SMU team scores surprise win

Students use clever strategies in inter-varsity finance competition in the Philippines, says CHARMIAN KOK

A month ago, the Singapore Management University's students had the rare opportunity to fly to Manila for the prestigious annual Inter-varsity Finance Competition (ICFC). The highlight of the event not only required a sound understanding of otherwise specialised topics like derivatives and fixed income instruments, but also dexterity of mind which was key to performing well.

This year's ICFC, which usually sees top-tier universities from all around the Philippines vie to be champions, was extended to the region for the first time. Despite being the only non-Philippine team to participate, SMU's all-male team comprising Chan Ying Jian, Nicholas Chui, Dave Pang, and Hon Wei Fa, emerged as second runners-up.

For the team, representing the school in a financial challenge was a first for every member, and as such, expectations were not high. Wei Fa, a third-year accountancy student explained: "We had some reservations because we did not know who our competitors were or how strong they were. All we knew was that we had to do our best."

Nicholas, also a third-year accountancy student said: "We didn't know what to expect, so at the end of it all, the fact that we got third was a very pleasant surprise."

However, the team's lack of competitive experience was more than compensated for by sheer hard work and extra preparation. All members are also part of the executive committee of SMU's E.Y.E Investment Club - an experience which helped to deepen their knowledge in finance and investing.

As part of their duties, the club's executive committee have to organise and conduct research meetings for members, thus reconfirming their own financial knowledge and foundations.

"We had to learn how to lead and implement the research structure. All these indirectly helped us with the competition as we could apply what we learnt during the research meetings to the competition itself," shared Nicholas.

Besides poring over five Chartered Financial Analyst (CFA) books and countless other materials to familiarise themselves with the CFA level 1-based competition format, the team also mentally prepared themselves through mock simulations.

Faced with time constraints from school and committee commitments, those were held the weekend before their competition in Manila.

According to Wei Fa, the mini mock competitions allowed the team to identify each person's strengths and weaknesses, as well as help them prepare for competition conditions.

Nicholas said: "At the beginning of the mock simulations, we were not used to the time constraints and we got panicked when there was little time left. However, as we practised more questions, we became more comfortable. As a result, even when we had 10 seconds left during the competition we were able to remain calm and work through the questions with a level-head."

However, no amount of mock simulations could prepare the team for the stress and the pressures of the real competition itself. With two and a half minutes to answer every multiple-choice question, there was little room for error, and even the slightest carelessness could be costly.

As they were still relatively unfamiliar with the competition's stressful conditions at first, SMU's team performed below expectations in the first of four rounds. But the team displayed tenacity and perseverance, recovering quickly to emerge second in the next round.

"Every time we got a question wrong, we did not harp on it but learnt from our mistake and moved on in a way, this helped to build our confidence and trust in each other, which really helps when you're Exposure: facing pressures from the audience and the time constraints," he added.

The team's clever strategising and teamwork also helped.

"We required every team member to have basic knowledge in all the tested topics, but we also recognised that each would naturally have a stronger competency in certain areas," said Wei Fa.

"For example, I'm stronger in financial statement analysis while Nicholas and Ying Jian are better at Ekonometrics. Knowing each others' strengths and weaknesses allowed each of us to know when we should take the lead in the problem-solving process for each question," he said.

For the team, a third-place trophy was not the only takeaway from the competition. Wei Fa told BT: "Competing on a regional level was a great experience that helped us to improve our ability to think on our feet, perform under time pressures and work together as a team."

Nicholas added: "Before I entered the competition, my knowledge was limited to mainly financial statements analysis. But being exposed to topics like derivatives and fixed income. Because of the competition, I managed to strengthen my knowledge in these areas. In a sense, it allowed me to better appreciate finance and gain a stronger foundation in the field."

Summing up the team's experience in the Philippines, Wei Fa said: "This competition is a testimony to how important finance has become in this world. Taking part in the competition, I realise that we've only scratched the surface of finance, and that there's so much more to be learnt."

"I would like to encourage students to take part in such competitions, because you will definitely gain something from it, be it in financial knowledge, culturally, or gaining an international perspective."