

ASIF

News Letter

Quarterly Issue, August, 2012

The Newsletter of the Asian Securities and Investments Federation

Secretariat News

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ASIF AGM to be held in Tokyo

ASIF AGM, ExComm meetings and other committee meetings as well as the first ACIIA/CIIA Asia Forum meeting will be held on Sunday 14 October at Gakushi Kaikan in Tokyo in conjunction with the ASIF 2012 Conference. After the meetings, the dinner hosted by ASIF Chairman is scheduled. Details of the meetings including agenda and schedules will be sent to the members as soon as practical. The registration for the meetings and request for the hotel reservation should be sent to the asif-manager@saa.or.jp as soon as possible, but no later than Friday 14 September.



SAAJ/ASIF 2012 Conference in Tokyo

As it has been previously announced, the ASIF 2012 Conference will be held on Monday 15 October 2012 at Keidanren Kaikan in Tokyo as a joint conference with SAAJ to commemorate its 50th anniversary. There are two keynote speakers, Dr. Changyong Rhee, Chief Economist of Asian Development Bank, and Dr. Aftab Seth, former Indian Ambassador to Japan. There will be other speech and a panel discussion, please refer to the details of the programs and how to register and reserve the accommodation to the following <http://www.saa.or.jp/english/imgs/top/topimg.jpg>

Calendar 2012

14-16 October 2012
ASIF AGM, ExComm Meeting
SAAJ/ASIF 2012 Conference
ACIIA/CIIA, Asia Forum
Tokyo, Japan

13-14 November 2012
ACIIA Council Meeting
ACIIA Seminar
Buenos Aires, Argentina

Member's Regional News

FINSIA Australia

The Financial Services Institute of Australasia (Finsia) announced the appointment of Marianne Birch, SF Fin as its new President, following the AGM held in Melbourne in May.



In congratulating Marianne, outgoing Finsia President, Malcolm McComas SF Fin said he was delighted with Marianne's appointment. "She has a long and impressive history within the financial services industry, and with Finsia in particular. Her

contribution to Board activities since her appointment in 2005 has been highly effective and her new role as President is very well deserved."

Following her appointment Marianne said she was looking forward to her new position on the Board. "We have seen Finsia develop through substantial changes in the last few years, the most significant being the sale of its education arm to Kaplan. This has provided the organisation and its members with new opportunities and challenges" she said.

"I look forward to continuing to work closely with the Board, the Regional Councils, Advisory Councils, members and staff, and with CEO and Managing Director, Russell Thomas and his Executive Team, in our continued pursuit to create a stronger Finsia, financially independent and relevant to its members," she added.

Marianne is an Executive Director of Macquarie Capital Advisers Limited in Sydney with over 20 years experience in mergers and acquisitions, specialising in the financial services sector. She joined the Securities Institute of Australia (SIA) in 1992. She has been on the Finsia Board since 2005; Chair of the Membership Advisory Committee and a Member of the NSW Regional Council. Previous roles with the SIA include: National Councillor from 2002-2005; Chair NSW Education Committee 1995-2000; Chair, Postgraduate Academic Advisory Committee 2000-2003; Principal lecturer E102 (Applied Valuation) 1999 – 2001.

Finsia Assists Funds to implement ESG Principles

Environmental, social and governance (ESG) principles inform the investment decisions of a growing number of superannuation funds. However, many funds still struggle to develop policies to effectively implement ESG principles.

In response, the Financial Services Institute of Australasia (Finsia) has released a set of practical guidelines to assist superannuation funds develop clear and effective policies to implement ESG principles.

"A clear and well-planned ESG policy has the potential to affect fund performance in a material way," said Russell Thomas, Finsia's CEO. "Conventional investment analysis focuses on value in relation to financial performance, but more and more the connection between financial performance and implementing ESG principles in investment decisions is being recognised." Finsia's guidelines target Australian superannuation funds, which have been at the forefront of ESG implementation. Total superannuation assets increased by 13.9% during the year to June 30 2010 to \$1.23 trillion. Of this total, \$722.6 billion was held by Australian Prudential Regulation Authority regulated superannuation entities.

"Superannuation funds are uniquely placed to implement ESG principles," Mr Thomas said. "They have significant influence over the economy as a whole and over the sustainable business practices of the companies in which they invest."

Finsia's guidelines highlight the importance of commitment from the c-suite and board for successful implementation. "An ESG approach should be indistinguishable from good investment practice," Mr Thomas said. "For this to happen, ESG needs to be "mainstreamed" or embedded in the general investment process. Our guidelines have been designed with this goal in mind."

Among other important issues, Finsia's guidelines show the industry how to integrate ESG principles into the critical fund manager selection process. "Incorporating ESG principles in the fund manager selection process sends a clear and powerful signal to prospective fund managers and investors," Mr Thomas said. "It makes prospective fund managers aware that it is in their best interests to demonstrate a clear and well-designed process relating to ESG issues."

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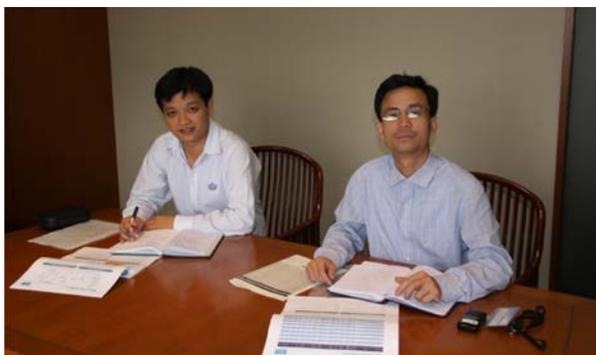
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Many investing entities are signatories to the United Nations Principles for Responsible Investment (UNPRI), a set of aspirational and voluntary principles for incorporating ESG into decision-making and ownership practices. “By releasing these guidelines, Finsia aims to help companies develop an active ownership policy that reflects the UNPRI,” Mr Thomas said.

SAAJ Japan



Mr. Nguyen Hai Nam (left) and Mr. Trinh Van Dien (right)



Mr. Nguyen Hai Nam (third from right) and Mr. Trinh Van Dien (second from left) with ASIF Chairman, Mr. Kiyoto Hagiwara (third from left)

Two people from Vietnam attended the internship program in Tokyo

With full cooperation from Tokio Asset Management Co. Ltd, one of major investment management firms in Japan, SAAJ arranged a special internship for two Vietnamese, Mr. Nguyen Hai Nam, Deputy Director, Department of Fund Management Companies and Funds, State Securities Commission, Ministry of Finance, Vietnam and Mr. Trinh Van Dien, Deputy Head of Training Division of the Securities Research and Training Center (SRTC), State Securities Commission, Ministry of Finance, Vietnam. The two people had a one-week special internship at Tokio Marine Asset Management Co. Ltd. for 6-10 August 2012.

According to their interest, the internship was mainly concentrated in the risk management and market regulation in Japan. They also visited SAAJ’s office to make a courtesy call to ASIF Chairman, Mr. Kiyoto Hagiwara, and exchanged views regarding the CIIA program, since SRTC became an associate member of ACIIA at its AGM held June 2012 in Madrid.

GIPS Special Seminar held in Tokyo

On Wednesday 25 July, SAAJ held “GIPS Special Seminar” for the purpose of explaining basics of the GIPS and advantage of GIPS compliance. There were two speakers, Mr. Yoh Kuwabara, Chairman of SAAJ’s Investment Performance Standards Committee and Chair of GIPS Interpretations Subcommittee, and Mr. Ryuji Takezaki, Senior Managing Director at Nomura Asset Management. SAAJ held the seminar free of charge so that as many participants as possible including the pension fund sponsors would be able to attend it. GIPS has been receiving much attention due to the recent scandals involving pension funds as victims of fraud by AIJ Asset Management, and it is widely believed that compliance with GIPS standards is one of the good ways to prevent such fraudulent action by asset managing company. The seminar attracted about 150 audiences.



Mr. Yoh Kuwabara, Chairman of SAAJ’s Investment Performance Standards Committee and GIPS Interpretations Subcommittee



Mr. Ryuji Takezaki, Senior Managing Director of Nomura Asset Management Co. Ltd.

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SAAJ's 50th Anniversary, 15 Oct. 2012

Year 1962 should be remembered as one of the most significant years in the history of the profession of financial analysts. In Europe, the European Federation of Financial Analysts Societies (EFFAS) was established in 1962. In the U.S., the Institute of Chartered Financial Analysts (ICFA) was incorporated in 1962 to offer their exams. In Japan, the Tokyo Security Analysts Association, the predecessor of the Securities Analysts Association of Japan (SAAJ), was established in 1962, triggered by the exchange of missions visiting the industries in each country between Japan and the U.S.



Mr. Konosuke Koike, first Chairman of the Tokyo Security Analysts Association at its Inaugural General Meeting 15 October 1962

In 1959, a mission of the leaders of major Japanese securities firms visited the securities industries in the U.S. and European countries taking more than two months, lead by Mr. Konosuke Koike, Chairman of Yamaichi Securities (later the first Chairman of the Tokyo Security Analysts Association). They were very much impressed by the high quality of securities analysts, in particular, those working in U.S. securities firms. Through this visit, Mr. Koike had a firm idea that the foundation of an organization to train professional analysts was indispensable for the development of the securities industry in Japan.

Responding to the visit, in April 1962, a mission of 131 members including 81 securities analysts from the U.S. visited Japan to see the amazing progress of various Japanese industries and securities firms (having meetings with 32 companies and visiting 12 factories), lead by Mr. Donald B. Maccader, Chairman of the New York Society of Security Analysts.

Induced by a series of these movements, finally on 15 October 1962, the Tokyo Security Analysts Association was established, and re-named as the Securities Analysts Association of Japan when reorganized into nationwide association in 1969. In 1977, the first educational program for Level 1 of the CMA (Chartered Member of SAAJ) qualification was

launched and now SAAJ has 25,000 CMA charter holders.

In SAAJ's history, EFFAS has always been a very important partner in enhancing solidarity among investment professional organizations on a global basis. Here, we recall SAAJ's participation in the first international cooperative organization for financial analyst associations, the ICC (International Coordinating Committee), which was established under the initiative of EFFAS and FAF (now CFA Institute) in 1974; and then joint efforts through the ICC in such areas as providing a unified voice on behalf of financial analysts in the formulation of international accounting standards and considering a possible international common education scheme. And, most recently, close cooperation with EFFAS in the establishment of the Association of Certified International Investment Analysts (ACIIA) in 2000 and success of the Certified International Investment Analyst (CIIA) qualification covering 37 members globally as well as the creation of ACIIA Principles of Ethical Conduct.

On 15 October 2012, SAAJ will celebrate its 50th anniversary by holding SAAJ/ASIF joint conference to commemorate the occasion at Keidanren Kaikan in central Tokyo. There are a number of distinguished speakers including two keynote speakers, Dr. Changyong Rehee, Chief Economist of the Asian Development Bank and Dr. Aftab Seth, former Indian Ambassador to Japan, and there are speeches and panel discussions to celebrate the occasion (see the program outline). The members of ASIF/ACIIA/EFFAS member societies are exempted from the payment of the registration fee. SAAJ hopes to be able to welcome many participants from ACIIA member societies to celebrate the occasion. For registration visit:



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