

FINANCIAL PHYSICIST

By JOHN HOFFMANN

The link between theoretical plasma physics and dynamic asset allocation is plain to see: it is otherwise known as Dr Wilson Sy, of BT Asset Management, the winner of the 1990 JASSA Prize.

A judging panel of members of the JASSA editorial board awarded the prize to Dr Sy for his article *The Rewards of Market Timing*, published in the September 1990 issue.

Dr Sy, a scientist-turned-financial modeller, argued against widely held beliefs that market timing as an investment management tool is difficult, unrewarding and risky. On the contrary, his article said, high interest rates and excessive volatility in the past decade had made market timing particularly effective and rewarding.

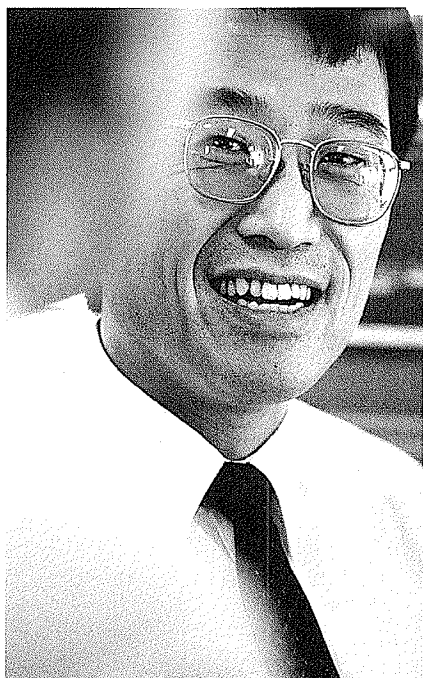
His analysis of Australian and US data indicated that it was marginally easier to beat the Australian market by market timing, and that even a modest degree of forecasting ability could bring substantially greater rewards in Australia than in the US.

The judges complimented the article on its originality, its clear presentation and its useful contribution to the securities markets.

Dr Sy, 43, has been with BT in Sydney for three years, since completing the transition from his earlier career as a research scientist.

Born in Hong Kong, he completed his secondary schooling at Fort Street Boys High School, Sydney, then gained a science degree with honours at the University of New England at Armidale. A PhD in theoretical physics at the Australian National University followed.

Through the 1970s Dr Sy worked with the CSIRO, lectured at the University of Papua New Guinea, and was a research fellow at Flinders University, Adelaide, before returning to the Australian National University.



Dr Wilson Sy

His interest in financial modelling grew in the early 1980s, in what he sees as a natural application of his background in theoretical physics and mathematics. He studied economics and finance while researching at ANU, and by the mid-1980s was senior lecturer in mathematics at the University of Technology, Sydney, specialising in financial and macro-economic modelling. He was also undertaking some financial modelling and consulting for finance companies.

A varied background for someone now in the thick of the securities industry? "That's what happens to research scientists," Dr Sy laughs.

He says he finds the finance industry more satisfying than academia. "It is more responsive in many ways. Things happen more quickly. I like it—there are lots of problems to solve, lots of challenges."

Dr Sy is now working on designing a decision-support system for BT's financial management. "It

should give better access to information, enabling managers to look at portfolios in a more flexible way," he says. "Then, I plan to return to more modelling, hoping that the system I'm designing now will produce the data I need."

The move to BT does not mean that Dr Sy has left pure research behind him. He is secretary of the Q Group, an institute for quantitative research in finance.

Wilson Sy says that the award of the JASSA prize crowned what was "a good year for me"—a year in which the high point came when his wife presented him with a son, now 10 months old.

And what lies ahead in 1991? Among other things, catching up on his final subjects in the SIA Diploma Course. Last year, he missed the examination for his second-last subject: that night he was keynote speaker at a Q Group seminar.

SIA COURSE DUXES

Another success story with somewhat unlikely beginnings is that of Richard Facioni, the winner of the 1990 President's Prize as dux of the SIA Diploma Course.

Mr Facioni, 26, graduated from Sydney University with first-class honours in engineering before joining Macquarie Bank Limited two years ago.

The news of his win had to travel a long way to reach Mr Facioni: he left Sydney in August to take up a two-year MBA course at the University of Pennsylvania. A family member said that Mr Facioni, who had been "very, very happy" at the news, "just likes to study more and more".

The 1990 President's Prize for the dux of the Certificate Course went to Julie Parsons, of the invest-

ment department of the Prudential Assurance Company Limited.

Ms Parsons, 29, is involved in the development of computer systems for the management of unit-linked funds. Before joining Prudential three years ago, she worked in the Commonwealth Bank's group treasury.

"I started the Certificate Course a few years ago because it seemed natural to learn as much as possible about the area," she said. "And I enjoy learning."

The Diploma Course might seem a logical next step, but Ms Parson says that will have to wait. This year she is fully absorbed in a computer programming course. But more SIA study is "in the back of my mind", she says.

A full list of Diploma and Certificate course prizewinners follows:

NATIONAL PRIZEWINNERS

The President's Prize: Graduate Diploma Course Dux
Richard Facioni
Sydney

The President's Prize: Certificate Course Dux
Julie Parsons
Prudential Assurance Company Limited, Sydney

The Ian Roach Prize: Graduate Diploma Course
(Made possible through funds donated by the Australian Stock Exchange Limited)
James Kilkenny
Bain & Company Limited, Brisbane

The Ian Roach Prize: Certificate Course
(Made possible through funds donated by the Australian Stock Exchange Limited)
Jacqueline Davidson
Bain & Company Limited, Sydney

Research Prize
Advanced Security Analysis (57)
(Made possible through funds donated by the National Second Board Association Limited)
Adam Newman, Coopers & Lybrand, Perth
Christopher Kinsella, KPMG Peat Marwick, Sydney
John Neuling, KPMG Peat Marwick, Adelaide

DIPLOMA COURSE SUBJECT PRIZES

The Australian Financial Review Prize
The Securities Industry (51C)
Andrew Rutherford
Sydney

The Commercial Law Association of Australia Prize
Securities Industry Law (52C)
Robert Johnson
ANZ McCaughan Securities Limited, Melbourne

The Australian Bankers' Association Prize
Securities Industry Economics (53C)
Paul Schultz
Coopers & Lybrand, Brisbane

The Australian Business Prize
Financial Statement Analysis (54C)
Paul Weibusch
Deloitte Ross Tohmatsu, Adelaide

The Australian Mining Industry Council Prize
Mining Investment Analysis (55)
Dale Smith
Consultant, Brisbane

The Australian Merchant Bankers Association Prize
Applied Corporate Finance (56)
Michael Russell
Coopers & Lybrand, Brisbane

The Life Insurance Federation of Australia Prize
Applied Portfolio Management (58)
Stephen O'Brien
Security Pacific Australia Limited, Sydney

The Council of Authorised Money Market Dealers Prize
Money Market and Fixed Interest Investment (59)
Peter Fitzgerald
Ayers Finnis Limited, Adelaide

The Sydney Futures Exchange Prize
Australian Futures Trading (60)
David Klinger
McIntosh Hamson Hoare Govett Limited, Melbourne

The Australian Forex Association Prize
Foreign Exchange (61)
Melissa Robertson
Macquarie Bank Limited, Sydney

The Australian Finance Conference Prize
Options Markets and Trading (62)
Michael Chadwick
Australian Mutual Provident Society, Sydney

The Building Owners and Managers Association of Australia Prize
Property Investment and Analysis (64)
John Osborn
Perrett Harrison & Partners, Adelaide

CERTIFICATE COURSE SUBJECT PRIZES

The Investment Funds Association of Australia Prize
The Securities Industry (21C)
Robert Lofgren
Supacorp Pty Limited, Sydney

The Commercial Law Association of Australia Prize
Securities Industry Law (22C)
Geoffrey Doyle
Commonwealth Bank of Australia, Brisbane

The Securities Institute of Australia Prize
Understanding Company Reports (24C)
Catherine Voysey
MIM Holdings Limited, Brisbane

The Australian Stock Exchange Prize
The Australian Stock Market (25)
Kenneth Brasington
Commonwealth Bank of Australia, Townsville

The Sydney Futures Exchange Prize
The Australian Futures Market (26)
Elizabeth McGregor
ANZ McCaughan Futures Limited, Melbourne

The Australian Stock Exchange Prize
Stockbrokers' Administration Procedures (27)
Julie Parsons
Prudential Assurance Company Limited, Sydney

The Council of Authorised Money Market Dealers Prize
Bond and Money Markets (28)
Stephen Jaensch
National Australia Bank, Mt Gambier

The Personal Investment Prize
Personal Investment: Planning and Management (31)
Craig Nolan
Melbourne