

Lecture 1 Summary (1)

LO. Explain ethics.

The word ethics is derived from the Greek word 'ethos,' which means character. Ethics means making good choices. Ethics includes a set of moral principles and rules of conduct that help us in our behavior.

LO. Describe the role of a code of ethics in defining a profession.

A profession is an occupational community having specialized knowledge and skills; which adheres to ethical behavior; and is subject to some combination of licensed status and technical standards

A profession is different from craft guilds and trade bodies in two ways, i.e. unlike trade bodies, members of professions are required to uphold high ethical standards and their mission is to serve society.

Lecture 1 Summary (2)

LO. Describe professions and how they establish trust;

LO. explain professionalism in investment management;

The common characteristics that help establishing the confidence and credibility in professionals and their organizations include the following:

- a) Professions normalize practitioner behavior;
- b) Professions provide a service to society;
- c) Professions have high entry standards;
- d) All members of a profession possess a body of expert knowledge;
- e) Professions encourage and facilitate continuing education;
- f) Professions monitor professional conduct to maintain integrity and reputation of an industry;
- g) Professions are collegial and respect the rights, dignity, and autonomy of others;
- h) Professions are recognized oversight bodies;
- i) Professions encourage the engagement of members;

Lecture 1 Summary (3)

Professions evolve over time as the requirements, technology, and standards change. Trust is the key in investment management and the trust is established by acting with care, due diligence, and judgment for clients. Investment management profession combined with ethical corporate governance plays a vital role in the growth and development of the capital market.