

Date: April 2004

Message from our President

Dear LAIP members,
Dear CFA candidates,

At the beginning of 2003, the Luxembourg Association of Investment Professionals (LAIP) held the first founding General Assembly. The founding members unanimously approved the mission statement, which states that LAIP « aims to foster the profession by maintaining and promulgating the highest standards of ethics, skills and professionalism in the investment community »

The second General Assembly of LAIP, held on March 29th, 2004, was a good opportunity for the society Board to present its work and to show how it wants to fulfill the ambitious goals set forth in its mission statement. In hindsight, 2003 was a year where our society gained «cruising speed » by consolidating its structure and starting to bring content to its members.

As President, I take the opportunity to thank all Board Members for their past and current contributions to LAIP. In my opinion, the list of events that kept the Board busy over this time is quite impressive.

- Launch event of LAIP
- Publicly organized conference on different topics, i.e. Advocacy and GIPS
- Charter Awards ceremony, where 16 new CFA charterholders were promoted
- Several meetings with local authorities and other legal associations and entities (Ministry of the Treasury, CSSF, ABBL and Luxembourg School of Finance)
- Networking with other professional associations like Financial Planners and Algafi
- Organization of Review Courses in collaboration with IFBL
- Successful fundraising and marketing activities towards several sponsors despite the difficult economical environment
- Intensified contacts with AIMR and other local societies.

The main issue we currently face is the lack of resources. Board Members commit a lot of their limited free time to their voluntary work in the association. In these more challenging times, demand for input from an independent party of financial professionals like LAIP is growing. For example, the Luxembourg financial regulator asked us to express the opinion on specific circulars.

Despite our efforts, there is still a long way to go in order to raise the adequate public awareness for AIMR and the CFA program in Luxembourg. This week we unfortunately had to cancel the first preparatory courses for the Level I of the CFA program failing to obtain the minimum of required inscriptions. We believe that the main reason of this circumstance is the lack of support to CFA Candidates from employers. In the months to come, LAIP will focus exactly on that point.

From these two examples, you see that we have a unique opportunity to voice our opinion and to help to shape the future of the financial industry in Luxembourg. I believe we should now capitalize on three main strengths:

- 1) With a broad membership across all major financial institutions, LAIP brings together unique local expertise
- 2) LAIP represents the largest international association of investment professionals in Luxembourg.
- 3) LAIP is independent and a non-profit organization that has no other motive than to promote the investment profession in Luxembourg.

These 3 points make LAIP extremely interesting for outside parties, being it regulators, local authorities or media.

As mentioned above, 2003 was the year where LAIP gained “cruising speed”, we should make 2004 the year where we breathe life into our association. So all contribution from your side is more than welcome.

Please contact myself or any other Board member so we can commonly figure out how to contribute with your expertise to the future of LAIP.

Best regards,

Léon Kirch

Miro Zivkovic

Date: March, 2004

Report back from the Society leaders regional meeting in Budapest (16/02/2004)

Dear Colleagues,

The recent European, Middle East & Africa Regional Meeting held 16/02/04 in Budapest, was a pleasant gathering of Society Leaders. We discussed a number issues, both old and new. While these meetings are in large part held to keep societies and chapters informed much of these meetings is often a review of ongoing programs and statistics. Below are some of highlights from the meeting that we would like to share with all of you.

- The CFA Center for Financial Market Integrity was introduced by its leader, Mr. Ray DeAngelo. We were told that this center would be an effort to better organize the ongoing Advocacy effort of AIMR as well as increase the involvement of local societies. The present staff and personnel will be rolled into this center. This change was decided upon last year, and is part of 5-year strategic plan of AIMR. The existing European Advocacy Staff gave a short presentation on some of their efforts in Brussels, and stated that they were in the opinion forming stage of a number of current issues.

- The latest CFA statistics were presented by Bob Johnson. Bob Johnson is responsible for the content and execution of the CFA program examinations. He announced that the combined weighted average pass rate has now dropped to an all-time low of 47%. This was the first time that it dropped below 50%. The pass rate for level one was 40%. He mentioned that there are currently 20.000 candidates in Europe. Lastly, Johnson said that 512 candidates mainly in HK and Frankfurt were wrongly notified that they had failed when in fact they had passed.
- John Rogers presented the monthly publication "Professional Investor", published by the UK society. He extended an open invitation to all societies present, including of course LAIP, to provide content for this magazine.
- John Barrass, the Head of the UK office support staff introduced himself, and his staff, offering to help everyone in Europe by acting as the AIMR ambassador to Europe.

For further details on these topics please refer to the AIMR website.

Regards,

Edward Werner, CFA

Vice President

Arndt Nicolaus, CFA

Member of the Board and Program Chair