



CFA Society
Singapore



Reimagining the Future

FY21/22 Annual Report



reimagining the future

About the Society

Founded in September 1987, we are a professional society that brings together practitioners in the investment and fund management industry in Singapore.

Our principal objective is to promote and uphold professional standards and ethical practice in financial analysis and investment management in Singapore. CFA Society Singapore is the first CFA member society of CFA Institute to be established outside of North America and, today, it is the 7th largest member society of CFA Institute with more than 4,000 members.

The Society runs a whole host of programmes for members, CFA candidates, and also the investment community. These include Professional Development seminars, Networking activities, CFA information sessions and examination review classes, University Outreach initiatives for students, and Career Development talks.

www.cfasisocietysingapore.org

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Vision, Mission and Strategic Objectives

Vision

Inspiring the investment community to be trusted professionals valued by society.

Mission

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

Strategic Objectives

Identify and meet members' life-long career development needs.

Position CFA Society Singapore as the recognised provider for value-added professional development content.

Position the CFA charter as the premier investment designation to employers.



Message from the Board

Dear members of CFA Society Singapore,

FY21-22 witnessed Singapore the nation city enter the Preparatory Stage of its transition journey to a COVID-19 resilient nation. There were minimal physical interactions among individuals and work-from-home was still the default for many employees in Singapore for most part of the financial year. Event sizes and capacity limits were still enforced which continued to make organising in-person activities challenging for CFA Society Singapore (“CFAS”/“Society”). The world has been battling the pandemic for more than 2 years. COVID-19 was, and still is, a seismic event that has affected the lives of millions of people, causing heartache for those who lost loved ones and anxiety for millions of people who lost their livelihoods as the pandemic caused widespread lockdowns and a massive hit to businesses both big and small. The pandemic has taken a toll on many individuals’ mental health.



Simon Ng, CFA

President

CFAS ran innovative networking activities which promoted mental health and self-care through the virtual space, such as mental wellness coaching by NUHS's Chief Wellbeing Officer as well as virtual wine appreciation to our members. As Singapore transitioned into the Stabilisation Stage and subsequently to Resilience, CFAS brought back the first in-person activities after a hiatus of 2 years with a networking trail walk and a tea appreciation event. Despite the challenges of holding large-scale in-person events, CFAS organised and hosted more than 90 events both virtual and in-person in FY21-22 between July 2021 and June 2022. One area which benefited from online activities was professional learning as it allowed access to a rich and diverse set of speakers. We hosted numerous webinars focusing on themes such as artificial intelligence and technology, ESG and sustainability, and global macroeconomics. CFAS kept its focus on ethics, professional learning and professional excellence.



Board members attending the CFA Society Singapore Charter Award Ceremony 2022

2022 marks the 35th Anniversary of the founding of CFAS, it also marks the 75th Anniversary of the CFA® Program for the CFA Institute, the global association of investment management professionals. The CFA charter continues to be highly sought-after for individuals seeking to pursue a career in the financial industry. The qualification is formally recognized by 40 regulators/countries and to date there are approximately 190,000 CFA charterholders worldwide. The curriculum provides candidates with a thorough technical grounding in financial statement analysis, asset valuation, risk management, portfolio theory and ethics. Over the years, the CFA® Program has adapted and evolved, whilst maintaining its credibility and integrity. One of the most recent changes has been the CFA Institute's decision to transition all three levels of the CFA programme examinations to a computer-based testing ("CBT") environment. After nearly 60 years administering paper-based testing for the CFA Program®, CFA Institute has transitioned its Level I Programme to CBT in the beginning of 2021 and the Level II and Level III programs in May 2021. The transition helps CFA Institute keep pace with the evolution of global testing and credentialing practices and improve the overall candidate experience. CBT enables CFA Institute to offer a wider selection of test venues, more flexible scheduling, and expedited exam results delivery. There will be four administrations of Level I, three administrations for Level II and two administrations for Level III exams in a given year. Offering the exams and learning experience in a digital environment will allow CFA Institute to better model the tasks and work experience of today's investment professionals.



CFA® LEVEL 1 PREPARATORY PROGRAMME (IBF LEVEL 1)

ESG WORKSHOP FOR DIRECTORS & SENIOR MANAGERS
IBF Programme Code: P220221AIZ
[Register Now](#)

ETHICS WORKSHOP (TEAM)
By Chan Fook Leong, CFA

Uphold ethical standards of the team.
Suitable for aspiring executives, managers and senior management.

Up to 80% - 90% IBF Funding

[Register Now](#)

Original Course Fees: S\$500.00*
Subsidised Course Fees: S\$100.00*
(*Price subject to 7% GST)

Executive Programmes provided by the Society

CFAS strives constantly to assist members in the pursuit of professional learning. Since early 2020, the online CFA preparatory courses have all been accredited with the Institute of Banking and Finance Singapore (“IBF”) Standards under the Fund Management Industry segment, where candidates who are Singaporeans or Permanent Residents above 40 years of age can get funding of up to 90% under the IBF enhanced funding scheme. Following the conclusion of CFAS’ relationship with a third-party preparatory courses provider, CFAS launched our very own CFA Level I Preparatory Programme in July 2021. The Programme delivers on its promise to help prepare candidates and also offers senior practitioners and members of CFAS an opportunity to give back by teaching the CFA candidate body of knowledge. In line with CFAS’ mission of promoting the highest standards of ethics, I am also pleased to share that the CFAS Ethics Workshop has been accredited under the IBF standards, and is now eligible for funding under the IBF Standards Training Scheme (known as IBF-STS). The Ethics Workshop is adapted and customised from the CFA Institute Code of Ethics and Standards of Professional Conduct for financial practitioners in our local jurisdiction. We continue to see strong interest in sustainability and ESG issues globally and in Singapore. Sustainability has been one of CFAS’ main focus in recent years as well. As the local investing community embraces issues on sustainability, CFAS has been a leading voice in this area. Following on from the launch of the Certificate in ESG Investing by CFA Institute towards the end of last year, CFAS has, in June 2022, launched an IBF-approved FTS ESG Workshop for Directors & Senior Managers. We are also planning a preparatory course for the Certificate in ESG Investing with IBF under STS. Other potential courses which we will be exploring to bring to Singapore include the Certificate in Climate and Investing. As part of our society mission – To lead the investment profession by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society – we look forward to actively championing issues on sustainability and to working with IBF in bringing the investing community to a higher level of commitment and execution of sustainable investing practices.

CFAS has further built on professional excellence. This year marks the 7th season, spear-headed by the Career Development Committee, of our very own mentoring programme, a six-month long programme that pairs experienced charterholders with junior and mid-level professionals in the financial industry. The career development platform provides participants with training in coaching, leadership skills and soft-skills. The programme has since grown from strength to strength, and has become the marquee event under the Committee. In the latest season, the programme witnessed a healthy number of mentor and mentees applications, thus allowing a diversity of professional backgrounds amongst mentors and mentees, enhancing the quality of the programme and experience of the participants. Over the last 5 years, CFAS went through active transformation in professionalising our programmes and services for members by building up professional capabilities to deliver better value to members, to develop future professionals in their respective markets, and to build market integrity to benefit investors and members that serve them. CFAS is committed to its Vision – Inspiring the investment community to be trusted professionals valued by society. At the global scale, sustainability challenges like changes in the monetary system, inequality, shifting geopolitics, disrupted access to sustainable energy and food sources, climate change and the Ukraine-Russia war have a profound impact on the global economy and investment activities. CFAS will be celebrating its 35th Anniversary in August 2022 together with an investment panel titled “A New World Order”. This topic cannot be timelier as we invite respectable industry experts to share their thoughts and perspectives. I look forward to seeing all of you CFAS members at the CFAS 35th Anniversary celebration to be held at the Fullerton Hotel on 15th August 2022.

Lastly, on behalf of the executive committee and board of CFA Society Singapore, I would like to extend my gratitude to the secretariat team for their dedication to the Society’s growth, the active volunteers of CFAS for their commitment, and members of CFAS for your unwavering support to the Society’s activities and events.

Simon Ng, CFA

President

CEO Message



Dear Members,

A post Covid World

During the financial year FY21/22, the Covid wave crested, curled over and gently subsided. The Secretariat continued to adapt and readjust to these changes and continued to curate programmes and activities which, we trust, were timely, informative, and relevant for our membership base. As Covid restrictions were relaxed, in-person networking activities resumed and we managed to slot in four in-person activities into the calendar before the financial year ended. We also managed to hold our first post-Covid Charter Award after three years of not being able to do so. The flip side was that professional learning webinars which had been planned earlier experienced a high attrition rate toward the close of the financial year. Nonetheless, the Secretariat team worked tirelessly to restart in-person events though these events fell into the next financial year. We are pleased to present the key highlights from activities organised by the various committees below.

Professional Learning and Executive Programmes

Professional learning activities continued its thrust into the themes of Fintech, ESG and Macro Outlook. In addition to these activities, the Professional Learning Committee worked with the Career Development Committee to add a series of Career Conversations which, as the name of series implies, are targeted to shed light on careers in the financial and investment sectors. On the topic of fintech, three events—Crypto Currencies Demystified, Fintech in Trade Finance, and Demystifying DeFi—attracted high member interest.

In addition to the topics of ESG and Fintech, we were cognisant of the need to support members who were in career transitions as Covid, technology and ESG requirements came together to present both risks and opportunities. To this end, we ran a Career Conversations series comprising six webinar sessions over a twelve-month period. Each Career Conversation series pulled together panellists from one specific segment of the investment ecosystem, for example, private equity, who then gave their views and opinions on organisational developments, employment opportunities, and potential career paths.

Interest remained high in these talks and there were often over one hundred and fifty registrants for these webinars despite members suffering from Zoom fatigue.

The ESG theme continued to resonate well with members where we organised six webinars during the financial year. A few of these webinars had registrations of over two hundred, which is considered high especially as Zoom fatigue set in towards the latter part of the financial year. Trading carbon markets was popular as was the webinar held in conjunction with World Water Day where our guest speaker presented on how water is an overlooked but essential commodity and asset class.



Launch of IBF-accredited ESG workshop

ESG employment opportunities remained foremost in the minds of many in the investment profession. Within the global community of CFA societies, Singapore boasts the sixth largest market for candidates who have registered for their Certificate in ESG Investing. And, to support the education needs of both members and non-members in the ESG space, CFA Society Singapore launched our first IBF-funded ESG course. The course is targeted to equip participants with an overview, knowledge, and practical application in the integral and fast-growing field of ESG.



A light moment during a networking event

Networking Activities

The gradual re-opening of the economy breathed new life into our networking activities. Despite Covid restrictions in the earlier part of the financial year, we managed to organise nine activities, comprising five virtual and four in-person events. The approach of a gradual relaxation meant that we re-started our networking activities on a smaller scale and events took place in groups of thirty. Networking activities catered to a variety of interests, from an outdoor walk to tea appreciation to beer appreciation. As Covid restriction have now been rolled back, we will continue to organise networking activities to connect members from the various segments of the industry.

Career Development

The Mentorship Programme, a flagship event of the Career Development Committee, continued into its seventh season and attracted interest from our membership base, with over forty mentor-mentee pairs matched. More importantly, the mentor pool continued to broaden and deepen with more than half of the mentors being first-time participants. These were not rookie mentors as a number of them had been mentors in other programmes. As part of every season's programme, two external professionals were tasked to help our mentees in the career development journey. The first speaker spoke on the topic of

“Storytelling” and gave mentees (and mentors) a general framework to develop a convincing narrative for a variety of situations. The second speaker covered the topic of “Change” and provided our mentees and mentors with a general framework of dealing with change in their personal and professional lives. As the mentorship programme starts with registration every January, interested mentees and mentors are reminded to look out for the invitation to the programme and to apply.

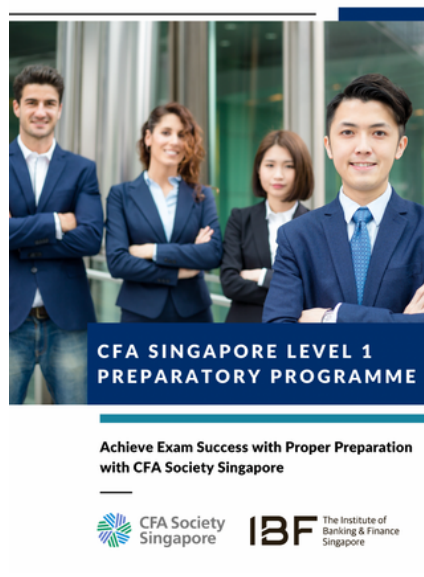
University Outreach

Our outreach to university students continued in vigorous fashion, led this year by Chairperson Connie Ong who has taken over from Simon Ng who has taken up the mantle of President. The outreach effort continued to ensure that the CFA charter and brand remain entrenched in the minds of budding finance professionals who will be entering the workforce. For the 2021/22 season, ten universities competed in the University Research Challenge to represent Singapore in the APAC sub-regional finals. The National University of Singapore (NUS) clinched the title to represent Singapore but faced stiff competition in the APAC sub-regional final and did not manage to advance to the next level.

The University Ethics Challenge continued with its fourth season with 13 teams participating. The format of the competition is slightly different from the University Research Challenge. In the University Ethics Challenge, individual teams are formed to compete and a university can send multiple teams. The champion team then proceeded to compete in the APAC sub-regional finals against five other countries. The Nanyang Technological University (NTU) brought the honours home in this competition by winning the regional competition.



*Winning team of 2022 CFA Institute Research Challenge
Singapore Finals and Sub Regional APAC Finals*



CFA® Preparatory Programme

Following the termination of agreement with a third-party provider, the inaugural launch of the CFA® Level I Preparatory Programme took place in July 2021. We took steps to bring the Preparatory Programme in-house for a few reasons. First, to have better control of the programme. Second, to prevent a significant erosion in profits which would have resulted from our third-party provider severely cutting the revenue share due to the Society. Third, to reap economies of scale in education as we continue to develop not only the CFA® Preparatory Programme but also other executive programmes. We are pleased to say that, by bringing the programme in-house, the Secretariat has managed to significantly mitigate the erosion in profits.



Regulatory and Industry Engagement

Collaboration with regulators continued with our participation in the Veritas Initiative organised by the Monetary Authority of Singapore. To recap, the initiative is a collaborative effort to enable financial institutions to assess their Artificial Intelligence and Data Analytics (AIDA)-driven solutions against the principles of fairness, ethics, accountability, and transparency (FEAT). This consortium comprised the MAS and industry partners and, during our financial year, the initiative moved on to Phase 2 which entailed a wider scope on principles as well as use cases. The participation of CFA Society Singapore in this consortium allows us to advocate along the principles of FEAT and we had to thank our members for contributing their views and providing inputs into some of the more technical parts of the project. It is hoped that these contributions will have a longer-term positive impact on the financial and investment industry and society.

Reimagining the Future

Even as the Covid wave subsided, it remained unclear that a benign era had been ushered in. Conversely, the encroachment of technology into personal and professional lives, the roar of extreme climate conditions, the revolution in the nature of work, the evolution of ephemeral inflation into a potentially enduring trend, the upheaval in the interest rate environment, and weakened global economic conditions greeted our newfound freedom from pestilence. These realities staring at us in sharp, stony silence give us pause to reflect, pushing us to reconsider and to reimagine the future landscape for our members and the investment sector. As we move forward, we will have to mindfully consider how best to navigate these secular trends for the benefit of our members, while keeping our sights trained on the key pillars of ethics, education, and professional excellence.



Chan Choong Tho, CFA

Chief Executive Officer

Secretariat Report



CFA Society Singapore Access Scholarship 2021

Recipients of the award had their CFA® Program enrolment fee waived and exam registration fee reduced to US\$250.



FY21/22 was a transition year for the award of Access Scholarships. Under this pilot programme, the review and award of scholarships was transitioned from CFA Society Singapore to the CFA Institute Scholarships team. As the CFA® Program Level I Exam is now held 4 times each year to allow for candidates flexibility, CFA Institute adopted a new operating model for the award of this scholarship. It is envisioned that under this new operating model, the candidate experience will be more favourable by allowing multiple, shortened application windows.



CFA Society Singapore Gold Medal

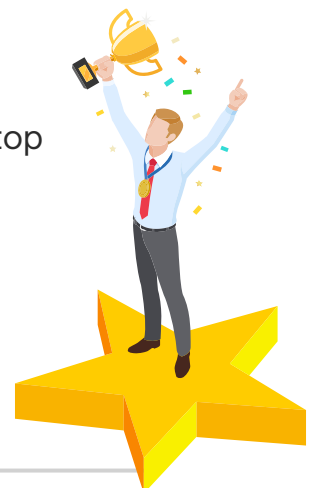
The Society awarded Gold Medals for Academic Year 2021/2022 to top finance/ business students in local universities. The recipients were:

National University of Singapore (NUS)

- Tan Wei Han

Nanyang Technological University (NTU)

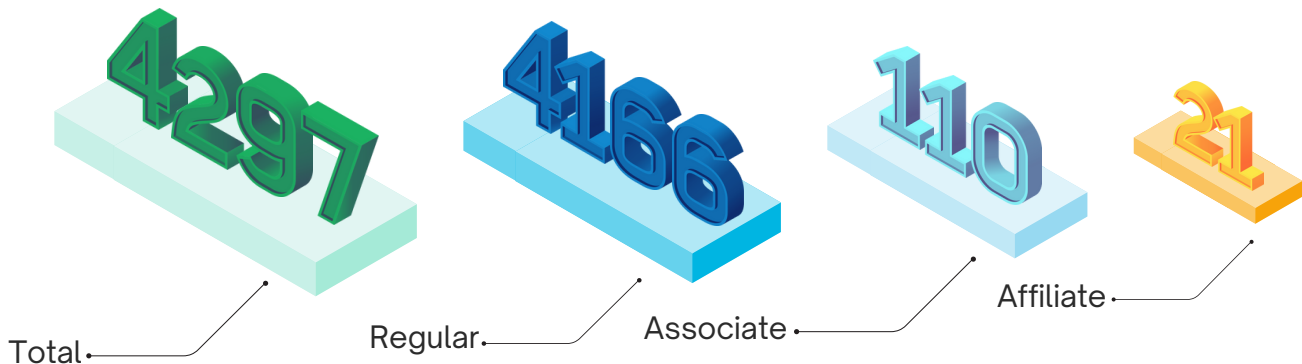
- Choo Yong Jin Dominic





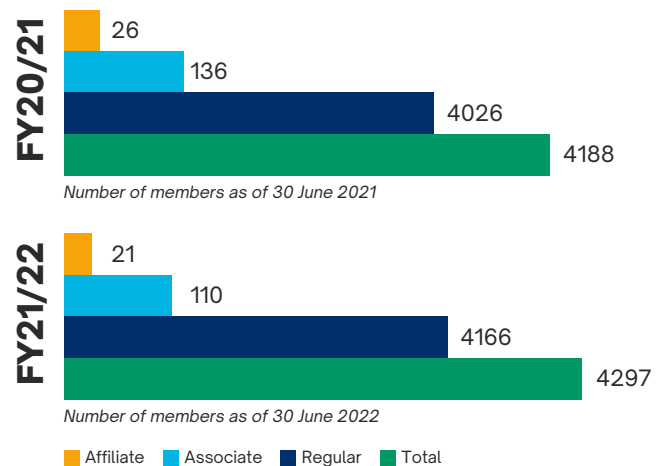
Membership base

2022

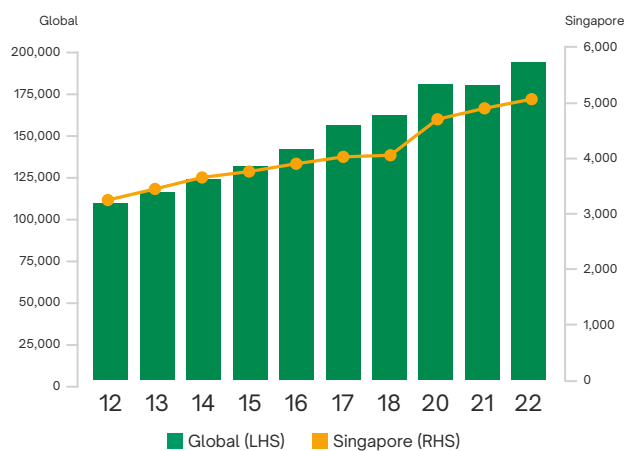


CFA Society Singapore Members

The total number of CFA Society Singapore members stands at 4297 in FY21/22 — 4166 regular members, 110 associate members and 21 affiliate members as of 30 June 2022.

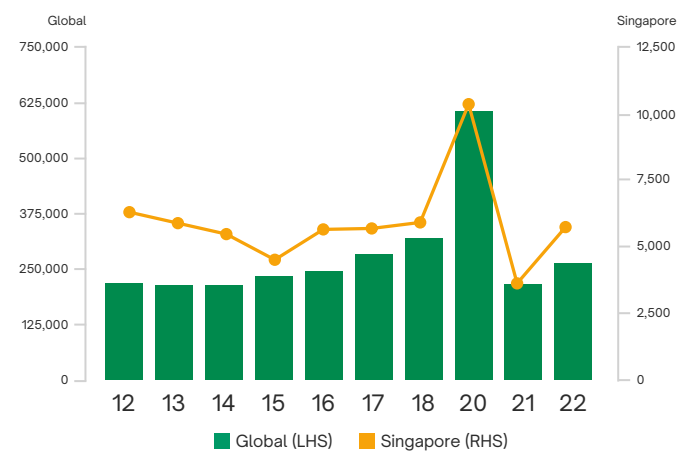


CFA Charterholders

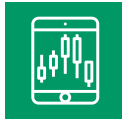


The number of CFA charterholders who are CFA Society Singapore members stands at 4,107. Globally, there were 190,547 charterholders as of 30 June 2022 (3,969 and 176,881 respectively for 2021)

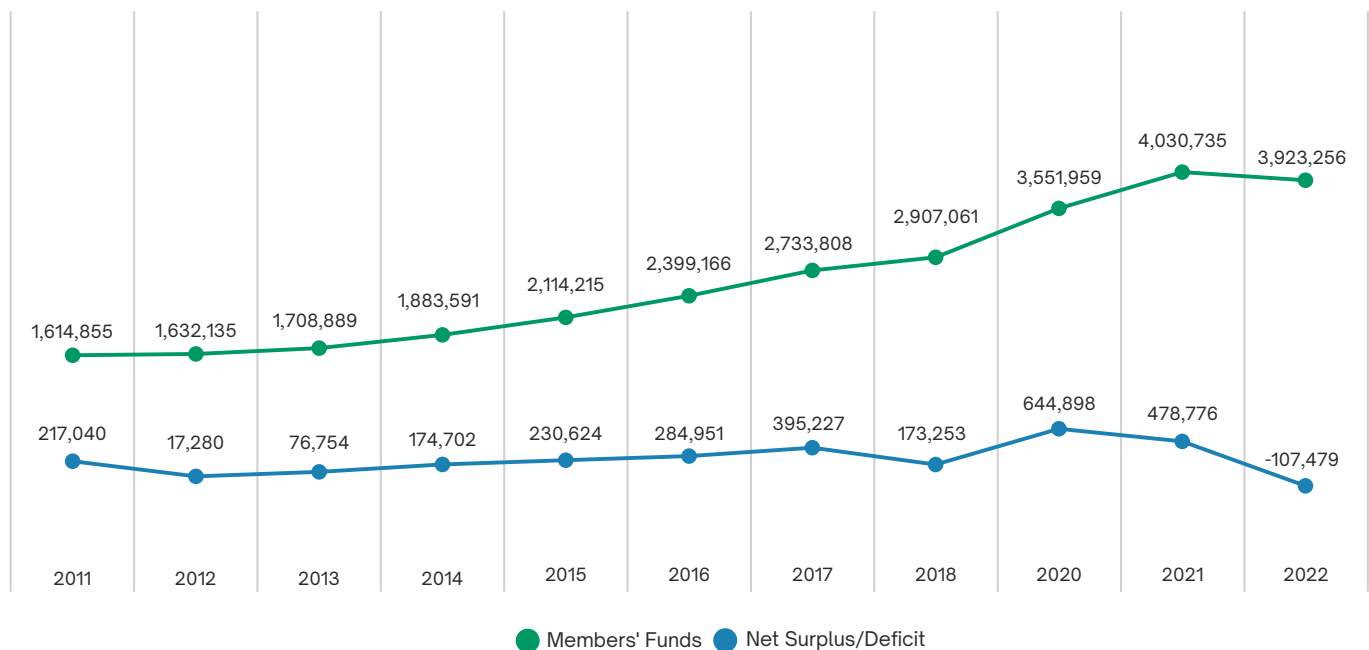
CFA Candidates



For the financial year ending 30 June 2022, CFA Candidates in Singapore stood at 5,741 and globally at 262,373. (3,624 and 215,000 respectively for 2021)



Financial Performance (SGD)



Financial Performance

This financial period from 1 July 2021 to 30 June 2022 saw a decrease in members' funds to \$3,923,256 due to a net deficit of \$107,479 earned during the year. The decline in members' net surplus was mainly due to marked-to-market losses of \$228,871 from our investment portfolio.

Appreciation

We would like to extend our appreciation to the following:

- CFA Institute; CFA Institute Asia-Pacific Research Exchange (ARX); Deloitte Singapore; GMO Singapore; Huobi Singapore; HSBC; Keppel Capital; Maybank Asset Management; Nordea Investment Funds S.A., Singapore Branch; OCBC Bank; Robeco Singapore; Singlife; and The Institute of Banking and Finance (IBF) for their support of the various Professional Development talks
- Refinitiv Asia Pte Ltd and Brandes Investment Partners (Asia) Pte. Ltd. for their invaluable support in the CFA Institute Research Challenge (Season 2021 – 2022).

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

Office Bearers and Board Members

12 Regular Members served on the Board of the Society. All Board Members are volunteers.

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

● Elected at the 34th AGM in Nov 2020 ● Elected at the 35th AGM in Nov 2021



Simon Ng Chee Wei, CFA
President ●



Alex Ho Wah Fong, CFA
Deputy President ●



Laurel Teo Huei Huei, CFA
Secretary ●



Koh Boon Pin, CFA
Treasurer ●



Connie Ong Gaik Sim, CFA
Board Member ●



Esther Thng Hwee Eng, CFA
Board Member ●



Kanol Pal, CFA
Board Member ●



Maurice Teo Sek Liew, CFA
Board Member ●



Rasik S. Ahuja, CFA
Board Member ●



Sean Low Shien Ang, CFA
Board Member ●



Tan Lay Hoon, CFA
Board Member ●



Victor Ong Siong Wei, CFA
Board Member ●

Advisors and Committee Chairs

Advisors and Committee Chairs are volunteers appointed by the Board.

Advisory Council



George L. W. Lee, CFA
Advisor



Dr. Aaron H.W. Low, CFA
Advisor



Manraj S. Sekhon, CFA
Advisor



Daryl Liew, CFA
Advocacy
Co-Chairperson



Melvin Tan Boon Pin, CFA
Career Development
Co-Chairperson



Sri Indah Jani Prihadi, CFA
Networking
Co-Chairperson

Committee Chairs

Committee Chairs

Advocacy	Daryl Liew, CFA; Laurel Teo, CFA; and Maurice Teo, CFA
Audit	Esther Thng, CFA
Candidate Programme	Rasik S. Ahuja, CFA
Career Development	Kanol Pal, CFA and Melvin Tan Boon Pin, CFA
Investment	Sean Low, CFA
Networking	Koh Boon Pin, CFA and Sri Indah Jani Prihadi, CFA
Nominating	Tan Lay Hoon, CFA
Professional Development	Alex Ho, CFA and Victor Ong, CFA
University Outreach	Connie Ong, CFA

Auditors

From July 2021 to June 2022, the Society appointed RSM Chio Lim LLP as external auditors.

Secretariat

Chan Choong Tho, CFA (CEO) manages the Secretariat Office.

Key Highlights

Executive Programmes



Membership



Events



Event Highlights

9 October 2021

University Ethics Challenge Finals

CFA Society Singapore Advocacy Committee and University Outreach Committee

30 November 2021

Demystifying Decentralised Finance (DeFi)

Professor David Lee Kuo Chuen
David Leow, CFA
Edward Chen
Zann Kwan, CFA

2 September 2021

Fintech in Trade Finance: Risks and Opportunities

Alex Bursak
Baldev Bhinder
Kevin Tan
William Shaw

13 October 2021

University Research Challenge

CFA Society Singapore University Outreach Committee

26 May 2022

Good Ole Networking Drinks

CFA Society Singapore Networking Committee

16 June 2022

Career Conversations: Private Equity & Venture Capital: The Investment Practitioner's view

Ann-Marie Wun; Bennett Lee, CFA
Donovan Ng, CFA; Saurabh Bajpai
Zachary Lee, CFA

28 June 2022

Charter Award Ceremony 2022

Alex Ho, CFA
Mock Pack Kay, CFA
Zann Kwan, CFA

23 to 24 June 2022

ESG Workshop for Directors & Senior Managers

Edris Boey
Hardik Shah, CFA
Kanol Pal, CFA

Advocacy Committee



ESG Workshop for Directors & Senior Managers

CFA Society Singapore launched the Society's first ESG course in June 2022. Societal pressure, local regulation and growing evidence of the financial benefits of incorporating ESG practices have led to ESG becoming mainstream.

The inaugural run held at Pan Pacific in June 2022 was well attended by Directors, C-Suites, Corporate Leaders, Compliance Managers, including Senior Managers and Executives. The course gave participants a comprehensive overview of the expected practices of ESG as well as equipped them for oversight responsibilities in their respective roles.

Co-Chairperson(s)

Daryl Liew, CFA; Laurel Teo, CFA; and Maurice Teo, CFA

Committee Members

Chin Wee Cheak, CFA; Chong Li Min, CFA; David Alexander Smith, CFA; Dexter Tiah, CFA; Noel Neo, CFA; Olaf Rudolf Stier, CFA; Praveen Jagwani, CFA; Sean Yeo Swee Quan; Seow Shin Horng, CFA; Shinya Tsujimoto, CFA; Sim Wei-En, CFA; Tan Lay Hoon, CFA; Wong Chin Loon, CFA

Executive Director

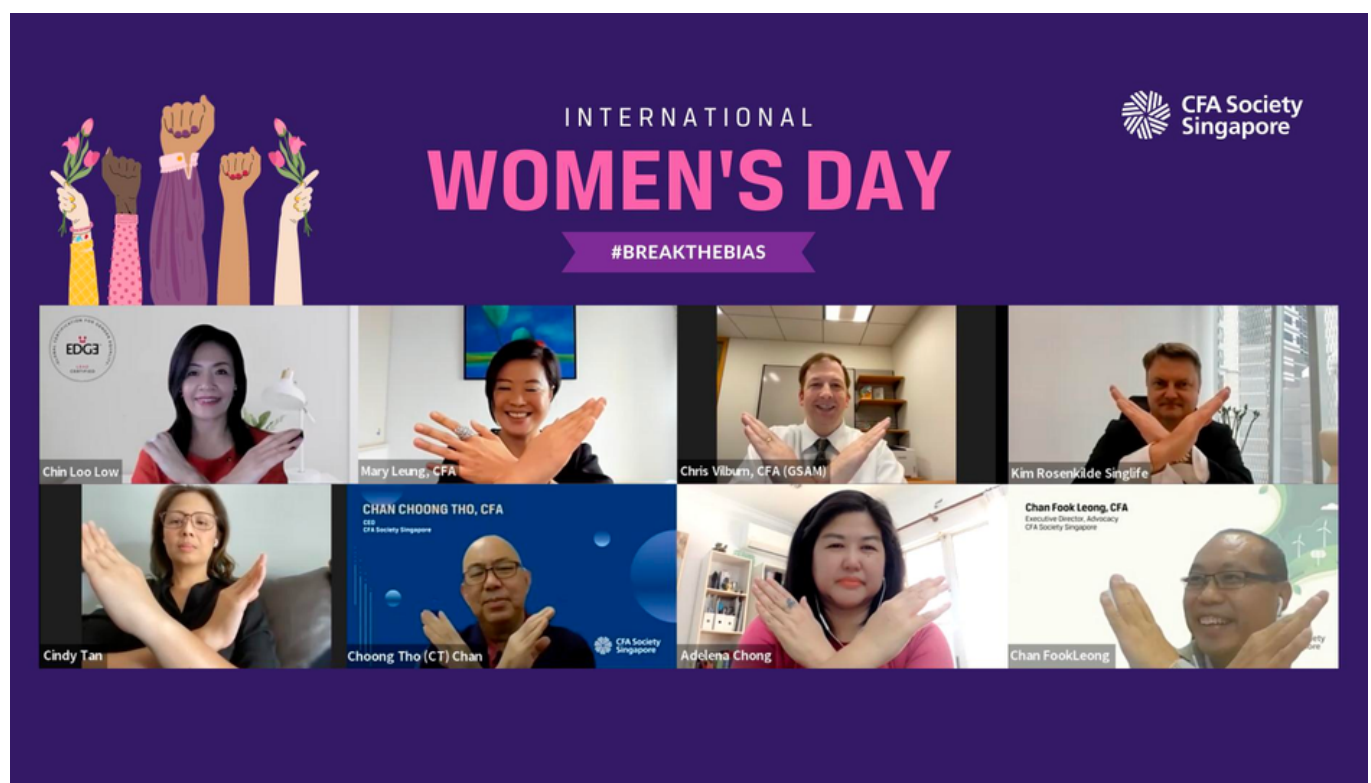
Chan Fook Leong, CFA



Roundtables and Consultation Responses

Society members responded to numerous consultation papers in the financial year including:

- Singapore Exchange's (SGX) consultation papers on 'Climate and Diversity: The Way Forward' and 'Starting with a Common Set of Core ESG Metrics', where members put forth their views through two e-roundtables and via emails. There was robust discussion on pertinent ESG matters and how the proposed ESG practices stacked up against other exchanges. Consideration was also given to the Singapore context and readiness of listed companies and asset management companies in fast-tracking ESG practices in Singapore
- The 'Singapore Stewardship Principles for Responsible Investors', where members gave their feedback through emails and an e-roundtable on the proposed revision to the 2016 Singapore Stewardship Principles (SSP) for Responsible Investors. As the world shifts towards a more inclusive form of capitalism and ESG becoming mainstream, it was timely and relevant to revise the SSP to ensure it continues to drive best practices for responsible investors.



Our panellists strike a pose for our IWD 2022 campaign



Gender Diversity & Firm Performance of Singapore-listed Companies



SGX Consultation paper on Climate and Diversity

Diversity and Inclusion

CFA Society Singapore launched yet another social media initiative involving members, staff and board members. On 8 March 2022, participants struck the #BreakTheBias pose in celebration of International Women's Day (IWD) 2022. In the same month, the Society held a webinar – 'Gender diversity and firm performance of Singapore-listed companies' – in conjunction with IWD. The Society remains committed to supporting the advancement of women in the investment profession, and promoting inclusion and diversity in the finance industry.

INSIGHTS FROM CFA SOCIETY SINGAPORE

GameStop fiasco brings market's trust deficit into full relief

The wild January ride has put a focus on investing versus speculation versus gambling, in an environment where technology has enabled free and fast access to markets



By Rebecca Foster

JUST days after the release of the January Trade Sentiment Index (the January Information Index), CFA Society Singapore's 'GameStop fiasco' has put a focus on investing versus speculation versus gambling, in an environment where technology has enabled free and fast access to markets. The wild January ride has put a focus on investing versus speculation versus gambling, in an environment where technology has enabled free and fast access to markets.

The GameStop controversy has raised several questions: How much market manipulation? Does market information need to change? Is the social media narrative more powerful than impact market pricing? The GameStop controversy has raised several questions: How much market manipulation? Does market information need to change? Is the social media narrative more powerful than impact market pricing?

Investment costs have risen and it is not clear if the market is a good place to invest. The GameStop controversy has raised several questions: How much market manipulation? Does market information need to change? Is the social media narrative more powerful than impact market pricing?

INSIGHTS FROM CFA SOCIETY SINGAPORE

Russia-Ukraine war: Taking heed of geopolitical risks and potential hotspots

The war's potential effect on global grain supply and food inflation is especially alarming.

By Rebecca Foster

The war in Ukraine is dominating the headlines. But the conflict's impact on global food supply and food inflation is especially alarming. The war's potential effect on global grain supply and food inflation is especially alarming.

The Civil Strife Index, by country



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The Civil Strife Index, by country

The war in Ukraine is dominating the headlines. But the conflict's impact on global food supply and food inflation is especially alarming. The war's potential effect on global grain supply and food inflation is especially alarming.

THE BUSINESS TIMES

Saturday, January 29, 2022

By CFA Society Singapore Advocacy Team

Performance reporting: setting high standards

Investment managers must ensure that performance presentation is fair, accurate, and complete

INVESTORS are keen to know how hard their investments are working for them. Every additional percentage point return can add up considerably to retirement funds if we factor in compounding returns.



Those building up a steady stream of passive income would want to know if they are any closer to financial freedom. Investors also compare. They want to know if their investment managers are underperforming or if there are better opportunities out in the market. Hence, investors examine performance metrics rather closely.

The report cards on investment performance are provided by investment managers at the close of the financial year. This duty to present a report card must be done in an appropriate manner given the importance of returns to investors. What are these guiding principles behind this important reporting exercise?

The Performance Presentation Standard (PPS) is the global association of investment professionals that sets standards for professional excellence and credentials. As an association for professionals, the Institute, under its Performance Presentation Standard, requires investment managers to make reasonable efforts to ensure that performance presentation is fair, accurate, and complete.

It is imperative to avoid mistaking performance or misleading clients and prospective clients about the investment performance of investment firms. The standard covers any practice that would lead to misrepresentation of a firm's performance record, whether the practice involves performance presentation or performance measurement.

Investment managers must also give a fair and complete presentation of performance with respect to the performance history of individual accounts, composites or groups of accounts, or composites of an analyst's or firm's performance results. Furthermore, investment managers should not state or imply that clients will obtain or benefit from a rate of return that was generated in the past.

Whenever an investment manager provides performance information for which the manager is claiming responsibility, such as for pooled funds, the history must be accurate. Research analysts promoting the success or accuracy of their recommendations must ensure that their claims are fair, accurate, and complete.

If the presentation is brief, the investment manager or research analyst must make available to clients and prospects, on request, the detailed information supporting that communication. Best practice dictates that brief presenta-

tion is not sufficient. The PPS500 performance index is a benchmark for returns may be appropriate under certain circumstances.

When it is used as a benchmark for firm performance history that includes reinvested dividends, as in this case, it would not be an 'apples to apples' comparison and would likely be misleading because the S&P500 performance index does not include reinvested dividends.

Yong is chief executive officer, portfolio manager, and sole owner of Singapore Investment Alliance (SIA), a registered investment adviser with more than \$554 million assets under management and over 250 discretionary accounts. For several years, Yong has distributed marketing materials to clients and potential clients that contain gross-of-fee performance for returns on SIA's managed portfolios.

Yong believes that gross-of-fee calculations are the most relevant because management fees are negotiable and can vary by client. Yong includes a footnote at the end of the brochure disclosing that advisory fees would have to be netted out to show actual performance. The marketing material also includes a table that compares percentage increase in the S&P500 index with the percentage increases in SIA's performance. SIA's performance includes the reinvestment of dividends.

Yong believes that the S&P500 is the most appropriate and understandable benchmark because it is commonly reported in the financial press and recognizable by his clients.

Analysis: This case involves the performance of performance history. The CFA Institute Performance Presentation Standard (PPS) is the global association of investment professionals that sets standards for professional excellence and credentials. As an association for professionals, the Institute, under its Performance Presentation Standard, requires investment managers to make reasonable efforts to ensure that performance presentation is fair, accurate, and complete.

It is imperative to avoid mistaking performance or misleading clients and prospective clients about the investment performance of investment firms. The standard covers any practice that would lead to misrepresentation of a firm's performance record, whether the practice involves performance presentation or performance measurement.

1. Gamestop fiasco brings market's trust deficit into full relief
2. Russian-Ukraine war: Taking heed of geopolitical risks and potential hotspots
3. Performance reporting: setting high standards

'Insights from CFA Society Singapore' column on Business Times

The Society's dedicated weekly column which appears in the 'Wealth and Investing' section of Business Times is now being featured on Wednesdays on one week and Saturdays for the following week. When the column first started in January 2018, articles for investors appeared on a mix of: 1) Original commentaries by CFA Charterholders from the latest investment trend and issues, 2) Sector analysis of a particular industry, 3) Localised case studies adapted from the 'Ethics in Practice' series produced by CFA Institute, and 4) Topical posts from the Enterprising Investor or Market Integrity blogs of CFA Institute.

Advocacy Activities in FY21/22

August 2021

MAS Consultation paper - MAS Enhancing Pre and Post Transaction Safeguards for Retail Clients
Various charterholders and members

13. University Ethics Challenge 2021 Information Session for Faculty Advisors - Round 1
Chan Fook Leong, CFA

16. CFA Program Information Session - with JCU Singapore
Chan Fook Leong, CFA

20. University Ethics Challenge 2021 Information Session for Faculty Advisors - Round 2
Chan Fook Leong, CFA

23. University Ethics Challenge 2021 Information Session for Faculty Advisors - Round 3
Chan Fook Leong, CFA

31. University Ethics Challenge 2021 Information Session for Faculty Advisors - Round 4
Chan Fook Leong, CFA



September 2021

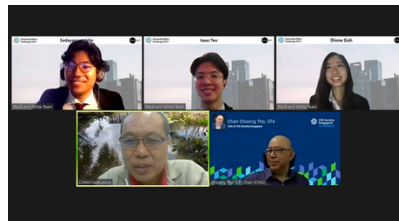
04. Ethical Decision Making Webinar for Nanyang Technological University
Chan Fook Leong, CFA

15. SGX E-Roundtable on Consultation Paper on Climate and Diversity (1)
Various charterholders and members

17. SGX E-Roundtable on Consultation Paper on Climate and Diversity (2)
Various charterholders and members

29. Ethical Decision Making Webinar for Nanyang Technological University
Chan Fook Leong, CFA

October 2021

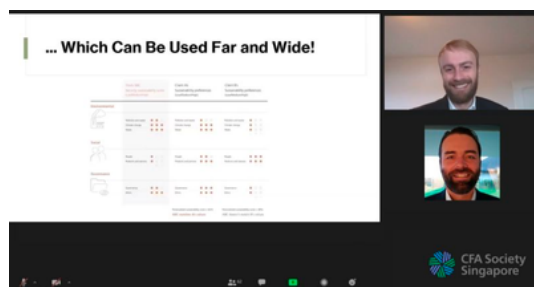


02. University Ethics Challenge Singapore Semi-Finals
Various charterholders and members

09. University Ethics Challenge Singapore Singapore Finals
Various charterholders and members

23. CFA Institute (APAC) University Ethics Challenge APAC sub-regional Finals
Various charterholders and members

November 2021



01. Simple Sustainable Investing Dietary Tables
Simon Smiles

25. MAS E-Roundtable on Consultation Paper on Proposed Changes to the Complex Products Regime
Various charterholders and members

December 2021

01. MAS E-Roundtable on Consultation Paper on Singapore Stewardship Principles for Responsible Investors
Various charterholders and members

Consultation Paper - Singapore Stewardship Principles for Responsible Investors
Various charterholders and members

March 2022



18. Gender Diversity and Firm Performance of Singapore-listed Companies
Low Chin Loo;
Kim Rosenkilde;
Christopher Vilburn;
Mary Leung, CFA

22. Financial Literacy Webinar in Conjunction with "Keppel Financial Well-being Month" - Sustainable Investing
Albert Tse, CFA;
Samuel Rhee;
Seow Shin Horng, CFA

June 2022



23 & 24. ESG Workshop for Directors and Senior Managers
Edris Boey; Hardik Shah, CFA; Kanol Pal, CFA

Career Development Committee

The Mentorship Programme, a flagship programme of the Career Development Committee, entered its seventh season in 2022. With more volunteer mentors stepping up this year, we were able to match more than 40 mentees successfully. As pandemic restrictions were gradually eased, we were able to hold more in-person events.

While the matching exercise of mentors and mentees was still done virtually, we held 2 in-person training sessions on Negotiations and Career Transitions. In addition we also had in-person networking sessions for mentors and mentees, which were well attended as participants were eager to meet and connect with fellow professionals. The Mentorship Committee also organized webinars for the Career Conversation series on ESG and a Practitioner's Guide to Private Equity and Venture Capital Investing.

The Mentorship Committee comprises a group of dedicated volunteers without whom the programme would not have succeeded. In this regard, the Chairperson would like to convey his gratitude to all Committee members especially George Lee and Kanol Pal, 2 long serving members who will be stepping down from the committee at the end of calendar year 2022.



43

Mentors



44

Mentees



2

Training Sessions

Co-Chairperson(s)

Kanol Pal, CFA and Melvin Tan Boon Pin, CFA

Committee Members

Mock Pack Kay, CFA (Mentorship Chairperson); Bennett Lee, CFA;
Cindy Tan, CFA; George Lee, CFA; Jessie Yim, CFA;
Mah Ching Cheng, CFA; Melvin Siew, CFA;
Ng Hwee Keng, CFA; Yeap Mei Ling



Career Development Activities in FY21/22

July 2021

22. **8 Steps to Telling a Better Story: How to Win Hearts and Minds**
Dr. Michael Netzley



27. **Gaining an Edge in the Post-Covid Investment Industry Job Market**
Simon Ng, CFA; Shiya Guan;
Grace Yueng; Anubhuti Gupta, CFA

August 2021

02. **Mentor Coffee Session**
Kanol Pal, CFA
04. **Mentor Coffee Session**
Mock Pack Kay, CFA
05. **Mentor Coffee Session**
Jessie Yim, CFA
11. **Industry Professionals on Private Equity Opportunities**
Bennette Ng; Gerard Chia;
Janice Yap
24. **Mentorship Mid Term: Adapating to Disruptions**
Mark Chua, CFA

September 2021



21. **Career Conversations: Wealth Management**
Connie Ong, CFA; James Cheo, CFA;
Jeffrey Ong, CFA; Mah Cheng Ching, CFA

October 2021

11. **Mentor Coffee Session**
Mock Pack Kay, CFA
19. **Thriving in Times of Change**
Diana Reyes
25. **Mentor Coffee Session**
Jessie Yim, CFA
27. **Mentor Coffee Session**
George Lee, CFA
28. **Mentor Coffee Session**
Mah Ching Cheng, CFA

November 2021



25. **Mentorship Closing Ceremony**
Eleanor Seet, CFA; Connie Ong, CFA; Mock Pack Kay, CFA

February 2022



17. **Career Conversation - Traditional Fund Management**
Anita Krishnamoorthy, CFA;
Mark Chua, CFA; Kenneth Tan, CFA;
Anubhuti Gupta, CFA

March 2022



09. **Mentor Info Session**
Mentorship Committee
10. **Mentor Info Session**
Mentorship Committee

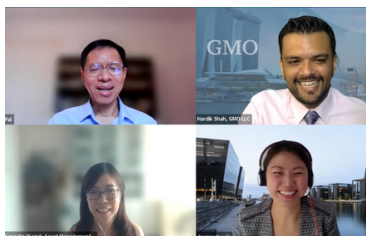


23. **Speed Dating Session 1**
Mentorship Committee
29. **Speed Dating Session 2**
Mentorship Committee

April 2022

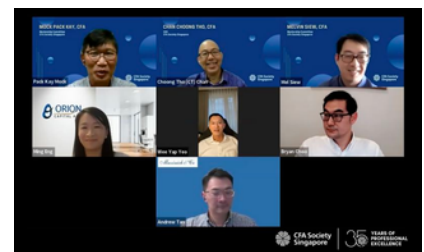


06. **Launch of Mentorship Programme**
Mentorship Committee



12. **Career Conversations: Routes to Successful ESG Roles**
Ng Hwee Keng, CFA; Joanne Kwek, CFA; Kanol Pal, CFA; Hardik Shah, CFA

June 2022



16. **Career Conversations: Private Equity and Venture Capital Investment Practitioner's view**
Ann-Marie Wun; Bennett Lee, CFA;
Donovan Ng, CFA; Saurabh Bajpai;
Zachary Lee, CFA;



Candidate Programme Committee

The Society made a calculated and considered decision to develop its own training capabilities. Given that CFA Society Singapore owns the intellectual property for all three levels of the IBF accredited Preparatory Programmes since 2009, the key tasks that remained were to build a robust and sustainable platform for the operations and delivery of a high-quality programme.



Live and Hybrid Classes



Mock Examinations



Revision Courses

Chairperson
Rasik S. Ahuja, CFA



CFA Singapore Level 1 Preparatory Programme (Physical)

Covid also provided an opportune window as working from home meant more candidates needed help preparing for the CFA exams. To this end, we turned to our most valuable and reliable resource—our membership base for senior industry practitioners with training experience. To complement real world experience with academic excellence, we onboarded a group of senior lecturers and finance professors from one of Singapore’s universities.

We successfully launched the CFA Singapore Level 1 Preparatory Programme on July 2021 taking in 34 candidates who sat for the November 2021 CFA examinations.

In late 2021, we started the process for having the Level 2 programme accredited with IBF and successfully launched the inaugural CFA Singapore Level 2 Preparatory Programme intake in May 2022. During this time, awareness of CFA Society Singapore’s as a credible and cost-effective provider of IBF accredited CFA preparatory programmes gained momentum and, in April 2022, a leading Singapore bank approached us to train their interns to prepare for the CFA Level 1 exams.

As validation for the quality of the training, we received positive feedback from candidates who took our preparatory programmes. On this note, we will continue to strengthen our student support, administration and operational processes, training facilities and marketing to improve performance and raise the standards in supporting CFA candidates. We would also like to put on record the contribution of the IBF Review Committee comprising Dr. Joseph Lim, CFA; Dr. Mitchell Van der Zahn, CFA; and Dr. Tony Tan, CFA, for their tireless effort and contribution in ensuring that the quality of the programme was maintained.

IBF Review Committee



Dr Joseph Y.S. Lim, CFA



Dr. Mitchell Van der Zahn, CFA



Dr. Tony Tan, CFA



Snapshots from the CFA Society Singapore Charter Award Ceremony 2022

FY21/22 Events

5 July 2021
CFA® Program Info Session

16 March 2022
CFA® Program Info Session

21 June 2022
CFA® Program Info Session

9 December 2021
CFA® Program Info Session

12 March 2022
CFA® Program Info Session

27 June 2022
CFA® Program Info Session

20 December 2021
CFA® Program Info Session

11 May 2022
CFA® Program Info Session

28 June 2022
Charter Award Ceremony 2022

12 January 2022
CFA® Program Info Session

9 June 2022
CFA® Program Info Session

Networking Committee

9 Networking Events



Network, Grow and Enjoy

The Networking Committee remained committed to run activities that allowed members to network and learn. This financial year we had a fair share of physical and virtual bonding events, despite starting out under Covid restrictions.

In July 2021 we learned how to manage the unavoidable stressors of everyday life from Dr. Maleena Suppiah Cavert from NUHS. Dr. Cavert provided tools and techniques for building resilience and coping with burnout. Many members shared their challenges and learned the benefits of being kinder to ourselves.

In September 2021, we held the Virtual Urban Gardening event where we learnt how to grow a garden with the little space that we have in our homes. We were able to connect with fellow members who had similar interests and goals and share ideas on how to make urban gardens beautiful.

In October 2021, we "travelled" through Chile and Argentina while sampling wines from both countries through a virtual wine appreciation session. We were exposed to some of the unique qualities of their wines. This allowed us to share our opinion on what makes each one distinct from the other region. While we could not gather physically, the members toasted each other through the screens at the Virtual Wine Appreciation session.

We also organised a webinar session on hiking. Members learnt the fundamentals of hiking, gear and equipment needed for hiking, and the speaker introduced a few interesting routes in Singapore.

In 2022, the loosening of restrictions on public gatherings and places saw the return of in-person events. Our first event followed up the hiking webinar with members trekking the MacRitchie TreeTop Walk while adhering to the safe management measures (SMMs) administered by the Singapore Tourism Board. The walk was enjoyable and gave us the opportunity to see the urban jungle from a different perspective and to appreciate how nature can thrive in an environment dominated by concrete and steel.

As safety measures were further relaxed we stepped up with more in-person events. In March 2022, members deepened their knowledge of tea at our Tea Appreciation Workshop conducted at Tea Chapter. A comprehensive talk was followed by a hands-on experience with traditional Chinese tea brewing.

The next event saw brewing of a different kind, with the brewmaster at RedDot BrewHouse sharing her years of experience. Our members sampled six different beers while learning how to pair them with food. They also had the opportunity to taste fresh beer directly from the brewing vat.

We ended the financial year on a high note as Covid measures were further relaxed, and the Society was finally able to organise in-person networking drinks and food. This was held at The Exchange at Asia Square. More than seventy-five members celebrated and discussed how best to return to their old routines after so long under Covid restrictions.

The Co-Chairs of the Networking Committee would like to thank the members of the committee and all who attended the events. We look forward to your continued support and participation as we endeavour to organize more interesting and meaningful events in future.



Co-Chairperson(s)

Koh Boon Pin, CFA and Sri Indah Jani Prihadi, CFA

Committee Members

Alex Ho, CFA; Joyce Xu, CFA; Patricia Low; and Sarah Song, CFA

Event Highlights



13 July 2021
The New Word Order

Lisa Kueng; Gary DeMoss



28 July 2021
Mental Health and Self-care

Dr. Maleena Suppiah Cavert



30 September 2021
Virtual Urban Gardening

Networking Committee



20 October 2021
Virtual Wine Appreciation

Networking Committee



24 November 2021
Becoming a #Pathfinder: Hiking around Singapore

Steffan Fung



26 February 2022
Macritchie Treetop Walk

Steffan Fung



31 March 2022
Tea Appreciation

Networking Committee



21 April 2022
Beer Appreciation & Brewery Tour

Networking Committee



26 May 2022
Good Ole Networking Drinks

Networking Committee

Professional Development Committee

The Professional Development Committee organised a total of 18 events with an average turnout of 85 attendees per event for FY21/22. Given that large crowd restrictions were still enforced during this period of time, the vast majority of these talks were held virtually over the Zoom platform. While virtual events obviously lack the networking opportunities and face-to-face interactions that members look forward to, the upside was the ability to host a number of eminent speakers which otherwise would have been too cost prohibitive to do so.

The diversity of programming included topical subjects such as Tackling climate change through engagement, Responsible investing: The ESG Efficiency Frontier, SPAC landscape, and perennially relevant areas such as Singapore REITs, Carbon Markets, Fintech in Trade Finance.

For more in-depth learning experiences, the Professional Development Committee organised a series of highly interactive, intensive and practice oriented multi-days workshops specializing in areas such as Excellence in Mergers & Acquisitions, Venture Capital & Start-Ups, Private Equity & Deal Structuring, Trading Strategies using Technical Analysis and Behavioral Finance, Infrastructure Financing and Investing in Apac and ESG Investing for Senior Managers and Directors. In addition, to support corporates who require their staff to meet their CPD mandatory training, the Advocacy Committee organised quarterly workshops on Ethics.

With the easing of Covid restrictions, the Committee has started to organise in-person events in around the Central Business District. In this regard, the Professional Development Committee looks forward to welcoming our members and would also like to solicit volunteers and ideas to make the programming more interesting and relevant.

Co-Chairperson(s)

Alex Ho, CFA and Victor Ong, CFA

Committee Members

Daisuke Watanabe, CFA; Deepak Khanna, CFA; Francoise Mei, CFA;
Koh Boon Pin, CFA; Ng Hwee Keng, CFA; Pearlyn Chiang;
Sarah Chng, CFA; Srishti Gupta, CFA



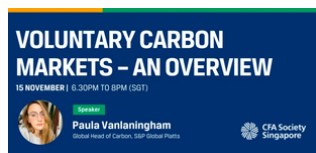
Professional Development Activities in FY21/22

July 2021

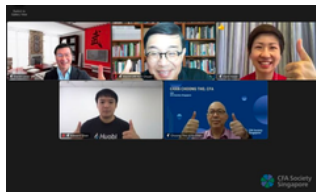
- 07. **Impact Investing - Incorporating Impact into the Investment Process**
Joost Bilkes; Bikram Chaudhury
- 22. **Active Ownership & Engagement**
Cristian Balteo
- 29. **MRB Big Picture Macro Themes**
Phillip Colmar

November 2021

- 09. **The SPAC Landscape in Asia**
Andy Yong; Mohamed Nasser Ismail; Keoy Soo Earn; Jacqueline Thong



- 15. **Voluntary Carbon Markets - An Overview**
Paula VanLaningham



- 30. **Demystifying Decentralised Finance (DeFi)**
David Leow, CFA; Zann Kwan, CFA; Edward Chen; Professor David Lee Kuo Chuen

March 2022

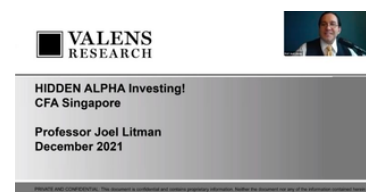


- 22. **An Overlooked Asset Class: The Blue Liquid Gold**
Berit Gehring

August 2021

- 17. **Responsible Investing: The ESG-Efficient Frontier**
Professor Lasse Pedersen; Tristen Huupponen, CFA
- 23. **Tackling the Climate Challenge through Engagement**
Cristina Cedillo
- 26. **Who is Hungry? How G7 and Increased Regulatory Scrutiny will Affect Family Offices, Private Wealth and VCCs**
Mary Leung, CFA; Joel Teo; David Sandison; Lucia Luchetti; Zhang Ting; Pearlyn Chiang

December 2021



- 15. **Hidden Alpha Investing: Determining True Earning Power that GAAP and IFRS Bury**
Professor Joel Litman

April 2022



- 26. **Analysing Analysis**
Dr. Grant Fuller



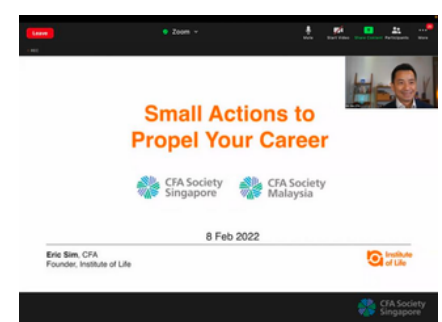
- 27. **Charting the Value of Technical Analysis**
Ron William, CFTe

September 2021



- 02. **Fintech in Trade Finance: Risks and Opportunities**
Alex Bursak; Baldev Bhinder; Kevin Tan; William Shaw
- 14. **The Case for Asian Fixed Income: Conscious and Intelligent Investing**
Jean De Kock, CFA; Richard McGillivray; Sheldon Chan; Ashlesha Vaishampayan
- 28. **Introducing to Carbon Trading**
Howie Lee

February 2022



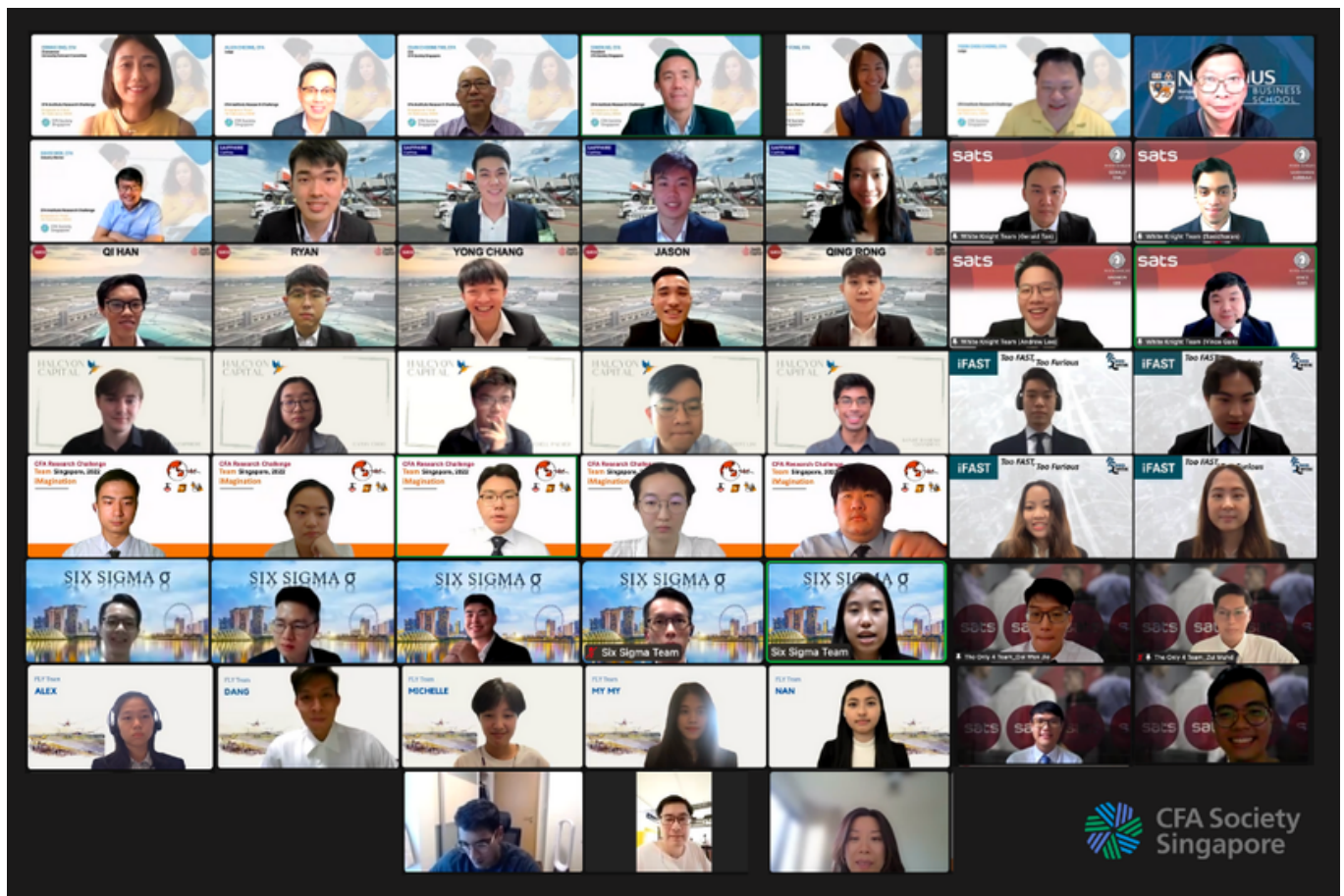
- 08. **Small Actions to Propel your Career - New Skills for Big Success in Banking and Finance**
Eric Sim, CFA
- 22. **What are the Behavioural Implications of a Big Cycle Turning**
Ron William, CFTe

May 2022



- 19. **Overview of TCFD Reporting Framework for Asset Managers**
Sanny Joseph, CFA

University Outreach Committee



The 15th season of the CFA Institute Research Challenge held its finals on 19th February 2022 and remains the highlight of the year for the committee. We were pleased to see participation growing to ten universities, all coming together to challenge for the honour to represent Singapore in this annual global CFA Institute event.

The participating universities were:

- i) ESSEC Business School, Asia Pacific (ESSEC)
- ii) James Cook University, Singapore (JCU)
- iii) Nanyang Technological University (NTU)
- iv) National University of Singapore (NUS)
- v) SIM Global Education (SIM-GE)
- vi) Singapore Institute of Technology (SIT)
- vii) Singapore Management University (SMU)
- viii) Singapore University of Social Sciences (SUSS)
- ix) Singapore University of Technology and Design (SUTD)
- x) Yale-NUS College (Yale-NUS)

The proceedings started back in October 2021 with a kick-off meeting involving Committee Members, University Faculty Advisors and Industry Mentors to discuss and iron out logistics, timings, deadlines and potential subject companies. It was hoped then that the Covid measures would soon ease to allow live presentation by the students but unfortunately this did not materialise and the challenge remained on virtual basis for a third year running.

Going virtual via Zoom did not in any way reduce the students' sentiments nor competitive spirit and they continued to present their reports and pitch their ideas robustly and professionally. As in prior years', each university team prepared a written stock report to be graded by a panel of CFA charterholders. Then on challenge day, each university team had 10 minutes to present the report and another 10 minutes for Q&A to a separate panel of CFA charterholders who acted as judges. This season's subject companies were SATS Limited and iFAST Corporation Limited.

This year, NUS emerged as the winners of the Singapore finals. The team members comprised Calvin Chur, Tan Hui Ling, Jovian Tan Ming Zhuang and Perry Goh Ping Min. The winning team from NUS went up against other teams representing the APAC region. They fought the good fight but were unable to progress beyond the APAC leg of the competition.

Besides the Research Challenge, the University Outreach Committee, in conjunction with the Advocacy Committee, jointly organised the University Ethics Challenge. 13 teams from NUS, SMU, NTU and SUSS participated. The winning teams was from NTU with the champion team represented by Creighton Stanley Yeo, Kok Yu Rong Martin, and Wong Shi Han and the runner-up team from SUSS comprised Dione Goh, Isaac Teo, and Sadayan Izzuddin. Both teams went on to represent Singapore for the regional challenge.

Congratulations to all winning teams and students who participated in both challenges! The Committee would like to thank the graders, judges, University Faculty Advisors and Industry Mentors for kindly volunteering their time and expertise. We would also like to thank Refinitiv Asia and Brandes Investment Partners (Asia) who kindly sponsored prizes, trophies and their proprietary tools and analytics for the Research Challenge.



Finally, the Committee also launched its inaugural CFA Society Singapore Youth Ambassador Program in July 2022 with selected ambassadors participating for the year August 2022 to July 2023. A total of 121 students from 8 universities applied for the coveted roles and after a robust screening and interview process, the Committee selected 12 students for the Program. It is hoped that this new programme where the student ambassadors act as liaison between the Society and their universities will enable us to deepen our connection with the students and heighten awareness of the CFA Program and CFA Society Singapore's initiatives with them.

Chairperson

Connie Ong, CFA

Committee Members

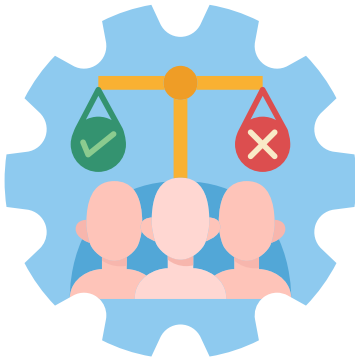
David Leow, CFA; Ernest Chew, CFA; Gerald Wong, CFA; Melvin Tan Teck Jin, CFA; and Sarah Song, CFA



University Outreach Activities in FY21/22

September 2021

04. **Ethical Decision Making Session for Nanyang Technological University**
Chan Fook Leong, CFA



October 2021



13. **CFA Institute Research Challenge 2022 - Kick off Session**
University Outreach Committee

21. **CFA Institute Research Challenge 2022 Workshop 1 - Your First Research Report**
Melvin Tan Teck Jin, CFA

November 2021



02. **CFA Institute Research Challenge 2022 Workshop 2 - How to Ace your Presentation**
Gerald Wong, CFA

05. **Ethical Decision Making Framework for Curtin University**
Chan Fook Leong, CFA

December 2021



14. **CFA Institute Research Challenge Technical Training**
Wilson Teo

20. **CFA Institute Research Challenge Technical Training**
Wilson Teo

February 2022



19. **CFA Institute Research Challenge 2022 - Singapore Finals**
University Outreach Committee

April 2022

08. **CFA Institute Research Challenge 2022 - Workshop with Dr. Michael Netzley (Part 1)**
Dr. Michael Netzley

10. **CFA Institute Research Challenge 2022 - Judges Meeting**
University Outreach Committee

12. **CFA Institute Research Challenge 2022 - Workshop with Dr. Michael Netzley (Part 2)**
Dr. Michael Netzley



Financial Statements

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Statement by Board Members

In the opinion of the board members,

- (a) the accompanying financial statements of CFA Society Singapore (the “Society”) are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 30 June 2022 and 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



.....
Simon Ng Chee Wei, CFA
President



.....
Koh Boon Pin, CFA
Treasurer



Independent Auditor's Report to the Members of CFA Society Singapore

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of CFA Society Singapore (the "Society"), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds 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 1966 (the "Societies Act") and the Singapore Financial Reporting Standards ("SFRSs") so as to present fairly, in all material aspects, the state of affairs of the Society as at 30 June 2022 and the statement of profit or loss and other comprehensive income, changes in funds and cash flows of the Society for the reporting 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 Society 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 statement by board members and 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 will 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 board members for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act and the financial reporting standards, 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.

The board members' responsibilities include overseeing the Society's financial reporting process.

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.



Auditor's responsibilities for the audit of the financial statements (cont'd)

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 Societies Act to be kept by the Society have been properly kept in accordance with those regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

Rsm Chio Lim LLP

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RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

7 November 2022



Statement of Profit or Loss and Other Comprehensive Income Reporting Year Ended 30 June 2022

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
Revenue	4	1,370,988	1,343,343
Other income and gains	5	51,788	374,180
Conference and workshop expenses		(223,072)	(121,127)
Members' activities and meeting expenses		(42,506)	(37,910)
Depreciation of plant and equipment	8	(11,428)	(11,906)
Depreciation of right-of-use-assets	9	(55,017)	(55,017)
Employee benefits expense	6	(888,987)	(935,583)
General expenses		(41,003)	(42,129)
Other losses	5	(235,895)	(997)
Other expenses		(11,836)	(8,843)
Finance costs	14	(8,484)	(11,235)
(Deficit) / surplus before income tax		(95,452)	492,776
Income tax expense	7	(12,027)	(14,000)
(Deficit) / surplus, net of tax and total comprehensive (loss) / income		(107,479)	478,776

The accompanying notes form an integral part of these financial statements.



Statement of Financial Position

As at 30 June 2022

ASSETS	Notes	2022 \$	2021 \$
Non-current assets			
Plant and equipment	8	5,617	14,438
Right-of-use assets	9	128,373	183,390
Other financial assets	10	2,969,938	3,171,602
Total non-current assets		3,103,928	3,369,430
Current assets			
Trade and other receivables	11	242,032	472,107
Other assets	12	77,856	27,963
Cash and cash equivalents	13	1,232,337	1,408,137
Total current assets		1,552,225	1,908,207
Total assets		4,656,153	5,277,637
FUND AND LIABILITIES			
Fund			
Accumulated fund		3,923,256	4,030,735
Non-current liabilities			
Lease liabilities, non-current	14	80,536	137,353
Current liabilities			
Income tax payable		26,643	57,800
Trade and other payables	15	333,270	843,779
Other liabilities	16	235,632	154,053
Lease liabilities, current	14	56,816	53,917
Total current liabilities		652,361	1,109,549
Total liabilities		732,897	1,246,902
Total fund and liabilities		4,656,153	5,277,637

The accompanying notes form an integral part of these financial statements.



Statement of Changes in Funds Reporting Year Ended 30 June 2022

	<u>Accumulated fund</u> \$
Current year:	
Opening balance at 1 July 2021	4,030,735
Changes in funds:	
Total comprehensive loss for the year	(107,479)
Closing balance at 30 June 2022	<u>3,923,256</u>
Previous year:	
Opening balance at 1 July 2020	3,551,959
Changes in funds:	
Total comprehensive income for the year	478,776
Closing balance at 30 June 2021	<u>4,030,735</u>

The accompanying notes form an integral part of these financial statements.



Statement of Cash Flows

Reporting Year Ended 30 June 2022

	2022 \$	2021 \$
<u>Cash flows (used in) / from operating activities</u>		
(Deficit) / surplus before income tax	(95,452)	492,776
Adjustments for:		
Depreciation of plant and equipment	11,428	11,906
Depreciation of right-of-use assets	55,017	55,017
Dividend income	(34,593)	(30,592)
Fair value losses / (gains) on other financial assets, net	228,871	(230,181)
Interest income	(1,710)	(3,575)
Interest expense	8,484	11,235
Losses / (gains) on disposal of other financial assets, net	7,024	(14,744)
Plant and equipment written-off	8	–
Operating cash flows before changes in working capital	179,077	291,842
Trade and other receivables	229,613	(229,623)
Other assets	(49,893)	91
Trade and other payables	(510,509)	784,263
Other liabilities	81,579	26,033
Net cash (used in) / from operations	(70,133)	872,606
Income taxes paid	(43,184)	–
Net cash flows (used in) / from operating activities	(113,317)	872,606
<u>Cash flows used in investing activities</u>		
Purchases of plant and equipment	(2,615)	–
Purchases of other financial assets	(1,737,266)	(905,518)
Proceeds from disposal of other financial assets	1,703,035	880,297
Interest income received	2,172	6,627
Dividend income received	34,593	30,592
Net cash flows used in investing activities	(81)	(49,257)
<u>Cash flows used in financing activities</u>		
Repayment of principal portion of lease liabilities	(53,918)	(51,164)
Interest expense paid	(8,484)	(11,235)
Net cash flows used in financing activities	(62,402)	(62,399)
Net (decrease) / increase in cash and cash equivalents	(175,800)	822,205
Cash and cash equivalents, beginning balance	1,408,137	585,932
Cash and cash equivalents, ending balance (Note 13)	1,232,337	1,408,137

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. General

CFA Society Singapore (the “Society”) is registered in Singapore under the Societies Act 1966 (the “Societies Act”). The financial statements are presented in Singapore Dollar.

The board members approved and authorised these financial statements for issue on the date of the 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 located at 20 Cecil Street, #08-10, PLUS, Singapore 049705. The Society is situated in Singapore.

The Covid-19 pandemic and its aftermath

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the Society’s business, and accordingly none is disclosed in these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“SFRS”) and the related interpretations to SFRS (“INT SFRS”) as issued by the Singapore Accounting Standards Council. They are also in compliance with the provisions of the Societies Act.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

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 period. 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 in Note 2C below, where applicable.



2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods.

Services

Revenue from rendering of services are recognised when the Society satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not significant transactions revenue are recognised as the services are provided.

Revenue from the holding of events is recognised when the event has occurred.

Sponsorships

Revenue from sponsorships are accounted for as and when received, except for committed sponsorships that are recorded when there is certainty over the amount committed by the donors and the timing of the receipt of the sponsorships.

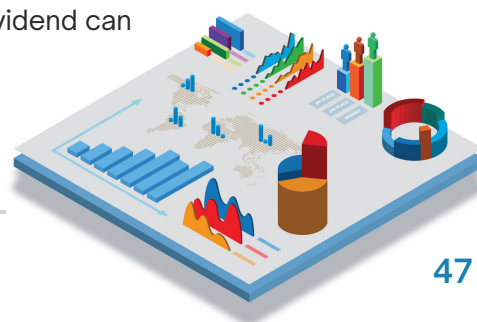
Membership fees

Membership fees are payable annually in advance. Membership fees that are attributable to the current reporting period are recognised as revenue. Membership fees that relate to future reporting periods are shown in the statement of financial position as membership fees received in advance under the heading of other liabilities.

Other income

Interest income is recognised on a time-proportion basis using the effective interest rate.

Dividend from investment instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably.



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

2A. Significant accounting policies

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised as income in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Society'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 Society operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each reporting period, 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 period and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation is in the functional currency.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

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 period 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 at the end of the reporting period; the effects of future changes in tax laws or rates are not anticipated.



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

2A. Significant accounting policies (cont'd)

Income tax (cont'd)

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting period 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 period 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

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.

Cost also includes acquisition cost 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 costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Society 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.

Depreciation is provided on a straight-line method 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%

Fixtures 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.

The residual value and the useful life of an asset is reviewed at least at the end of each reporting period 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 are adjusted.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss.



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

2A. Significant accounting policies

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The annual rates of depreciation based on their remaining lease periods are as follows:

Office premise – 20%

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

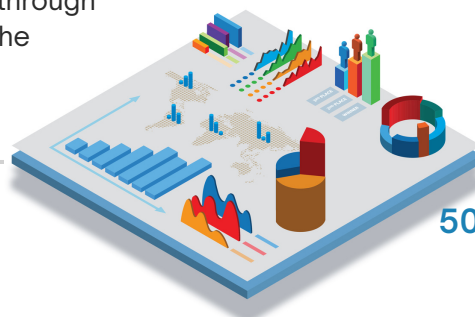
Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at the end of each reporting period 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 period non-financial assets 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, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Society becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.



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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Recognition and derecognition of financial instruments (cont'd):

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Society neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically, trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting period end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting period end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.



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

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The Society'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.

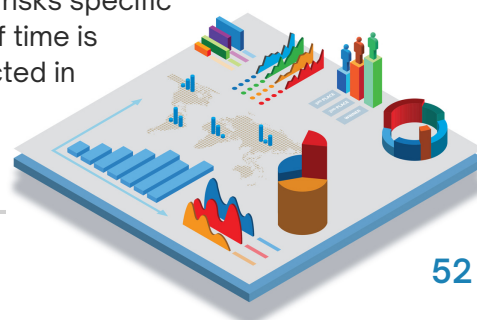
Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

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 period and in the event, the fair values are disclosed in the relevant notes to the revised financial statements. The recurring measurements are made at each reporting year end date.

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 period they occur.



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

2B. Other explanatory information (cont'd)

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Society are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund.

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 revised financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Society to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, (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.

A related party includes the board members and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the Chief Executive Officer (CEO) and senior members reporting directly to him.

All members of the Board, sub-committees and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Board and sub-committees are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.



3. Related party relationships and transactions (cont'd)

3A. Key management compensation

	<u>2022</u> \$	<u>2021</u> \$
Salaries and other short-term employee benefits	598,638	602,474

The above amounts are included under employee benefits expense.

The total remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the key management personnel classified by remuneration bands are as follows:

	<u>2022</u> \$	<u>2021</u> \$
\$100,001 - \$200,000	2	2
\$200,001 - \$300,000	1	1

There are no paid staff who are close members of the family of the board members, and whose remuneration each exceeds \$50,000 during the financial year.

4. Revenue

	<u>2022</u> \$	<u>2021</u> \$
By type of good or service:		
Membership fees	262,319	264,840
Conferences and workshops	172,221	238,922
IBF-CFA preparatory courses	355,565	233,442
CFA Institute funding	572,933	587,903
Sponsorship income	1,250	1,862
Programming activities	1,869	2,149
Networking activities	4,831	2,331
Sales of study materials	–	11,894
Total revenue	<u>1,370,988</u>	<u>1,343,343</u>
By duration of contract:		
Less than 12 months	1,081,560	1,043,835
More than 12 months	289,428	299,508
Total revenue	<u>1,370,988</u>	<u>1,343,343</u>
By timing of revenue recognition:		
Point in time	180,171	490,600
Over time	1,190,817	852,743
Total revenue	<u>1,370,988</u>	<u>1,343,343</u>



5. Other income and gains / (other losses)

	2022 \$	2021 \$
Dividend income	34,593	30,592
Government grants		
• Jobs Support Scheme (a)	–	78,464
• Others	15,305	16,624
(Losses) / gains on disposal of other financial assets	(7,024)	14,744
Fair value (losses) / gains on other financial assets, net	(228,871)	230,181
Foreign exchange adjustment gains / (losses), net	180	(997)
Interest income	1,710	3,575
Net	(184,107)	373,183
Presented in profit or loss as follows:		
Other income and gains	51,788	374,180
Other losses	(235,895)	(997)
Net	(184,107)	373,183

(a) The purpose of the Jobs Support Scheme was to provide wage support to employers in Singapore to help them retain their local employees during the period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021.

6. Employee benefits expense

	2022 \$	2021 \$
Short term employee benefits expense	829,695	847,773
Contribution to defined contribution plan	59,292	87,810
Total employee benefits expense	888,987	935,583

7. Income tax expense

	2022 \$	2021 \$
<u>Current tax expense:</u>		
Current tax expense	12,643	14,000
Over adjustments in respect of prior periods	(616)	–
Total income tax expense	12,027	14,000



7. Income tax expense (cont'd)

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% (2021: 17%) to (deficit) / surplus before income tax as a result of the following differences:

	<u>2022</u> \$	<u>2021</u> \$
(Deficit) / surplus before income tax	(95,452)	492,776
Income tax (credit) / expense at the above rate	(16,227)	83,772
Expenses not deductible for tax purposes	48,626	2,890
Income not subject to tax	(6,263)	(61,591)
Tax exemption and rebates	(13,493)	(14,804)
Over adjustments in respect of prior periods	(616)	–
Other minor items	–	3,733
Total income tax expense	12,027	14,000

8. Plant and equipment

	<u>Renovation</u> \$	<u>Fixtures and equipment</u> \$	<u>Total</u> \$
<u>Cost:</u>			
At 1 July 2020 and 30 June 2021	23,729	34,700	58,429
Additions	–	2,615	2,615
Written-off	–	(718)	(718)
At 30 June 2022	23,729	36,597	60,326
<u>Accumulated depreciation:</u>			
At 1 July 2020	5,273	26,812	32,085
Depreciation for the year	7,910	3,996	11,906
At 30 June 2021	13,183	30,808	43,991
Depreciation for the year	7,910	3,518	11,428
Written-off	–	(710)	(710)
At 30 June 2022	21,093	33,616	54,709
<u>Carrying value:</u>			
At 1 July 2020	18,456	7,888	26,344
At 30 June 2021	10,546	3,892	14,438
At 30 June 2022	2,636	2,981	5,617

9. Right-of-use assets

	<u>Office premise</u> \$
<u>Cost:</u>	
At 1 July 2020, 30 June 2021 and 30 June 2022	275,085
<u>Accumulated depreciation:</u>	
At 1 July 2020	36,678
Depreciation for the year	55,017
At 30 June 2021	91,695
Depreciation for the year	55,017
At 30 June 2022	146,712
<u>Carrying value:</u>	
At 1 July 2020	238,407
At 30 June 2021	183,390
At 30 June 2022	128,373

The lease is for the office premise. The lease rental term is negotiated for a term of five years.

10. Other financial assets

	<u>2022</u> \$	<u>2021</u> \$
Cash held at investment platform	94,385	25,918
Investments in trust funds at FVTPL	2,875,553	3,145,684
Total investments	2,969,938	3,171,602

Cash held at investment platform has been approved by the Board to be allocated to the investment portfolio, and pending deployment into trust funds.

	<u>2022</u> \$	<u>2021</u> \$
Movements in investments in trust funds are as follows:		
Fair value at beginning of the year	3,145,684	2,814,283
Additions	1,668,799	966,773
Disposals	(1,710,059)	(865,553)
(Decrease) / increase in fair value included in (other losses) / other income and gains	(228,871)	230,181
Fair value at end of the year	2,875,553	3,145,684



10. Other financial assets (cont'd)

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

	2022 \$	2021 \$
Quoted trust funds	2,875,553	3,145,684

The investments in quoted trust funds are exposed to market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis: The effect is as follows:

	2022 \$	2021 \$
A hypothetical 10% increase in the market index of quoted trust funds would have an effect on fair value of	287,555	314,568

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

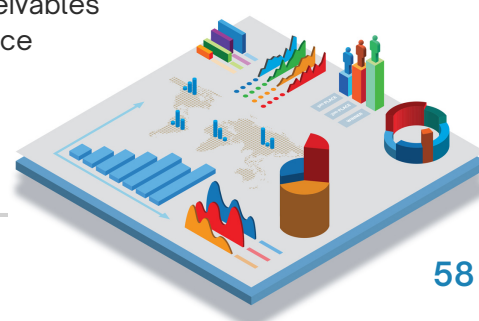
11. Trade and other receivables

	2022 \$	2021 \$
<u>Trade receivables:</u>		
Outside parties	32,356	281,249
Accrued receivables	52,062	–
Subtotal	84,418	281,249
<u>Other receivables:</u>		
Outside parties	7,109	870
CFA Institute	149,771	188,792
Interest income receivables	734	1,196
Subtotal	157,614	190,858
Total trade and other receivables	242,032	472,107

Trade receivables

Trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. These trade receivables are considered to have low credit risk individually if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. These receivables have been substantially settled after the reporting year end, hence no loss allowance is deemed necessary.

There are no collateral held as security and other credit enhancements for the trade receivables.



11. Trade and other receivables (cont'd)

Trade receivables (cont'd)

	<u>2022</u> \$	<u>2021</u> \$
Trade receivables:		
61 to 90 days	–	873
Over 90 days	–	212,678
At end of year	–	213,551

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

	<u>2022</u> \$	<u>2021</u> \$
Top 1 customer	20,705	265,360
Top 2 customers	31,785	268,696
Top 3 customers	32,101	270,937

Other receivables

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

Other receivables at amortised cost shown above are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The other receivables at amortised cost can be graded as low risk individually if they have a low risk of default. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor’s credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.



12. Other assets

	<u>2022</u> \$	<u>2021</u> \$
Prepayments	56,796	6,903
Deposits to secure services	21,060	21,060
	<u>77,856</u>	<u>27,963</u>

13. Cash and cash equivalents

	<u>2022</u> \$	<u>2021</u> \$
Cash at bank	1,232,337	1,408,137
Interest earning balances	355,831	353,730

The rate of interest for the interest earning balances was 0.35% (2021: ranged from 0.45% to 0.70%) per annum.

14. Leases liabilities

	<u>2022</u> \$	<u>2021</u> \$
Lease liabilities, current	56,816	53,917
Lease liabilities, non-current	80,536	137,353
	<u>137,352</u>	<u>191,270</u>

Movements of lease liabilities are as follows:

	<u>2022</u> \$	<u>2021</u> \$
Balance at beginning of the year	191,270	242,434
Accretion of interest	8,484	11,235
Lease payments – principal portion paid	(53,918)	(51,164)
Interest expense paid	(8,484)	(11,235)
Balance at end of the year	<u>137,352</u>	<u>191,270</u>

The weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% (2021: 5.25%) per annum.



14. Leases liabilities (cont'd)

Lease liabilities are secured by the right-of-use assets because they will revert to the lessor in the event of default. The related right-of-use assets are disclosed in Note 9.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments \$	Finance Charges \$	Present value \$
<u>2022:</u>			
Not later than one year	62,400	5,584	56,816
Between 1 and 3 years	83,200	2,664	80,536
Total	145,600	8,248	137,352

<u>2021:</u>			
Not later than one year	62,400	8,483	53,917
Between 1 and 3 years	124,800	8,111	116,689
Between 3 and 5 years	20,800	136	20,664
Total	208,000	16,730	191,270

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At the end of the reporting year, there were no commitments on leases which had not yet commenced.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

15. Trade and other payables

	2022 \$	2021 \$
Outside parties and accrued liabilities	333,270	843,779



16. Other liabilities

	<u>2022</u> \$	<u>2021</u> \$
Membership fees received in advance (Note 16A)	116,928	99,483
CFA Institute funding received in advance (Note 16B)	69,788	47,670
Fees received in advance	48,916	6,900
	<u>235,632</u>	<u>154,053</u>

16A. Membership fees received in advance

	<u>2022</u> \$	<u>2021</u> \$
Balance at beginning of the year	99,483	20,637
Membership fees received	279,764	343,686
Revenue recognised upon performance obligation satisfied	(262,319)	(264,840)
Balance at end of the year	<u>116,928</u>	<u>99,483</u>

16B. CFA Institute funding received in advance

	<u>2022</u> \$	<u>2021</u> \$
Balance at beginning of the year	47,670	63,347
CFA Institute funding received	595,051	572,226
Revenue recognised upon performance obligation satisfied	(572,933)	(587,903)
Balance at end of the year	<u>69,788</u>	<u>47,670</u>



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

17A. 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:

	<u>2022</u> \$	<u>2021</u> \$
<u>Financial assets:</u>		
At amortised cost	1,568,754	1,906,162
At fair value through profit or loss (FVTPL)	2,875,553	3,145,684
	<u>4,444,307</u>	<u>5,051,846</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>470,622</u>	<u>1,035,049</u>

Further quantitative disclosures are included throughout these financial statements.

17B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Society's operating, investing and financing activities. There are exposure 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 documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

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.

17C. 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 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.



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

17D. 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. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting period. Credit risk on cash balances with banks and any other financial instrument is limited because the counter-parties are entities with acceptable credit ratings.

For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents as discloses in Note 13 represents balances with less than 90 days maturity. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.



17. Financial instruments: information on financial risks

17E. Liquidity risk – financial liabilities maturity analysis

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 (2021: 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.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) at the end of the reporting period.

	<u>Less than 1 year</u>	<u>1 to 3 years</u>	<u>3 to 5 years</u>	<u>Total</u>
	\$	\$	\$	\$
<u>2022:</u>				
Leases liabilities	62,400	83,200	–	145,600
Trade and other payables	333,270	–	–	333,270
At end of the year	395,670	83,200	–	478,870
<u>2021:</u>				
Leases liabilities	62,400	124,800	20,800	208,000
Trade and other payables	843,779	–	–	843,779
At end of the period	906,179	124,800	20,800	1,051,779

The undiscounted amounts on the borrowings with fixed interest rates are determined by reference to the conditions existing at the reporting date.

17F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Financial assets:</u>		
Fixed rates	355,831	353,730
<u>Financial liabilities:</u>		
Fixed rates	137,352	191,270

Sensitivity analysis: The effect on pre-tax profit is not significant.

17. Financial instruments: information on financial risks

17G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Society is not exposed to significant foreign currency risk.

18. Foreign currency risk

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Society are listed below. These applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS No.	Title
SFRS 39; 107 and 109	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting

19. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Society 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 any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Society's financial statements in the period of initial application.

SFRS No.	Title	Effective date for periods beginning on or after
SFRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 Jan 2022
SFRS 109	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRSs 2018-2020	1 Jan 2022
SFRS 1	Presentation of Financial Statements – Amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS 8	Definition of Accounting Estimates – Amendments	1 Jan 2023
Various	Amendments to SFRS 1 and SFRS Practice Statement 2: Disclosure of Accounting Policies	1 Jan 2023



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