

# CFA INSTITUTE AND THE NLM BOOK DTD, YEAR 2

Cindy Maisannes  
Manager, Publications Production  
16 October 2012



**CFA Institute**

# CFA INSTITUTE

- Is the largest global association of investment professionals, with over 110,000 members in 139 countries
- Offers career & educational resources, including:
  - the Chartered Financial Analyst® designation (CFA Program),
  - the Certificate in Investment Performance Measurement (CIPM), and
  - Claritas Investment Certificate
- In FY2012, had over 200,000 candidates register for one of the CFA Program exams in over 180 countries worldwide

# OUR XML PUBLICATIONS and newsletters

- Serial publications and newsletters

**F.A.J.**  
FINANCIAL ANALYSTS JOURNAL  
Volume 61 Number 3  
September/October 2012

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By Robert A. Jarrow

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By Robert A. Jarrow

**Emerging Market Inflation-Linked Bonds**  
Laurens Swinkels

Investigating the value added by inflation-linked bonds in markets, the authors found that the inclusion of inflation-linked instruments provides a positive contribution to the return of the overall portfolio. This section also considers a linked bond in their investment portfolios.

**Table 5. Mean-Variance Spanning for International Investors**

Country	Mean	Std. Dev.	Correlation	Spanning Test
USA	1.28	0.07	0.25	0.00
UK	1.28	0.07	0.25	0.00
France	1.28	0.07	0.25	0.00
Germany	1.28	0.07	0.25	0.00
Japan	1.28	0.07	0.25	0.00
Canada	1.28	0.07	0.25	0.00
Australia	1.28	0.07	0.25	0.00
India	1.28	0.07	0.25	0.00
China	1.28	0.07	0.25	0.00
South Africa	1.28	0.07	0.25	0.00
Brazil	1.28	0.07	0.25	0.00
Russia	1.28	0.07	0.25	0.00
Argentina	1.28	0.07	0.25	0.00
South Korea	1.28	0.07	0.25	0.00
Indonesia	1.28	0.07	0.25	0.00
Malaysia	1.28	0.07	0.25	0.00
Philippines	1.28	0.07	0.25	0.00
Thailand	1.28	0.07	0.25	0.00
Vietnam	1.28	0.07	0.25	0.00
India	1.28	0.07	0.25	0.00
China	1.28	0.07	0.25	0.00
South Africa	1.28	0.07	0.25	0.00
Brazil	1.28	0.07	0.25	0.00
Russia	1.28	0.07	0.25	0.00
Argentina	1.28	0.07	0.25	0.00
South Korea	1.28	0.07	0.25	0.00
Indonesia	1.28	0.07	0.25	0.00
Malaysia	1.28	0.07	0.25	0.00
Philippines	1.28	0.07	0.25	0.00
Thailand	1.28	0.07	0.25	0.00
Vietnam	1.28	0.07	0.25	0.00

**Figure 6. Mean-Variance Frontier with Portfolio Weights, January 2000-January 2011**

**CFA Institute**  
Conference Proceedings Quarterly  
SUMMER 2012  
VOLUME 29 NUMBER 3

1 The Economic Picture and Market Outlook  
By Robert A. Jarrow

2 Setting the Stage: The New Chapter in the Asian Economic Story  
By Robert A. Jarrow

3 China's Financial Transition  
By Robert A. Jarrow

4 From Top to Bottom: The Current View of the Real Estate Market  
By Robert A. Jarrow

5 Analyzing Fixed Income: Investor Challenges and Solutions  
By Robert A. Jarrow

6 The Importance of Emerging Markets  
By Robert A. Jarrow

7 Managing Corporate Compensation Awards  
By Robert A. Jarrow

8 The Role of the CFO in the 21st Century  
By Robert A. Jarrow

9 The Role of the CFO in the 21st Century  
By Robert A. Jarrow

10 The Role of the CFO in the 21st Century  
By Robert A. Jarrow

**Managing Executive Compensation Awards**  
Richard L. N. Weaver  
National Director  
Emerston Global Wealth Management  
New York City

Stock-based compensation almost an active approach to meet financial and non-financial goals. This article will look at the various aspects of this compensation structure.

**Table 6. Expected Value of \$100,000 Executive Compensation Award after 10 Years**

Scenario	Expected Value
Scenario 1	\$100,000
Scenario 2	\$100,000
Scenario 3	\$100,000
Scenario 4	\$100,000
Scenario 5	\$100,000
Scenario 6	\$100,000
Scenario 7	\$100,000
Scenario 8	\$100,000
Scenario 9	\$100,000
Scenario 10	\$100,000

**Overview of Executive Compensation**

Executive compensation is a complex and multifaceted issue. It involves a variety of factors, including the company's performance, the executive's role, and the market conditions. This article provides an overview of the various components of executive compensation and discusses the challenges of designing an effective compensation structure.

**Table 7. Sustainable Spending Rate in Real Estate Markets**

Market	Year	Spending Rate
USA	2000	1.2%
USA	2001	1.3%
USA	2002	1.4%
USA	2003	1.5%
USA	2004	1.6%
USA	2005	1.7%
USA	2006	1.8%
USA	2007	1.9%
USA	2008	2.0%
USA	2009	2.1%
USA	2010	2.2%
USA	2011	2.3%
USA	2012	2.4%

**Digest**  
AUGUST 2012  
VOLUME 42  
NUMBER 3

Summarizing the best articles and research for investment professionals  
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**CFA Institute**

**INVESTMENT RISK AND PERFORMANCE**  
by MICHAEL J. BAUER, JR., CFA, AND JULIE R. DRAGUST

**Market Timing and Roulette Wheels Revisited**

In a 2007 Financial Analysts Journal article, we analyzed the efficacy of trading in a hot and fast strategy using active asset investing. In this article, we present updated results. The average during the 2007-10 time period, trading the market through market timing was not as effective as in our previous work, on average, as during the 2000-06 period. The ease of a strategy of trading the market, however, remains transformational over time. This reality has major implications for performance measurement.

**Table 1. Sample Monthly Returns for Two Asset Classes**

Year	US Treasury	US Treasury
2000	1.2%	1.2%
2001	1.3%	1.3%
2002	1.4%	1.4%
2003	1.5%	1.5%
2004	1.6%	1.6%
2005	1.7%	1.7%
2006	1.8%	1.8%
2007	1.9%	1.9%
2008	2.0%	2.0%
2009	2.1%	2.1%
2010	2.2%	2.2%
2011	2.3%	2.3%
2012	2.4%	2.4%

**Table 2. Mean and Standard Deviation of the Monthly Returns**

Asset Class	Mean	Std. Dev.
US Treasury	1.5%	0.5%
US Treasury	1.5%	0.5%

**CORPORATE FINANCE**

**CARE/CSAA Roundtable on Liquidity and Capital Management**

Scott Richardson, Charles Calomiris, Merrill Campbell, Mark LaRocca, and others discuss the challenges of managing liquidity and capital in a volatile market environment.

**Figure 7. The Measure of Monthly Settlements Between Long Company Stocks and T-Bills, 2000-2011**

**What's Next?**

The participants in the roundtable discussion focus mainly on liquidity and, to a lesser extent, on capital. The speakers also highlight the impact of the financial crisis on liquidity from a different perspective. The issues raised on bank capital and bank liquidity, corporate liquidity, and the relationship between corporate management and liquidity management, and liquidity in the bond markets.

**How is This Research Useful to Practitioners?**

Four distinct topics were presented at the roundtable, each of which was summarized below.

**Bank Liquidity and Bank Capital**

The participants in the roundtable discussion focused on the impact of the crisis, that there would be more stress on banks to secure additional capital because of increased pressure. What this does is that capital by itself is not sufficient to restore a bank to be considered liquid. It is necessary to restore a bank to be considered liquid. It is necessary to restore a bank to be considered liquid. It is necessary to restore a bank to be considered liquid.

**JUST WHEN WE THOUGHT IT WAS SAFE  
TO GO BACK IN THE WATER**

# OUR XML PUBLICATIONS: BOOK XML

- Study materials, codes, and standards...

**BEHAVIORAL FINANCE, INDIVIDUAL INVESTORS, AND INSTITUTIONAL INVESTORS**

CFA PROGRAM CURRICULUM  
VOLUME 1, MODULE 1-4

CFA Institute

**CIPM EXPERT VOLUME 1**

2013

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**3**

**Note on the Return to Non-dividend Assets**

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**Claritas Investment Certificate**

**PROGRAM CURRICULUM**  
VOLUME 1, MODULE 1-4

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**GLOBAL INVESTMENT PERFORMANCE STANDARDS HANDBOOK**

2012 EDITION

**READING 12**

**Estate Planning in a Global Context**

By Stephen M. Brown, CPA and Thomas R. Johnson, CPA

**Learning Objectives**

- Identify the elements of an estate plan independent of each other. The present value of the spending needs to be equal to the present value of the assets.
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**Table 7. Example of Cost Capital Calculation for Bond and Stock Portfolio**

Asset	Year	Rate of Return	Initial Investment	Final Investment	Expected Return	Discounted Value
A. Bond	0	0.0500	100	100.00	100.00	100.00
	1	0.0500	100	105.00	105.00	100.00
B. Stock	0	0.0500	100	100.00	100.00	100.00
	1	0.0500	100	105.00	105.00	100.00

**READING 3**

**Note on the Return to Non-dividend Assets**

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**INTRODUCTION**

The purpose of this note is to provide a link between the return on a non-dividend asset and the return on a dividend asset. The return on a non-dividend asset is the return on a dividend asset minus the return on a dividend asset.

**DEFINITION**

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**Table 1. Impact of Currency on Returns**

Asset	Year	Rate of Return	Initial Investment	Final Investment	Expected Return	Discounted Value
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# WHY THE NLM BOOK DTD?

- DITA, Docbook vs. NLM
- No reason not to
- Our familiarity with NLM tagset
- Interchangeability between journal and book XML allows for easy mixing

# BOOK XML TO...

- Print
- Online
- Ebook
- Upcoming
  - Refresher Readings
  - Study tools

# CHALLENGES OF NLM BOOK TAGGING

- We look forward to
  - @specific-use attribute for <list-item>
  - Table of contents tagging
- We are interested in
  - Systems of creating index markup within sets of files
- @specific-use: we use to mark optional vs. required content, as well as certain formatting restrictions

# CHALLENGES OF XML FOR BOOKS

- XML allows for automated, single-source publishing – greater distribution opportunities available more quickly
- However, truly automated production requires accepting some layout compromises
- Print:
  - All authors are special
  - Table formatting
- Online and ebooks:
  - Stylesheets can only render content so predictably
  - Too many (proprietary) ebook standards with too little documentation easily available
  - It's a challenging place to reside now, but it's still where our members expect us to be

# BENEFITS

- Single-source publishing: safer. No branched products; updates get made everywhere.
- “Just push the button”: easier for production, but also content owners
  - Changes don’t have to be tracked manually, one-by-one
  - Less time needed in production means more time authors and editors can have with content

# LESSONS LEARNED

- Control your content
- Automation  $\neq$  immediate

# THANK YOU

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