment Committee

At our AGM in April 2016, members endorsed active management of the Society's cash reserves. As such, we set up a new **Investment Committee** during the second half of last year chaired by **Mark Tan, CFA**, who currently heads the Greater China Equities team at UOB Asset Management. Mark, who has been a portfolio manager for the past 20+ years is joined by several other senior members who are also

experienced portfolio and risk managers. We adopted a best practices mandate and incorporated a disciplined process to govern the investment of the Society's funds to ensure an optimal risk return profile that is suited for our structural needs. We are quite pleased with our performance so far!

In addition to the formation of our **Investment Committee**, the Society had several significant inaugural developments as follows:

- *Save and Invest* Campaign in collaboration with SGX and MAS MoneySENSE
- Collaboration with the Institute of Singapore Chartered Accountants (ISCA)
- Launch of the Career Development Mentorship Programme
- Partnership with Kaplan Learning Institute
- CFA Singapore Investment Conference
- Launch of the Stewardship Principles

### Save and Invest Campaign

Our **Advocacy Committee** (co-chaired by **Daryl Liew, CFA** and **Tan Lay Hoon, CFA**) launched a campaign with SGX and MAS MoneySENSE to encourage retail investors to save and invest for the future. Senior CFA charterholders provided guidance and advice to three Singaporeans at different stages of life in managing personal investment portfolios to meet different goals. Known as **Save and Invest**, the campaign commenced in January 2016 with a monthly column in Sunday Times featuring the investment outcome and analysis of the simulated savings and investment portfolios. CFA Singapore members also spoke at bi-monthly seminars on topics aligned with the **Save and Invest** column.



# BOARD MESSAGE

## Collaboration with ISCA

In January 2016, our **Professional Development Committee** (co-chaired by **Alex Ho, CFA**, **Arun Kelshiker, CFA**, and **Victor Ong, CFA**) jointly organized a symposium with ISCA in what was our first collaboration with the national accountancy body. Well-known local economist **Manu Bhaskaran, CFA**, was the keynote speaker. Our second joint economic symposium with ISCA took place on 29 September 2016 with UOB Senior Economist **Suan Teck Kin, CFA** as the keynote speaker.

## Introduction of Mentoring Programme

Our **Career Development Committee** (chaired by **Kanol Pal, CFA**) officially launched a much-anticipated mentoring programme in April 2016. We engaged a professional coach, **Louise J. Tagliante**, who is known for her successful mentoring programme, Protégé, to customize a programme suitable for our members.

Thirty junior members were matched with 30 CFA charterholders with senior leadership experience of 8 years or more in the finance industry. The 6-month formal programme included a personality test, goal setting, mentor training, one-to-one mentoring, as well as networking and feedback sessions. The programme came to a close in September 2016 with enthusiastic feedback about the positive impact it made to mentees' career outlook. In October 2016, we opened applications for our second group of mentors/mentees for the 2017 programme.

## Kaplan Learning Institute as our Education Partner

In October 2016, after several months of due diligence and negotiations, we appointed Kaplan Learning Institute as our exclusive training provider for IBF accredited programmes as well as our regular CFA preparation courses. We ultimately chose Kaplan due to its global reputation as a professional education provider and because it is known as having the best teaching methodologies, training facilities, and professional support for CFA program candidates.





## The Society's very own inaugural investment conference took place in November 2016 at the SGX Auditorium.

### CFA Singapore Investment Conference

The Society's very own inaugural investment conference took place in November 2016 at the SGX Auditorium. We organized this conference following an overwhelming positive response our members had to the global CFA Institute Annual Conference held in Singapore in 2013.

The conference involved 21 speakers (including moderators), each an expert in their field. The speakers included **Ng Kok Song** (chairman and founding partner of Singapore-based Avanda Investment Management and former Group CIO of GIC), **Dr. Keith Ambachtsheer** (one of the most influential persons in institutional pension management), and **Dr. Alan Bollard** (Secretariat Director of Asia-Pacific Economic Cooperation and former Governor of the Reserve Bank of New Zealand). The conference was a great success with more than 200 attendees.

### Stewardship Principles

Our **Advocacy Committee** successfully launched a set of stewardship principles in November 2016. The principles provide institutional asset owners, asset managers, and relevant service providers such as proxy advisors and investment consultants with a framework to greater awareness of what stewardship encompasses, what it is supposed to achieve, and why it is important for the investment profession and community.

### Smooth Transition to In-House Secretariat

The Society took a major step forward last year by taking our secretariat function in-house after 15 years of outsourcing it to a third party. Since January 2016, we have had a team of full-time staff headed by our Executive Director, Mr Francis Er. This has optimized our resources and enabled us to exercise greater control over the programmes that we bring to members.

On behalf of the Board, I would like to sincerely thank you for your active participation in Society events and all the volunteers who help make the Society successful. The Society's mission is to lead the investment profession by promoting the highest standards of ethics, education, thought leadership, and best practices in the investment community. We look forward to bringing our members more value added programmes and events and encourage you to join in the various committees to achieve these objectives.

### Jan M. Richards, CFA

President  
CFA Singapore



# SECRETARIAT'S REPORT

## Candidate Programme

In October 2016, after several months of due diligence and negotiations, we appointed Kaplan Learning Institute as our exclusive training provider for IBF-accredited programmes as well as our regular CFA preparation courses. We ultimately chose Kaplan due to its global reputation as a professional education provider and because it is known as having the best teaching methodologies, training facilities, and professional support for CFA programme candidates.

Profits from the CFA Preparatory classes increased from \$225,599 in 2015 to \$262,126 in 2016 because of additional revenues from sales of Schweser materials.

We continued to organize free lunches for our members taking the CFA examinations at Singapore Expo on examination days in June and December.

Going forward, Kaplan Learning Institute will also be sponsoring a post-examination networking event for all candidates starting from the June 2017 examination.

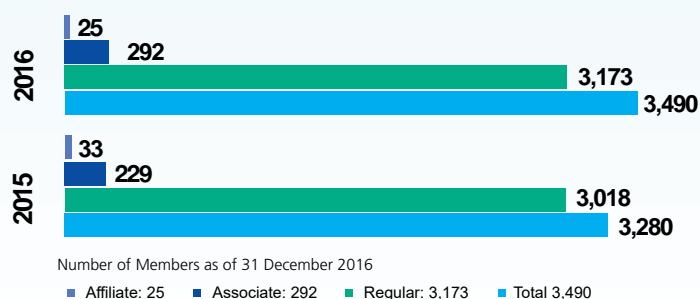
## CFA Singapore Access Scholarship 2016

Recipients of the award will have their CFA Programme enrolment fee waived and exam registration fee reduced to US\$250. The recipient can apply the scholarship to the June exam (Level I, II, and III) or the December exam (Level I) in 2017.

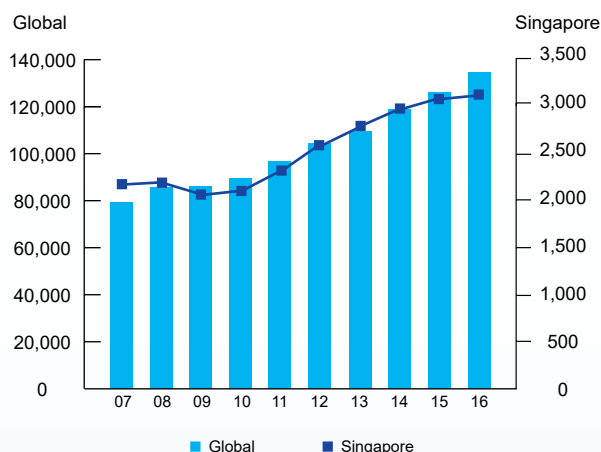
In 2016, CFA Institute allocated 59 access scholarships to CFA Singapore. Of this, 46 scholarships were awarded based on the following criteria:

- Scholastic ability
- Financial need
- Writing the 2017 CFA Examination

## CFA Singapore Members: 2015-2016

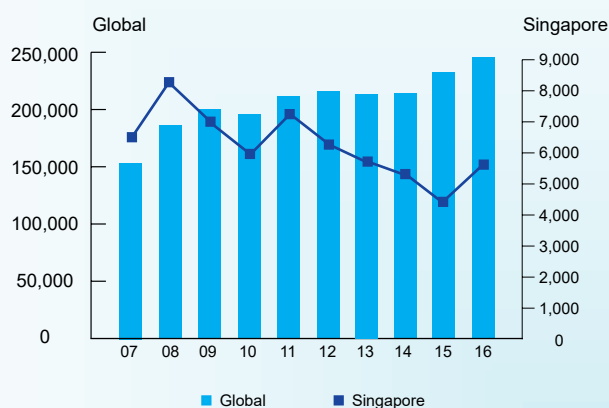


## CFA Charterholders



The number of charterholders who are CFA Singapore members were 3,135 and globally 138,495 as of 31 December 2016 (3,018 and 128,429 respectively in 2015).

## CFA Candidates



CFA candidates in Singapore were 5,654 and globally 244,486 respectively for the year ended 31 December 2016 (4,512 and 232,896 respectively for 2015).



## CFA Institute

|                           |                                       |
|---------------------------|---------------------------------------|
| Eelco Fiole, CFA          | Annual Conference Advisory Group      |
| Anubhuti Gupta, CFA, CIPM | Education Advisory Committee (EAC)    |
| Lai Hock Meng, CFA        | CFA Digest Editorial Board            |
| Lee Kher Sheng, CFA       | Disciplinary Review Committee (DRC)   |
| Gerard H. C. Lee, CFA     | Annual Conference Advisory Group      |
| Lim Li Ying, CFA          | Asset Manager Code Advisory Committee |
| Jan M. Richards, CFA      | Disciplinary Review Committee (DRC)   |
| Robert G. Zielinski, CFA  | CFA Digest Editorial Board            |

## CFA Singapore Gold Medal

Our Society awarded Gold Medals for Academic Year 2015/2016 to top finance/business students in each of the local universities. The current recipients are:

- National University of Singapore (NUS)  
Chua Bee Hwee
- Singapore Institute of Management (SIM)  
Chua Bi Fen Priscilla
- Singapore Management University (SMU)  
Tham Zhi Yang

## Appreciation

We would like to extend our appreciation to the following sponsors:

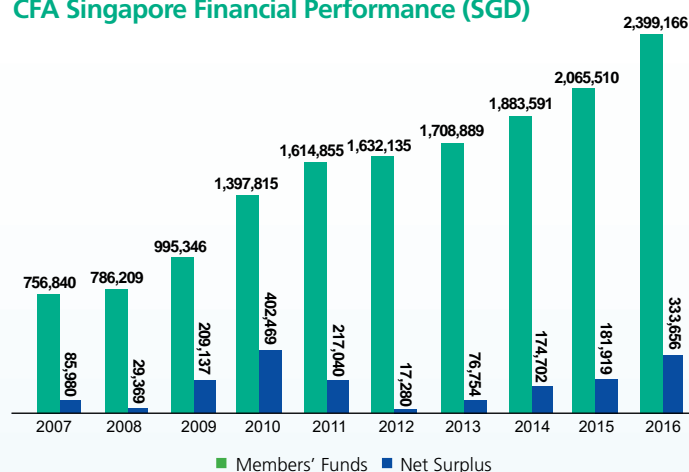
- CCB International (Singapore), CFA Institute, Chicago Booth Alumni Club of Singapore, CMC Markets Singapore, Creditsights Singapore, Equity Analysis & Strategy Inc., FTSE International, HKUST – NYU Stern MS in Global Finance Program, Kaplan Schweser, Singapore Exchange, Saxo Capital Markets, National University of Singapore, Risk Management Institute, Nordea Bank S.A., Quant Shop, RiskMetrics Singapore, Thomson Reuters, and UBS for their generous support for the various **Professional Development** talks and Networking events.
- Bloomberg LP, FactSet Singapore and Kaplan Schweser for their invaluable support in the University Investment Research Challenge 2015 – 2016

Much appreciation also goes to all volunteers and industry professionals who have taken their time and effort to speak to our members and guests at various seminars, lectures and activities.

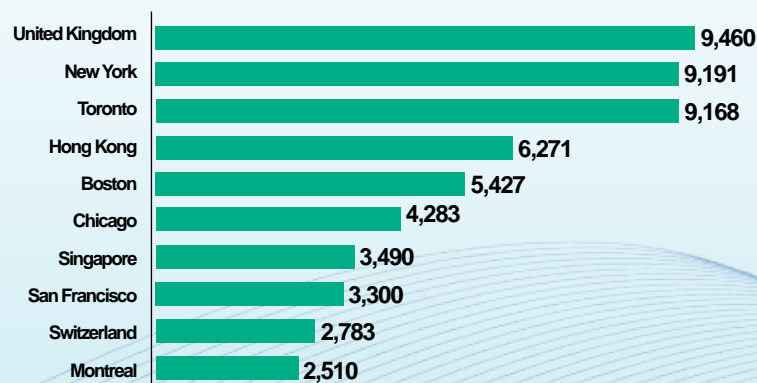
## The Society's Financial Performance

The financial year 2016 saw an increase in members' funds to \$2,399,166 with a higher surplus of \$333,656. For 2016, the Board had continued to budget for additional activities and members were able to attend many **Professional Development** and **Networking** activities free of charge or at a nominal fee – an approach adopted since 2004.

## CFA Singapore Financial Performance (SGD)



## CFA Institute Top 10 Societies



Total Members as of 31<sup>st</sup> December 2016

# OFFICE BEARERS & BOARD MEMBERS



## President

Jan M. Richards, CFA



## Deputy President

Rasik S. Ahuja, CFA



## Secretary

Tan Lay Hoon, CFA



## Treasurer

Alex Ho Wah Fong, CFA



## Board Member

Arun R. Kelshiker, CFA



## Board Member

Simon Ng Chee Wei, CFA



## Board Member

Kanol Pal, CFA



## Board Member

Saumya Umesh Rao, CFA



## Board Member

Seow Hock Hin, CFA



## Board Member

Mark Tan Keng Yew, CFA



## Board Member

Joachim Toh Wen Keong, CFA



## Board Member

Jack Wang Ying Yang, CFA



## Executive Director

Francis Er

Twelve Regular members served on the Board of the Society. 10 Regular Members on the Board, having been elected at the 29th AGM in April 2015, will retire at the 31st AGM in June 2017: Jan M. Richards, CFA; Rasik S. Ahuja, CFA; Alex Ho Wah Fong, CFA, Tan Lay Hoon, CFA; Seow Hock Hin, CFA; Simon Ng Chee Wei, CFA; Kanol Pal, CFA; Jack Wang Ying Yang, CFA; Mark Tan Keng Yew, CFA; Saumya Umesh Rao, CFA.

Office Bearers and Board Members are volunteers. Office Bearers are elected by the Board, who in turn, are elected by members at the General Meeting.

## Secretariat

Managing the secretariat office is Francis Er (Executive Director).



# ADVISORS & COMMITTEE CHAIRS



## Advisors

|         |                                 |
|---------|---------------------------------|
| Advisor | George Lee, CFA <sup>1</sup>    |
| Advisor | Dr. Aaron Low, CFA <sup>2</sup> |
| Advisor | Manraj Sekhon, CFA <sup>3</sup> |

## Committee Chairs

|                          |   |
|--------------------------|---|
| Advocacy                 | Tan Lay Hoon, CFA<br>Daryl Liew, CFA <sup>4</sup>                               |
| Asset Management         | Simon Ng Chee Wei, CFA  |
| Audit                    | Saumya Umesh Rao, CFA<br>Koh Boon Pin, CFA <sup>5</sup>                         |
| Candidate Programmes     | Jan M. Richards, CFA<br>Rasik S. Ahuja, CFA                                     |
| Career Development       | Kanol Pal, CFA  |
| Investment               | Mark Tan Keng Yew, CFA  |
| Membership               | Jan M. Richards, CFA<br>Suprita Vohra, CFA <sup>6</sup>                         |
| Networking               | Seow Hock Hin, CFA  |
| Nominating               | Seow Hock Hin, CFA  |
| Professional Development | Arun R. Kelshiker, CFA<br>Alex Ho Wah Fong, CFA<br>Victor Ong, CFA <sup>7</sup> |
| University Outreach      | Simon Ng Chee Wei, CFA  |

Advisors and committee members are volunteers appointed by the Board.

## Auditors

From 2009, the Society appointed Robert Tan & Co. as external auditors until 2016. RSM Choi Lim LLP was the newly appointed auditors from 2017 onwards.

# EVENT HIGHLIGHTS



1.



3.



2.

## 1. CFA Singapore Investment Conference

At the CFA Singapore Investment Conference held on 4 November 2016, structural developments in the global economy and investing in today's world were discussed. Panelist includes: (L-R) Dr Alan Bollard, Executive Director of APEC Secretariat; Kelvin Tay, Regional CIO for Southern Asia-Pacific; Kevin Chen, CFA, CIO for Pan Asia, AXA IM Rosenberg Equities; Andrew Parry, Head of Equities, Hermes Investment Management; Ng Kok Song, Chairman and founding partner of Avanda Investment Management, and former CIO of GIC.

Session was moderated by Arun Kelshiker, CFA, Co-Chair, CFA Singapore Professional Development Committee (centre).

## 2. Economic Outlook

CFA Singapore partnered with ISCA to organize an Economic Outlook event in January. A panel of experts from diverse backgrounds shared their views and outlook of the world/ regional economy for the year ahead: (L-R) Suprita Vohra, CFA, Director of Barclays Investment Bank; Ng Hsueh Ling, CFA, CEO of Keppel REIT Management; Manu Bhaskaran, CFA, CEO of Centennial Asia Advisors.

Event moderator was Alex Ho, CFA, CFA Singapore Treasurer and Board Member (Right).

## 3. CFA Singapore Annual Forecast Dinner

At the Annual Forecast Dinner in June, panelists included the following investment experts: (L-R) Michael Thompson, Head of Singapore & Head of Global Wealth Management (ex Japan) PIMCO; David Wong, Managing Director, Senior Portfolio Manager – Equities, Alliance Bernstein; Kay Van-Petersen, Global Macro Strategist, Saxo Capital Markets

Event moderator was Arun Kelshiker, CFA, Co-Chair, CFA Singapore Professional Development Committee (centre).





#### 4. Save and Invest Portfolio Series

CFA Singapore, Singapore Exchange and national financial education programme MoneySENSE jointly launched a year-long campaign to encourage retail investors to save and invest for the future. Public seminars held in 2016 include: Portfolio Construction for Young Investors; Portfolio Construction Seminar for Growth Focused Investors; Portfolio Construction for Income-Seeking Investors Conference; Portfolio Construction Conference for Retail Investors.

#### 5. CFA Singapore Mentorship Programme

Thirty CFA Members were matched with senior members in the financial services. The 6-month programme aimed to help the younger mentees navigate the intricacies of financial services industry to advance their career and personal success.

#### 6. CFA Singapore Charter Award Ceremony

An annual rite of passage as 300 plus newly minted CFA Charterholders are there are inducted into the CFA fraternity at the Charter Award Ceremony held on 22 November 2016 at The Joyden Hall @ Bugis+.

#### 7. CFA Institute Research Challenge (Season 2016-2017)

The local finals for the 2017 CFA Institute Research Challenge was held on 11 February 2017 at Bloomberg Auditorium. The SMU team emerged as the winning team amongst competition with 6 other university teams and proceeded to represent Singapore at the Asia-Pacific regional competition.

# EVENTS IN 2016

## ADVOCACY

One of the highlights under the **Advocacy Committee** was the launch of the year-long MoneySense “Save and Invest Portfolio Series” in January 2016. The campaign was organised in partnership with MAS, SGX and SPH. The goal was to encourage retail investors to save and invest for the future. The campaign comprised of monthly write-ups in The Sunday Times featuring simulated savings and investment portfolios of three Singaporean individuals and families at different life stages, incorporating portfolio building techniques, in accordance with specific investment goals and risk tolerance. To enhance the educational experience, CFA Singapore, under the auspices of SGX Academy held quarterly public seminars with topics aligned with the themes featured in the series.

On the regulatory engagement front, we continue to be actively reaching out to members to consolidate our position for 3 consultation papers. We were also active participants in an industry-wide initiative to draft Singapore's version of the Stewardship Code. To promote Putting Investors First, CFA Singapore hosted prominent academic and FT columnist John Kay to speak about “Other People's Money”.

### ADVOCACY COMMITTEE

|  |                      |                       |                     |
|--|----------------------|-----------------------|---------------------|
| <b>Tan Lay Hoon, CFA (Co- Chairperson)</b> | Maurice Teo, CFA     | Sean Yeo              | Wong Chin Loon, CFA |
| <b>Daryl Liew, CFA (Co- Chairperson)</b>   | Noel Neo, CFA        | Seow Shin Horng, CFA  |                     |
| Chan Fook Leong, CFA                       | Olaf Stier, CFA      | Shin Ming Hon, CFA    |                     |
| David Smith, CFA                           | Praveen Jagwani, CFA | Shinya Tsujimoto, CFA |                     |

### ADVOCACY EVENTS SUMMARY

| DATE                  | EVENT TITLE  | SPEAKER(S)   |
|-----------------------|--|--|
| 21 Jan 16             | Other People's Money: Masters of the Universe or Servants of the People                                      | Professor John Kay   |
| 30 Jan 16             | Consultation Paper on “Sustainability Report : Comply or Explain” collated by Noel Neo, CFA                  | -  |
| 20 Feb 16             | Save and Invest Portfolio Series - Portfolio Construction for Young Investors                                | Daryl Liew, CFA / Jack Wang, CFA / Puah Soon Lim, CFA                            |
| 16 Apr 16             | SGX-CFA Portfolio Construction Seminar for Growth Focused Investors  | Benjamin Goh, CFA / Daryl Liew, CFA / Praveen Jagwani, CFA / Simon Ng, CFA       |
| 17 Apr 16             | Volunteer Opportunities - Use your Financial Skills for a Good Cause!  | -  |
| 16 Jun 16             | Consultation Paper on “FinTech Regulatory Sandbox Guidelines” collated by Maurice Teo, CFA                   | -  |
| 9 Jul 16              | SGX-CFA Portfolio Construction for Income-Seeking Investors Conference                                       | Daryl Liew, CFA / Phoon Chiong Tuck, CFA / Puah Soon Lim, CFA / Simon Ng, CFA    |
| 30 Jul 16 & 31 Jul 16 | Invest Fair - Grow Your Wealth at Different Life Stages  | -  |
| 30 Aug 16             | Reduce Regulatory and Reputational Risk for Both Your Organisation and You                                   | Leilani Sanders Hall, CFA, CAIA  |
| 1 Oct 16              | SGX-CFA Portfolio Construction Conference for Retail Investors   | Daryl Liew, CFA / Jack Wang, CFA / Phoon Chiong Tuck, CFA / Praveen Jagwani, CFA |
| 12 Dec 16             | Consultation Paper on “Proposed Amendments to the Code on Collective Investment Schemes” by Maurice Teo, CFA | -  |





Save and Invest Portfolio Series - Portfolio Construction for Young Investors



Book Signing session by Professor John Kay



Panel Speaker at SGX-CFA Portfolio Seminar for Growth Focused Investors



Talk by Professor John Kay: Other People's Money: Masters of the Universe or Servants of the People



Invest Fair - Grow Your Wealth at Different Life Stages

# EVENTS IN 2016



Career in Asset Management - Speed Dating



Speakers for Putting Investors First - NPOs Perspective

## ASSET MANAGEMENT

The Asset Management Committee was established by CFA Singapore to further the Society's mission and vision with respect to the asset management sector in Singapore.

In 2016, the Asset Management Committee organised 2 events. The first being a collaboration with the Centre for Non-Profit Leadership which is part of the National Volunteer & Philanthropic Centre. The talk featured a panel of speakers who are active volunteers for non-profit organisations, where they shared their experiences in their various capacities on the board. This provides a platform for senior members to contribute their expertise, especially in the area of investment management.

The second event was held on a Saturday morning featuring about 10 panelists from various asset management companies and head hunters. Nearly 60 members attended the half-day event to find out more about the different roles within the asset management industry.

### ASSET MANAGEMENT COMMITTEE

|                                    |                     |                       |                       |
|------------------------------------|---------------------|-----------------------|-----------------------|
| <b>Simon Ng, CFA (Chairperson)</b> | Chen Ziyang         | Mark Tan, CFA         | Sakshi Agarwalla, CFA |
| An Chen, CFA                       | Er Sock Lang, CFA   | Melvin Tan, CFA       |                       |
| Arun Kelshiker, CFA                | Lalitha Seelam, CFA | Noel Neo, CFA         |                       |
| Ashish Goyal, CFA                  | Lina Kassas, CFA    | Richard Da Silva, CFA |                       |

### ASSET MANAGEMENT EVENTS SUMMARY

| DATE      | EVENT TITLE                                | SPEAKER(S)  |
|-----------|--|---|
| 25 May 16 | Putting Investors First - NPOs Perspective | Edna Leong / Joachim Toh, CFA / Simon Ng, CFA / Tony Tan, DBA, CFA / V Maheantharan   |
| 2 Jul 16  | Career in Asset Management - Speed Dating  | Banett Lee / James Diggines / James Pritchard / Lee Kian Soon<br>Maria Chow / Pan Zaixian / Praveen Jagwani / Sophie Ha<br>Tahnoon Pasha / Will Tan |



# EVENTS IN 2016



## CANDIDATE PROGRAMME

The Society supports candidates preparing for the CFA exams in the following ways, depending on their learning preferences:

- Live classes leveraging on our senior CFA members as instructors.
- Discounted Kaplan online resources and self-study materials for candidates whose schedules do not permit in-person training.
- Intensive 3 days revision course culminating with a mock exam a few weeks for time-scarce candidates.

To help publicize these various modes of preparation, information sessions were held for each level of the CFA Programme one to two months prior to the start of each class.

Funding continues to be available for live training under IBF-CFA Level 1 and 2 Research Programmes where Singapore and Permanent Residents enjoy 70% subsidy from Institute of Banking and Finance, Singapore.

As an added service to our candidate members taking the CFA programme, we provided free lunches on exam day at Singapore Expo.

### CANDIDATE PROGRAMME COMMITTEE

Jan M. Richards, CFA (Co-Chairperson)

Rasik S. Ahuja, CFA (Co-Chairperson)

# EVENTS IN 2016



Talk by Andrew Jones on Manage Your Career



Talk on Fintech Disruption in the Financial Industry and Its Impact on Careers

## CAREER DEVELOPMENT

2016 saw the inaugural launch of the Mentorship Programme. The Mentorship Programme is a six-month long programme that pairs experienced members of the Society with mid-level professionals who are CFA Singapore members working in the investment industry. The objective of the programme is to provide an opportunity to mid-level members to engage with senior members of the Society for the purpose of enhancing their professional and personal development. The programme was led by a professional HR consultant and career coach.

The Career Development Committee also organised a soft-skills workshop which was headed by Andrew Jones. Another highlight for the Committee was the "Impact of Fintech Disruption on Careers" panel session featuring speakers from diverse backgrounds (regulatory, product development, research and user).

### CAREER DEVELOPMENT COMMITTEE

**Kanol Pal, CFA (Chairperson)**

Kavitha Menon, CFA

Jack Wang, CFA

Simon Ng, CFA

Subhajit Mandal, CFA

Vishal Dang, CFA

### CAREER DEVELOPMENT EVENTS SUMMARY

| DATE      | EVENT TITLE   | SPEAKER(S)   |
|-----------|---|--|
| 25 Feb 16 | Manage Your Own Career  | Andrew Jones   |
| 8 Mar 16  | CFA Singapore Mentorship Programme 2016 - 'Speed Dating' Mentee/Mentor Matching | Louise J. Tagliante  |
| 5 Apr 16  | CFA Singapore Mentorship Programme 2016 Kick - off                              | Louise J. Tagliante / Joerg Kuehn  |
| 13 Apr 16 | The Science of Motivation   | Adrian Chong   |
| 5 May 16  | CFA Mentorship Programme 2016 - Mentor Skills Development                       | Louise J. Tagliante  |
| 16 May 16 | CFA Mentorship Programme 2016 - Mentee Skills Development – MBTI® Debrief       | Louise J. Tagliante  |
| 28 Jun 16 | CFA Mentorship Programme 2016 - Mid-point Check-In                              | Louise J. Tagliante  |
| 28 Jul 16 | CFA Mentorship Programme 2016 - Mentor, Mentee Networking Session               | Louise J. Tagliante  |
| 1 Sep 16  | Career and Financial Goals Planning   | Sam Phoen, CFA   |
| 13 Sep 16 | CFA Mentorship Programme 2016 - Programme Closing & Celebration                 | Louise J. Tagliante  |
| 6 Oct 16  | Fintech Disruption in the Financial Industry and Its Impact on Careers          | Frank Troise / Gary Lai / Janet Young Yoke Mun / Maggie Yung / Raghav Kapoor / Tanmai Sharma |





CFA Singapore Mentorship programme 2016



# EVENTS IN 2016

## EXECUTIVE EDUCATION PROGRAMME

The mandate of the CFA Singapore Executive Education Programmes is to organise workshops that contribute to the continuing development of CFA members. To further encourage commitment to professional development among our members, attendance at the workshops qualifies for CFA Institute Continuing Education ("CE") credits.

Over 240 delegates attended 17 workshops organised by CFA Singapore in 2016. Besides the staple suite of programmes such as financial modelling, private equity, valuations, risk management and fixed income, we also brought in new topics such as investment analytics using "R" and soft-skill workshop based on the bestseller book "Drive by Daniel H. Pink".

The committee will continue to search for new and interesting topics to be included in the coming year.

### EXECUTIVE EDUCATION PROGRAMME SUMMARY

| DATE                   | EVENT TITLE   | TRAINER                    |
|------------------------|---|----------------------------|
| 21 Jan 16 to 22 Jan 16 | Valuation and Financial Analysis with Prof. Bala Dharan   | Prof Bala Dharan           |
| 21 Mar 16 to 23 Mar 16 | Advanced Financial Analysis Series (3 modules)<br>- Advanced Financial Modeling - Core Model<br>- REIT Financial Modeling<br>- Advanced Excel for Data Analysis | Hamilton Lin, CFA          |
| 24 Mar 16              | Strategic Valuation workshop for EDBI   | Professor Joel Litman      |
| 29 Mar 16 to 31 Mar 16 | Multi-Asset Workshop for Practioners  | Professor Bernard Lee, CFA |
| 12 Apr 16              | Fund Flows & The Investment Process   | Adam Longenecker           |
| 18 Apr 16              | Business Finance Mandarin Workshop - Basic module   | Wang Xin Bin, CFA, ACCA    |
| 2 Jun 16 to 3 Jun 16   | Drive Workshop  | Adrian Chong               |
| 23 Jun 16              | Discover Better Insights for the Factors Driving Your Stocks  | James J Valentine, CFA     |
| 29 Jun 16 to 30 Jun 16 | Strategic Valuation & Fundamental Investing Masterclass   | Professor Joel Litman      |
| 3 Aug 16               | Dealing with Damn Difficult Directors, Colleagues and Clients   | Robert Gordon              |
| 12 Aug 16              | Business Valuation Workshop   | Ong Woon Pheng, CFA        |
| 31 Aug 16 to 1 Sep 16  | Masterclass on Venture Capital & Start-Ups  | Arvind P. Mathur, CFA      |
| 21 Sep 16 to 23 Sep 16 | Fixed Income Portfolio Management Series  | Tariq Dennison             |
| 5 Oct 16 to 6 Oct 16   | Masterclass : Excellence in Private Equity and Deal Structuring   | Arvind P. Mathur, CFA      |
| 24 Oct 16              | Advanced Financial Analysis Series (2 modules)<br>- Advanced Financial Modeling - Core Model<br>- Corporate Valuation Methodologies & Valuation Modeling        | Hamilton Lin, CFA          |
| 3 Nov 16 to 4 Nov 16   | Investment Analytics & Data Visualization with "R"  | Mark C. Hoogendijk, CFA    |
| 21 Nov 16              | Strategic Valuation workshop for EDBI   | Professor Joel Litman      |





Workshop by Hamilton Lin, CFA on Advanced Financial Analysis Series



Masterclass : Excellence in Private Equity and Deal Structuring by Arvind P. Mathur, CFA



# EVENTS IN 2016



CFA Singapore Charter Award Ceremony : Presentation of charter to Wang Ling, CFA by Jan Richards, CFA



Nick Pollard, Managing Director, APAC of CFA Institute speaking at the CFA Singapore Charter Award Ceremony

## MEMBERSHIP PROGRAMME

The 2016 work plan for the **Membership Committee** comprised of the following areas: -

- Panel discussion on gender diversity jointly organised with National Australia Bank and BoardAgender as part of International Women's Day.
- Town-hall meeting with newly appointed Managing Director, APAC of CFA Institute , Nick Pollard, where he shared his vision and plans to engage members in Singapore and the region.
- CFA Singapore Charter Award Ceremony where more than 100 newly minted CFA charterholders and their guests were hosted by the board of CFA Singapore. Guest-of-Honour was CFA Institute Apac CEO Nick Pollard and keynote speaker was Adrian Chong who spoke on the topic of personal branding and image.
- The 30th CFA Singapore Annual General Meeting was held on 19th April at SGX Auditorium.
- A general membership survey identified 3 top priorities: providing career development and resources, increasing awareness of the CFA brand with HNWIs, and engagement with regulators in promoting fair and transparent markets.

### MEMBERSHIP COMMITTEE

|                                       |                                     |                  |                         |
|---------------------------------------|-------------------------------------|------------------|-------------------------|
| Jan M. Richards, CFA (Co-Chairperson) | Suprita Vohra, CFA (Co-Chairperson) | Adrian Chan, CFA | Dheeraj Sachatheva, CFA |
| Mae-Shen J. Tan, CFA                  |                                     |                  |                         |





30th CFA Singapore Annual General Meeting



Jan Richards, CFA speaking at the CFA Singapore Charter Award Ceremony



CFA Singapore Charter Award Ceremony



Nick Pollard, Managing Director, APAC of CFA Institute sharing at Town Hall Meeting with CFA Singapore members



# EVENTS IN 2016



Networking Drinks



CFA Singapore Golf Challenge 2016

## NETWORKING

The **Networking Committee** organised a total of 13 events in 2016. Some of the highlights include Cocktail Appreciation, volunteering on voluntary welfare organisations & non-profit organisations, and the ever popular Year-End Party. The committee plans and organises a wide array of informal events to forge friendships with existing members and integrate new members in casual social settings. 2016 also saw the return of the highly anticipated CFA Singapore Golf Challenge. Held at Orchid Country Club, the event was kindly sponsored by Saxo Capital Market, Kaplan Schweser and CCBI, the investment arm of China Construction Bank.

Going forward, we aim to continue to create more unique and exciting networking opportunities to engage members. We aim to serve as an effective platform to broaden the networking opportunities for our members within the financial services industry. The Committee would like to take this opportunity to thank all those who made our events a success – our participants, our sponsors, and our volunteers.

### NETWORKING COMMITTEE

|   |                   |                      |             |
|---|-------------------|----------------------|-------------|
| <b>Seow Hock Hin, CFA (Chairperson)</b> | Alex Ho, CFA      | Phuah Keng Keat, CFA | Sunand Razu |
| Adrian Chan, CFA                        | Koh Boon Pin, CFA | Rahul Koshal Dubey   |             |

### NETWORKING EVENTS SUMMARY

| DATE      | EVENT TITLE   | SPEAKER(S)  |
|-----------|---|---|
| 25 Jan 16 | Networking Drinks                                       | -   |
| 29 Feb 16 | Networking Drinks                                       | -   |
| 21 Mar 16 | Networking Drinks - Leaders on Board                    | Edna Leong / Winifred Loh   |
| 28 Apr 16 | CFA Society Singapore – J.P. Morgan Corporate Challenge | -   |
| 28 Apr 16 | Networking Drinks                                       | -   |
| 23 May 16 | Networking Drinks - Cocktail Appreciation               | Joel Ne Win   |
| 20 Jun 16 | Networking Drinks - The TrackRecord Trend Talk Series   | David Dredge / Leng Hoe Lon, CFA / Margaret Yang Yan, CFA / Phan Vee Leung, CFA |
| 25 Jul 16 | Networking Drinks                                       | -   |
| 22 Aug 16 | Networking Drinks                                       | -   |
| 18 Sep 16 | 2016 F1 Singapore Grand Prix Networking Night           | -   |
| 7 Oct 16  | CFA Singapore Golf Challenge 2016                       | -   |
| 14-Nov 16 | Networking Event - Millennial Entrepreneurs             | Clyde Lee / Koh Boon Pin, CFA   |
| 19 Dec 16 | CFA Singapore Year-End Party 2016                       | -   |





Networking Drinks : The TrackRecord Trend Talk Series



J.P. Morgan Corporate Challenge - Team CFA Singapore



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CFA Singapore Golf Challenge 2016



Champion for CFA Singapore Golf Challenge 2016

Networking Event : Millennial Entrepreneurs  
Speaker : Koh Boon Pin, CFA and Clyde Lee





# EVENTS IN 2016



PD Talk - Asian, US and European High Yield : A Comparison of Fundamentals and Spreads



CFA Singapore Investment Conference 2016

## PROFESSIONAL DEVELOPMENT PROGRAMME

The mandate of the **Professional Development (PD) Committee** is to organise professional development events that contribute to the continuing development of CFA members. To further encourage commitment to professional development among our members, attendance at PD events qualifies for CFA Institute Continuing Education (CE) credits.

The **PD Committee** organised 27 continuing education events for 2016. With a diverse range of topics such as fintech, intellectual property, ESG, R programming language, renewable energy and the circular economy, the **PD Committee** continues to be the workhorse committee attracting more than 1,600 membership registrations. The highlight of the year was the inaugural CFA Singapore Investment Conference held on 4 November 2016 at SGX Auditorium. More than 200 members attended the full-day event which featured 21 speakers and panellists. Some of the notable presenters included Ng Kok Song, Aaron Low, CFA and Keith Ambachtsheer.

The Committee also renewed its collaboration with **Institute of Singapore Chartered Accountants (ISCA)** with a series of seminars on economic outlook, China economy and tax issues post Brexit.

Our key source of expert speakers continue to be CFA Institute and our senior members. In this regard, we would like to thank them for their continued support which contributed significantly to the success of our events. The **PD Committee** will continue to organise interesting and educational PD events for our members in the coming year and would like to invite interested CFA members to join our committee and senior members to volunteer their time as speakers.

### PROFESSIONAL DEVELOPMENT COMMITTEE

|   |                   |                             |                  |
|---|-------------------|-----------------------------|------------------|
| <b>Arun Kelshiker, CFA (Co-Chairperson)</b> | Noel Neo, CFA     | Leo Hu, CFA                 | Yuandong Yi, CFA |
| <b>Alex Ho, CFA (Co-Chairperson)</b>        | Andrew Tan, CFA   | Sri Indah Jani Prihadi, CFA |                  |
| <b>Victor Ong, CFA (Co-Chairperson)</b>     | Koh Boon Pin, CFA | Wang Xinbin, CFA            |                  |

### PROFESSIONAL DEVELOPMENT EVENTS SUMMARY

| DATE      | EVENT TITLE                                   | SPEAKER(S)   |
|-----------|---|--|
| 27 Jan 16 | 2016 Economic Outlook                         | Manu Bhaskaran, CFA / Ng Hsueh Ling / Suprita Vohra, CFA |
| 28 Jan 16 | Outlook of RMB and Asian High Yield Market    | Raymond Gui, CFA   |
| 17 Feb 16 | Asian High Yield Overview and Outlook         | Feng Zhi Wei   |
| 11 Mar 16 | Interest Rates and their Impact on Styles     | Dr. Peter Hopkins  |
| 23 Mar 16 | The Dark Side of Financial Statement Analysis | Professor Joel Litman                                    |



|           |  |  |
|-----------|--|--|
| 11 Apr 16 | Rich Thinking 2016: A Global Study - How Smart Women are Shaping the Future of the Financial Industry                          | Barbara Stewart, CFA   |
| 28 Apr 16 | Succession Challenges for Asian Family Businesses  | Professor Kasper Meisner Nielsen   |
| 3 May 16  | [Webinar] The "Checklist": Ten Steps for Advanced Risk and Portfolio Management  | Attilio Meucci   |
| 9 May 16  | Lipper Alpha Insights - Outlook For Markets In Factor Performance & The Attack On Active                                       | Robert Jenkins / Dr. Stephen Malinak, Ph. D.   |
| 12 May 16 | Investing in Renewables – A Tipping Point for Clean Energy?  | Dr. Jay Mariyappan   |
| 26 May 16 | Blockchain – Mechanics And Potential   | Sviatoslav Rosov, PhD, CFA   |
| 30 May 16 | Multi-Asset Investing: A Practitioner's Framework  | Pranay Gupta, CFA  |
| 16 Jun 16 | What Could Blow Up in Your Portfolio?  | Raj Manghani, CFA  |
| 23 Jun 16 | Are You a Great Equity Research Analyst? Self-assess with GAMMA PIT™   | James J. Valentine, CFA  |
| 30 Jun 16 | Annual Forecast Dinner   | Arun Kelshiker, CFA / David N Wong / Kay Van-Petersen / Michael Thompson   |
| 11 Jul 16 | Redefining Competitiveness through the Circular Economy – Singapore Launch of Waste to Wealth – The Circular Economy Advantage | Peter Lacy   |
| 15 Sep 16 | Live Streaming: Systemic Risk and the Investment Professional  | Robert W. Jenkins, FSIP  |
| 20 Sep 16 | Today's Prominent Role of Open Source Solutions Within the Investment & Risk Analytics Landscape                               | Mark C. Hoogendijk, CFA, CAIA  |
| 29 Sep 16 | Quarterly Economic Updates   | Suan Teck Kin, CFA / Henry Syrett / Billy Thorne / Rajiv Biswas / Alex Ho, CFA   |
| 17 Oct 16 | Asian, US and European High Yield: A Comparison of Fundamentals and Spreads  | Brian Gibbons, CFA / David Watts / Sandra Chow, CFA  |
| 20 Oct 16 | More Money than Sense  | Rusell Napier  |
| 24 Oct 16 | The Rise Of Populism   | Raj Manghani, CFA  |
| 4 Nov 16  | CFA Singapore Investment Conference 2016   | Dr. Aaron Low, CFA / Alex Lee Sao Wei, CFA / Andrew Parry / Arun Kelshiker, CFA / Charles Koegler, CFA / Dr. Alan Bollard / Dr. Jeffrey Chi, CFA / Ernest Leung / Freddy Lim / Gary Ng, CFA / Keith Ambachtsheer / Kelvin Tay / Kevin Chen, CFA / Kunal Ghosh / Lim Say Boon / Lynn Gaspar / Ng Kok Song / Pranay Gupta, CFA / Ranjit Khanna / Sanjay Gujral / Torsten Linke |
| 16 Nov 16 | Roadmap to ESG Integration for Investors   | Arisa Kishigami  |
| 24 Nov 16 | Intellectual Property - Business Strategy and Monetization   | Gerald Koh / Irene Cheong / Kwok Lih / Trina Ha  |
| 6 Dec 16  | India: Some New Inflexion Points   | Ravi Velloor   |



PD talk on Lipper Alpha Insights - Outlook for Markets in Factor Performance & The Attack on Active



Book signing by Pranay Gupta, CFA



Quarterly Economic Updates



CFA Singapore Investment Conference 2016



CFA Singapore Investment Conference 2016



# EVENTS IN 2016

## UNIVERSITY OUTREACH PROGRAMME

The key mandate of the **University Outreach Committee** is to engage Singapore-based universities (both local and foreign), especially those universities under the CFA Programme Partners or University Recognition Programme to create awareness for the CFA programme as well as to facilitate and groom the next generation of investment professionals in the financial industry. In this regard, the Committee organised CFA programme information sessions held at the premises of the universities. Such information sessions usually incorporate career talks where senior CFA charterholders are invited to share their experiences in their various job roles and career progression.

A key highlight of the Committee work-year is organising the CFA Institute Research Challenge which is an annual global research competition sponsored by CFA Institute. The 2016–2017 season attracted the most number of participating universities represented by the winning teams from National University of Singapore (NUS), Nanyang Technological University (NTU), Singapore Management University (SMU), Singapore University of Technology and Design (SUTD), Singapore Institute of Technology (SIT), Singapore University of Social Sciences (SUSS) and SIM Global Education (SIM GE). The team from SMU emerged as the overall champion in this highly competitive Singapore leg. The team comprised of Ian Chua, John Lim, Zhong Yingyi, Vedant Daga and Haruki Chua. The Asia Pacific Region competition took place in Bangkok on 15 March and the SMU team advanced to take home the Asia Pacific Regional champion title.

We would like to thank all involved, including the staff and management of Cordlife and Sheng Siong for participating as the target companies in the competition.

CFA Singapore would also like to recognise the sponsorship of Bloomberg and Kaplan Schweser and thank them for their support towards the CFA Institute Research Challenge.

We would also like to thank the mentors, research report graders and presentation judges for contributing invaluable guidance to the teams and in judging the competition respectively.

### UNIVERSITY OUTREACH COMMITTEE

|                                    |                  |                            |                   |
|------------------------------------|------------------|----------------------------|-------------------|
| <b>Simon Ng, CFA (Chairperson)</b> | Jack Wang, CFA   | Melvin Tan Teck Jin, CFA   | Tan Chee How, CFA |
| Andy Yeo, CFA                      | Kevin Gin, CFA   | Mitchell Van der Zahn, CFA | Teoh Kek Yee, CFA |
| David Leow, CFA                    | Lee Yue Jer, CFA | Simon Deng Jiewen, CFA     | Terence Lim, CFA  |

### UNIVERSITY OUTREACH EVENTS SUMMARY

| DATE      | EVENT TITLE   | SPEAKER(S)   |
|-----------|---|--|
| 30 Jan 16 | CFA Institute Research Challenge (Season 2015 to 2016) - Local Finals               | -  |
| 16 Sep 16 | University Career Development Event at NTU (Career Panel)                           | Francis Er / Lee Yue Jer, CFA / Noel Neo, CFA / Seow Shin Horng, CFA / Terence Lim, CFA                |
| 23 Sep 16 | University Career Development Event at Yale NUS College (Career Panel)              | Maurice Teo, CFA / Seow Shin Horng, CFA / Simon Ng, CFA / Francis Er                                   |
| 24 Sep 16 | CFA Institute Research Challenge (Season 2016 to 2017) - Kick-Off Meeting           | Dr. Mitchell Van der Zahn, CFA / Melvin Tan, CFA / Simon Ng, CFA / Francis Er                          |
| 27 Oct 16 | University Career Development Event at NUS (Career Panel)                           | Chen Ziyang / Lee Yue Jer, CFA / Subhajit Mandal, CFA / Tan Mae Shen, CFA / Simon Ng, CFA / Francis Er |
| 2 Dec 16  | Company Visit: Cordlife Group Limited   | Curtis Liao / Dr. Wong Chiang Yin / Melvin Tan Teck Jin, CFA / Simon Ng, CFA / Thet Hnin Yi            |
| 5 Dec 16  | Company Visit: Sheng Siong Group Limited  | Melvin Tan Teck Jin, CFA / Lim Hock Chee / Wong Soong Kit  |
| 14 Dec 16 | CFA Institute Research Challenge (Season 2016 to 2017) - Technical Training Session | David Leow, CFA / Richard Ngo / Simon Ng, CFA  |



Company visit : Sheng Siong Group Limited

CFA Institute Research Challenge (Season 2016 to 2017)  
Technical Training at BloombergCFA Institute Research Challenge (Season 2015 to 2016) - Local Finals  
Winner : Team National University Singapore

Company Visit : Cordlife Group Limited



# Financial Contents

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## STATEMENT BY BOARD MEMBERS

In the opinion of the board members,

- (a) the accompanying financial statements of CFA Singapore (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2016 and of the results, changes in funds and cash flows of the Society for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

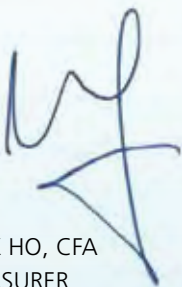
The board members approved and authorised these financial statements for issue.

On behalf of the board members

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JAN M. RICHARDS, CFA  
PRESIDENT



ALEX HO, CFA  
TREASURER

29 May 2017



# INDEPENDENT AUDITOR'S REPORT

(Registered under the Societies Act, Chapter 311)

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of CFA Singapore (the "Society"), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act) and the Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material aspects, the state of affairs of the Society as at 31 December 2016 and the statement of profit or loss and other comprehensive income, changes in funds and cash flows of the Society for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance responsibilities include overseeing the Society's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT

(Registered under the Societies Act, Chapter 311)

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the Society have been properly kept in accordance with those Regulations.

## Other matters

The financial statements for the reporting year ended 31 December 2015 were audited by other independent auditor whose report dated 15 March 2016 expressed an unqualified opinion on those financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

RSM Chio Lim LLP  
Public Accountants and Chartered Accountants  
Singapore

29 May 2017



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2016

|  | Notes | 2016<br>\$     | 2015<br>\$     |
|--|-------|----------------|----------------|
| <b>Revenue</b>   | 4     | 1,788,878      | 1,673,793      |
| Other gains  | 5     | 21,695         | 6,255          |
| Conference and workshop expenses   |       | (161,875)      | (162,152)      |
| FICS/CFA review expenses   |       | (628,021)      | (722,703)      |
| Members' activities and meeting expenses   |       | (142,323)      | (121,442)      |
| Material expenses  |       | (19,595)       | –              |
| General expenses   |       | (98,211)       | (134,553)      |
| Employee benefits expense  | 6     | (332,610)      | (241,494)      |
| Depreciation expenses  | 8     | (9,713)        | (732)          |
| Other expenses   |       | (86,950)       | (98,798)       |
| <b>Surplus before tax from continuing operations</b>                                 |       | 331,275        | 198,174        |
| Income tax expense   | 7     | (14,892)       | (16,255)       |
| <b>Surplus from continuing operations and total comprehensive income, net of tax</b> |       | <u>316,383</u> | <u>181,919</u> |
| <b>Other comprehensive income:</b>   |       |                |                |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                |       |                |                |
| Available-for-sale financial assets, net of tax                                      | 13    | 17,273         | –              |
| <b>Other comprehensive income for the year, net of tax:</b>                          |       | <u>17,273</u>  | <u>–</u>       |
| <b>Total comprehensive income</b>  |       | <u>333,656</u> | <u>181,919</u> |

# STATEMENT OF FINANCIAL POSITION

Year Ended 31 December 2016

|                                     | Notes | 2016<br>\$ | 2015<br>\$ |
|-------------------------------------|-------|------------|------------|
| <b>ASSETS</b>                       |       |            |            |
| <b><u>Non-current assets</u></b>    |       |            |            |
| Plant and equipment                 | 8     | 19,608     | 25,608     |
| Other financial assets, non-current | 9     | 1,616,962  | -          |
| <b>Total non-current assets</b>     |       | 1,636,570  | 25,608     |
| <b><u>Current assets</u></b>        |       |            |            |
| Trade and other receivables         | 10    | 34,069     | 28,182     |
| Other assets                        | 11    | 27,537     | 18,856     |
| Cash and cash equivalents           | 12    | 921,220    | 2,581,095  |
| <b>Total current assets</b>         |       | 982,826    | 2,628,133  |
| <b>Total assets</b>                 |       | 2,619,396  | 2,653,741  |
| <b>FUNDS AND LIABILITIES</b>        |       |            |            |
| <b><u>FUNDS</u></b>                 |       |            |            |
| Accumulated fund                    |       | 2,381,893  | 2,065,510  |
| Other reserve                       | 13    | 17,273     | -          |
| <b>Total equity</b>                 |       | 2,399,166  | 2,065,510  |
| <b><u>Current liabilities</u></b>   |       |            |            |
| Income tax payable                  |       | 15,566     | 11,500     |
| Trade and other payables            | 14    | 204,664    | 576,731    |
| <b>Total current liabilities</b>    |       | 220,230    | 588,231    |
| <b>Total liabilities</b>            |       | 220,230    | 588,231    |
| <b>Total fund and liabilities</b>   |       | 2,619,396  | 2,653,741  |



# STATEMENT OF CHANGES IN FUNDS

Year Ended 31 December 2016

|  | Total<br>funds<br>\$ | Accumulated<br>fund<br>\$ | Other<br>reserve<br>\$ |
|--|----------------------|---------------------------|------------------------|
| <b>Current year:</b>                       |                      |                           |                        |
| Opening balance at 1 January 2016          | 2,065,510            | 2,065,510                 | -                      |
| <b>Movements in funds:</b>                 |                      |                           |                        |
| Total comprehensive income for the year    | 333,656              | 316,383                   | 17,273                 |
| <b>Closing balance at 31 December 2016</b> | <u>2,399,166</u>     | <u>2,381,893</u>          | <u>17,273</u>          |
| <b>Previous year:</b>                      |                      |                           |                        |
| Opening balance at 1 January 2015          | 1,883,591            | 1,883,591                 | -                      |
| <b>Movements in funds:</b>                 |                      |                           |                        |
| Total comprehensive income for the year    | 181,919              | 181,919                   | -                      |
| <b>Closing balance at 31 December 2015</b> | <u>2,065,510</u>     | <u>2,065,510</u>          | <u>-</u>               |

# STATEMENT OF CASH FLOWS

Year Ended 31 December 2016

|  | 2016           | 2015             |
|--|----------------|------------------|
|  | \$             | \$               |
| <b><u>Cash flows from operating activities</u></b>   |                |                  |
| Profit before tax  | 331,275        | 198,174          |
| Adjustment for:  |                |                  |
| Depreciation   | 9,713          | 732              |
| Interest income  | (15,197)       | (11,742)         |
| Operating cash flows before changes in working capital                                     | 325,791        | 187,164          |
| Trade and other receivables  | (10,046)       | 38,682           |
| Other assets   | (8,681)        | (12,654)         |
| Trade and other payables   | (372,067)      | (37,714)         |
| Net cash flows (used in) from operations   | (65,003)       | 175,478          |
| Income taxes paid  | (10,826)       | (14,755)         |
| Net cash flows (used in) from operating activities   | (75,829)       | 160,723          |
| <b><u>Cash flows from investing activities</u></b>   |                |                  |
| Purchases of plant and equipment   | (3,713)        | (26,339)         |
| Addition in available-for-sale financial assets  | (1,599,689)    | -                |
| Interest received  | 19,356         | 10,724           |
| Net cash flows used in investing activities  | (1,584,046)    | (15,615)         |
| <b><u>Net (decrease) increase in cash and cash equivalents</u></b>                         | (1,659,875)    | 145,108          |
| Cash and cash equivalents, statement of cash flows, beginning balance                      | 2,581,095      | 2,435,987        |
| <b><u>Cash and cash equivalents, statement of cash flows, ending balance (note 12)</u></b> | <u>921,220</u> | <u>2,581,095</u> |



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 1. General

CFA Singapore (the "Society") is registered in Singapore under the Societies Act, Chapter 311. The financial statements are presented in Singapore dollars.

The board members approved and authorised these financial statements for issue on date of Statement by Board Members.

The principal activities of the Society are to encourage and promote professionalism among financial analysts and fund managers in Singapore by providing educational and informative programmes.

The registered office address of the Society is: 10 Anson Road, #25-09 International Plaza, Singapore 079903. The Society is situated in Singapore.

### Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Interest income or expense is recognised using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2A. Significant accounting policies (cont'd)

### Revenue recognition (cont'd)

- (i) Members' fees  
Income is recognised in the financial statements on an accrual basis
- (ii) Joining fees  
Income is recognised on the date members joined.
- (iii) Conference, workshop and seminar  
Income is recognised when the event takes place.
- (iv) Interest income  
Interest income is recognised on the time-proportioned basis using the effective interest method.
- (v) Course fees  
Income is recognised over the period of instruction.

### Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant.

### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

#### Plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

|                     |   |     |
|---------------------|---|-----|
| Renovation          | – | 33% |
| Plant and Equipment | – | 33% |

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods is adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

#### Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Financial assets (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year. Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

#### Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

#### Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Fair value measurement (cont'd)

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless state otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

### 2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

## 3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

### 3A. Key management compensation:

Key management personnel are the board and council members and they did not receive any compensation during the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 4. Revenue

|                               | 2016             | 2015             |
|-------------------------------|------------------|------------------|
|                               | \$               | \$               |
| Members' fees                 | 243,343          | 210,012          |
| Joining fees                  | 52,500           | 44,200           |
| Conferences and workshops     | 282,372          | 259,662          |
| FICS/CFS Review               | 890,147          | 948,302          |
| CFA Institute Society Funding | 196,937          | 138,521          |
| Sponsorship                   | 41,823           | 23,567           |
| Programming activities        | 15,761           | 4,160            |
| Networking activities         | 16,493           | 14,715           |
| University relations          | -                | 18,576           |
| Sales of study materials      | 29,466           | -                |
| Interest income               | 15,197           | 11,742           |
| Commissions                   | 4,615            | -                |
| Others                        | 224              | 336              |
|                               | <u>1,788,878</u> | <u>1,673,793</u> |

## 5. Other gains

|  | 2016          | 2015         |
|--|---------------|--------------|
|  | \$            | \$           |
| Allowance for impairment on trade receivables – reversal (Note 10) | 9,245         | 642          |
| Government grants  | 12,450        | 5,613        |
|  | <u>21,695</u> | <u>6,255</u> |

## 6. Employee benefits expense

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | \$             | \$             |
| Short term employee benefits expense      | 297,394        | 217,856        |
| Contribution to defined contribution plan | 35,216         | 23,638         |
| Total employee benefits expense           | <u>332,610</u> | <u>241,494</u> |



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 7. Income tax

### 7A. Components of tax expense recognised in profit or loss include:

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | \$            | \$            |
| <u>Current tax expense:</u>                          |               |               |
| Current tax expense                                  | 15,566        | 11,500        |
| (Over)/under adjustments in respect of prior periods | (674)         | 4,755         |
| Total income tax expense                             | <u>14,892</u> | <u>16,255</u> |

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2015: 17.0%) to profit or loss before income tax as a result of the following differences:

|  | 2016           | 2015           |
|--|----------------|----------------|
|  | \$             | \$             |
| Profit before tax                                    | <u>331,275</u> | <u>198,174</u> |
| Income tax expense at the above rate                 | 56,316         | 33,690         |
| Expenses not deductible for tax purposes             | 1,314          | -              |
| Income not subject to tax                            | (573)          | (10,514)       |
| Stepped income exemption                             | (41,491)       | (11,676)       |
| (Over)/under adjustments in respect of prior periods | (674)          | 4,755          |
| Total income tax expense                             | <u>14,892</u>  | <u>16,255</u>  |

## 8. Plant and equipment

|                                  | Renovations  | Plant, fixtures and equipment | Total         |
|----------------------------------|--------------|-------------------------------|---------------|
|                                  | \$           | \$                            | \$            |
| <u>Cost:</u>                     |              |                               |               |
| At 1 January 2015                | -            | 5,422                         | 5,422         |
| Additions                        | <u>6,145</u> | <u>20,194</u>                 | <u>26,339</u> |
| At 31 December 2015              | 6,145        | 25,616                        | 31,761        |
| Additions                        | <u>-</u>     | <u>3,713</u>                  | <u>3,713</u>  |
| At 31 December 2016              | <u>6,145</u> | <u>29,329</u>                 | <u>35,474</u> |
| <u>Accumulated depreciation:</u> |              |                               |               |
| At 1 January 2015                | -            | 5,421                         | 5,421         |
| Depreciation for the year        | <u>171</u>   | <u>561</u>                    | <u>732</u>    |
| At 31 December 2015              | 171          | 5,982                         | 6,153         |
| Depreciation for the year        | <u>2,048</u> | <u>7,665</u>                  | <u>9,713</u>  |
| At 31 December 2016              | <u>2,219</u> | <u>13,647</u>                 | <u>15,866</u> |
| <u>Carrying value:</u>           |              |                               |               |
| At 1 January 2015                | -            | 1                             | 1             |
| At 31 December 2015              | <u>5,974</u> | <u>19,634</u>                 | <u>25,608</u> |
| At 31 December 2016              | <u>3,926</u> | <u>15,682</u>                 | <u>19,608</u> |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 9. Other financial assets, non-current

|  | 2016             | 2015     |
|--|------------------|----------|
|  | \$               | \$       |
| Investments available-for-sale at fair value through other comprehensive income ("FVTOCI") | <u>1,616,962</u> | <u>–</u> |

### 9A. Movements in other financial assets, non-current

|   | 2016             | 2015     |
|---|------------------|----------|
|   | \$               | \$       |
| Investments available-for-sale at FVTOCI:-                |                  |          |
| Movements during the year:                                |                  |          |
| Fair value at beginning of the year                       | –                | –        |
| Additions   | 1,599,689        | –        |
| Increase in fair value through other comprehensive income | <u>17,273</u>    | <u>–</u> |
| Fair value at end of the year                             | <u>1,616,962</u> | <u>–</u> |

### 9B. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

Investments available-for-sale at FVTOCI:-

|  | Level | 2016             | 2015     |
|--|-------|------------------|----------|
|  |       | \$               | \$       |
| Balance is made up of:                         |       |                  |          |
| Unit trusts                                    | 1     | 1,457,273        | –        |
| Cash held by fund manager                      |       | <u>159,689</u>   | <u>–</u> |
| Total investments available-for-sale at FVTOCI |       | <u>1,616,962</u> | <u>–</u> |

## 10. Trade and other receivables

|                                  | 2016          | 2015           |
|----------------------------------|---------------|----------------|
|                                  | \$            | \$             |
| <u>Trade receivables:</u>        |               |                |
| Outside parties                  | 34,019        | 33,218         |
| Less allowance for impairment    | <u>–</u>      | <u>(9,245)</u> |
| Net trade receivables – subtotal | <u>34,019</u> | <u>23,973</u>  |

### Other receivables:

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Interest income receivables       | <u>50</u>     | <u>4,209</u>  |
| Total trade and other receivables | <u>34,069</u> | <u>28,182</u> |

Movements in above allowance:

|   |                |              |
|---|----------------|--------------|
| Balance at beginning of the year  | 9,245          | 9,887        |
| Reversed for trade receivables to profit or loss included in other gains (Note 5) | <u>(9,245)</u> | <u>(642)</u> |
| Balance at end of the year  | <u>–</u>       | <u>9,245</u> |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 11. Other assets

|                             | 2016          | 2015          |
|-----------------------------|---------------|---------------|
|                             | \$            | \$            |
| Prepayments                 | 15,567        | 4,756         |
| Deposits to secure services | 11,970        | 14,100        |
|                             | <u>27,537</u> | <u>18,856</u> |

## 12. Cash and cash equivalents

|                       | 2016           | 2015             |
|-----------------------|----------------|------------------|
|                       | \$             | \$               |
| Not restricted in use | <u>921,220</u> | <u>2,581,095</u> |

The interest earning balances are not significant.

## 13. Other reserve

|  | 2016          | 2015     |
|--|---------------|----------|
|  | \$            | \$       |
| Available-for-sale financial assets reserve (Note 13A) | <u>17,273</u> | <u>—</u> |

## 13A. Available-for-sale financial assets reserve

|  | 2016          | 2015     |
|--|---------------|----------|
|  | \$            | \$       |
| At beginning of the year                                 | —             | —        |
| Gains on remeasuring available-for-sale financial assets | 17,273        | —        |
| Balance at end of the year                               | <u>17,273</u> | <u>—</u> |

The available-for-sale financial assets reserve arises from the annual remeasurement of the available-for-sale financial assets. It is not distributable until it is released to profit or loss on the disposal of the investments.

## 14. Trade and other payables

|   | 2016           | 2015           |
|---|----------------|----------------|
|   | \$             | \$             |
| <u>Trade payables:</u>                  |                |                |
| Outside parties and accrued liabilities | 199,236        | 269,261        |
| Net trade payables – subtotal           | <u>199,236</u> | <u>269,261</u> |
| <u>Other payables:</u>                  |                |                |
| Advanced course fees received           | 5,428          | 307,470        |
| Total trade and other payables          | <u>204,664</u> | <u>576,731</u> |



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 15. Operating lease payment commitments – as lessee

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

|   | 2016   | 2015   |
|---|--------|--------|
|   | \$     | \$     |
| Not later than one year                           | 35,000 | 42,000 |
| Later than one year and not later than five years | –      | 35,000 |
| Rental expenses for the year                      | 42,000 | 30,743 |

Operating lease payments are for rentals payable for the office premises. The lease rental terms are negotiated for an average term of two years.

## 16. Financial instruments: information on financial risks

### 16A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

|   | 2016      | 2015      |
|---|-----------|-----------|
|   | \$        | \$        |
| <u>Financial assets:</u>                  |           |           |
| Cash and cash equivalents                 | 921,220   | 2,581,095 |
| Loans and receivables                     | 34,069    | 28,182    |
| Available for sale financial assets       | 1,616,962 | –         |
| At end of the year                        | 2,572,251 | 2,609,277 |
| <u>Financial liabilities:</u>             |           |           |
| Trade payables measured at amortised cost | 199,236   | 269,261   |
| At end of the year                        | 199,236   | 269,261   |

Further quantitative disclosures are included throughout these financial statements.

### 16B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural offsetting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 16C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

## 16D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below. There is significant concentration of credit risk on receivables, as the exposure is spread over a small number of counter-parties and customers.

Note 12 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2015: 30 days). But some customers take a longer period to settle the amounts:

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

|                    | 2016          | 2015         |
|--------------------|---------------|--------------|
|                    | \$            | \$           |
| Trade receivables: |               |              |
| 31 – 60 days       | 14,275        | 5,987        |
| 61 - 90 days       | 5,828         | –            |
| At end of year     | <u>20,103</u> | <u>5,987</u> |

(b) Ageing analysis of the age of trade receivable amounts that are impaired:

|                    | 2016     | 2015         |
|--------------------|----------|--------------|
|                    | \$       | \$           |
| Trade receivables: |          |              |
| 91 - 180 days      | <u>–</u> | <u>9,245</u> |

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers as at the end of reporting year:

|                 | 2016          | 2015          |
|-----------------|---------------|---------------|
|                 | \$            | \$            |
| Top 1 customer  | 13,770        | 12,476        |
| Top 2 customers | 21,043        | 17,708        |
| Top 3 customers | <u>24,468</u> | <u>21,946</u> |

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 16. Financial instruments: information on financial risks (cont'd)

### 16E Liquidity risk – financial liabilities maturity analysis

There are no non-current financial liabilities at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2015: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

### 16F Interest rate and foreign currency risk

There is exposure to foreign currency risk as part of its normal business. It is however not expected to be significant as most transactions are dealt in Singapore dollars. Hence the effect on pre-tax for profit is not significant.

## 17. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

| <u>FRS No.</u> | <u>Title</u>   |
|----------------|--|
| FRS 1          | Amendments to FRS 1: Disclosure Initiative                     |
| FRS 7          | Amendments to FRS 7: Disclosure Initiative (early application) |

## 18. New or amended standards in issue but not yet effective

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

| <u>FRS No.</u> | <u>Title</u>                                 | <u>Effective date for periods beginning on or after</u> |
|----------------|--|---|
| FRS 109        | Financial Instruments                        | 1 Jan 2018  |
| FRS 115        | Revenue from Contracts with Customers        | 1 Jan 2018  |
|                | Amendments to FRS 115: Clarifications to FRS | 1 Jan 2018  |
| FRS 115        | 115 Revenue from Contracts with Customers    |   |
| FRS 116        | Leases                                       | 1 Jan 2019  |



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

## 19. Reclassification and comparative figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements. The reclassifications included the following:

Statement of profit or loss and other comprehensive income as at

31 December 2015

|                          | After reclassification | Before reclassification | Difference   |
|--------------------------|------------------------|-------------------------|--------------|
|                          | \$                     | \$                      | \$           |
| Revenue                  | 1,673,793              | 1,679,406               | (5,613)      |
| Other gains              | 6,255                  | -                       | 6,255        |
| Other operating expenses | <u>(1,481,874)</u>     | <u>(1,481,232)</u>      | <u>(642)</u> |

Statement of financial position

As at 31 December 2015

|                               | After Reclassification | Before Reclassification | Difference     |
|-------------------------------|------------------------|-------------------------|----------------|
|                               | \$                     | \$                      | \$             |
| Trade and other receivables   | 28,182                 | -                       | (28,182)       |
| Other assets                  | 18,856                 | -                       | (18,856)       |
| Fees receivable               | -                      | 23,973                  | 23,973         |
| Other receivable              | -                      | 23,065                  | 23,065         |
| Fixed deposits                | -                      | 1,568,515               | 1,568,515      |
| Cash and cash equivalents     | 2,581,095              | 1,012,580               | (1,568,515)    |
| Trade and other payables      | 576,731                | -                       | (576,731)      |
| Expenses payable              | -                      | 269,261                 | 269,261        |
| Advanced course fees received | <u>-</u>               | <u>307,470</u>          | <u>307,470</u> |

The reclassifications were made in the immediately preceding reporting year ended 31 December 2015. These reclassifications did not have a significant impact to the company and therefore the opening balance of the earliest comparative period is not presented in the statement of financial position.

The financial statements for the reporting year ended 31 December 2015 were audited by other independent auditor (other than RSM Chio Lim LLP) whose report dated 15 March 2016 expressed an unqualified opinion on those financial statements.

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## **CFA Society Singapore**

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