

Value Partners Center for Investing Inauguration Ceremony
HKUST Business School Central

Eddy Fong
Chairman
Securities and Futures Commission

13 June 2011

Professor Tony Chan, Mr Cheah, Ladies and Gentlemen,

1. I am delighted to be here today as the Officiating Guest on the occasion of another milestone for HKUST Business School, as it enters into partnership with Value Partners to establish the first ever academic centre in Hong Kong to support research and training on investment management.
2. I am pleased to witness the establishing of such a Centre which places emphasis on the China/Hong Kong financial markets and on promoting Hong Kong's role as the pre-eminent regional fund management centre which is also fast becoming a cornerstone of HK financial services industry.
3. The Centre's principal aims, as I understand, are to equip students with the requisite technical skills and knowledge, and provide them an opportunity to gain hands-on experience in managing an investment portfolio. Nevertheless, I would like to make use of today's opportunity to say a few words about the non-technical aspects of investment management, just to provide a broader perspective to the training of future talents for our fund management industry.
4. Firstly, it is most important for students to learn about good business ethics and duty of care they owe to investors if they wish to make a good career in finance and fund management. Confidence and trust are the cornerstones of finance. These elements are necessary for investors to part with their money and entrust it with a financial intermediary or fund manager. Financial intermediaries and their staff have to earn the trust and confidence of their clients. To achieve this, investors must be

treated fairly and honestly, and financial intermediaries and their staff must avoid conflicts of interest situations and to act always in the interest of their investor clients.

5. Secondly, gaining a broader perspective beyond the fundamentals of managing funds would also be helpful for the longer term success of would-be fund managers. As can be seen from the recent global financial crisis, finance and investment decisions are frequently affected by domestic and international developments, including economic, financial, social, political and environmental issues. It would therefore be necessary for students to inculcate an interest in a wider spectrum of issues early on, as it will help them to better understand market dynamics and the functioning of financial markets.
6. In regard to this Centre, I am sure it will not be satisfied as being just a training ground. Under the leadership of Professor Chan and his colleagues, and in keeping with the tradition of the University, I have no doubt that the Centre will also aspire to be a leader in advanced studies and research in finance. Finance is a practical and intellectually challenging subject, and the academia is a place from where many breakthroughs in the field originate. Practitioners put into action and refine many of the financial theories, and they provide more raw materials that feed into academic research. Maintaining the cross-fertilisation between theory and practice is important for the subject's further advancement. I trust that this can be achieved at the Centre.
7. In closing, I would like to commend once again the generosity of Value Partners and the effort of the University in making this "Centre for Investing" a reality. This is an example of the kind of successful partnership between the industry and the academia. I hope that the Centre can serve as a model for more to come, and I wish it every success.
8. Thank you.