



東風 Tung Feng



Vol. 59

No. 9

2nd September 2011

Last Week's Proceedings – 24th August, 2011

President Eric chaired the luncheon meeting in Regal Hong Kong Hotel as usual.

PDG YK introduced our visiting Rotarian from RC Beijing, Rtn Ruby Chang.

Pres. Eric introduced his 4 guests, being his wife Christine, his son Ivan and his two business mentees Terry Tsang and Terence Tsang from the Science Park.

HS Jonathan introduced his guest as Andrew Hui and PP Andy introduced his guest as Paul Kan.

Pres. Eric made a few announcements as follows:

- The PDG Uncle Peter Golf was scheduled on September 9 (Friday) in Fanling, with a birthday celebration dinner at night.
- Aug 31 (Wednesday) luncheon meeting will be moved to Sept 2 (Friday) evening at Regal HK Hotel, being a joint meeting with RC HK Harbour, Bayview Sunshine and Lan Kwai Fong for Mid-Autumn Festival celebration.
- Dir. Sharon Lamport had secured a District Simplified Grant of US\$ 1,200 in our joint Water Project with RC Bangkok South when our club made a contribution of Thai baht of 120,000 (equivalent to US\$3,925).
- The 103rd Convention of Rotary International. Bangkok, Thailand would be held on May 6-9, 2012, please made enrolment to IPP Heman and AG Andy for hotel reservation assistance.
- Lingnan Rotaract Club also got the Presidential Citation this year in the Rotaract Installation on July 30, 2011. Thanks to our advisory team from Pres. Eric, AG Andy, IPP Heman, and PP Laurence.



THE ROTARY CLUB OF HONG KONG ISLAND EAST LTD.

香港東區扶輪社週報

Club 16340

District 3450

Chartered on 06 April, 1954 by Charter President

PDG (Uncle) John Yuen

- From our last board meeting, it was proposed and approved that PP Laurence Chan would be nominated to serve on the Nominating Committee for District Governor 2014 -15.
- Director Anthony Kwong planned to recruit 30 voluntary helpers for the Mid Autumn Festival Home Visit held on Sept 10 (Saturday).
- Another Outing for elderly will be held on Sept 17 (Saturday, 10 am – 4 pm), organized by PE Nancy, 10 volunteers is required. Itinerary for visiting Hong Kong Film Archive, lunch in Fairwood Fastfood, and then a trip to visit Fireboat Alexander Grantham Exhibition Gallery .
- Rtn William Wong was organizing a Vocational Visit of WEEE Eco-Garden on Sept 24, 2011.

We had a birthday celebration for Rtn Dennis Wat, who happened to be our speaker on the same day. PP Rudy was invited as the song leader.

Pres. Eric presented a video of his recent trip to RC Penang, brought back many fond memories and good old faces. PP John was then in charge of the auction from two souvenir plates (hand painted, from their RC Penang sponsored charity organization), IPP Heman and Rtn Jonan both contributed \$500 each for the plates. SAA William reported the total contribution on the day to the red box was \$2,600.

HS Jonathan introduced our speaker, Rtn Dennis Wat for his first vocational talk, who had substantial portfolio management and private banking experience in HK and Singapore. Dennis was visiting professor to the Singapore Management University before, after his DBA graduation from the Hong Kong Polytechnic University.

Rtn Dr. Dennis's topic is "On Seeking Absolute Returns: Hedge Funds".

Dennis introduced the investment concept of using hedge funds, speaking in his own personal capacity.

The first hedge fund was created around 1949. A famous hedge fund was George Soros' Quantum Funds that started around 1969. Hedge funds were notably different from many long-only funds as the former seeks to deliver absolute returns under all market conditions, rather than performance relative to a benchmark. Their returns have historically had low correlation to traditional investment returns. They use techniques such as short-selling to boost performance and reduce volatility. Hedge fund managers' remuneration focuses on investment performance and they typically invest their capital alongside their investors.

The Sharpe ratio is used to measure return per unit of volatility. A hedge fund is always selected on the basis of its higher Sharpe ratio (return per unit of risk or volatility) relative to other investments. A simulation for period since 1996 shows hedge funds gives the highest Sharpe ratio of 1.27, topping three portfolios of 50% equities-30% bonds-20% hedge funds, 60% equities-40% bond, and 100% equities respectively. Equities are represented by the MSCI World Index, and bonds are represented by the JP Morgan Government Bond Index. Hedge funds are represented by the HFRI Fund Weighted Composite Index.

To achieve high absolute return, the hedge funds adopt tactics such as short-selling (sell borrowed securities first and hopefully buy them back at lower price), leverage (use bank loan collateralized by assets), and investing through derivative products (such as futures and options). These tactics are used in many hedge fund strategies. For illustration purpose, three strategies were highlighted, namely, convertible arbitrage, distressed debt, and equity long short. Investors should be aware that no single strategy performs well at all times. They should be alerted by the following – bad absolute performance, return divergence from peer group, a shifting of strategy, questionable fees and bonus practices, change of key personnel, signs of operational problems, or a fall in asset under management.

For Q&A, some members asked how they might get started with a taste of the hedge funds. Rtn Dennis responded that good advice from a qualified adviser is the key. At end, Rtn Freddie gave a note of thanks to our speaker, for his informative talk that came timely as the interest rate was low and the inflation rate was high.

For next week program : please note that Aug 31 (Wednesday) had no luncheon, moved to Sept 2 (Friday evening), in Regal HK Hotel for Mid Autumn Party with 4 Clubs.

Pres. Eric proposed a toast to RI coupled with RC of Beijing.

Upon the meeting adjourned, the members and guests were invited to stay for a group photo session.

Rotary Potpourri

"What is VTT ?

The future Vision new grant model will roll out in the entire Rotary world in 2013-14. Since 1st July 2010, one hundred districts have participated in The Rotary Foundation Future Vision Pilot for a three-year test of the new grant structure. The non-pilot districts (including D.3450) have continued to operate under the traditional Foundation program until 2013. Under the Future grant model, the Group Study Exchange will be modified to Vocational Training Team (VTT) which is no longer funded by World Fund but supported by district grants or global grants. Teams funded by district grants are similar to the traditional Group Study Exchanges but have no restriction on the age of the participants or on the length of exchange. Global grants support vocational training teams travelling abroad to implement service project, and to provide or receive training. The team must consist of a minimum of one Rotarian team leader and three non-Rotarian team members with no maximum limit of the number of participants.

The change of the grant structure model enhances flexibility of projects and thus achieving greater impact."

JOKE FOR THE WEEK

Subject: Fw: Saying good bye to mother- a great story

Another funny!

You don't have to own a cat to appreciate this one! You don't even have to like 'em!

When we were dressed and ready to go out for the New Years Eve Party we turned on a night light, turned the answering machine on, covered our pet parakeet and put the cat in the backyard. We phoned the local cab company and requested a taxi. The taxi arrived and we opened the front door to leave the house. The cat we had put out in the back yard, scoots back into the front door. We didn't want the cat shut in the house because she always tries to eat the bird. My wife goes out to the taxi, while I went inside to get the cat. The cat runs upstairs, with me in hot pursuit.

Waiting in the cab, my wife doesn't want the driver to know that the house will be empty for the night. So, she explains to the taxi driver that I will be out soon, 'He's just going upstairs to say goodbye to my mother.' A few minutes later, I get into the cab. 'Sorry I took so long,' I said, as we drove away. 'That stupid bitch was hiding

under the bed. I had to poke her with a coat hanger to get her to come out! She tried to take off, so I grabbed her by the neck.. Then, I had to wrap her in a blanket to keep her from scratching me. But it worked! I hauled her fat ass downstairs and threw her out into the back yard!

The cab driver hit a parked car....



| YEAR 2011-2012 | | | | | | | |
|-------------------------------|--|-------------------------|-------------------------|--------------------------|-----------------------|------------------------------|----------------|
| <i>President</i> | <i>Vice President / President Elect</i> | <i>Secretary</i> | <i>Treasurer</i> | <i>Ex-Officio</i> | <i>Advisor</i> | | |
| Dr. Eric Chin | Nancy Yee | Jonathan Lamport | Dr. Rudy Law | Heman Lam | Peter Hall | | |
| <i>Directors:</i> | | | | | | <i>PP Council Rep</i> | |
| Laurence Chan | John Kwok | Sharon Lamport | Norman Lee | Kevin Leung | Andy Wong | Andrew Chen | |
| <i>Service Chairs:</i> | | | | | | | |
| Paul Chan | Colin Chau | Teresa Ho | Anthony Kwong | William Leung | Eddy Wong | William Wong | Dr. Freddie Wu |

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ROTARY CLUB OF HONG KONG ISLAND EAST MEETS EVERY WEDNESDAY, 12:30 p.m.

24 August, 2011 RC of HKIE Luncheon Meeting Photos



PDG Uncle Peter Hall,
Guest Speaker - Rtn. Dannis Wat
& Pres. Eric Chin



Hon. Sec. Jonathan Lamport, visiting
Rotarian Ruby Chang from RC of
Beijing & PDG YK Cheng



Rtn. Tony Loy & Rtn. Freddie Wu



PP Rudy Law, Rtn. Peter Yeung
& PP Norman Lee



Visiting guest Paul Kan,
AG Andy Wong & PP John Kwok



Visiting guest Andrew Hui
& Dir. Kevin Leung



Rtn. Jason Chan
& SAA William Leung



First Lady, Rotarianne Christine Wu,
Rtn. William Wong
& Rtn. Jonah Cheung



Visiting guest Terry, Terrence Tsang
& IPP Heman Lam



First Lady, Rotarianne Christine Wu &
Young photographer - Mr Ivan Chin



PP Laurence Chan & Mr Andrew Hui



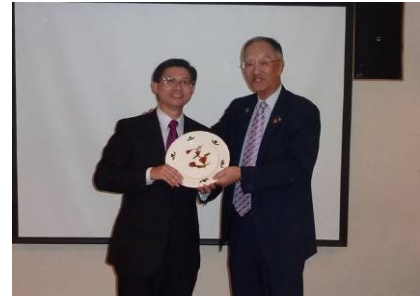
IPP Heman Lam & PE Nancy Yee



This week's birthday boy is our speaker - Rtn. Dennis Wat
Pres. Eric Chin congratulate him with our Club's birthday gift



PP Rudy & PP John auction two
souvenir plates brought back from the
visit of RC of Penang



Rtn. Jonah Cheung & IPP Heman Lam bided the two souvenir plates from Rotary Club of Penang



Rtn. Dennis Wat gave us a talk about "An overview of
Hedge Funds Investing"



Pres. Eric Chin thanked Rtn. Dennis with a gift from the
club



Rtn. Freddie Wu gave a vote of thanks to Rtn. Dennis Wat



PP Norman Lee showed an club souvenir received from
Rotary Club of Penang



Group photos with Guest Speaker, visiting guests & club members

Rotaract Club of Lingnan University Installation 10 July , 2011





"We Shall Commit with Heart"







(Left) RAC EVP Chelsea, IVP Hannah, RAC Pres. Osmund, Pres. Eric, IPDRC Chair Wendy, PE Nancy



LUSU Rotaract Club IPEVP Nancy (right Four) received Presidential Citation in Rotaract District Installation 30 July 2011



