



CFA Society  
Brazil

NEWSLETTER QUARTER 1 2015

MARCH 2015

### THE AMERICAS REGIONAL MEETING - NEW ORLEANS

Sonia Villalobos, CFASB President, Bernardo Carneiro, Board Member responsible for University Relations and IRC, and Denise Fernandes, staff responsible for events, attended the Regional Meeting organized by CFA Institute. Below you can see their impressions about this experience.

*Between 26th and 28th of February, we attended the Americas Regional Meeting of CFA Institute leaders in New Orleans, Louisiana. This is an annual meeting of Board Members and staff personnel coming from the 88 Societies that comprise the Americas region. The main theme of the meeting was "Building our Brand", although there were also important discussions about various matters regarding the management of the CFA Society, such as budget planning, board self-assessment and volunteer succession planning.*

*Sonia Villalobos, CFA  
President CFASB*

*In New Orleans, the leaders of each society met in small group meetings to discuss and present their initiatives, including minor but effective ideas that significantly increased the CFA reputation and brand awareness among the professional community, HR departments and universities in their area. We also exchanged ideas on how to motivate our board members in their duties and how to attract more active members to the societies, stimulating volunteer work in exchange for the benefits of networking and having direct access to the latest in the evolution of finance. It was extraordinarily interesting to learn about the failures and successes of CFA societies in US, Canada and Central America when dealing with regulatory authorities, professors and job recruiters. For instance, some of them are actively working with regulators to improve disclosure standards and governance requirements in the investment management industry, whereas others managed to include the level I of the CFA program as a basic requirement to qualify for jobs in the capital markets. Also, some of our colleagues have built up the brand of the CFA in their communities, to the extent that business schools are now incorporating part of the CFA Body of Knowledge in their mandatory curriculum or highlighting specific book chapters as being part of the CFA examination topics. We believe our society in Brazil has huge growth potential over the next decade to work closely with the CFAI to reach our mission, expanding financial literacy, assisting regulators to improve transparency and fairness and engaging students to learn the state of the art in business and financial education.*

*Bernardo Carneiro, CFA  
Board Member*

*For me as a new staff member of CFA Society Brazil, responsible for events organization, the 2015 Regional Meeting held in New Orleans was a wonderful experience, where I could learn more deeply how CFA Institute works and all the support we can have from it. Besides this, I could exchange experiences and strengthen connections with neighboring Societies from Latin America, like Argentina & Uruguay, Peru and Mexico. This was one of the most valuable benefits the event brought me.*

*It was also interesting to meet the well-developed CFA Societies, such as New York Society of Security Analysts - NYSSA, Toronto and London.*

*The Staff Meeting, followed by a cocktail and dinner worked very well as a great opportunity for networking.*

*In my opinion, to separate the workshop groups by the Society size was a great choice by the event organization to facilitate more productive discussion. CFA Society Brazil is already considered a medium size Society ( defined as having from 400 to 1000 members).*

*The Saturday session "Regional Meeting Atlantic Islands & Latin America", was another important activity. At it, two new PCR President Council candidates presented themselves.*

*I have to say that I was surprised to find out that the Brazilian Society is considered a "gorilla from the Americas". It reminds us about our important role not only in the regional but also in the worldwide CFA context".*

Denise Fernandes  
Staff – Events

### Latam CFA Societies get more visibility and representation within the CFA Institute

The CFA Institute is today a truly global organization, with more than 120,000 members. The corporate governance structure of such a big and widespread organization is a complex and arid subject. However, we believe that it is important to understand that structure for two basic reasons: 1) being a CFA Charterholder demanded from each of us a lot of time, money, sweat and tears, so keeping the value of the brand over time is of the utmost importance to us; and 2) only through a fair representation in the corporate governance structure of the CFA Institute can we be sure of being heard and getting our fair share of the services and benefits offered by the Institute back to its members.

In this article we explain an important portion of the CG structure of the CFA Institute - the Presidents Council and Presidents Council Representatives - and disclose one important event that took place recently: the Latam CFA Societies, together with the Atlantic Island Societies, got its own President Council Representative! Learn what this means below.

There are currently 144 CFA Societies globally. The presidents of these societies comprise the Presidents Council (PC). The PC meets in full once a year, during the Society Leaders Conference (SLC), when it deliberates and votes on issues related to the societies.

During the Americas Regional Meeting, the presidents of the 88 Societies in the region met in a partial Presidents Council Meeting. Although the Societies in the Americas region alone have the quorum required to vote, the meeting was just a discussion about the issues that are being discussed by the PC Chairman and the ten President Council Representatives (PCRs).

The PCRs are volunteers that represent the Societies of the different regions of the World. Originally they were called Regional Directors and were six: five for different US regions and one for Canada. In 1995, two more were added, being one additional for the US and one representing Societies outside the US and Canada.

In 2000, two more PCRs were added - one PCR for Europe, Middle East and Africa (EMEA) and one PCR for the Asia Pacific region (APAC).. Finally, in 2006, the EMEA region was split into EMEA East and EMEA West and the Presidents Council Chair role was changed so that it no longer assumed the duties of communicating with a specific region.

During 2014, I participated in a work group focused in PCR allocation. Three important changes emerged from this initiative and were subsequently presented and approved by the Board of Governors:

1. Split the APAC region in APAC East and APAC West, with the creation of a new PCR role.
2. Redistribution of the Americas region PCRs so that a new region was created including the Latin American Societies and the Atlantic Islands Societies.
3. A formal process to revise PCR allocation every four years.

*Sonia Villalobos, CFA  
President CFASB*

### The Latin American Societies and the new PCR

There are currently four CFA Societies in Latam: Brazil, Argentina & Uruguay, Mexico and Peru. Currently our PCR is Leah Bennett, who has been an outstanding representative for us. However, the Latam Societies are bundled together with the Societies in the South and Central US region, with whom we have little in common. These US Societies are all mature, presenting low member growth rates, and have issues that are different from ours. Therefore, the creation of the new region “Atlantic Islands and Latin America” (AILA) is a big deal for us!

The PCRs are volunteers, usually active CFA Society leaders, that are elected by the Societies of the regions they represent. Each Society has one vote. The election for the new AILA region had two candidates, who presented themselves and answered questions at the Americas Regional Meeting in New Orleans.

On March 19th, Simon Cawdery, CFA, was officially announced as the new PCR for the Atlantic Islands and Latin America region. His term will start on Sept 1st and last two years.

He has been a CFA Charterholder since 2003 and he served as a volunteer for the CFA Society Cayman Islands since 2004. Simon is the currently the Advocacy Chair and immediate Past President of the CFA Society Cayman Islands.

In his professional career he worked in the UK for 7 years on both the buy and sell side in equities and credit markets covering a wide range of industries, including Media, Utilities and Convertible Debt. Then in 2003 he moved to Cayman and have worked for two large banks as an investment manager for 5 years at each firm before establishing his own investment consultancy/management firm in 2013.

We wish Simon all the best in his new responsibilities and hope to be working close to him soon.

## EVENTS

**“Value Investing Class” – January**

The first event promoted by the CFA Society Brazil this year in partnership with IE Business School from Madrid was the “VALUE INVESTING MASTER CLASS” at Insper. Dr. Bruce (Harry) Busta presented his speech on “Warren Buffett: Greatest Investor or Greatest Business Teacher?”. In this seminar we discussed Warren Buffett’s famous Letters to Shareholders. The event was held on January 29 and around 70 attendees participated.

The presentation is available at this link: [Value Investing Class](#)



Dr. Bruce Busta presentation



Members watching the presentation

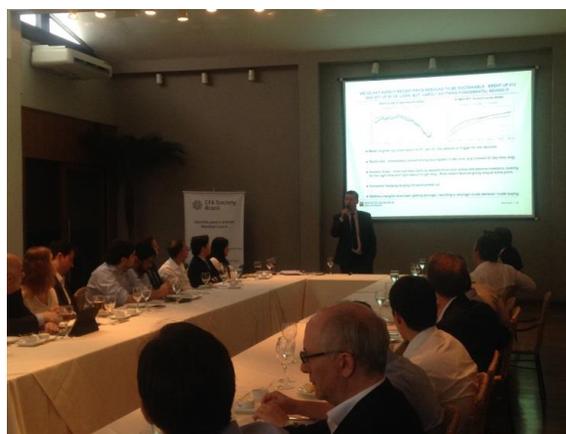
**Member Lunch - March/2015**

The CFA Society Brazil held a Member Lunch exclusively for members of the Society at Cantaloup Next Door on 11 March. The topic “Commodities: What to Expect for 2015 and Beyond” was presented by Michael Haig, Global Head of Commodities Research at Societe Generale. The event was useful and we had approximately 30 attendees.

The presentation is available at this link [Commodities Member Lunch 2015](#)



Speaker Michael Haig giving the presentation



## ADVOCACY

## CFASB CONTRIBUTES TO THE OUTCOME OF NEW ICVM 555 (FORMER ICVM 409)

In Q2 2014, CFASB started a Working Group to study the proposed revision of ICVM 409 on Mutual Fund regulation. As a result, a thorough analysis of this complex issue was done and a letter of suggestions offered to CVM. In late December, the regulator published the new resolution (ICVM 555), which incorporated many of the suggestions made by the Society. The most important issues following CFASB suggestions were: (1) improved risk disclosure rules applying to the sale of funds; (2) the obligation to calculate and publish fund quotas and net worth timely; (3) new rules offering the possibility of funds directly investing in overseas assets. The latter was an idea brought in by the CFASB Advisory Board and represents an important move for funds dedicated exclusively to qualified investors (which may now invest 100% of their assets abroad). Full application of the new instruction will take place by July 1st, 2015 and a document to support the understanding of the main changes effected will be available for CFASB members.

Available at these links:

### **RESULTADOS**

*Sumário de comparação 409 e 555*

## FOLLOW UP TO WORK CLOSER WITH CFA INSTITUTE ON CORPORATE GOVERNANCE ADVOCACY EFFORTS

Following on from past initiatives to develop a closer relationship with the CFA Institute's Advocacy team, members of the CFA Society of Brazil's Advisory Board agreed to work on themes that may interest both parties and help with knowledge building. One way to leverage this liaison will be to jointly develop white papers on common interest areas, which will be included in the technical committees agenda for the year. In addition, a workshop involving both teams will take place later in 2015.

## PUBLIC CONSULTATION TO ALLOW THOSE WHO HAVE PASSED CFA LEVEL III TO BE ELIGIBLE FOR ASSET MANAGEMENT LICENSE ISSUED BY CVM

On March 26, CVM launched a public hearing about its proposal to extend the type of certifications that are eligible to qualify finance professionals for the official license for asset management. This important step will allow those who have passed the CFA® Level III exam to apply for this type of license. The hearing is a response to the advocacy efforts conducted by the CFASB Advisory Board, and an outstanding recognition of the quality and relevance of the CFA certification. The partnership with CFA Institute was instrumental to design and support the strategy for the approach taken by the CFASB Advisory Board. CVM will receive comments and suggestions until April 27.

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