CFA exams satisfy deep thirst for financial knowledge at own pace

When Jan Richards, managing director of Deutsche Bank, was president of the Chartered Financial Analyst Society Singapore, she took the CFA Level I exam in 1995. She did it to expand her financial knowledge. Back then, she had a degree in finance from the University of Missouri-Columbia and was working as a national bank examiner at the Office of the Comptroller of the Currency in the US.

"I didn’t take the CFA because I wanted a new job. I took it because I wanted to learn. I had long hours and was doing credit analysis, and I realized I had to learn to survive that third for knowledge," she says.

Weighing her options between pursuing a Master of Business Administration and the CFA, Richards chose the latter because it was a self-study programme that provided in-depth knowledge on finance. "I was travelling a lot for my job, so I couldn’t do an MBA. I was also not able to quit my job to do an MBA. With the CFA, it’s a self-study programme that I could do at my own pace," she explains.

Rigorous programme
The CFA Programme comprises three exams: Levels I, II and III. The exams are offered annually at test centres around the world. The Level I exam consists of basic knowledge and comprehension questions focused on investment tools, while the Level II exam emphasizes more complex analysis, along with a focus on valuation assets. The Level III exam requires synthesis of all the concepts and analytical methods in a variety of applications for effective portfolio management and wealth planning.

To entail in the CFA Programme, candidates must either have completed a bachelor’s degree or have four years of professional work experience. This experience does not have to be in investment-related. Candidates can also have a combination of professional work experience and education that totals at least four years.

To earn the CFA designation, candidates must pass all three exams and meet the work experience requirement of four years in the investment industry. They also have to sign a commitment to abide by the CFA Institute’s Code of Ethics and Standards of Professional Conduct, apply to a CFA Institute society and become a member of a CFA Institute.

Data from the 2013 CFA Programme Candidate Survey shows that more than 60% of respondents see career advancement and development opportunities as the main personal benefit of taking the CFA Programme, followed by helping to achieve long-term career goals.

"We’ve found that when people lose their jobs, they take the CFA so that they can get an edge in a market where there are limited jobs, and that has been a lifeline for many of them," she says.

Meanwhile, the investment management industry is increasingly looking out for CFA graduates. "Some companies are making the CFA a prerequisite. If a candidate has completed the Level I or II exams, it shows that the person has the commitment to gain the most out of his career," Richards says. "The CFA was what helped me move on in my career. It’s a good way to get your foot in the door as it provides a very good understanding of different asset classes and disciplines."
CFA exams satisfy deep thirst for financial knowledge at own pace

BY AMY TAN

When Jan Richards, managing director of Deutsche Bank and president of Chartered Financial Analyst Society Singapore, took the CFA Level I exam in 1992, she did it to expand her financial knowledge. Back then, she had a degree in finance from the University of Missouri-Columbia and was working as a national bank examiner at the Office of the Comptroller of the Currency in the US.

“I didn’t take the CFA because I wanted a new job. I took it because I wanted to learn. I had long hours and was doing credit analysis, and I realised I had to learn to satiate that thirst for knowledge,” she says.

Weighing her options between pursuing a Master of Business Administration and the CFA, Richards chose the latter because it was a self-study programme that provided in-depth knowledge on finance. “I was travelling a lot for my job, so I couldn’t do an MBA. I was also not able to quit my job to do an MBA. With the CFA, it’s a self-study programme that I could do at my own pace,” she explains.

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Data from the 2015 CFA Programme Candidate Survey shows that more than 60% of respondents see career advancement and development opportunities as the main personal benefit of taking the CFA Programme, followed by helping to achieve long-term career goals.

Indeed, Richards points out that some candidates only take the Level I exam because it provides a broad spectrum of knowledge.

“We’ve found that when people lose their jobs, they take the CFA so that they can get an edge in a market where there are limited jobs, and that has been a lifesaver for many of them,” she says.

Meanwhile, the investment management industry is increasingly looking out for CFA graduates. “Some companies are making the CFA a prerequisite. If a candidate has completed the Level I or II exams, it shows that the person has the commitment to gain the most out of his career,” Richards says. “The CFA was what helped me move on in my career. It’s a good way to get your foot in the door as it provides a very good understanding of different asset classes and disciplines.”
Acning the exams

According to CFA Institute, 43% of the 52,315 candidates that took the CFA Level I exam in December 2015 have passed. That exam saw a record number of Level I candidates tested — an increase of 11% from the previous year. Globally, the US led with 11,676 candidates, followed by China and India with 9,502 and 5,991 candidates respectively. Singapore, with 1,591 candidates, remains among the top five Asia-Pacific markets for the number of exam takers.

Richards explains that the CFA exams are graded on the curve with an average pass rate of 50%. “If you’re on the borderline and you did well in ethics, you pass. Ethics is used as the distinguisher because it is so important these days,” she notes.

Richards emphasises that to pass the exams, candidates must dedicate a fixed number of hours to study every week. She herself studied every weekend for the Level I exam, then switched to studying every day when she progressed to the Level II and III exams.

She also recommends signing up for a preparatory programme. “I would say take a prep course because not only are you learning from people who have already been through the programme, you’re also developing a network of people who are in the same boat and will be taking the same test as you. It helps to have friends when you are studying for the exams,” she advises.

CFA Singapore is the only provider with a funded CFA preparatory programme from the Institute of Banking and Finance Singapore and under the IBF Standards Training Scheme. Subject to all eligibility criteria being met, IBF-STS provides 70% funding for direct training costs subject to a cap of $7,000 per candidate per programme.

Meanwhile, the standard registration fee for the Level I exam is US$860 ($1,186). CFA Society Singapore provides a needs-based scholarship for individuals who are unable to afford the full CFA Programme enrolment and registration costs.