

CISI



CHARTERED INSTITUTE FOR
SECURITIES & INVESTMENT



ANNUAL REPORT 2022-23





Above: Tracy Vegro OBE exchanging ideas with the Scotland Young Professionals' Network over a coffee in Edinburgh. From left to right: Jade Hamilton-Thomas, Chartered MCSI, Baillie Gifford; Chris Clark, Chartered MCSI, Brewin Dolphin; and Dan Scott-Lintott Wealth Management, Investec Wealth & Investment Management
Cover: Winners at our Awards Ceremony and delegates at Barclays Campus in Glasgow

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Michael Cole-Fontayn MCSI speaking at our annual integrity event

CHAIR'S WELCOME

As the world of work in financial services settles after the pandemic response years and amid uncertainty around the inflation shock, the role of the Chartered Institute for Securities & Investment (CISI) as a registered education charity, an awarding body and a membership community is more important now than ever before.

We act as a champion for professional practice, integrity and ethical behaviour for practitioners and advisers in the world of securities, investment, wealth management and financial planning. We promote the advancement and dissemination of knowledge and learning for public benefit and act as an authoritative body for consultation and research for financial services professionals all over the world.

Moving into our fourth decade, we warmly welcomed our new chief executive, Tracy Vegro OBE, to help us innovate and progress our digitalisation agenda, promote professionalism, and offer cutting-edge qualifications to enhance our global membership experience.

We have seen a steady rise in membership numbers over the year, and our vibrant and diverse community now boasts approaching 47,000 members. We are committed to continuously enhancing our member offer and growing our domestic and international membership base.

Our MyCISI App has gone from strength to strength, now on its third update and with more innovative features to come. It has been downloaded to more than 30,000 devices in over 60 countries, with app users accessing a broad range of continuing professional development (CPD). In the past year, we have invested heavily in developing a new Learning Platform, which will be launched to members in September 2023, bringing together all our online CPD in one place, whether it be a video on CISI TV, CISI podcast, an article from our *Review* magazine, or a Professional Refresher e-learning module.

We want to acknowledge the contribution through the generosity of time and experience we receive from our 1,000-plus member volunteers: we could not offer what we do without your support. Thank you all. If you are not yet a volunteer, I encourage you to lend us your expertise by giving back through the various volunteering opportunities that the CISI offers.

A complete list of all our volunteers who sit on various committees across the CISI is available on our digital version of this report at cisi.org/AR23.

Finally, I want to thank our knowledgeable, conscientious and engaged Board of Trustees, who too give their time voluntarily to help the CISI stay relevant and effective in delivering a professional financial services global membership offering.



Michael Cole-Fontayn MCSI, Chair



Tracy Vegro OBE with the Sri Lanka National Advisory Council, from left to right:
Asanka Wijeratne, Chartered MCSI; Channa De Silva MCSI; Ranel Wijesinha; Tracy Vegro
OBE; Nandika Buddhipala MCSI, NAC President; and Indrajith Fernando MCSI

CHIEF EXECUTIVE'S REPORT

I took up my post as the new chief executive at the CISI on 5 September 2022. I was welcomed warmly by my new colleagues, the Board and the many members and volunteers who support the organisation daily. I want to thank everyone for the help and advice that has been so readily given.

It is a privilege to be leading an organisation that is supported by so many volunteers and one that has a reach far beyond our immediate location in the City of London. In my first five months, I visited the Scottish, Yorkshire and Lancashire, and Liverpool regional committees. I also made two overseas trips to the Middle East, meeting with our Dubai office team, and to Sri Lanka to spend a week with our Colombo office team.

The CISI is a charity with global reach. Our qualifications are taken by a diverse range of people, in varied roles, across the thriving global financial services sector. We have members in many different countries who are recognised for their high standards of integrity and ethics, which underpin their professionalism and skill.

I have also found an Institute in strong financial health. This is a great foundation and will allow us to invest in the organisation's operations to ensure we meet our strategic objectives and wider charitable goals in a way that meets our members' needs. The core strategic objectives agreed by our Board are set out below:

- **Improve the value of our member offer** with accessible, flexible and personalised qualifications and CPD, through the new Learning Platform and other digital-first initiatives.

- **Evolve our operating model** and develop our people and culture, reflecting a clear ESG strategy to ensure we have the capability and capacity to deliver value for all stakeholders.
- **Invest in our digital resources** to enable a relevant, customer-focused digital strategy and service offering.
- **Ensure regulatory compliance**, adhering to requirements in all our activities. Maintaining engagement with regulators and other awarding organisations to ensure we are up to date with changes to policies.
- **Collaborate and contribute to research and public debate** on topics concerning the financial services sector.

The Corporate Strategy that supports delivery against these objectives is designed to ensure that we meet all the regulatory controls the CISI is subject to, including those of Ofqual, the Charity Commission, the Privy Council and the Financial Conduct Authority (FCA). Alongside these core responsibilities, we must be mindful of the changing needs of our members. New legislation, such as the Consumer Duty, or the impact of the fast-moving AI-enabled technology, such as ChatGPT, are areas of interest for our members.

In relation to our charitable objectives, I am delighted to say that, given the strong financial performance this year – a record surplus of £2,146,601 – the CISI will be able to continue to support the newly established CISI Future Foundation and the CISI Educational Trust. Investing in the future, in every regard, is critical to meeting future challenges around matters such as financial literacy and inclusion, which are growing in importance all the time.



Tracy Vegro OBE, Chief Executive



The CISI team at the Financial Planning Conference 2022

WHAT HAS HAPPENED IN THE PAST YEAR?

We have started a strategic review of our membership proposition to ensure we are meeting the needs of our current membership and the requirements of the next generation of talent for our sector. This year, we reached almost 47,000 members, including over 19,000 students and candidates for our exams – a 2.5% increase from the previous year. Work to date has included a scoping exercise to understand what data we hold, what insight that gives us and where our gaps are. We intend to engage with our members to understand what they value and want more of as part of a global practitioner community, including in learning and education.

We launched two new benefits for members. Our global mentoring scheme (over 400 members signed up in the first week) aims to connect practitioners who can assist each other as mentors or mentees to navigate their career pathways and overcome challenges. This hugely positive scheme has been well received, particularly by our Young Professionals' Network, for which we appointed a new chair in 2022 – Luke Hornsby, Chartered MCSI. If you feel you can provide guidance or support, please see www.cisi.org/mentoring.

The second new benefit for our qualified members is a MyCISI Rewards platform, which provides a personal hub for retail cashback, discounts, competitions and wellbeing benefits. Since its launch in December 2022, over 4,000 members have accessed the platform and saved money on retail purchases.

We hosted many of our highly popular regional celebratory dinners again this year, with full attendance in Guernsey, Scotland and the Cotswolds, and our Jersey dinner, which raised an impressive £2,000 for charity!

Our anchor events also proved to be popular, including our Annual Integrity Event, which we broadcast live to over 1,000 viewers in 48 countries, with all contributing to the interactive voting in real time alongside the 150 peers who attended the event in person in London.

Our Annual Financial Planning Conference was held in Liverpool in October 2022 and embraced all the vibrant city has to offer, culminating in a colourful celebratory evening at the iconic St George's Hall, where we announced the 2022 Financial Planning Award winners.

The Global Wealth Summit was held again across two dates in November, with regionalised panels in four key areas – Africa, China, Middle East and UK/USA – featuring over 19 speakers and five keynote expert sessions. We had over 3,000 registrations and over 65,000 views from the live broadcast, thanks to some excellent partnerships with Barron's, Sina, Golden Education Tsinghua University, Zhejiang University, China Construction Bank and CITIC.

Our Annual Awards Ceremony, recognising candidates who scored the highest in their qualification exams during the year, was celebrated at the Mansion House in London in March 2023.



Lauren Johnson and Jane Playdon from the CISI with the Sunday team

In September, following years of work to secure new 'Chartered Firm' and Chartered Fellow (Financial Planning) designations from the Privy Council, we launched these options to enable our members to apply to use them publicly to demonstrate their firms' commitment to our high standards.

Regrettably, not every member lives up to the CISI's expectations, and during the year, 66 disciplinary cases were reviewed by our Disciplinary Review Panel. Ten were sufficiently serious to be referred to the Disciplinary Hearing Panel, an independent review body comprising CISI and lay members. Eight cases remain under investigation, and 12 are on hold pending regulatory or legal outcomes.

The public needs to have confidence in the integrity of members, and we actively encourage the reporting of behaviour which falls short of the CISI's principles. In addition to the Membership Regulations, the Code of Conduct imposes an obligation on members to always act not only in compliance with the rules but also to support the underlying values of the CISI.

In March 2023, we updated our new MyCISI app for the third time, introducing podcasts and CISI TV (on a locked screen), with more developments to come 2023–24.

To ensure our app has cutting-edge content for members to meet their CPD requirements, we have continued to invest in our CPD offering. We increased our e-learning, professional refreshers, newly launched micromodules and audio units, events and CISI TV on demand on topics like responsible finance, environmental, social and governance (ESG), and fintech which members asked us for in our annual membership survey in June 2022. We have over 6,000 active

learners for our e-learning modules each month, and in 2022–23, over 90,000 professional refreshers, including tests, were taken. Our mandatory annual integrity requirement, ensuring our members are taking the right decisions even when no one is watching, means we have now had over 110,000 IntegrityMatters tests taken worldwide.

Our membership magazine, The Review, published two print editions for the 5,000 global subscribers and an additional 231 articles on our digital platform, which resulted in 91,498 articles read. We saw a profile on our new chief executive Tracy Vegro OBE and accompanying stories around leadership, a special 30th-anniversary edition, and one on UN Sustainable Development Goals. From January 2023, we have a full-time copywriter, and from 1 April 2023, we have a new partner, 'We are Sunday', whom we will work with to evolve our magazine and content offer to new heights.

Our CISI YouTube channel now has over 6,000 subscribers and 20% more views than the previous year. Our on-demand offer continues to evolve with a mix of hybrid recordings, interviews, features and 360-degree content to support other platforms. We launched podcasts across several channels, including Spotify and iTunes, as well as MyCISI, and these have proved popular, so we are now focused on providing more content on this new stream and presenting a broad range of options.



panel and open a formal investigation on Charlotte. This will lead to a disciplinary hearing, where Charlotte will be able to represent herself.

Charlotte's account is
her own.

ANNUAL INTEGRITY EVENT 2022

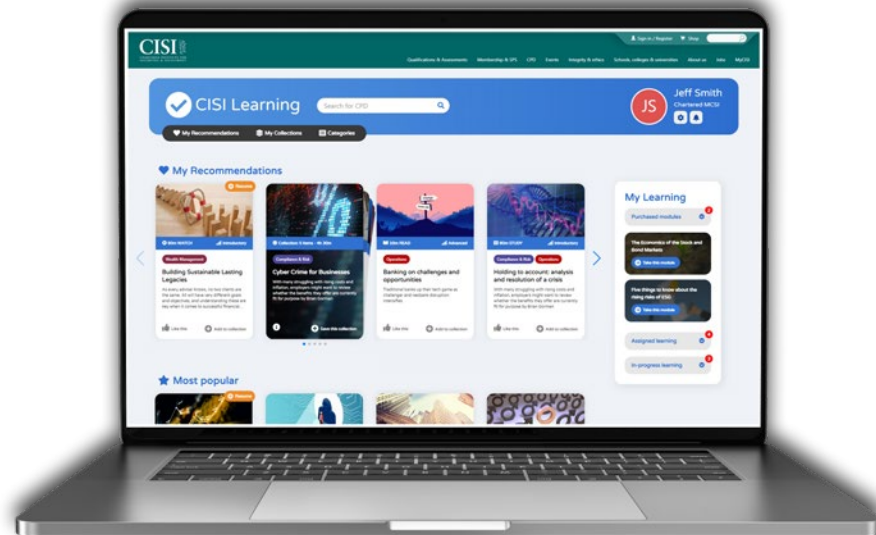
Our panel at the CISI Annual Integrity Event from left to right: Deborah Gilshan' Founder, 100% Club; Richard Winder; Head of Sustainability, Handelsbanken; Tracey Davidson, Chartered MCSI; Deputy Chief Executive, Handelsbanken; Ross Jefferies ACSI, Financial Planner, Panoramic Wealth Management; Rosalyn Breedy, Managing Director, Breedy Henderson

We remain committed to our digitalisation agenda and our largest innovation this year has been the development of a new Learning Platform, due to launch later in 2023, which will mark a new era for the delivery of CPD for our members. We believe we have an unrivalled content offer for financial services practitioners, with learning available across a diverse range of topics and on a variety of channels.

For the first time, our new Learning Platform, which we have built with the help and feedback of over 800 CISI members over the past year, will feature all that content in one place. The platform is now searchable, filterable and super easy to navigate.

New features will include:

- Recommendations based on your personal viewing and interactions – the more you use it, the smarter the system will get!
- Pick up where you left off with a new resume feature
- Highlighted hot topics – making it easier for you to see what is popular right now
- Saving your own selection of content to view later
- Automatic logging of CPD for CISI members
- And a fresh and clean look and feel that is now consistent across all learning
- Brand new CISI-curated collections with external links to related articles





Some of our Educational Trust Global Award winners, including from left to right - Aarathi Kannan Govindu, Venkateswaran S, Ayush Bhavsar , Rahul Ram, Ravi Raman (CISI India NAC Member), Akash Mhatre, Shravan Pareek and Viren Viswanathan.

EDUCATION

In 2022–23 our educational provision included in-person events, digital outreach, partnerships and business development programmes to focus on our sector's next generation of talent. We held a brand-new event – CHANGE – in October 2022, designed to inspire young people to consider a career in finance. We welcomed over 180 students, who attended various unique and inspirational CPD sessions, ranging from talks by personal branding experts to a session on what it takes to be a great financial planner. The event ended with a speed networking session, allowing the students to understand more about the careers available within financial services.

We have also been developing a brand new 'Careers in Finance' website for young people aged 16–19. This will launch in 2023, replacing our previous 'Get into Finance' website.

One of our most inspiring initiatives for the year was an inaugural Financial Services Career Accelerator education programme launch, in conjunction with Fitch Learning, in December 2022. The programme aims to support the sector in finding future apprentices from a diverse range of young people and provide a gateway to those for whom financial services careers may be seen as inaccessible or excluding. Up to 30 young people not in employment, education or training (NEET) will embark on a free, ten-week bootcamp, combining study of the CISI level 2 Fundamentals of Financial Services with Fitch Learning skills employability training. The programme's aims for over 50% of students to undertake apprenticeships with Fitch Learning client firms, where they will receive structured Apprentice Learning programmes from Fitch Learning and achieve professional body membership with the CISI.

The Educational Trust Awards included nominations from partner universities in Africa, Asia Pacific, Europe and India, who put forward their best undergraduate and postgraduate students. Each student submitted their response to this year's essay title: 'Assess whether the tools and policies available to governments and central banks are likely to be sufficient to resolve current, global economic problems arising from, for example, war, inflation, economic slowdown, supply shortages and climate change.' Two students from each region were awarded prizes for their entries: Oluchi Kem-Ajeh and Favour Dibia from Africa; Seann Khoo Jian En and Rachel Goh Li- Anne from Singapore; Grégoire Blondeel and Othniel Lewis from Europe and Ayush Jatil Bhavsar, Shravan Pareek, Aarathi Kannan Govindu and Viren Viswanathan from India. All received £1,000 and £500 respectively for winning, or gaining a highly commended, from their rounds.

Students then competed in the final, and prizes of up to £4,000 were awarded to the overall winners, who were given the opportunity for work experience in London, with expenses paid by the Trust. Huge congratulations to our overall winners Aarathi Kannan Govindu, the top-performing undergraduate student, from Christ University, India, and Viren Viswanathan, the top-performing postgraduate student, from ISBR Business School, Bangalore, and the two highly commended winners: Oluchi Kem-Ajeh from the University of Lagos, Nigeria, and Othniel Lewis from the University of Greenwich, UK.

Our student ambassador programme was launched, trialling ten students from six partner universities working as CISI ambassadors at their institution. This paid role has allowed students to build their network and spread awareness of what CISI can offer and the benefits of achieving a foundation professional qualification at university. The programme has been a success and is set to double this year in the UK and expand into our global universities in the next academic year.



Michael Cole-Fontayn MCSI hosting our Awards Ceremony

QUALIFICATIONS & LEARNING RESOURCES

The CISI continues to offer an unparalleled range of vocational exams and qualifications for the financial services sector. As an awarding organisation regulated by several bodies, including Ofqual, the CISI places paramount importance on maintaining the relevance, fairness and integrity of our qualifications. Our staff work with practitioner panels to ensure that each of our examinations and qualifications remain up to date, fit for purpose and equip practitioners with the knowledge, and skills that they need to conduct their roles effectively.

Throughout 2022 and early 2023, we have continued to review and adapt our overall portfolio of qualifications to align with the changing needs of the profession. A significant strand of work focused on our Corporate Finance offer. We surveyed candidates to understand their views on our offer and, in consultation with a practitioner working group, are now working to develop a redesigned Diploma in Corporate Finance. Our aim is to modernise the qualification and make it more attractive to busy practitioners by modularising the content and offering on demand assessment for some modules.

We have also undertaken research on our Capital Markets and Operations pathways and will use the findings to inform a review of our offer in these specialisms in the coming year.

We recently refreshed our FCA-recognised level 4 Investment Management exam, streamlining and globalising the content to meet the needs of the modern investment manager.

At the end of 2022, we saw the launch of ten new exams and associated learning resources developed in partnership with the Capital Markets Authority (CMA) and Financial Academy in Saudi Arabia. Available in both English and Arabic, the exams cover general financial regulations and specialist regulations for practitioners working in compliance, corporate finance, securities and wealth management. The new exams form the core of a

new mandate in the Kingdom which also includes a number of our existing technical papers Together with the local regulations papers and mandates that we provide for the Kuwait and UAE markets these international recognised examinations support the raising of professional standards in the region and align with our charitable objectives.

Our digital learning resources have developed considerably in the last year. We developed a Professional Assessment (PA) in Macroeconomics, which forms part of the study materials for the Financial Markets exam, the first exam in the Chartered Wealth Management Qualification. The PA covers material which may be familiar to some candidates, and which is therefore not included in the main workbook.

A PA was also created for the Pakistan market, focusing on Anti-Money Laundering (AML). Providing AML and Counter-Terrorism Financing training is essential in helping organisations and individuals meet their regulatory obligations and mitigate the adverse effects of criminal economic activity. We developed an interactive suite including localised content and global principles, and providing practical case studies to help staff understand what they should do in certain situations.

During the year, we have added many new features to our digital learning materials, including greater interactivity, infographics, AI videos, and new question types to enhance the experience of our learners. To help busy professionals keep up to date, we also introduced Micromodules – bite-sized learning modules which take five to ten minutes to complete – and also Soundbites, which are concise audio-only learning that offer a snapshot of hot topics within the finance sector. Following our successful lobbying of the FCA for a change to their requirements, these can now qualify for structured CPD. This will make a huge difference to the financial services community, who can now fit in short amounts of learning around their demanding schedules.

Later in 2023, we will launch our new Learning Platform for members. This will provide an engaging and intuitive portal enabling members to access all their learning in one place.

H FINANCE

PATHWAY TO SUCCESS

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Abbie Cornish with Getachew Beshahwred MCSI, CEO, Bruh Finance at their Launch event in Ethiopia

INTERNATIONAL

Our work internationally is essential to us as we offer globally recognised and portable qualifications to a community of professionals and anyone who wishes to increase their knowledge in financial services.

Our offices in the Middle East and India, in particular, have had great success over the year, with many candidates taking our exams, forming new partnerships, and building our membership communities in these locations.

During the year we launched our programme of examinations in Saudi Arabia in partnership with the Saudi Capital Markets Authority and the Financial Academy which were well received and saw a large uptake by the Kingdoms professionals. The Institute now has a significant presence across the Middle East and is supporting the region to qualify its talent pool to international standards. CISI exams are now mandated by seven Middle East countries and we set 11,500 exams.

We have 13 National Advisory Councils (NACs) in select areas where we see the potential for hubs, and these are populated by practitioner volunteers helping us to tailor and develop our offer in their locations. Without their support, we couldn't deliver an international offer and meet our charitable objectives.

In October, we attended the graduation ceremony in Dar es Salaam, Tanzania, for those achieving their level 3 International Certificates in Wealth and Investment Management and level 4 Managing Operational Risk qualifications with the Tanzania Institute of Bankers, our local partner there.

In September, we partnered with the European Institute of Management and Finance (EIMF) in Cyprus, to support membership and training for exams across an expanded range of CISI qualifications, including risk, compliance, operations, capital markets, corporate finance and wealth management.

EMIF's chief executive Marios Siathas joined our Cyprus NAC to contribute to local professionals having new opportunities for career and personal growth.

Also in September, in Pakistan, we signed a landmark memorandum of understanding with the Pakistan Stock Exchange and Institute of Financial Markets of Pakistan to, under the guidance of the Securities and Exchange Commission of Pakistan, focus on a programme of training and learning to build the skill sets of professionals engaged in the capital markets.

In the UK, we were pleased to receive grant funding from the Department for Business Energy and Industrial Strategy (now the Department for Business and Trade) to partner with Z/Yen on a research project aiming to support the recognition of the CISI in Europe and Latin America.

We hosted a CISI awards ceremony in Ethiopia at the School of Commerce for the National Bank of Ethiopia Scholarship programme as part of our decade-long partnership with Financial Sector Deepening Africa. This project was one of the first large-scale virtual training projects we ran and was a huge success in supporting capacity building in the capital markets in this region. With Bruh Finance, we held a stakeholder engagement session for a new trainer in the market, and a report of the event was captured on Balageru TV.

In Kenya, our programme with the Institute of Certified Investment and Financial Analysts on membership was successful. We contributed to their conference and have partnered with them to promote responsible and sustainable finance principles in the market. We continue to work with the Capital Markets Authority and other local partners across East Africa to deliver world-class continuing professional development materials so professionals can meet their mandatory learning requirements.

In Gibraltar, where we have 152 members, our NAC hosted a face-to-face event with market stakeholders on operational resilience in March. This was well attended, and members engaged on various topics related to operational resilience, including cybersecurity, business continuity and crisis management.



Kevin Moore, Chartered FCSI and Andrella Guzman-Sandejas at University of Nottingham, Malaysia

The students at Nottingham University Business School Malaysia proved to be a lively audience for an Integrity at Work session when Kevin Moore, Chartered FCSI, Director and Andrella Guzman-Sandejas, Regional Head visited their campus in November. A long-standing relationship with the CISI was cemented with the signing of a three year collaboration agreement.

In Nigeria, in March 2023, we announced our new NAC president, Ijeoma Onwu MCSI, and other principal officers, Obinna Okafor MCSI and Abiodun Adebimpe MCSI, who were elected based on their commitment to the vision of the CISI and support over the years. Alongside our longstanding relationship with our key strategic partner, the Chartered Institute of Stockbrokers, we worked on a programme of mandatory CPD events to demonstrate the benefits of sustainability and help upskill members in both our communities in this area.



L-R: Yemi Adewojo MCSI, member, CISI Nigeria National Advisory Council (NAC); Dr John Osuoha, CISI country representative (Nigeria); Nkoli Edoaka MCSI, member, NAC; Favour Debia, Education Trust Award Winner runner-up, Covenant University; Ijeoma Onwu MCSI, president, NAC; Bukola Rufai, member, NAC; Kevin Moore, Chartered FCSI, CISI director, Global Business Development; and Abiodun Adebimpe MCSI, second vice president, NAC, at a celebration of Nigerian winners of the CISI Educational Trust Awards in Lagos.

TRUSTEES' REPORT

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year from 1 April 2022 to 31 March 2023. The Chartered Institute for Securities & Investment ("CISI", or "the Charity", or "the Institute") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company is incorporated by Royal Charter (Registration No. RC000834) and is governed by said Charter and its associated Bye-Laws. The group results combine the results of the Charity with the results of the following:

- a) Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned UK subsidiary, which runs the trading activities of the Institute.
- b) Securities & Investment Institute, a registered charity number 1132642-1 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is dormant and a wholly owned subsidiary of CISI.
- c) Chartered Institute for Securities & Investment (India), a branch established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- d) Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore. This company did not trade during the year.
- e) Securities & Investment Institute (China), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in the People's Republic of China, which runs the consulting activities of the Institute in China.
- f) Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a branch of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE, which acts as a representative office.

- g) Chartered Institute for Securities & Investment (Services) Ltd, a legally registered Sri Lankan branch office of the UK company of the same name, which also provides operational support for the global activities of the CISI.
- h) Chartered Institute for Securities & Investment (Services) Ltd is a branch registered as a representative office in the Philippines. This company does not trade in its own right.
- i) Chartered Institute for Securities & Investment Cyprus Ltd is registered as a wholly owned subsidiary in Cyprus. This company did not trade during the year.

INVESTMENT POWERS

The CISI's Charter provides the Board with the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to such conditions and with such sanction as may for the time being be imposed or required by law.

ORGANISATION

The CISI's ultimate management group comprises the non-executive Board of Trustees (shown on page 31), including up to three Board-appointed co-opted Trustees, which decides upon strategic and policy matters. The executive staff are organised into the departments of learning and qualifications, membership & professional standards, operations, global business development, corporate governance & support and services (Chartered Institute for Securities & Investment (Services) Ltd).

Chief Executive

Simon Culhane, Chartered FCSI (retired 2 September 2022)

Tracy Vegro OBE (appointed 5 September 2022)

Director of Global Business Development

Kevin Moore, Chartered FCSI

Global Director of Finance & HR

Karen Ashcroft, CA, MCSI

Chief Operating Officer

John Preston

Global Director of Learning

Susan Clements, FICE

CHARITABLE OBJECTIVES

The CISI's charitable objectives are to:

1. promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investments;
2. develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas; and
3. act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investment in securities.

A full description of the activities undertaken by the CISI in pursuit of its charitable objects can be found in the published annual report or online at the CISI's website (www.cisi.org).

FUTURE ACTIVITIES

The CISI's key objectives for 2023/24 are:

1. Improve the value of our member offer with accessible, flexible and personalised qualifications and CPD, through the Learning Platform and other digital first initiatives.
2. Evolve our operating model, develop our people and culture, reflecting a clear ESG strategy to ensure we have the capability and capacity to deliver value for all stakeholders.
3. Invest in our digital resources to enable a relevant, customer focused digital strategy and service offering.
4. Ensure regulatory compliance, adhering to requirements in all our activities. Maintaining engagement with regulators and other awarding organisations to ensure we are up to date with changes to policies.
5. Collaborate and contribute to research and public debate on topics concerning the financial services sector.

RESERVES POLICY

The CISI has high operational gearing in a cyclical industry and therefore requires sufficient reserves to draw upon during times of industry downturn and to meet its charitable objectives. The reserves policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. As part of this review, reserves between a minimum of £13.9m and a maximum of £15.4m have been agreed as the new policy level of reserves. The Trustees have agreed this increase from a minimum of £10.2m and a maximum of £11.7m in the prior year. This is due to a planned reinvestment in the operations of the CISI. Areas for investment are membership development, qualifications and learning resources, people and technology.

The Board had postponed the release of existing reserves in 2021/22, considering it appropriate to hold reserves above the suggested maximum level due to the economic and political

TRUSTEES' REPORT

turbulence at that time. In 2022/23, operational performance was stronger than expected despite commercial uncertainties, resulting in a contribution to reserves from operating activities.

Discussions on using a proportion of reserves for broader strategic purposes are continuing and it is expected that a planned further reduction of reserves will occur over a 3–5-year period.

At the year end, the total free reserves, defined as total net assets less tangible and intangible fixed assets, of the CISI amounted to £16,828,750 (2021/22: £14,723,021), which represented 11.6 months' worth of the expected running costs for 2023/24.

The policy of the CISI regarding payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

At the end of the year reserves totalled £17,101,466 (2021/22: £14,954,865).

GOING CONCERN

The Charity has a strong reserve position and has sufficient available resources, as demonstrated by the reserve policy above. It has adequate financial resources and is well-placed to manage the business risks. Its planning process, including financial projection, has taken into consideration the current economic climate, and its potential ongoing impact on the various sources of income and planned expenditure.

The Charity's cash deposits can easily be drawn down, should working capital be required. The Trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue for the foreseeable future. The accounts have therefore been prepared on the basis that the Charity is a going concern.

INVESTMENT POLICY

The Board has delegated the regular review and supervision of the investment of surplus funds to an Investment Committee, comprising suitably experienced members including two Trustees, which is tasked with addressing the maintenance of a short-term cash portfolio and a medium to long-term capital portfolio.

THE CASH PORTFOLIO

Across the cash portfolio there should be a spread of at least five institutions, with no one institution comprising more than 30% or less than 10% of the amount in the portfolio, or holding more than £2m. Deposits of over £100k should only be placed with banks with an investment grade credit rating from Fitch, S&P, or Moody's. Deposits up to £100k can be placed with any bank covered by the Financial Services Compensation Scheme, irrespective of credit rating. All policies have been followed successfully.

THE MEDIUM TO LONG TERM PORTFOLIO

The Investment Committee and the Board discuss the CISI's reserve funds on a regular basis and between them decide when and how much capital can be invested for a longer period. These funds then fall within the Medium to Long Term Portfolio (MLTP) where there will be wider investment powers.

Funds in the MLTP are invested with a view to achieving a total return in excess of that achievable on cash deposit over the medium to long term (5+ years). The risk profile of the MLTP is medium risk. The Investment Committee appoints qualified fund managers who then use an appropriate fund from their range to provide a suitable investment solution. The managers are expected to report to the Investment Committee on a six-monthly basis to a given benchmark agreed at the time of appointment. The Global Director of Finance & HR also monitors progress of the investments on a regular basis. The MLTP was valued at £9,662,052 on 31 March 2023.

The Investment Committee monitors the investments on a regular basis; however, any appointment of managers requires the Board to delegate authority to the Investment Committee on a case-by-case basis. The Board and the Investment Committee consider styles of investment and any ethical or other restrictions on a regular basis. The Trustees recognise that consideration of environmental, social and governance (ESG) issues is important for the potential to make a positive impact, achieve good long-term returns and reflect the values of the Charity. As such investment managers are required to demonstrate a robust and systemic approach to ESG when investing.

CHARITABLE GRANTS

In 2010, an independent charity, the Chartered Institute for Securities & Investment Educational Trust, was formed. The CISI is a Corporate Trustee of this charity, but the other Trustees are all independent from the main Board of the CISI. Its objectives are "to promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investment". During the year, the CISI donated £nil to this charity (2021/22: £275,000).

In 2022, an independent entity, the Chartered Institute for Securities & Investment Future Foundation (the Foundation), was formed. Three CISI Trustees are appointed to the board of the Foundation, but the other Trustees (up to six) are all independent from the main Board of the CISI. Its objectives are to promote financial literacy, both in the UK and internationally. During the year, the CISI donated £nil to this entity (2021/22: £2,500,000).

VOLUNTEERS

The CISI derives benefit from the services of unpaid volunteers, by virtue of the time given by its Trustees (other than the chair, who is remunerated for their services) and by practitioners who serve on various committees and panels. No donations in kind were received during the year.

FUNDRAISING ACTIVITIES

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

CHARITY GOVERNANCE CODE

The CISI takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. Trustees and director-level staff have been provided with training on their duties and responsibilities under the Charity Governance Code and similar pieces of guidance and legislation. New Trustees are provided with information on their Charity Commission and governance responsibilities on appointment, and all Trustees are updated on relevant Charity Commission changes.

RELATIONSHIPS WITH OTHER BODIES

In pursuit of its charitable objectives, the CISI provides relevant qualifications to the securities and investment industry, many of which are on the UK Financial Conduct Authority list of appropriate qualifications. The CISI is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is recognised by Ofqual, Qualifications Wales and CCEA as an awarding body for the securities and investment industry and is also accredited by the FCA for the issuance of Statements of Professional Standing to retail investment advisers.

TRUSTEES' REPORT

The CISI is a founder member of the Chartered Body Alliance, along with the Chartered Insurance Institute and Chartered Banker Institute. The Alliance is an informal arrangement to coordinate and cooperate and does not involve a separate entity or joint venture. The Chartered Body Alliance believes that by working together, the alliance will achieve greater public benefit, continuing to raise professionalism and trust across financial services by promoting high standards of knowledge, skill, integrity and behaviour. Its core objectives are set out below.

1. Raising professionalism and trust across financial services.
2. Promoting high standards of competence, knowledge and ethical behaviour.
3. Making it easier for the public to access the services of qualified professionals.
4. Encouraging individuals in the sector to undertake recognised professional qualifications.

BOARD

The Board of the CISI meets five times per year and comprises all non-executive Trustees. The Trustees are typically employed in senior positions within firms operating in the securities industry. They are identified by existing Board members for their expertise or nominated by members of the CISI.

Up to 15 Trustees are elected for a term of three years, either by a ballot of the membership at the AGM or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the Charity's Charter and Bye-Laws. Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election or appointment, the new Trustees are given an induction to the CISI, its activities and their responsibilities under charity law.

Any Trustee is subject to a rigorous review of their value to the Board and committees where their reappointment will result in more than nine years served on the Board.

The Board appoints the chair and the chief executive. The chief

executive is not a Trustee. At its meetings, the Board considers matters including:

- policy and strategy;
- people and culture;
- financial performance, including annual budgets;
- responses to industry consultation papers; and
- reports from the standing committees.

The executive staff of the CISI submits management information to the Trustees to enable them to discharge their duties. The Trustees may take independent advice at the Charity's expense.

CHIEF EXECUTIVE

Tracy Vegro OBE was appointed chief executive with effect from September 2022, following a Board initiated search process using a specialist search firm. Her predecessor, Simon Culhane, Chartered FCSI had announced in January 2022 that he would retire in September 2022 after almost 19 years of service.

COMMITTEES AND DELEGATION

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on page 31. Those committees to which the Board has delegated powers have specific terms of reference. The Audit and Risk Committee (formerly the Audit Committee) is chaired by Alan Ramsay FCSI(Hon) FCA.

The Board has delegated the power of appointment and removal of other members of staff to the chief executive. The duties delegated to the chief executive may be delegated by them to other members of staff as they see fit.

REMUNERATION POLICY

The Remuneration Committee reviews and approves or amends the overall salaries budget and proposed changes to salaries annually, based on recommendations from the Executive. It also reviews the remuneration of all executive directors and chair of the Board, including pension rights of executives on an individual basis with regard to their performance reviews and current levels of remuneration and with reference to remuneration levels in other charities of comparable scale and complexity. The Remuneration Committee also approves the design and determines the targets for any performance-related pay schemes.

TRUSTEE REMUNERATION

All Trustees give their time freely and are not paid for their trusteeship, with the exception of the chair, who is remunerated for their services, as allowed by the CISI's Charter.

KEY RISKS

The following are the key risks assessed as the most significant for the CISI:

Economic uncertainty – CISI is conscious of limiting exposure to economic and political events through a diversity of product mix and a geographical spread of revenues. The Trustees are informed through monthly reporting to enable prompt action if needed.

Data breaches and cybercrime – CISI ensures that ongoing, substantial work is undertaken on its systems, contracts, communications, and staff awareness. Regular staff training is undertaken on information security and data protection, and simulated 'phishing' exercises are undertaken several times per year to keep staff alert to evolving threats and criminal techniques.

Business continuity and disaster recovery – Many of the CISI's employees are based in Sri Lanka, which has experienced significant economic difficulties in recent months. We have active contingency plans in place for all locations, and there are no critical systems located in Sri Lanka.

IT infrastructure – The CISI is very reliant on IT but mitigates the risk by employing expert consultants, completing rigorous resilience tests and updating and renewing its key software regularly. During the year, it has continued to upgrade operating systems and applications.

Regulatory compliance – CISI is reliant on Ofqual for its status as an examination provider. The Charity has in place an ongoing programme of training, internal audit, and continuous improvement.

Reputation and accredited body status – The CISI relies heavily on being accredited to set and manage exams and award qualifications accordingly. This could be put at risk by a serious lapse that damages its reputation. To mitigate this risk, the Charity has many procedures in place, closely monitored by the CISI's Membership Committee, to assure the compliance of systems, staff and training partners, including a social media policy, annual reviews of partners' competence, FCA accreditation, plus requiring all staff to take competence tests in the Bribery Act and data protection law.

INTERNAL CONTROL AND RISK MANAGEMENT

The Trustees acknowledge that they are responsible for the maintenance of an effective system of internal control. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Trustees have considered the major business risks and control objectives relevant to the CISI, and controls were found to be appropriate and generally satisfactory.

TRUSTEES' REPORT

The CISI's control objectives include:

- the maintenance of the industry's confidence in the CISI's relevance, integrity and status;
- the identification and evaluation of business risks, through regular risk assessment and review, and the direction of operating and financial strategy;
- the nurturing of high ethical standards, effective communications and a strong overall control environment;
- the safeguarding of the assets of the CISI and the effective use of resources; and
- the promotion of detailed financial and operational controls necessary for the production of reliable and up-to-date financial information.

In pursuit of the above control objectives the CISI has in place a number of key internal controls and processes that include:

- liaising with its members and their employers to ensure the CISI's continued relevance;
- formally identifying, evaluating and reviewing risks;
- communicating the high standards of behaviour expected of its employees by the inclusion of the CISI's code of conduct in employment contracts and additionally, through formal objective setting and performance appraisal schemes, including regularly identifying and taking action to satisfy training needs;
- creating a secure environment to protect the Charity's assets and regularly reviewing management information to ensure the effective use of resources;
- seeking legal protection for CISI trademarks and domain names by registering them in appropriate jurisdictions;
- operating signing limits to ensure that the Charity cannot be committed financially without proper authority, and producing regular financial reports for Board review which include estimates and judgements made by the business managers.

The CISI's Audit and Risk Committee currently comprises five non-executive Trustees. Its scope includes the assessment of the cost effectiveness of the external Auditors, consideration of the financial statements of the CISI and the consideration of any internal control matters, which may be brought to its attention. The Board has reviewed the need for an internal audit function and does not consider that such a function is necessary given the size and nature of its operations, however, the Audit and Risk Committee monitors internal assurance work on an ongoing basis.

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

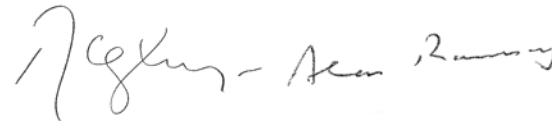
Registered Office

20 Fenchurch Street
London EC3M 3BY

Solicitors

BDB Pitmans LLP
For and on behalf of BDB
Pitmans LLP
One Bartholomew Close
London EC1A 7BL
Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board of Trustees on 11 July 2023 and signed on behalf of the Board by



Michael Cole-Fontayn MCSI
Chair

Bankers

Bank of Scotland
600 Gorgie Road
Edinburgh EH11 3XP

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Alan Ramsay FCSI(Hon) FCA
Deputy Chair

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2023

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
INCOME FROM:		
Charitable activities:		
Membership subscriptions	5,583,933	5,211,673
Membership entry fees	76,383	68,052
Qualifications and development	9,184,878	7,708,847
Publications and conferences	3,085,264	2,842,469
Investment income	240,593	144,554
Other income	843,324	1,056,259
TOTAL INCOME	19,014,375	17,031,854
EXPENDITURE ON:		
Charitable activities		
Dissemination & advancement of knowledge	10,742,935	12,627,880
Ethics	2,432,220	1,636,598
Consultation & research	3,327,285	3,055,905
TOTAL EXPENDITURE	16,502,440	17,320,383
Net investment (losses) / gains	(365,334)	582,516
NET INCOME AND MOVEMENT IN FUNDS	2,146,601	293,987
UNRESTRICTED FUNDS AS AT 1 APRIL 2022 & 2021	14,954,865	14,660,878
UNRESTRICTED FUNDS AS AT 31 MARCH 2023 & 2022	17,101,466	14,954,865

TRUSTEES' REPORT

BALANCE SHEETS

As at 31 March 2023

	GROUP		CHARITY	
	2023 £	2022 £	2023 £	2022 £
FIXED ASSETS				
Tangible assets	272,716	231,844	272,716	231,844
Intangible assets	-	-	-	-
Investments	10,662,052	10,979,884	10,762,052	11,079,884
	<u>10,934,768</u>	<u>11,211,728</u>	<u>11,034,768</u>	<u>11,311,728</u>
CURRENT ASSETS				
Stock	5,580	8,369	5,580	8,369
Debtors: amounts falling due after one year	-	-	-	-
Debtors: amounts falling due within one year	4,188,875	3,286,538	4,188,875	3,286,538
Cash at bank and in hand	9,948,839	8,521,976	9,946,839	8,519,794
	<u>14,134,294</u>	<u>11,816,883</u>	<u>14,141,293</u>	<u>11,814,701</u>
CREDITORS: amounts falling due within one year	(7,479,792)	(7,327,694)	(7,864,579)	(7,718,495)
Provisions for liabilities	-	-	-	-
NET CURRENT ASSETS	6,663,502	4,489,189	6,276,714	4,096,206
Amounts falling due after more than one year	(496,804)	(746,052)	(496,804)	(746,052)
TOTAL NET ASSETS	17,101,466	14,954,865	16,814,678	14,661,882
REPRESENTED BY:				
Unrestricted income fund	17,101,466	14,954,865	16,814,678	14,661,882

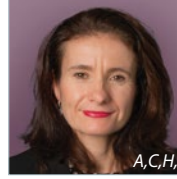
THE BOARD OF TRUSTEES



Chris Allen MCSI
Group Chief Executive,
Quintet Private Bank



Nandika Buddhipala MCSI
Chief Executive,
Commercial Bank of Ceylon



Debbie Clarke CF
Chartered MCSI
Managing Director, New
Clarke Ventures



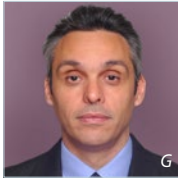
Michael Cole-Fontayn
MCSI
Chair, CSI



Danny Corrigan MCSI
Chief Executive, London
Reporting House



Tracey Davidson,
Chartered MCSI
Deputy Chief Executive,
Handelsbanken



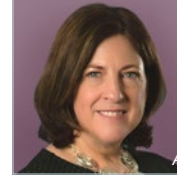
Petros Florides,
Chartered FCSI
Director, Global
Governance (Europe,
Middle East & Asia), World
Vision International



Robert Hughes-
Penny, Chartered
FCSI
Investment Director,
Rathbones



Catherine McGuinness
CBE †
Modern Council, City of
London



Clair Mills †
Director-Strategic Change
and Operations, Bank of
England



Peter Moores,
Chartered FCSI
Chief Executive, Raymond
James UK



Graham Nicoll,
Chartered FCSI
Managing Director
& Head of Midlands,
Alntra



Claire Perryman,
Chartered MCSI
Managing Director, State
Street Global Advisors



Puranam Ravikumar
FCSI(Hon)
Chairman, ICICI
Prudential Trust Limited,
India



Alan Ramsay
FCSI(Hon) FCA
Deputy Chair, CSI; Chief
Executive, International
Property Securities
Exchange



Amyr Rocha Lima
CFP™ Chartered FCSI
(Financial Planning)
Partner, Holland Hahn &
Wills



Rebecca Taylor CFP™
Chartered FCSI
(Financial Planning)
Managing Director,
Aurea Financial Planning



Jane Valls †
Executive Director, GCC
Board Directors Institute

Appointed

Nandika Buddhipala MCSI 29 September 2022
Catherine McGuinness † 29 September 2022

Resigned

Fionnuala Carvill, Chartered FCSI(Hon)*† 29 September 2022

† denotes a co-opted Trustee

* denotes a Trustee that has served for more than nine years

The Trustees served on the following committees:

- | | |
|--------------------------------|--------------------------|
| A Audit and Risk Committee | F Investment Committee |
| B Editorial Panel | G Membership Committee |
| C Examinations Board | H Nomination Committee |
| D Integrity & Ethics Committee | I Remuneration Committee |
| E International Committee | |

The Trustees, all of whom are non-executive, are elected by the members (except for co-optees who are appointed by the Board) at the Annual General Meeting for a term of office of three years. None of the Trustees had any interest in the company or its subsidiaries.



Our Corporate Supporters are financial service organisations that make a commitment to upholding the highest standards of integrity, competence and professionalism. We now have 116 Corporate Supporters, ranging from the large international banks and well established UK firms to large domestic banks in both the Gulf and Asia Pacific. We couldn't deliver some of the initiatives and programmes that we do without the support of these organisations.



Our financial planning corporate supporters provide a valuable contribution that helps us to provide many of the events, training and professional development opportunities we offer to members.

- | | | |
|------------------------------------|---|---------------------------------|
| Ahli United Bank | Dart Capital | OCBC Bank |
| Allfunds Bank | Dinosaur Merchant Bank | Praemium |
| Banque Havilland S.A. | Europe Arab Bank | Prestige Asset Management |
| Bayerische Landesbank | Freight Investor Services | Pollen Street Capital |
| Bovill | Gore Browne Investment Management | Rowan Dartington |
| Brown Advisory | Handelsbanken Wealth & Asset Management | Sanford DeLand Asset Management |
| Capital International Group | Interactive Investor | Sanlam Private Investments UK |
| Cardale Asset Management | James Brearley & Sons | Sarasin & Partners |
| Cave & Sons | James Hambro & Partners | Seven Investment Management |
| Stockbrokers | Jefferies International | SQL Asset Management (UK) |
| Cavendish Asset Management | JM Finn & Co | Stifel |
| CCLA Investment Management | Jupiter Unit Trust Managers | Stonehage Fleming |
| City Asset Management | Lombard Odier Darier | Family & Partners Group |
| Citywire | Hentsch (UK) | TIML |
| Close Asset Management | Marlborough Group | Union Bank of India (UK) |
| Collins Sarri Stratham Investments | Miton Group | Wealthtime |
| Credo Capital | MPL Wealth Management | WH Ireland |
| | Netwealth | World First |



PUMA INVESTMENTS
Chartered Member

