

I. Professionalism

I(A) Knowledge of the Law

1. 잘 알고 : 내 나라 / 일터 / 직장

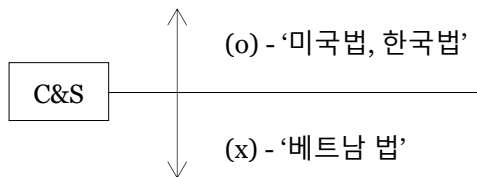
“applicable law” 잘 알고, update 잘 하고

2. 잘 지키고 : 가능한 더 엄격한 법 (more strict law)

ex) ① 나(한국인), ② 미국계 회사(직장), ③ 베트남 프로젝트(local law)

& ④ CFA members & candidates (Code & Standards)

→ 4 개 중 “가장 엄격한 법 (more strict law)” 따른다.



3. 틀렸을 땐 따르지 말고!! (Dissociation 절차)

- (1) 확인 { 내부: compliance department
외부: (내부역량 떨어진다면)

Independent compliance consulting & legal opinion

- (2) 보고 및 시정요구 { 내부: (반드시) employer
외부: (must 아님) → 법에서 요구할 시 공개

Cf) Clients 의 information(illegal activity 포함)을 외부에 공개할 수 있는 경우
(3(e) Preservation of Confidentiality)

- 1) 법에서 요구할 때
- 2) CFA 협회에서 요구할 때
- 3) Clients 가 허락해 준 경우

(3) Dissociate / Resign

(4) Consider leaving the company

I. Professionalism

I(B) Independence & Objectivity

1. Gifts

: Clients 로 부터의 gifts(disclose 전제)는 괜찮지만, 다른 parties (IB, public companies, buy-side clients, ...) 로 부터의 gifts(=pressure)는 I&O 를 지키기 위해 차단해라.

* (예외) Token items (가능)

* Gifts from clients { 과거 performance 에 대한 보상은 disclose 하면 ok.
②? 이미 compensation 관계가 있다. → additional compensation
미래 performance 에 대한 보상은 employers' permission 얻으면 ok.
②? 3(B) Fair dealing 이슈가 있을 수 있다.

→ 4(B) Additional Compensation Arrangements

2. Issuer-paid Research (IPR)

*원칙 { 1. IPR 임을 disclose
2. Flat fee 로 가라

*never – 리포트 결과 또는 대상회사 주가 연동되어 받는 incentives

cf) analysts' compensation

{ 1. Best: flat fee
2. 2nd: flat fee + incentives (회사 전체 수익에 연동해서)
3. never: flat fee + incentives (IB, reports' conclusion, 대상회사주가)

3. Travel

(1) Best: Analysts pay for their own commercial travel.

(2) If commercial transportation is unavailable, members and candidates may accept modestly arranged travel to participate in appropriate information-gathering events, such as a property tour.

(OK – normal, modest accommodations or tickets ...)

(not OK – lavish, extravagant, luxurious hotels or meals ...)

4. Relationships with other parties ((3)부터 Schweser Notes 에서 정리)

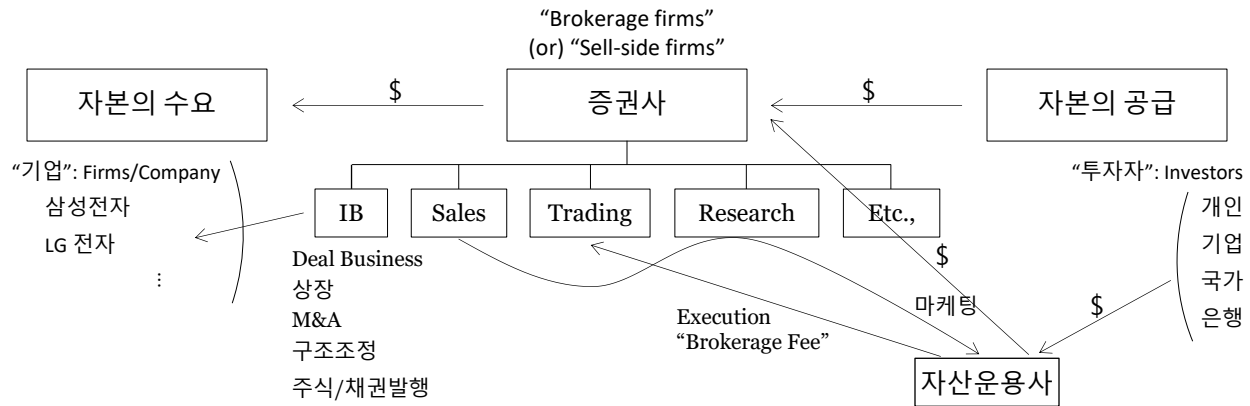
(1) IB dept.: disclosed and managed (firewall, separate reporting system, different in-charge, compliance dept., restricted list → fact-only report, compensation system 연동 x)

(2) Credit rating agencies: consider whether independent analysis is warranted (review)

(3) 기타: Public Companies, Buy-Side Clients, Fund Manager and Custodial

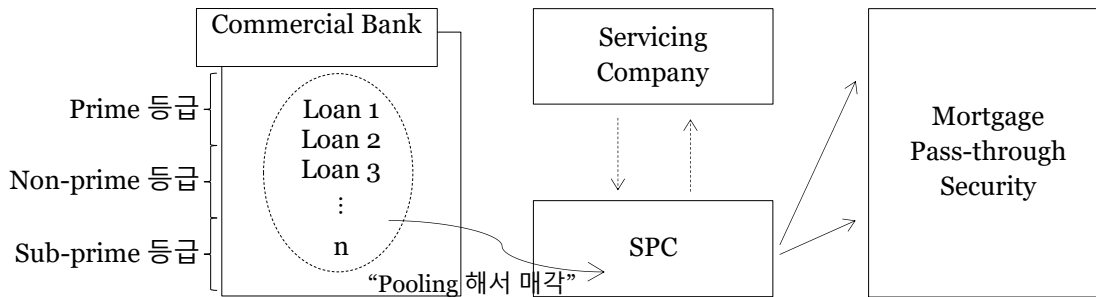
Relationships, Performance Measurement and Attribution, Manager Selection

***자본시장의 구조(for the exam)**

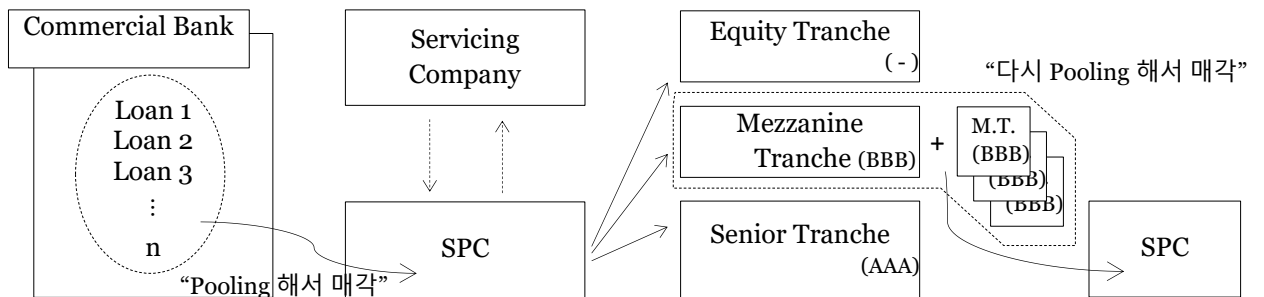


*** MBS 의 3 가지 구조**

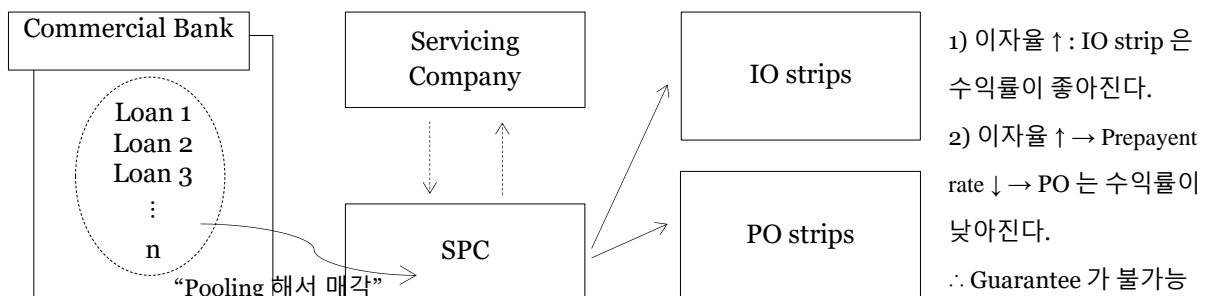
① Mortgage Pass-through Security (ABS / MBS)



② ABS 의 CDO 구조 / MBS 의 CMO 구조



③ Stripped MBS (IO strips / PO strips)



5(B) Communication with Clients & Prospective Clients

“투자의 과정”

- Top-down / Bottom-up
- Large/mid/small cap
- Asset allocation (equities/fixed/treasury)
- Currency Hedge
- Outside manager

투자의 basic format
or general principles

“투자의 과정(process)에 대해서 고객과 communication 할 때 최선을 다해라.

3(D) Performance Presentation

“투자의 결과”

Performance Results
(Records)

“Performance Records 얘기할 때,
조작하지 말고, 있는 그대로 얘기해라.”

1(C) Misrepresentation

“결과물에 대한 광고”

- Qualifications
- Performance Records
- Expected Return
- Available Services
- Guarantee Statements

“고객이 misleading(오해) 할만한 일들은
하지말라.

Ex) 엄마한테 책값과 학원비를 타서 그 돈으로 놀러다녔어요.(5(B)위반) 그 결과 성적을 엉망으로 받습니다. 그래서 할 수 없이 성적표를 위조하죠.
(3(D) P.P. 위반) 그리고 엄마에게 가서 “엄마, 나 공부 열심히 해서 돈 많이 벌어서 줄게”라고 가능성 없는 얘기를 하죠.(1(C)위반) 엄마를 misleading 하게 하지 말라고요!!

1. 투자의 방식 (복잡하더라도..)
2. 투자 방식의 변화가 있을 땐 반드시 알려야 함.
 - Existing Clients
 - Prospective Clients
 - 3rd parties
3. 투자 방식의 한계, 반드시 언급
 - Model 쓰면 → limitation of the model 에 대해서
 - Return 이 있으면, Risk 도 언급
 - Fact / Opinion 구별

1. 결과에 대한 조작 – (x)
(omission, add, manipulation) – (x)
2. GIPS 따라라 – (Lv. 1, 3)
 - Return: weighted average return
 - GIPS: partially 따르면 안된다.
 - Performance summary → fully disclose 가 가능하다고 얘기

1. 나 & 내가 할 수 있는 일
 - Qualification
 - Available services
 - Guarantee statements
- cf) 2. Plagiarism → CB
- cf) 3. Work completed for Employer
 - 회사: reissue without attribution
 - 나(Junior): reissue without attribution, but reissue solely under junior's name (X)

Ex) A 라는 주가예측 모델 개발. Back-test(1950-2012)해보니 잘 맞더라. 근데 모델이 복잡해 clients 에게 설명은 생략을 했다. (5(B)위반) 근데 실제 모델을 다시 살펴보니 2008, 2009 데이터는 빼고 계산을 했더라.(3(D)위반) 근데 이것 가지고 투자자들에게 “최저 수익률 OO%를 벌어주겠다”라고 광고를 했다.(1(C)위반)

I. Professionalism

I(D) Misconduct

1. illegal & ethical ↔ legal & unethical

(1) illegal & ethical : no violation (ex: civil disobedience)

(2) legal & unethical : violation (ex: 업무중 과도한 음주, receipt fudging)

2. I(D) applies only to M&C's professional activities?

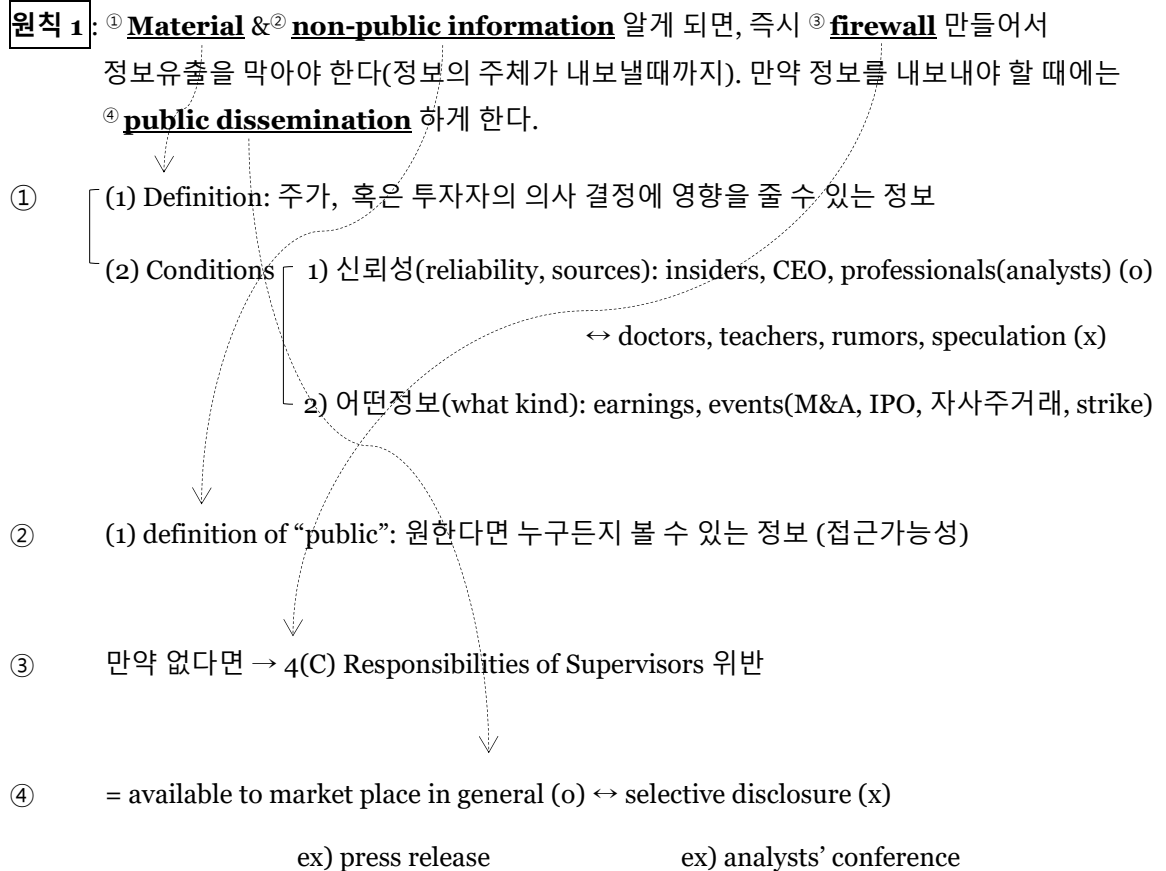
applies to professional activities and general activities

3. Professional Conduct Program (PCP) abuses

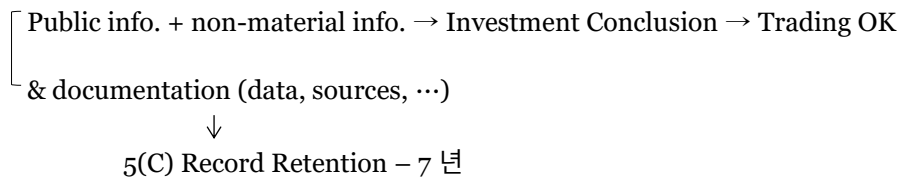
Individuals may attempt to abuse the CFA Institute Professional Conduct Program by actively seeking CFA Institute enforcement of the Code and Standards, and Standard I(D) in particular, as a method of settling personal, political, or other disputes unrelated to professional ethics.

II. Integrity of Capital Market

II(A) Material Non-public Information



원칙 2: **Mosaic Theory** 는 ok. ← 대신, 5(A) Diligence & Reasonable Basis 가 있어야 한다.

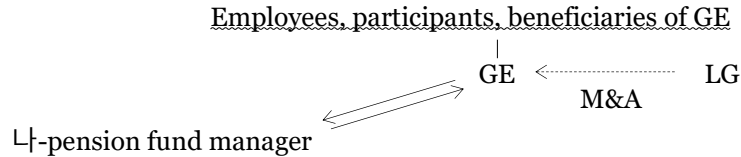


III. Duties to Clients

III(A) Loyalty, Prudence, and Care

1. 고객의 이익 우선 (best interests in clients)

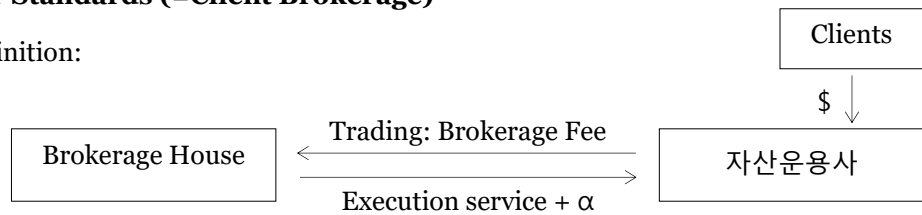
2. 누가 내 고객이니?



Q. GE 가 인수대상회사 → (GE → 나) “우리회사 주식사서 우리 보호해줘”
→ (이때 나는) employees of GE 의 이득을 생각하라.

3. Soft-Dollar Standards (=Client Brokerage)

(1) Definition:



- Soft-dollars refer to commissions generated on both agency and principal trades
- Soft-dollar practices involve the use of client brokerage by an investment manager to obtain certain products and services(research) to aid the manager in the investment decision making process.

(2) 3 가지 원칙

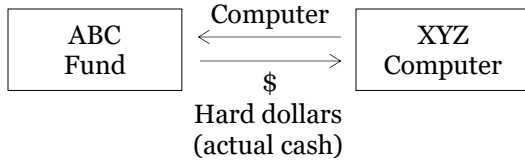
- ① Brokerage is the property of the client.
- ② Investment managers have a duty to obtain 1) best execution, 2) minimize transaction costs, and 3) use clients brokerage to benefit clients.
- ③ Clients-directed brokerage: 단, clients 가 broker 지정할 땐 best execution, minimize transaction costs 달성 못 할 수도 있다고 1) clients 에게 알리고, 2) written 으로 확인서(statement) 받아야 한다.

4. Proxy Voting Policies

- (1) voting 해야 한다.
- (2) 단, cost-benefit consideration 따라서 voting 여부 결정할 수 있다.
- (3) 이 모든 걸 고객에게 먼저 inform 해주어야 하고, voting policies 는 반드시 공시.

<cf. Soft-Dollar Standards>

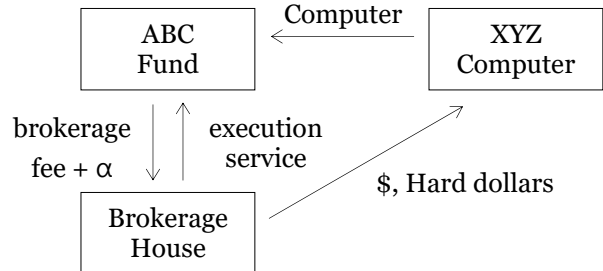
<Hard dollars>



· management fees / 내가 내는 돈 / disclose (o)

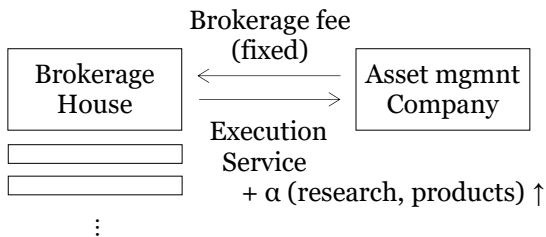
vs.

<Soft dollars>

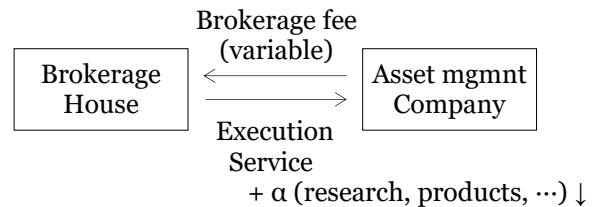


· transaction fees / clients 가 내는 돈 / disclose (x)

<before 1975. 5. 1>



<after 1975. 5. 1>

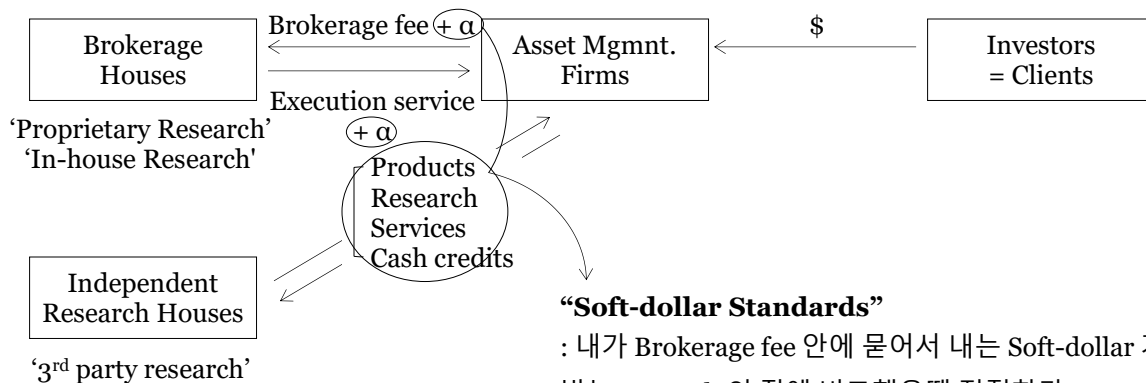


(증권사) ① Unbundling : execution 과 기타 서비스는 다르니 각각 제공하되 하나의 brokerage fee 로 합쳐 청구하겠다.)

(운용사) ② Safety-harbor : 좋은 리서치를 사고 싶다.

(Sec.28(e)) Clients 를 위한거니, clients-brokerage 로 내는 것이 당연.)

<Soft-dollar Arrangements>



"Soft-dollar Standards"

: 내가 Brokerage fee 안에 묻어서 내는 Soft-dollar 가, 그 대가로 받는 research 의 질에 비교했을때 적절한가?

III. Duties to Clients

III(B) Fair Dealing

1. 원칙: Deal fairly with all clients

→ 기회의 균등 (방법: simultaneous dissemination & proportional allocation)

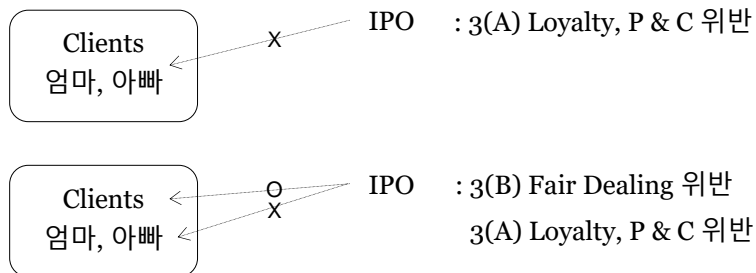
2. 단, Different levels of service 는 가능

→ 미리 공지 & Clients 가 선택할 수 있도록 해주면 된다.

ex) 기관 (fee 多): ① e-mail → ② Phone call

개인 (fee 小): ① e-mail

<Case 1: Fee-based accounts from family members>



<Case 2: 의견 바뀐 것(Buy → Sell) 모르고, Clients 가 주문(Buy)낼 때>

→ “우리 의견 바뀌었어요” 라고 order execution 하기 전에 말해줘야 한다.

Clients who do not know that the member or candidate has changed a recommendation and who, therefore, place orders contrary to a current recommendation should be advised of the changed recommendation before the order is accepted.

<Case 3: 의견 바꾸고(Buy → Sell), 바로 내가 Trading (Sell)>

→ Clients 가 행동할 수 있는 충분한 시간을 줘라. (Restricted Period – Lv.2 Research St.)

III. Duties to Clients

III(C) Suitability

1. Investment Policy Statement (IPS)

1. Return objectives 2. Risk objectives (1) Ability to take risks (2) Willingness to take risks	3. Constraints (1) Liquidity (2) Time horizon (3) Taxes (4) Legal and regulatory issues (5) Unique circumstances
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2. Guidance

- (1) When an advisory relationship exists, members and candidates must gather client information at the inception of the relationship. Such information should be incorporated into **a written investment policy statement** that address the client's risk tolerance, return requirements, and all investment constraints.
- (2) Updating the IPS should be repeated **at least annually** and
- (3) also **prior to material changes** to any specific investment recommendations or decisions on behalf of the client.
- (4) **Unsolicited trading requests** (unsuitable transactions)
: M&C should refrain from making the trade until he or she discusses the concerns with the client.

The transaction has..	¹⁾ in discussions	²⁾ following the discussions
Minimal Impacts	M&C <u>educate</u> the investor how the request deviates from the current IPS	M&C <u>may follow the firm's policies</u> regarding the unsuitable trades <u>with client's acknowledgement</u>
Material Impacts	<u>Update</u> the IPS	<p>If clients decline to modify their IPS and insist an unsolicited trade to be made, M&C will need to <u>evaluate the effectiveness (options)</u> of their services to the client.</p> <p>Some firms may allow for the trade to be executed in a <u>new unmanaged account</u>.</p> <p>If alternative <u>options are not available</u>, M&A <u>ultimately will need to determine whether they should continue</u> the advisory arrangement with the client.</p>

III. Duties to Clients

III(E) Preservation of Confidentiality

Clients 의 **information** (illegal activity 포함)을 **외부에 공개**할 수 있는 경우 (예외)

- 1) 법에서 요구할 때
- 2) CFA 협회 (PCP)에서 요구할 때
- 3) Clients가 허락해 준 경우

IV. Duties to Employers

IV(A) Loyalty

1. Loyalty to Employers

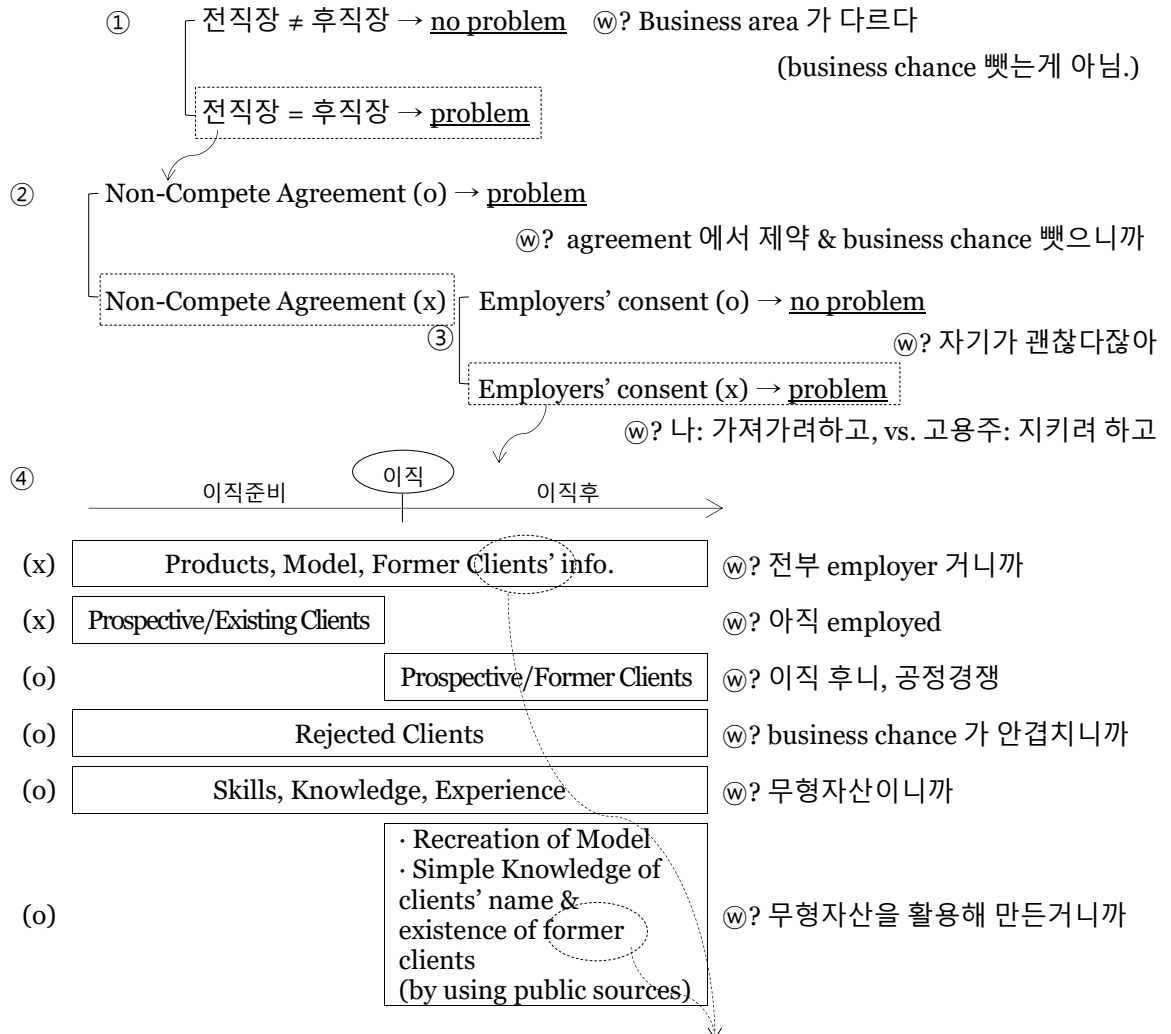
→ Benefits to employers / employer's business chance 뺏지마라.

2. Two-jobs: Independence Practice (겸업)

1st job ≠ 2nd job → no violation (시간만 안 겹친다면) (w)? Business area 가 다르다.

1st job = 2nd job → { ① notification (nature, duration, compensation)
② permission / consent } → (o) → no violation
(w)? Employer 의 business chance 뺏을수도 있지만, 알리고 허락도 받았으니 ok.

3. Leaving an Employer



4. Whistleblowing (loyalty 예외조항) Cf) 이직후 Former Clients 에게 연락

(w) Market > Clients > Employer

{ by using public sources → OK
by using lists or information from a former employer → 위반

IV. Duties to Employers

IV(B) Additional Compensation Arrangement

1. Guidance

to obtain permission from their employer before accepting compensation or other benefits from third parties for the services rendered to the employer or for any services that might create a conflict with their employer's interest.

2. Cases

I(B) I&O : Gifts from clients based on performance going forward

IV(A) Loyalty: Independence Practice (겸업)

IV. Duties to Employers

IV(C) Responsibilities as a Supervisor

	1) 내 의무	2) 문제발생시 책임?	3) 결론 / Comments
<u>절차있음</u>	Reasonable efforts	No problem	재발방지 (monitoring, separate)
<u>절차없음</u>	Set-up / notification	내 잘못(o)	적절한 system 없으면 일하면 안됨

V. Investment Analysis, Recommendations, and Actions

V(A) Diligence & Reasonable Basis

(리서치, 운용, ...): 과정에 있어 충실했다면, 결과에 상관없이 ok.

(결과가 안좋은 or 나랑 다른)

1. 자기가 한 리서치

- (o): adequate 한 시간(time), 노력, 깊이(thoroughness)
- (x): ① 선 결정 ② 후 justify

2. 남이 한 리서치: 외부 리서치 (secondary / 3rd party / external advisors)

(o): adequate review procedures

3. 남과 내가 한 리서치: Group 리서치

: 결론이 나와 다르더라도, 결론에 도달하기까지 reasonable basis (ex: 과반수 투표, 충분한 consensus)가 있으면, M&C 의 이름 뺄 필요가 없다.

VII. Responsibilities as a CFA Institute Members and Candidates

VII(B) Reference to CFA Inst., the CFA designation, and the CFA program

CFA candidates	→	CFA members
<ul style="list-style-type: none"> · Partial designation (x) ex) CFA level I (x) CFA level II (x) · Expected CFA in 2013 (x) 		<ul style="list-style-type: none"> · Proper Usage (형용사, 이름뒤에) ex) 김철수, CFA (o) CFA members or candidates (o) a CFA / CFAs (x)
<ul style="list-style-type: none"> · Factual Information 은 (가능) ex) CFA 한번도 안 떨어지고 합격(o) · Over-promise 는 (x) ex) CFA 따서, 남들보다 뛰어나다 (x) “superior”, “better”, “more qualified” (x) · CFA program, designation 이 좋다고 하는 건 (가능) 		