

## Step by Step...

### Editor's Message

CFA Pakistan greeted 2009 with an impressive line-up of events targeted for both students and investment professionals.

With a rapidly growing Candidate base, largely drawn from the student community, CFA Pakistan understands the need to create bridges between the academic and professional worlds. To this end, during Jan—Mar 2009 CFA Pakistan hosted the CFA Career Day, launched a University Partnership Program with IBA Karachi, and organized the Investment Research Challenge to engage with university students.

For Society Members, an exclusive social networking event was hosted at the Boat Club. For industry professionals, a seminar was held on implementation of GIPS (Global Investment Performance Standards) in Pakistan.

The Executive Interview segment for this quarter, is on Mr. Mohammad Shoab, CFA, CEO of Al-Meezan Investments and President Council Representative of CFA Institute Asia-Pacific region. We salute Shoab's untiring commitment towards promoting higher investment standards in Pakistan, as well as volunteering for the CFA Institute at the country and regional level.

We would appreciate any feedback on our newsletter, you may contact us at [info@pakistan.cfasociety.org](mailto:info@pakistan.cfasociety.org). On behalf of the CFA Pakistan team, I wish you happy reading!

Amna W. Khalid, CFA

Vol. 3, Issue 3, Mar 2009



CFA Career Day



Dr. Ashvin Vibhakar, CFA with Dr. Ishrat Husain at launch of the CFA—IBA University Partnership Program



Mona Sultan, CFA at the Investment Research Challenge

Seminar on Global Investment Performance Standards



CFA Pakistan Members at the Boat Club Karachi Networking Event

### Past Quarter's Events:

#### CFA Career Day – Jan 10, 2009

CFA Pakistan held its first ever Career Day Event that was attended by large number of students from prominent institutions of Karachi including IBA, SZABIST, CBM, PAF-KIET, Sir Syed University, CAMS, CBM, ICAP, MAJU, Greenwich University, Bahria University, SSUET, and Tabani. The students were informed about

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#### IBA University Partnership – Jan 27, 2009

CFA Institute and Institute of Business Administration (IBA) became Program Partners of CFA Institute on Tuesday 27th January, 2009. A formal signing ceremony was held to mark the event at IBA City Campus with Dr. Ashvin Vibhakar, CFA, Managing Director Asia Pacific Office joining in as chief guest. What this part

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#### GIPS Seminar – Mar 14, 2009

CFA Association of Pakistan organized a seminar on the topic "Global Investment Performance Standards (GIPS)" on March 14, 2009 at Institute of Bankers Pakistan, Karachi. The event was held to raise awareness about GIPS, its benefits and relevance to the financial sector. Members from CFA Society, Asset Management Industry, Regulators and Ratings Agencies attended the event.

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#### Investment Research Challenge – Jan 16, 2009

CFA Association of Pakistan conducted its first ever Investment Research Challenge (IRC) on January 16th 2009 at Pearl Continental Hotel, Karachi. The event was attended by CFA members, candidates, university students, faculty members and other industry professionals. Participants consisted of students representing some of the leading business schools in Pakistan namely IBA, LUMS, Szabist and Bahria while panel of judges included Mr. Farrukh Sabzwari - CEO of KASB Securities, Mr. Ka

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#### Networking Event – Feb 27, 2009

On February 27, 2009 CFA Pakistan organized a social dinner to facilitate professional networking amongst society members. The event was held on the lawns of the Boat Club, Karachi. The gathering was well attended as many members took time out from their busy work schedules to socialise with professional colleagues.

## CFA Career Day – Jan 10, 2009 (cont'd)

(Continued from page 1)

CFA program and were given one on one counselling regarding CFA program and career planning. CFA Pakistan now intends to hold this event annually. CFA Pakistan has also planned to hold similar events at other business schools located at Lahore, Islamabad, Multan and few other small cities to widely spread awareness about CFA program. This is likely to encourage more Pakistani students to register for the CFA program to enhance their qualification and career prospects.



Audience at CFA Career Day



Abdul Rasheed, CFA addressing the audience



L to R: Mir Taimur, CFA, Mujtaba Iqbal, CFA, Teerath Das, CFA



Uroosa Girami helping students at CFA Career Day



L to R: Mir Muhammad Ali, CFA with M. Jawaid Iqbal CFA, and Qasim Lakhani, CFA

## IBA University Partnership – Jan 27, 2009 (cont'd)

(Continued from page 1)



Dr. Ishrat Husain, Dean of IBA with Dr. Vibhakar, CFA

nership means is that IBA's BBA program covers at least 70% of the Level I topics of the CFA Program Candidate Body of Knowledge™ (CBOK), and its MBA program and MS (Finance) program separately cover at least 70% of the CBOK topics for all three levels of the CFA exams. All of the partnering programs cover the CFA Institute ethical and professional standards, and other CFA Program Partner requirements.



Signing ceremony: IBA Karachi — CFA Pakistan University Partnership

Through this partnership IBA has become the first CFA Program Partner from Pakistan. IBA also joins 77 other CFA Program Partner institutions worldwide including prestigious colleges and universities such as the Saïd Business School at the University of Oxford, London Business School in the U.K, University of Southern California and Johnson School at Cornell University in the U.S, and others as a result of this affiliation. "The solid foundation of the CFA Program curriculum is developed through extensive collaboration with practitioners throughout the world, essentially representing the knowledge, skills and abilities that serious investment professionals need to carry in the real world," remarked Dr. Vibhakar, CFA, at the signing ceremony.



Members of the audience

Among other guests present at the ceremony were Dr. Ishrat Husain, Dean and Director - IBA, Mr. Mohammed Shoaib, PCR – CFA Asia Pacific, Mr. Jawaid Iqbal, CFA, President - CFA Pakistan, Mr. Mir Mohammed Ali, CFA, GIPS Chair – CFA Pakistan, Mr. Abdul Rasheed, CFA, Secretary – CFA Pakistan. Dr. Ishrat Husain speaking at the occasion said that IBA was delighted to become the first CFA Program Partner in Pakistan. He encouraged all the IBA students to pursue CFA designation as it is highly regarded in the investment field globally. Mr. Jawaid Iqbal pointed out that employers are increasingly seeking job candidates with both academic degrees and professional qualifications such as the CFA designation. "I believe that aspiring investment professionals in Pakistan are realizing this as seen by the growing number of CFA candidates here. There were more than 2,000 CFA registrations in 2008, up by 45%", he further added.

Dr. Vibhakar, CFA, Managing Director CFA Institute Asia Pacific region

Recognition as a CFA Program Partner signals to potential students, employers, and the marketplace that the university curriculum is closely tied to professional practice and is well suited to preparing students to sit for the CFA exams. As part of the partnership, students in the three partnering programs are entitled for scholarships, access to CFA Institute curriculums, journals, webcasts, and other educational resources, and each student will have access to one online Level I sample exam. The students will also receive invitations to participate in various CFA Pakistan's forums/ activities and to join the society.





### Investment Research Challenge – Jan 16, 2009 (cont'd)

(Continued from page 1)

leem Aziz - Fund Manager, Kairos Partner and Mr. Fareed Ahmed - CEO of Credit Suisse Pakistan. Firing questions from panelists and defending counters from participants made it an exciting learning experience not only for students but also the professionals present.

IRC is an equity research competition among student teams from Pakistan's top business schools. All the prominent business schools were asked to participate and based on the extensive interviews, four teams were selected for the challenge. These were Institute of Business Administration (IBA), Bahria University, Lahore University of Management Sciences (LUMS) and Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology (Szabist). Each selected team was assigned one mentor from the financial industry and given time to prepare a detailed financial analysis and report on Engro Chemicals Pakistan Limited (ECPL), a locally listed conglomerate. Further, participants were allowed 2 meetings with ECPL's management and were also briefed by the company's CFO on the performance of the company. All the necessary arrangements for student-industry interaction were made by CFA Pakistan's IRC Committee, headed by Ms. Mona Sultan, CFA, Executive Vice-President of MyBank Ltd.

On the action day each team had ten minutes to present its analysis which was followed by a ten minute Q&A session. Mr. Kaleem Aziz's intriguing humor and outmaneuvering wit gave a hard time to all the participants. His reputation for being a 'Jallad' (an Urdu term for tyrant), came at good cost for the students who were constantly being fired with tough questions and critical remarks. Nevertheless three months of extensive research and mentoring by leading industry professionals had better prepared all the participants to make their point.

In the end it was IBA that won the local competition. Credit was also given to SZABIST that turned out to be the second best overall but first in its presentation. After the competition, IBA participated in the Regional Competition, Asia Pacific that was held in Pan Pacific Hotel, Singapore on March 7, 2009. The participant societies were Hong Kong, India, Indonesia, Japan, Korea, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka and Taiwan. After a rigorous competition Singapore was declared the winner of the Regional competition, Asia Pacific region and will proceed to London, U.K. to participate in the Global competition that will be held in April 2009. The Global competition will be held among the winners of Asia Pacific, Americas and EMEA regions.



Winning Team, IBA Karachi with Ruhail Muhammad, CFO Engro Chemical Pakistan Ltd. (ECPL)



Ms. Faiza Altaf, participating student from IBA



Participating students from Bahria University



Mr. Ovais Suleman, participating student from IBA



L to R: M. Jawaid Iqbal, CFA with guests



L to R: Judges:  
Mr. Kaleem Aziz, (Fund Manager, Kairos)  
Mr. Fareed Ahmed (CEO Credit Suisse),  
Mr. Farrukh Sabzwari (CEO KASB Securities)



## GIPS Seminar – Mar 14, 2009

Mr. Jawaid Iqbal, CFA, President CFA Pakistan set the tone for the day by giving his remarks on the importance of GIPS in the financial industry of Pakistan, which was followed by a forty minute webcast on GIPS from the USA.

After a detailed analysis of GIPS and associated issues at the global level, Mr. Mir Muhammad Ali, CFA Chair GIPS CFA Pakistan highlighted the factors that were hindering smooth implementation of the standards at local level and how CFA Pakistan would provide its unrelenting support for the cause. "Performance presentation has emerged as one of the major challenges in the growth of mutual fund industry in Pakistan. Investors are concerned that fund managers use different methodologies for performance presentation which confuses the investor. There is a need to create one common platform and methodology which will help in fair comparison of investment performance", said Mr. Ali. He further stated that any Asset Management Company seeking help for GIPS compliance can avail advisory services from CFA Pakistan.

GIPS, developed by CFA Institute headquartered in USA, are ethical principles to achieve full disclosure and fair representation of investment performance. The goal of the GIPS Executive Committee is to have all firms adopt the GIPS standards as the standard for investment firms to present historical investment performance information. GIPS was introduced in 1999 and it is gaining popularity due to investor demands to have transparent and consistent performance presentation.

CFA Pakistan became the country sponsor for GIPS implementation in Pakistan last year and joined the elite group of few countries where GIPS has been adopted.

Look out for  
Upcoming  
CFA Pakistan  
Events....

## Annual Excellence Awards— May 2009

This event is hosted each year by CFA Pakistan to encourage healthy competition in the industry, and setting of higher standards of performance. Awards are given in various categories, to honor the work of institutions and individuals who have excelled in their fields. Given the involvement of *all* investment professionals, and not just CFA Charterholders, CFA Pakistan has been able to engage a wide cross-section of the industry. The event is awaited eagerly and well-attended each year.

## Forecast Dinner— June 2009

CFA Pakistan plans to host a Forecast Dinner in mid-June to encourage thought and discussion on the state of the economy for the next fiscal year.

## University Outreach Program — August 2009

A University Outreach program is planned for the summer of 2009, to increase awareness of the CFA program—ethics standards and curricular material in Universities across Pakistan. This is part of CFA Pakistan's efforts to engage with academic centers in order to improve both quality and quantity of Candidates that appear for the CFA examinations. Reaching out to students would ultimately lead to an overall improvement in the country's investment professionals.





## EXECUTIVE INTERVIEW:

### Mohammad Shoaib, CFA



*"The most important attribute or quality of a CFA charterholder is that he maintains the highest ethical and professional standards. Ethics is the heart of CFA program and all members and candidates are expected to maintain highest ethical standards and as a confirmation of that they also sign off on a professional conduct statement every year."*

*-Mohammad Shoaib, CFA  
CEO Al Meezan Investments  
Presidents Council Representative,  
CFA Institute Asia-Pacific*

CFA PAKISTAN: What brought you to join Al Meezan Investments and where do you see the company in next ten years?

Shoaib: While I was heading the Capital Markets Division at Pak Kuwait Investment Company (Pvt.) Ltd, managing a proprietary equity portfolio, I had an opportunity to meet Country Manager, Pakistan from Jardine Fleming. This was the time when there was an emerging markets craze all over the world and Pakistan was also being looked at very seriously by international investors as an attractive market. At that point in time, the only mutual funds in the market were all in the public sector, managed by NIT and ICP.

There was a need for professional management of retail money in the stock market and we thought there was a huge potential to tap that market. Further, there was no Islamic investment vehicle was available in our market for those who wanted exposure to stock market. Hence we decided to set up Al Meezan Investments as a joint venture between Pak Kuwait Investment Company, Jardine Fleming and NIT Limited.

At that point in time, I was assigned the task of setting up this company which was still on paper and in early 1995, I successfully set up this company and I was appointed its CEO.

As you will be aware, Al Meezan Investments is the leading Shariah compliant asset management company in Pakistan with market share of 65% in Islamic funds and is managing over US\$160 million at present. It has managed this lead despite many conventional asset management companies coming up with Islamic equity, fixed income and strategic allocation funds during the last 5 years.



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I am quite confident that Al Meezan will maintain this lead in the area of Islamic asset management in Pakistan and will continue to outpace the growth in the overall asset management industry in Pakistan.



CFA PAKISTAN: Islamic Investments/banking is considered to be the next big thing in field of finance. Being the CEO of an Islamic Financial Institution and an authority figure in the CFA body don't you think CFA curriculum should include basic Islamic Finance Principles to better equip candidates for developments taking place on this end?

Shoaib: The CFA curriculum is being constantly reviewed and updated by a team of practitioners around the world. This has made it possible for CFA Institute to meet the needs of the investment management industry in terms of required skill and knowledge set from investment professionals pursuing CFA charter.

With the increasing importance of Islamic finance in capital markets, the practitioners have now started to value the knowledge of Islamic finance in many financial markets around the globe. CFA Institute is also aware of it and has recently created a new specialist position at CFA Institute named as Director of Islamic Finance. The objective of inducting a director focusing purely on Islamic finance is to help identify and arrange for different continuing education programs and tools in the area of Islamic finance for the benefit of members. Recently at the request of CFA Institute, I have facilitated development of the first ever webcast on Islamic Finance which is available at CFA Institute website for the benefit of all at no fees or cost. In the webcast, Dr. Imran Usmani, Shariah advisor of Al Meezan group who is also a PhD in Islamic Finance and a well recognized authority in the area of Islamic Finance has explained in very simple terms the basic principles of Islamic Finance.

These are the first few steps CFA Institute has taken in the area of providing education opportunities in the area of Islamic finance and I am confident that going forward, some elements of Islamic finance theory and principles will also be made part of CFA curriculum so that CFA charterholders are well equipped in this specialized field of finance which has recorded tremendous growth rates in the last decade.





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- \* CFA PAKISTAN: These are bad times for financial industry, capital markets in particular. Do you see things changing in near future? How soon?

Shoaib: Certainly we are going through turmoil in financial markets and the basis principles of capitalism and free markets are being challenged in this environment. However, I am optimistic that things will turn for the better, though it is difficult to say how much time it may take. It is certainly impossible for anyone to predict when the markets will bottom out (and similarly when the bubble will burst in situations where there is exuberance in the markets). One lesson that I have learnt over the years with regard to equity investing is that one should not panic when the markets are in a distress situation and generally markets always recover after a sharp downfall. We have seen in the last one month that the global markets have started to rebound and most markets are up by 20% to 30% from their trough levels.

- \* CFA PAKISTAN: You are the founder of CFA Association of Pakistan. What prompted you to set up a local CFA body? What were the major challenges that you faced?

Shoaib: Once I completed my CFA in 1999, I decided to give something back to the profession. So in year 2000, I started teaching Security Analysis and Portfolio Management at IBA so that the students can benefit from what I had learnt during my CFA. After teaching for one semester, I realized that I could only teach only one



class of 35 to 45 students with my full time job commitment so I need to do something more. At that time, I realized that setting up a CFA chapter in Pakistan will be a more effective way. And once the chapter was formed and it started its outreach and awareness activities and educational events, more and more students and practitioners came to know about CFA program. As a result, the number of CFA candidates sitting for the exams in a given year has increased 10 times to more than 2,000 candidates in last few years.

One of the major challenges that I faced and the society is facing to date is to engage the volunteers. Without active engagement of a critical mass of volunteers, it is not possible to sustain the level of activity in terms of educational events, member services, outreach and awareness that the society has undertaken in the past. So I would request the readers of this newsletter to come forward and devote at least a couple of hours one month to support the activities of CFA Pakistan.



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- \* CFA PAKISTAN: CFA Association of Pakistan has come a long way along since you found it. How do you see the future of this body? Any specific future plans that you may want to highlight?

Shoaib: The future of any professional body run by the volunteers is dependent on the commitment of the volunteers. As CFA Pakistan is also run by volunteers, its future depends on the direction given to it by the volunteers. My experience has been that only a handful of members come forward to support the activities of the Association despite increase in the members of the society from 39 when it was set up in 2002 to almost 150 members this year. With a 20/80 principle, at least 20% of members need to volunteer and that means an active volunteer base of at least 30 members.

The Association has received much recognition both domestically and internationally for its activities in the last few years. It has developed a very positive image and the real challenge now is to maintain that image and excel further in terms of providing benefits and services to the members and the investing public through advocacy, outreach, programming, networking and other services.

“The future of any professional body run by the volunteers is dependent on the commitment of the volunteers.”

- \* CFA PAKISTAN: You are currently serving as President Council Representative for Asia Pacific region. What has been your experience about this position so far and how challenging is the assignment?

Shoaib: Yes, I started as Asia Pacific PCR on 1<sup>st</sup> September last year so I already have been in this role for about 7 months. I have found this assignment both very challenging and exciting. It gives me an opportunity to interact with society leaders from 15 societies in Asia Pacific region including Japan, Korea, Singapore, Hong Kong, Malaysia, Indonesia, Thailand, Taiwan, India, Pakistan, Sri Lanka, Philippines, Sydney, Melbourne and New Zealand. Further, with representative offices now set up in Beijing and Shanghai as well, I have the chance to interact with charterholders in China as well. You can imagine how challenging it could be to try to facilitate the members from such a geographically and culturally diverse region. At the same time, one of my principle responsibilities as PCR is to facilitate the communication between the societies, management and board of governors of CFA Institute. This certainly involves a lot of time commitment. However, I have extremely enjoyed this role as now I have the ability to serve the CFA charterholders not only from Pakistan but also from the entire Asia Pacific region which is the fastest growing region as far as CFA candidate registrations are concerned.





CFA Pakistan is an association of local investment professionals. Consisting of portfolio managers, security analysts, investment advisors, and other financial professionals, we promote:

- ethical and professional standards within the investment industry,
- encourage professional development through the CFA Program and continuing education,
- facilitate the exchange of information and opinions among people within the local investment community and beyond, and;
- work to further the public's understanding of the CFA designation and investment industry.

As one of CFA Institute member societies, our society connects members to a global network of investment professionals.

**Mona Sultan, CFA**

**Executive Vice President / CFO,  
MyBank Ltd.**



**Kamran Aziz**

**Research Analyst,  
ABL Asset Management Ltd.**



**CFA PAKISTAN**

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