Indian Association of Investment Professionals

A member society of CFA Institute

IAIP NEWSLETTER

INDIAN ASSOCIATION OF INVESTMENT PROFESSIONALS

JUNE 2018

Quotable Quotes

If you want to reap financial blessings,
you've to sow financially.

Joel Osteen

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Message from the Board

Jayesh Gandhi, CFA
(President, CFA Society India)

Dear Friends,

Greetings and welcome

On behalf of the Board of Directors of Indian Association of Investment Professionals, (IAIP), the CFA Society of India, it is indeed my great pleasure and privilege to share with you the financial statements of the company and some of the key highlights of the year FY2017-18 that went by.

The year, 2017-18 was indeed an eventful Year for IAIP, with our activities gathering considerable steam across the country. IAIP, as you may be aware is one of the few Country Level Societies within the CFA community, which operates across the country through multiple City-Chapters, now 8 in number and growing. Running such a country-wide organization is a mammoth task, especially when its activities are largely run by volunteers. IAIP has clearly focused towards providing Member Value through Continuing Education, Training for skill enhancement and Career development through networking opportunities. Towards these objectives, we have taken a series of initiatives and measures, few highlighted below

Significant enhancement in numbers & variety of programs/event across the cities chapters, covering a wide spectrum of themes and areas of interest. It is now not uncommon to have over 15-20 IAIP events accruing in a month, across the county in various city chapters. Apart from monthly events, IAIP now has four marquee day long educational specialised event properties, such as the Value Investment Conference in Delhi or Fintech Conference in Bangalore or the India Investment Conference or Wealth Management Conference in Mumbai

Obtained the much needed increase in funding from the CFA Institute, an essential requirement for IAIP to operate as a country-wide society and delivery on its mission statement. The funding helps IAIP recruit and deploy people and other resources on the ground across the country to support volunteer's activities,

Implementing a unique chapter and committee-wide funding distribution model to ensure adequate funds for all regional chapters and all functional areas important for CFA charter holders in India. Volunteers across the country have a fair degree of visibility and autonomy to use the funding and resources to delivery Member Value. Our unique Operational Model won the CFA Institute's Award of Excellence in the last Annual Conference 2018, held in Hong Kong

Message from the Board

Enhance membership, which has growth past 2000 numbers now, converting a large number of charter pending into our members and enhance our reach, so the IAIP emerges as a true representative of investment professionals in India

In line with the new regulation and the new Companies Act, 2013, IAIP recently adopted the new Memorandum and Article of Association to enhance the governance mechanism at the society. The new AOA confer a number of new rights for the members, which makes the society a true representative of a democratic organisation – Of the Members, By the Members and For the Members

Friends, last five years has been special movements for me, the privilege to lead the IAIP Board and leadership team, as the 2nd President. I have been part of the society's volunteers and leadership for over 10 years now and now I believe, it is time for me to step down. The new leadership team of office bearers has been announced and I believe it is extremely competent and experience at the helm of affairs to take the society activities forward. I encourage all members, as I would do myself, to support the new leadership team and volunteers as they go about their activities for our mutual benefits.

As volunteer members of the Board of Directors of IAIP, it is indeed a proud movement for all of us to see IAIP, during the last five years emerge from a nascent start up to a well-established organization. We can now say with considerable pride and confidence that IAIP has emerged as a well-established country society, with infrastructure and resources to deliver top-notch Member Value and Benefits for its members across India.

The economic environment indicates multiple challenges, with volatility coming back in the asset markets in a big way. Almost all the major asset markets, be it Equity, Currency, Commodities, even Fixed Income and Gold, etc are witnessing unprecedented volatility and in many cases risk aversion. Apart from volatility, the financial services industry in India is also going through a series of reforms and changes in regulations to deal with new market realities. I believe, it is during these volatile and challenging times that our members - CFA Charter holders, would stand out and be called upon by organisation, industry and investors to take leadership in making key decisions and provide guidance. While, our education and training would serve us well, also available to members, is a large pool of resources, in form of research papers, presentations, speaker events, web-cast, training sessions, etc from various events at IAIP and CFA Institute's website. The society is a resource for each member and I would encourage every member to make the best use of the society's events and activities for their own best interest.

Let us all work to preserve the integrity and dynamism of the institution, CFA Society India, which we have all help build,

Thank you!

In Conversation with ...

Sandeep Gupta
CFA, CIPM

Sandeep is currently Head Commercial - Projects at Britannia Industries. He leads the strategy and development function for the portfolio of Real Estate Assets. Sandeep's prior employers in his career spanning over two decades include Bombay Burmah, GMR, Cinépolis, ISB and ITDC. He plans to transition shortly to set up a blockchain based startup. He is a B.Com and has completed his Post-graduation in Management (PGPX) from IIM Ahmedabad.

1) How do you view your industry with regards to scope, growth and job prospects? How can CFA charter holders take advantage of it?

My current role is primarily a strategy and new business feasibility evaluation role. The portfolio consists of existing real assets and also proposed new business ventures. This type of role is ubiquitous in every business and startup. The skills are required by both corporate and financial investors who will deploy financial and physical resources basis this analysis. Often such talent is also found in leading consultancies and is relevant in all business cycles; be it an expansion or a divestment.

2) How did CFA help in enhancing your career objectives?

The MBA has been the de facto requirement for a business strategy and new projects role. However, the specialized curriculum provided by the CFA is relevant and useful to such a role. As an internal consultant, we often present our analysis and recommendations to boards and promoters who rely on us to provide the financial and business advice to guide big decisions. We are expected to bring an expert perspective to business valuation, provide economic forecasts and analyses, and identify opportunities to grow value. The trust and credibility on the CFA designation have a rub-on effect on the Charter Holders. CFA charter holders are held in esteem but are also held to a higher expectation.

3) How would you rate the CFA course with respect to content and structure including the pros and cons? Also, include aspects which give CFA course an edge over other courses.

The CFA charter is a globally recognized designation that serves as a proof of financial acumen, commitment, perseverance and hard work. CFA Charter holders adhere to high ethical standards. Having a CFA Charter holder as part of the business strategy team provides comfort to the decision makers that the advice given is robust and independent. I feel CFA charter holders have earned the right to succeed in such roles.

In Conversation with ...

4) What guidance you would give to CFA aspirants?

CFA aspirants must ensure that they acquire the full arsenal of knowledge and skills required for their envisaged roles. Many roles are at the intersection of two or more domains and their combined mastery would definitely provide a unique edge to aspirants. Also, while the curriculum of CFA Institute is robust and detailed, I firmly believe that it is the responsibility of the charter holders and aspirants to continually keep themselves updated on the new developments and changes. Employers are more interested in what you can contribute in the future and not just what you have achieved in the past. The Continuing Professional Development programs conducted by CFA Institute and the CFA Society chapters are a great way to remain current. Just like the CFA curriculum is continuously being upgraded with new content, existing charter holders and aspirants must also ensure that they continuously hone their knowledge in areas of relevance.

** Points noted above are personal views and not made on behalf of the employer organisation or IAIP.*

Insights from IAIP Events

In Conversation with Mr. Kenneth Andrade

Contributed by: Karan Sharma, CFA

The Kolkata Chapter of the CFA Society India hosted Mr. Kenneth Andrade, Founder & CIO, Old Bridge Capital in Kolkata on 15th of June 2018 in a conversation about his investment style, investing journey and his experience over the last 25 years in this field.

Q. How has your career shaped up over the last 25 years and what are your learning's from the last two decades of investing?

A. It takes two complete cycles for a fund manager to fully understand markets. It is then when one realizes that money is made in a bear market but to do that one needs to survive over a cycle. A major part of my career over the years has involved assimilation and analysis of data points. The biggest lesson for any budding investor would be to observe bear markets as they give the best learning.

Q. How were you able to identify many of the successful consumer franchisee companies at an early stage?

A. In 2007-08 when we bought many of these companies we were actually buying stable cash flow companies at historically low valuations. The main reason was the low valuations these companies were available at because they had not participated in the infrastructure and real estate boom of 2005-08. The best way to look at companies trading at low valuations is looking at which companies are able to earn money in down cycles. This helps in separating from the value traps which are usually the companies trading at relatively low valuations in an industry.

Q. How do you view the de-leveraging of corporate India and how should an investor views this transformation affecting the corporate climate in the country?

A. In good time when consistently superior returns on capital are being achieved, industries attract capital, which in turn brings competition and depresses the return. The gap between the cost of capital and return narrows at this point of time and an investment, which looked attractive some time ago, now turns unviable. When companies go through this cycle we see very less investment coming into the sector at the bottom of the cycle. The returns are not too lucrative to encourage additional capex. The demand for most things in our country is linear and as new supply halts and the demand-supply balance now turns in favor of demand is when you find that inflection point in an industry. We see a similar thing happening in the country right now in many sectors where new supply has halted because of unfavorable returns, which can be seen happening in the telecom industry

Q. Explain the working of the capital cycles with an example of any particular industry?

A. If we have a look at the power sector which was adding capacity relentlessly during 2010-2015, we can see how that depressed returns for the sector as a whole. A slew of capacity is now on

Insights from IAIP Events

stream earning returns below the cost of capital, which has now led to a halt in incremental capacity additions in the sector. This has now led to a supply-demand equation being in favor of supply at the moment. The demand grows at a linear rate and it will not be long when this equation shifts in the favor of demand. The companies generating free cash flows in today's times in these sectors would be at an advantage because they will be able to gain market share very fast.

Q. How do you view capital efficiency and efficient capital allocation?

A. The math of efficient capital allocation is well understood. It has to be above cost of capital to make any sense. However, often in industries trading at depressed valuations the returns on capital will be below the cost of capital. This is due to the nature of the capital cycle that the sector is undergoing. The advantage for an investor in these industries is that usually there is no fresh capital coming in the sector and thus finding companies which today are earning below average returns on the cost of capital and would go on to achieve higher returns in the future due to the demand-supply balance shifting in their favor becomes easier. This is what leads to an expansion in valuations.

Q. Why have you stayed away from investing in the financials sector?

A. The business model of the banks where they leverage the balance sheets 10-15 times makes them more vulnerable to shocks in the ecosystem. This coupled with the facts that valuations for most of the players are trading at historic highs makes me uncomfortable while selecting financials as a place to be putting money in. Also, my inabilities to adjust to the hyper-growth the sector has witnessed have led to the exclusion of financials in the portfolio.

Q. What are your views on democratization of capital and the reach of leverage to even the weakest section of the society?

A. I believe that there are many new opportunities opening up in the financials space as new sectors like asset management companies, exchanges and small finance banks come in the listed space. This should give a host of opportunities but I would be more comfortable buying them post the next down cycle. Also, there is a belief that India will shift from a developing economy to a developed economy over the next decade and as that happens, we will see people analyzing consumer trends more rather than annual government budgets.

Q. Your thoughts on the whole agriculture & rural India theme and how do you view regulatory risks in this sector?

A. The sector is going through a phase where incremental capital additions have stopped due to regulatory interferences and sub par returns. Over this some companies have been de-leveraging their balance sheets while growing well along the way. The profits look depressed but that should change over the cycle. Also one cannot take out the regulatory angle from this equation but the situation could look much different over the next two years.

Q. How do you view the SME space which has brought many smaller companies into the listed space?

A. I believe that post GST & demonetization, contrary to popular belief that the smaller companies will become inefficient and wither away, the exact opposite should happen. Smaller companies

Insights from IAIP Events

will come into the formal ecosystem and should flourish. This will be due to the ancillarisation of corporate India where the smaller companies will be able to take away market share from the larger players. Also if one is looking at valuations they should look at the peak and trough valuations of small cap companies versus large cap companies. If this data is analyzed we will see that smaller companies have yet not shown significant out-performance over the larger companies.

Q. How do you manage the poor liquidity in the SME space?

A. The problem of liquidity is prevalent in all spheres. Even larger companies face liquidity pressures when the companies are going through turbulent phases. Also before investing one should not focus too much attention on how would one get out.

Q. How do you construct a portfolio and what determines your largest allocation?

A. My largest position is usually in companies where I will not lose money. That is usually the strongest point of portfolio construction. Also, one cannot be correct on all of the positions and hence the focus should be on not losing capital in the companies where one can go wrong.

Q. Do you focus on the macroeconomic environment before investing in companies?

A. In macroeconomics usually one can spend a lot of time trying to understand the forces and still not get any conclusion. Thus I believe that time is better spent in analyzing companies which will not be overly affected by a worsening macro climate

Q. While looking at value versus growth how do you avoid "value traps"?

A. One cannot always avoid value traps or any thus it is important to have a diversified portfolio so that even if one goes wrong in the assessment of a situation it will not have a big impact on the overall portfolio

Q. What are the most important points one should look at before selling a stock?

A. Everyone should try and look at valuations from different angles and not just associate it from one or two ratios like Price to earnings. Many a time analyzing from the point of replacement cost, opportunity cost and other aspects, when combined with individual valuation parameters, would help in giving much better picture than a standalone examination via the Price to Earnings ratio

Q. What are your views on corporate governance and do you believe its cyclical?

A. Yes, it is true. The management will mostly be on shareholders side when everything is going wrong but its mostly when things are going great when managements turn towards poor capital allocation.

Q. Going by the analogy of Mahabharata if we believe that markets are a "Chakravyuh" and the investors are "Abhimanyu" knowing very easily how to get in but not how to get out, how would you advise us in such a situation?

A. It usually works both ways and it is not always possible to get in and out at the correct time. Sometimes the investor will exit at the wrong time as well but that should be taken as a part of the game and move on.

Insights from IAIP Events

Talk By Mr. H. M. Bangur - The Entrepreneur within You

Contributed by: Dhruv Saraf

In an enriching session organised by the Kolkata chapter of IAIP, Mr H. M. Bangur (MD of Shree Cement) began by mentioning that the truth is always the same – the method to attaining it doesn't matter. Ultimately, a business earns a certain amount of free cash and that is the truth – the way of arriving at the number doesn't matter. Mr Bangur also mentioned the fact that in business, cash flows always take precedence over book profits as the P/L statement merely represents certain numbers whereas the cash flow statement reflects the true picture of the business and the quantum of cash that it generates year after year.

Mr Bangur then went on to talk about the art of decision making. He elucidated upon the fact that the worst of decisions are made in the best of times and the best of decisions are made in the worst of times. When times are ripe for growth, every management team extrapolates that into the future and sets ambitious targets for the business without recognizing the presence of cycles that prevail across time. In the context of analyzing investment opportunities, Mr Bangur talked about understanding companies and the behavior of management teams across the cycle – both in a downturn and an upturn. In good times, everyone grows and performs well, but it is the bad times that truly separate the enduring franchises from the rest. In this context, it also becomes important to understand that whether the company is also growing at a similar clip to its peers during the good times. There is a fine line between ambition and over-ambition and management should be careful of not crossing that when the going is smooth.

He then went on to talk about the nuances that separate an analyst from an entrepreneur. An analyst prefers business to always operate in a steady state environment without the presence of exogenous shocks – which is very difficult, as a business environment in reality is very dynamic. Risk taking is an essential part of the game and in the absence of an animal spirit, there is little scope for outsized value creation. Mr Bangur then went onto give an example of the ability to take risk by citing his acquisition of a plant in the middle east. He said, "We have bought this at Rs. 2,000 crore .. a small bet. If things don't do well, we can sell it back at a 10% lower price. So that's roughly a Rs. 200 crore loss which is 2-3 months profit". He also mentioned that Analysts are much better at projecting future cash flows than the management as the element of uncertainty in business plays a big part in guiding strategy for the people who run the company.

The other highlight of the talk was the point made on an individual's area of concern v/s his area of influence. What Mr Bangur talked about is similar to Buffet's theory on one's circle of competence. People always focus on gathering more and more information daily (area of concern) but only a selected few focus on processing it and extracting the most out of it (area of influence)

Read more: https://iaip.wordpress.com/2018/05/10/talk-by-mr-h-m-bangur-the-entrepreneur-within-you/

Insights from IAIP Events

Workshop on "Behavioral Finance for Wealth Managers" in Pune

Contributed by: Manish Chandak

CFA Society India, Pune hosted a 4-hour workshop on "Behavioral Finance for Wealth Managers" by Dr. Abhishek Sachan on 26th May 2018. Dr. Abhishek is a CFA Charter holder and has graduated with a PhD from Nirma University in Behavioral Finance. He is currently Finance faculty at School of BFSI, Symbiosis University of Applied Sciences, Indore.

He started the session by introducing Behavioral Finance and differentiating between Rational Investor and Real Investor. He pointed out that the theoretical Rational Economic Man (REM) does not exist. Behavioral Finance considers investors as real investors. Unlike Rational investors, Real investors have limited information, limited processing capacity and limited time to take decision and have bounded rationality.

He further explained following Emotional Biases and Cognitive Errors with various examples.

Emotional Biases: Emotions affect decisions directly and indirectly; an emotionally biased person gives subjective value to alternatives based on illogical premises. The decisions of investment may not be based on informational and analytical inputs but on some emotional aspects. These biases stem from impulse, intuition and feelings

These biases are difficult to correct, usually portfolio managers adapt to the clients which show a presence of emotional biases.

Insights from IAIP Events

- Loss Aversion
- Endowment
- Status Quo
- Self-Control
- Regret Aversion
- Optimism

Cognitive Errors: Cognitive errors indicate towards the limitations of individuals for basic information processing. Broadly, cognitive errors stem from an inability to understand statistics, memory errors, improper reasoning, and under-weighting / over-weighting new information.

The good thing about them is that to an extent they can be corrected by educating clients.

- Cognitive Dissonance
- Ambiguity Aversion
- Availability
- Mental Accounting
- Representativeness
- Illusion of Control
- Framing
- Anchoring & Adjustment
- Conservatism
- Self-Attribution Bias
- Hindsight
- Overconfidence
- Confirmation
- Recency

Read more: https://iaip.wordpress.com/2018/06/04/workshop-on-behavioral-finance-for-wealth-managers-in-pune/

Insights from IAIP Events

Look Through Equity Mutual Funds Beyond Past Performance

Contributed by: Mandar Chapekar, CFA

CFA Society India, Pune hosted a session on "Look Through Equity Mutual Funds Beyond Past Performance "by Vikas Biyani on 23rd March 2018. Vikas heads Client Advisory team at Multi-Act. He has 14+ years of experience in the field of equity research, capital markets and portfolio advisory to high net-worth and institutional clients. He has been associated with Multi-Act since 2003. He has earned his Chartered Accountancy qualification from ICAI in 2003. He is also pursuing his CFA (L-3 Candidate).

The Crux of the Topic was, while selecting Equity Mutual Funds for investment purpose, various factors to be analyzed, considered by Investor or Financial Advisor apart from just focusing on past performance criteria.

Vikas initially started off with discussion by providing statistics on huge inflows of funds coming into Equity Mutual Funds in the recent period and its impact on Market, Performance of Equity MFs especially on Small cap and Mid cap Funds.

After that Vikas went on to discuss why past performance should not be the only criteria for selection of mutual funds. He elaborated, Mutual Funds themselves mention that past performance is no guarantee of future results. Vikas provided the illustration of how Funds selected based on last 3 years performance performed in next 3 Years. The result was only 1 or 2 funds selected on 3 years past performance basis appeared in top 10 funds in next 3 years -time period.

Insights from IAIP Events

He also referred to famous Dalbar Study done in US to support the illustration. Again he mentioned about hindsight bias affecting decision making while selecting Equity Mutual Fund based on Past Performance.

He further discussed on general disclaimer of Mutual Funds i.e. Mutual Fund Investments are subject to Market Risk. He explained his definition of Market Risk i.e.

Market Risk = Quality + Valuations + Technicals

Vikas mentioned that Investor needs to think of his/her investment objective i.e. whether the priority is performance or safety first or Momentum or Value. Accordingly, the Equity Mutual Funds need to be selected. "One Size Fits All" criteria does not work well over here.

Again Investors suffer from various biases while selecting Mutual Funds viz. Chasing Fads, Hindsight bias, Loss Aversion bias and Urge to act. They need to take cognizance of these biases.

Read more: https://iaip.wordpress.com/2018/06/04/look-through-equity-mutual-funds-beyond-past-performance-by-vikas-biyani/

Insights from IAIP Events

Understanding Block Chain and demystifying Crypto Currencies

Contributed By: Vivek Rathi, CFA and Chandra Mohan, CFA

IAIP Hyderabad chapter organized an event on "Understanding Block chain and demystifying Crypto Currencies" on 28th April 2018. Ramani 'Ram' Ramachandran, CEO and Co-Founder and Gautam Seshadri, CBO and Co-founder of Zenprivex limited were the key speakers for the aforementioned topic.

Block chain and Crypto currencies being the new buzzwords attract a lot of attention. Likewise, the response was overwhelming and the event was well received. The speakers were equal to the task and kept the audience engaged while unraveling the mystery, which crypto currencies are. Both Ram and Gautam stressed on the need for an alternative to the traditional fiat currency and the gold. They explained how crypto currencies could evolve as an alternative asset class while providing the much needed resiliency and transparency to the currency market. This could eventually remove the intermediator and reduce spurious transactions. All the while they backed their analysis with the data, exhibited in a meticulously prepared presentation.

Everyone in the audience participated enthusiastically in the Q&A session that was conducted at the end. The session culminated with the lunch being served where again everyone got an opportunity to interact with the guests and satiate their appetite for knowledge. Overall, it was weekend afternoon that was well spent with everyone left asking for more

Insights from IAIP Events

Few key facts from the session:

- There are 1500 plus crypto currencies, valued at $400 billion
- Crypto currencies can be considered proxy of digital gold
- Crypto N/W's don't need to know the counterparty. Anonymity and privacy of transactions are at the heart of Block chain technology
- Crypto currencies should be considered as technology and not an asset class. The cost of adoption of technology going down

Read More: https://iaip.wordpress.com/2018/05/12/understanding-blockchain-and-demystifying-crypto-currencies/

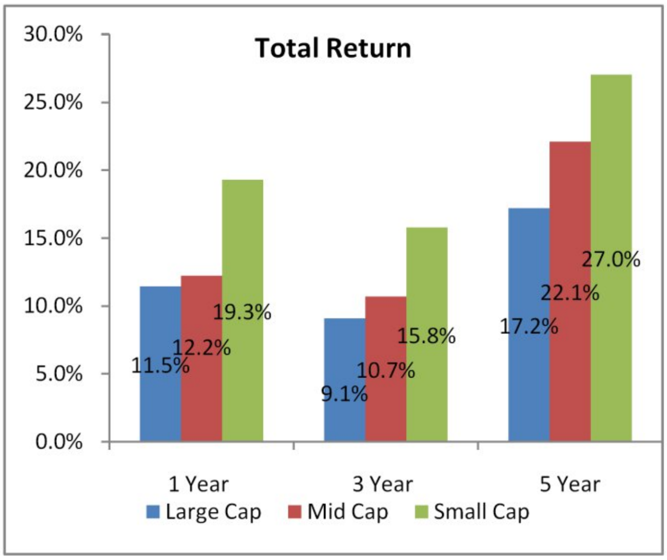
ExPress on WordPress

Indian Asset/Product Managers: A Case for Indian Mid & Small Caps

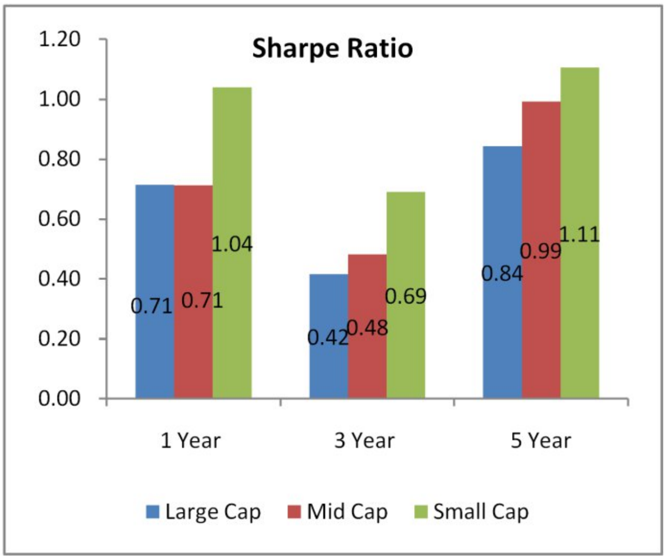
Contributed by: Rahul Jajara, CFA

Do you think is there any factor in the Indian market which has an edge? Any style/factor which has outperformed the rest of the market? Well, there might be one. What if that asset class is under-penetrated? Wouldn't that be a compelling proposition for Asset / Product managers?

- There are close to 300 Indian equity mutual funds domiciled in India. I have segregated them into Large Cap, Mid Cap or Small Cap based on their holding's market cap range.
- As of March'18, Small Caps have outperformed Mid Caps and Mid Caps have outperformed Large Caps over 1-year, 3-year as well as 5-year periods.
- Contrary to the belief that Small Caps funds are risky, they happen to have better risk-adjusted returns, as measured by Sharpe Ratio, compared to Mid Caps and Mid Caps have better risk-adjusted returns compared to Large Caps.



Source: Morningstar as of Mar'18



Source: Morningstar as of Mar'18

- Some may argue this is due to recent uptick in Mid Caps and Small Caps. But if we look at yearly returns since 2000, around 2/3rd of the times Mid Caps and Small Caps funds have outperformed the Large Caps funds.
- In addition, if we look at rolling 3 Year Sharpe ratio since 2000, around 2/3rd of the times Mid Caps and Small Caps have outperformed the Large Caps.

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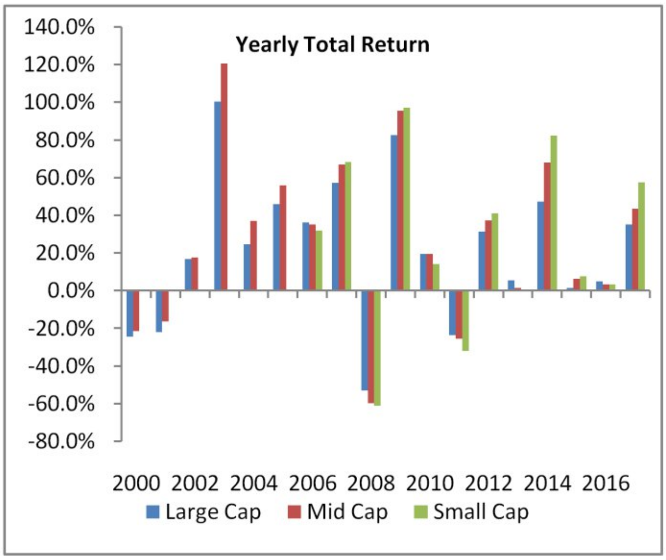
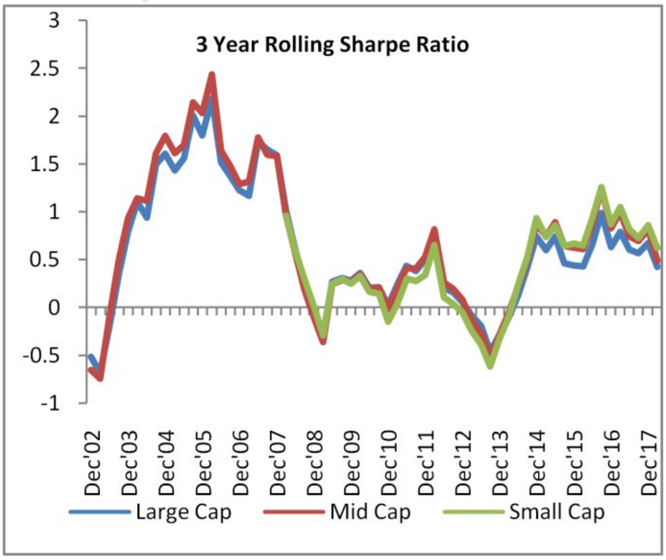
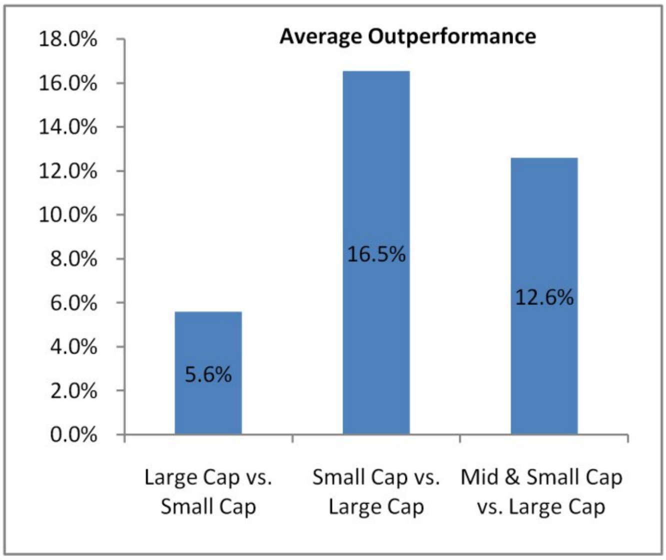


Source: Morningstar as of Mar'18

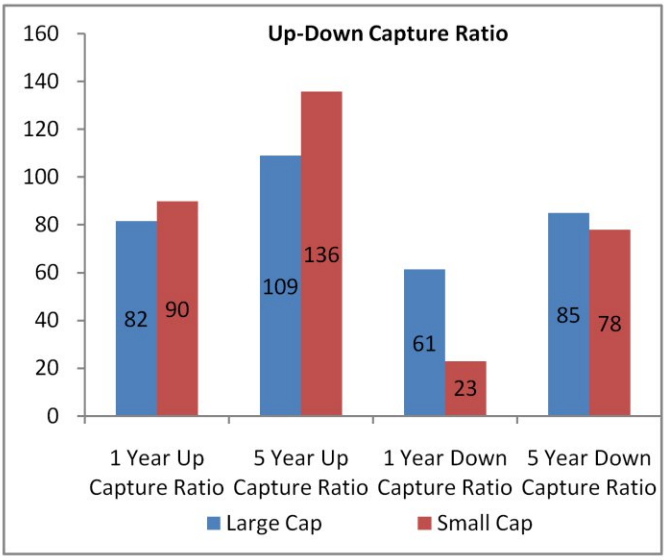


Source: Morningstar as of Mar'18

- Even the magnitude of out-performance is much larger for Mid Caps and Small Caps compared to Large Caps (When Mid Caps and Small Caps outperformed Large Caps against when Large Cap outperformed them).
- Small Caps have higher upside capture ratio and lower downside capture ratio compared to Large Caps over 1 year as well as 5 year period (As of March'18).



Source: Morningstar, Yearly returns from 2000 to 2017 were considered for calculation



Source: Morningstar as of Mar'18. Calculation benchmark is IISL Nifty 50

Size as a factor seems to be rewarding in the Indian market. We are not arguing what might be the reason for that, rather if this is the fact what are the implications for the asset managers/product managers?

ExPress on WordPress

There is an asset class with compelling risk-reward but does not have many offerings.

- Around 80% of Indian domiciled active equity MFs are large cap focused.
- There are only 4 Indian domiciled Mid & Small Cap ETF's.
- There is no smart beta ETF focused on small/mid cap.

Is there an opportunity to be encashed?

Disclaimer: The views and opinions expressed in the write up are of the author and written in his personal capacity.

Career Insights

You're Never Going to Be "Caught Up" at Work. Stop Feeling Guilty About It

by Art Markman

Most people I know have a to-do list so long that it's not clear that there's an end to it. Some tasks, even quite important ones, linger unfinished for a long time, and it's easy to start feeling guilty or ashamed about what you have not yet completed.

People experience guilt and its close cousin shame when they have done something wrong. Guilt is focused internally on the behavior someone has committed, while shame tends to involve feeling like you are a bad person, particularly in the context of bad behaviors that have become public knowledge.

The fundamental question is whether these feelings are a good thing. To answer that, it's worth quoting the movie Bridge of Spies.

Read more: https://hbr.org/2018/07/youre-never-going-to-be-caught-up-at-work-stop-feeling-guilty-about-it

On a Lighter Note ...

- The markets may be bad, but I slept like baby, every hour I woke up and cry.
- If you can count your money, you don't have a billion dollars.
- You give me your burger, and I give you back half burger. That's a fifty percent return.

Announcements & Credits

Announcement - New Office Bearers

There were few changes announced at the EGM held on July 7th, 2018. The terms of three directors and office bearers viz. Mr. Jayesh Gandhi - President Mr. Amit Khurana - Vice President and Mr. Saurav Mishra - Treasurer are coming to an end at the forthcoming Annual General Meeting. Since the positions of President, Vice President and Treasurer carry high responsibilities it was considered necessary to appoint new office bearers to gradually prepare and step into their roles. A committee was created amongst the board members who interacted with all the board members and made their recommendations. The new roles of President, Vice President and Treasurer will be taken over by Mr. Navneet Munot, Mr. Anil Ghelani and Mr. Vinay Bagri respectively. They will assume the full charge after the forthcoming AGM. We welcome the new office bearers in their new roles at IAIP. At the same time we thank the outgoing office bearers for devoting their time and efforts for the smooth functioning and betterment of our society.

Extra-ordinary General Meeting

IAIP had its first Extra-ordinary General Meeting on Saturday July 7th, 2018 in Mumbai wherein the Memorandum of Association (MoA) and Article of Association (AoA) were changed to bring in line with the Companies Act 2013. The key amendments pertained to classification of members and election of directors. The members were sent the notice along with explanatory statements and annexures on June 12th, 2018. The e-voting window was open from 9:00am of Sunday July 1st, 2018 till 5:00 pm of Friday 6th, 2018. Mr. Jayesh Gandhi, Chairman of the meeting, asked Mr. Chetan Shah to conduct the proceedings of the meeting and Mr Saurav Mishra to provide brief background of the proposed changes. Both the resolutions, one each pertaining to alignment of MoA and AoA were passed with majority. The notice, scrutinizers report and EGM minutes are available on the website of IAIP.

Announcements & Credits

Feedback/Request for Articles

Please send feedback or interesting articles like book reviews, humor, lighter reading, personal experiences etc. to be covered in the Newsletter to: communication@iaipirc.org

Join fellow Charter holders on social media

Join IAIP member group on LinkedIn and Facebook by searching for Indian Association of Investment Professionals.

Updates at WordPress (iaip.wordpress.com)

Stay updated about the society events by visiting iaip.wordpress.com. Have strong expertise and views on any area of financial markets? ExPress on the WordPress. Have you read any interesting business, investment or finance book? Share your reviews with fellow Charter holders. Brief notes as well as select photographs of almost all the events since January 1st, 2011 are posted on iaip.wordpress.com.

Programs and Events

Now you could register for the forthcoming event on the www.cfasociety.org/India page by clicking on the Events tab and Event Registration (www.cfasociety.org/India/Pages/EventRegistration.aspx)

Kindly send in suggestions on topics around which you would like us to organize events. Members, having access to insightful speakers are requested to come forward and help in facilitating events around them. This will enhance value to the member community. Please email to the Programming, Events & Networking committee members: sonia.x.gandhi@gmail.com, or secretary@india.cfasociety.org.

Want to Volunteer?

IAIP is always looking to increase member participation and provide networking opportunities. You are most welcome to volunteer for our society to make it more vibrant. It will offer you with an opportunity to interact with members and the investment community, CFA charter holder community and keep in touch with the latest developments in the financial industry. It also provides a good platform for developing leadership skills. It is also an excellent forum for giving back to our profession.

To understand more and join one of the committees reach out to any of us or Volunteer Committee or Mansi and Shefali at secretary@india.cfasociety.org

You could also fill in the form on the website www.cfasociety.org/india under Membership tab and Volunteer option. Complete list of committees and its active volunteers kindly visit page www.cfasociety.org/india under "About Us" tab click on the "Committees" button.

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