



# Sigma Summaries

Vol. 28, No. 5

May 2001

## In Pursuit of Professional Excellence

During the past twenty years there has been an unprecedented growth in demand for investment practitioners. Factors fueling this increase include the explosive growth in personal wealth, the introduction of new investment products, greater competition due to deregulation, and the demand by investors for greater participation in the investment management process. As a result, this demand has clearly established the importance of a globally accepted standard with which employers and investors can validate the knowledge, integrity and professionalism of investment advisors.

Presently, there are a myriad of credentials available to financial professionals. For example, some in the field of accountancy may wish to become a Certified Public Accountant (CPA). Similarly, one specializing in the sale of life insurance and ancillary products might seek to become licensed as a Chartered Life Underwriter (CLU) or any number of other insurance-related certifications.

In the area of investments and financial analysis, Sigma believes the credential of choice is the Chartered Financial Analyst (CFA) designation. Indeed, the effort expended to attract and retain CFA charterholders and candidates is testimony to the value that Sigma places on this program. At present, four of the firm's portfolio managers have earned this charter, including Bob Bilkie, Ann Conrad, Tony DiGiovanni and Chris Kress. Three other Sigma employees, Ken Bernard, Steve Catallo, and Marisa Lenhard, are in various stages of completing this program.

The Association for Investment Management and Research (AIMR) awards the CFA designation. This nonprofit organization has a membership base in excess of 49,000 investment practitioners and educators worldwide, united with the common mission "to advance the interests of the global investment community by establishing and maintaining the highest standards of professional excellence and integrity." (AIMR's mission statement)

Pursuit of the CFA charter requires a notable investment of time and effort. The program is divided into three levels. One must successfully pass the first level before advancing to the next. Each of these grueling tests lasts six hours with a passing rate often less than sixty percent. Additionally, it is estimated that each level of the program requires nearly two hundred fifty hours of preparation, most of which is independent study. Because the exams must be taken sequentially, and because a candidate can only sit for one exam each year, the CFA program takes a minimum of three years to complete. Also, three years of investment related work experience are required before being awarded the CFA designation.

On a macro level, the CFA curriculum covers four main topics, including Ethics and Professional Standards, Investment Tools, Asset Valuation and Portfolio Management. Subjects include economics, quantitative methods, finance and accounting, as well as an understanding of capital market theory, option strategies, industry and company analysis, equity and fixed income investing. Moreover, charterholders attain a working knowledge of the portfolio management process and achieve proficiency in making asset allocation and other valuation decisions based upon both capital-market expectations and unique client circumstances.

AIMR, headquartered in Charlottesville, Virginia, also serves investment professionals at the local

level through affiliated societies and chapters around the world. For example, the Investment Analyst Society of Detroit (IASD) provides a forum for local investment practitioners to participate in continuing education events including luncheons at which well-known and highly respected investment specialists make presentations covering a vast array of investment related topics.

Bob Bilkie, President of Sigma Investment Counselors, has provided a leadership role within AIMR and IASD over the years. Bob served as a director of an AIMR precursor organization several years ago and is the current Chairman of AIMR's Public Awareness Committee. He also served as a director and officer of the Investment Analysts Society of Detroit during the 1990's.

Sigma strongly encourages and supports employees as they pursue educational opportunities including, but not limited to, the CFA designation. For example, over the past year, team members have expanded their knowledge through classroom instruction and/or conference participation in areas such as back-office and information and technology support, as well as understanding recent developments in the technology, telecommunication and biotech industries. Other areas of continuing education include estate planning and compliance-related issues. Professional development initiatives slated for the near future include the study of option strategies to hedge concentrated positions and a review of the pros and cons of annuities in estate planning.

Sigma recognizes that its most valuable asset is its people. While one will never find this "value" on the balance sheet, it is by far Sigma's most distinguishing characteristic. As part of a personal service organization committed to doing the very best for its clients, all employees are encouraged to think creatively, critically and independently, and must be equipped with modern skills and tools. The pursuit of the CFA designation and the commitment to continuing education are examples of how Sigma truly differentiates itself from its peers in an increasingly crowded investment advisory marketplace. This continuing investment in our people has been a vital ingredient of our past success and is the foundation of our future.

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