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# Investment: Asia is ahead in continuing education

By Steve Johnson


A CFA exam: of the 219,000 registering for its entry level CFA Programme this year, 44 per cent are from Asia, an illustration of the influence of the region in investment management

The CFA Institute, a US-based professional body that runs the influential Chartered Financial Analyst examinations, may boast 110,000 members, but just 15 per cent of them are in the Asia-Pacific region.

Yet, of the 219,000 bright-eyed hopefuls registering for its entry level CFA Programme this year, some 44 per cent hail from there.

The figures are a revealing illustration of the rising influence of Asia in the world of investment management – as in so many other spheres.

And this increase has not been blown off course by a slowdown in regional economic growth in the wake of the financial crisis.

Indeed, by some accounts, the economic wobbles may have spurred greater demand for investment-related education.

Nitin Mehta, managing director, Emea, for the CFA Institute, says: “Anecdotally, some candidates have said to me that – as it is more challenging to find jobs – having the [CFA] charter will offer an advantage.

“And perhaps people have a little more time to study than they had in the hectic markets before the crisis,” he adds.

Indeed, Mr Mehta says enrolment for the CFA Programme is up 21 per cent in Asia-Pacific in the past three years, trouncing growth of 6 per cent in Europe and 1 per cent in the Americas.

“We haven’t seen any retrenchment, the momentum of growth is still continuing,” he adds.

Mark Konyn, chief executive of Hong Kong-based Cathay Conning Asset Management, believes local employers learnt from the 1997 Asian financial crisis.

Mr Konyn says: “After the Asian crisis, recruitment was scaled back significantly and hence the training of people entering the industry was scaled back.

“Afterwards, companies found it very difficult to find talent in a tight labour market. Suddenly, the crucial skills in asset management were not available, in sales and marketing as well as the technical skills to be an analyst or fund manager.”

Thus, although expenditure on training will not be exempt from the budget cuts of 15-20 per cent that a number of western-owned Asian-based investment houses are grappling with this year, employers may be wary of going too far.

But even if investment houses did cut to the bone, this would matter less in Asia than probably anywhere else, given the burning desire for self improvement evident in much of the region.

“A strong characteristic of professionals across Asia in many fields is that they never stop thinking about continuing education,” says Mr Konyn. “That is particularly strong among support staff. They will take it upon themselves to supplement their education with night school or part-time courses, often related to their job.

“You pick up the average CV of someone in the support area of asset management and they will tend to have qualifications they have gained since ending full-time education.

“It’s like an old-fashioned apprenticeship to become a fund manager.

“Individual training is hard-wired into the business culture.”

However, this sense of dynamism can encourage employers to backslide on training.

A tendency among ambitious, but footloose, employees to flit rapidly from one employer to another has strengthened this trend.

Mr Mehta has also identified this factor. “Financial support for the CFA Programme is more likely to come from employers in the west than is the case in Asia.

“We see more candidates that are supporting themselves in Asia than in other regions,” he says.

Some fund houses and industry bodies in the region are seeking to bolster education.

JPMorgan Asset Management is in the process of launching a training academy for its distributors in Singapore, while the Securities Association of China, a self-regulatory organisation, last month flew the senior managers of several local fund companies to the UK for three weeks of training.

Nevertheless, some believe that more needs to be done. Sanjay Matai of The Wealth Architects, an Indian independent financial adviser, has called for a levy of 0.1 per cent on Indian mutual fund assets to pay for an education fund for both investors and distributors.

He believes training in business ethics is essential for many of the latter.

“People are looking for short-term gains. That is not going to work for the long-term good of the industry,” he says.

From his vantage point, Mr Konyn believes the industry needs to raise standards of professionalism across Asia.

“I think the big players need to do more. You have got to believe that raising standards generally is good for your company, the industry in general and for the consumer,” he says.

“For example, we can do a better job with internships.”

Nevertheless, Mr Mehta expects Asia to be the engine of the CFA Institute’s growth for some time to come.

“Providing that economic growth continues as it is, then we expect the present trends to continue for a while at least,” he says.