

AUSTRALIA

PR CHINA

CHINESE TAIPEI

HONG KONG

INDIA

INDONESIA

IRAN

JAPAN

KOREA

MALAYSIA

NEW ZEALAND

PHILIPPINES

SINGAPORE

THAILAND



## NEWSLETTER

THE NEWSLETTER OF THE ASIAN SECURITIES ANALYSTS FEDERATION INC

also available on [www.asaf.org.au](http://www.asaf.org.au)

Quarterly Issue, March 2006

### Secretariat News

Following a decision at the ASAF Annual General Meeting in October 2005 in Beijing to support the activities of the Association of Securities Analysts of the Philippines (ASAP), the ASAF Interim Executive Committee Meeting in 2006 took place 2 April in Manila, the Philippines, kindly hosted by ASAP. Taking this opportunity, ASAF Chairman Dr. Bill Kwok and Deputy Chairman Kiyoto Hagiwara and other ExComm members paid courtesy calls on HE Mrs. Gloria Macapagal-Arroyo, President of the Philippines, the Philippine Stock Exchange, and the Securities and Exchange Commission of the Philippines to exchange views on how the regulators might be able to assist ASAP and contribute to the development of the capital market in the Philippines.

### ACIIA® News

#### CIIA® Exams: September 2005 Session

The CIIA® September exam session was successfully held on 16–17 September in Ahmedabad, Athens, Buenos Aires, Bangalore, Chennai, Dehli, Frankfurt, Hong Kong, Hyderabad, Indore, Interlaken, Kolkata, London, Luxembourg, Madrid, Milan, Moscow, Mumbai, Muscat, New York, Osaka, Paris, Pune, Tokyo, and Vienna, catering to many candidates from 14 countries.

CIIA examinations have been held in 20 countries and over 3000 professionals have received the CIIA designation and current registered candidates are over 5500.

The March 2006 exam session is scheduled for 10 March in Africa, Europe, and North and South America, and 11 March in Asia.

#### ACIIA® Council Meeting and ACIIA Seminar: 17 November 2005, Seoul, Korea

The ACIIA® Council Meeting was held on 17 November 2005 in Seoul, Korea. On this occasion, the Korea Certified Investment Analysts Association (KCIAA) organized a seminar under the theme of “International Capital Markets” inviting speakers from Asia and Europe to draw attention to the CIIA® as an internationally recognized designation.

### Member's Regional News

#### Australia — Finsia

#### Membership Services Improve and Expand

Our members continue to benefit from better, faster and more targeted services due to the scale and integration benefits afforded by the merger. This is being reflected in strong growth in enrolments and membership.

One of the most important immediate benefits for members flowing from the merger has been the integration of all member services and benefits. The creation of an integrated customer database has enabled Finsia to move forward with enhanced membership services through straightforward extraction of mailing and email lists for many purposes.

The new Finsia postnominals have been added and the new guidelines for membership application listed on the website. Newly branded membership certificates will be issued to all members after the ratification by members of the new legal name of Finsia at the AGM in April 2006.

## My Finsia

Members have exclusive access to their section of My Finsia via the website. This includes news items, member services and benefits, access to JobReady Online and to the Personal Information section, where all members can review and update their own personal contact details, and answer survey questions which enable Finsia to supply relevant and appropriate information and alerts.

## Publications Update

Following the merger, we have reviewed both of our respected publications, JASSA and the Journal of Banking and Finance — B+FS, and we have decided that both should continue, although with slightly amended roles.

B+FS has been rebranded as InFinsia, to carry the Finsia name, and will include the regular Finsia news reports. JASSA will retain its name and core purpose, which is to make available to members a range of submitted papers reviewed via industry experts and academics. It will also include other regular Finsia features including more in-depth policy coverage.

Finsia welcomes the contribution of articles on current developments and strategic issues within the financial services sector, while JASSA invites submissions that are more technical. JASSA is an ideal medium for the publication of more in-depth articles by industry practitioners. It continues to be an accepted publication vehicle for academic writers, but with articles written in a style that makes their work accessible to a wider audience.

## Record new member numbers for 2005

Finsia has achieved a record number of 3,791 new members for the 2005 calendar year. This sets a new benchmark for future years. Finsia new member numbers for the previous three years were 2,914 (2002), 2,509 (2003) and 2,917 (2004). The total number of financial members as at 14 March 2006 was 20,663.

## Calendar 2006

### 2 April 2006

ASAF Interim  
Executive Committee Meeting

Manila, Philippines

### 28 June 2006

ACIIA® Council Meeting

### 29 June 2006

ACIIA® Annual General Meeting

Luxembourg

### 7 November 2006

ASAF Education Committee Meeting  
ASAF Advocacy Committee Meeting  
ASAF Communications Committee Meeting  
ASAF Executive Committee Meeting

### 8 November 2006

ASAF Annual General Meeting

### 9 November 2006

ASAF 2006 Conference

Seoul, Korea

### 28 November 2006

ACIIA® Council Meeting

New Delhi, India

## JobReady Online

Since August 2005, members and students have been able to access jobs targeted directly at them and their financial services skills through a new recruitment service offered on Finsia's website.

The JobReady Online site now has approximately 500 jobs listed. In its first five months of operation until December 2005 the site had over 181,000 hits. Industry response to the service from recruiters and corporate advertisers continues to be extremely positive.

## Education Update

As a result of input from practitioners, employers, students and other industry stakeholders, Finsia has re-designed its Diploma of Financial Markets (DFM) and Diploma of Mortgage Lending (DML) qualifications and has introduced the new courses for 2006. The courses will be named Diploma of Financial Markets and Diploma of Lending.

The revised content coverage and course structures enable students to complete the Diploma in a shorter period of time.

As a non-university higher education institution, Finsia will seek government accreditation for the new Diplomas — as higher education awards. It is anticipated that the accreditation process will be complete by mid-year 2006.

Online enrolment for education programs has grown to 80 per cent of total enrolments, a spectacular level of uptake and one that enables us to improve overall student service.

Finsia and the Australian Stock Exchange will launch the jointly developed ASX Accredited Listed Product Adviser program early in March 2006. The course is designed for Financial Planners and focuses on the characteristics of listed products and their application in wealth management portfolios.

The Securities and Derivatives Industry Association's Professional Program will be offered by Finsia from March 2006. The course delivers an opportunity to for experienced securities and derivatives practitioners to have knowledge and skills gained through professional practice recognised in a qualification. For new or aspiring entrants to the industry, the program provides the foundation for competent and ethical entry-level performance in the workplace.

In 2006 we plan a trial of online assignment submission for a small group of subjects, with the aim of eventually rolling this capability out to a wider group of education subjects.

The many advantages to submitting online include equity among students, particularly for those who are studying by distance education and overseas, with faster release of marked assignments back to students, resulting in better service for our students.

## Finsia International Update

In December 2005 Finsia facilitated training in Korea and Thailand.

### Korea

In partnership with the Korea Securities Dealer Association (KSDA), Finsia presented a 5-day Advanced OTC Derivatives program in Seoul 12 to 16 December 2005. The program received excellent feedback from the participants and was based on material sourced from post-graduate and masters subjects. Chris Cossor led the presentations during the training course, which was completed by simultaneous translation, and this provided extra challenges for our presenters. The Korea Derivatives market is the most active in the world and positive response may lead to further training in Korea.

### Thailand

With a grant from the ASEAN Australia Development Cooperation Program, Regional Partnership Scheme funded by AusAID, Finsia joined with ASEAN partners, ASEAN Secretariat, SIDC Malaysia and SEC Philippines, to provide two training courses for participants in the capital markets in the ASEAN countries.

The jointly developed courses currently approved are Capital Markets Legislation and Supervision and Capital Markets Liquidity Enhancement. The first course on Capital Markets Legislation and Supervision was delivered in Bangkok on 13 to 15 December 2005.

Designing the training program was very challenging to cover the spectrum from emerging through transitioning to developed economies. All participants completed some pre-course work about the regulatory system in his/her country, then the three days of the program involved the use of case studies, hypotheticals and group work to analyse the different regulatory regimes in the ASEAN region with reference to specific case studies provided throughout the three days on the USA, Philippines and Malaysia.

The participant feedback was excellent and the Thailand Securities Institute proved a great partner in delivering the course in Bangkok. The next course is scheduled for presentation in Bangkok in April 2006.

### **Finsia Signs MOU with Monash**

Monash University's Department of Accounting and Finance and Finsia Education have signed a Memorandum of Understanding that will provide quality training and education to people worldwide in the banking, finance and securities industries. Finsia now provides financial services education and membership services to more than 30,000 professionals in Australia. One of the major objectives of the Monash-Finsia collaboration is to establish a training program for in-bound Chinese banking personnel involving intensive classes in Melbourne and in China.

For Monash University this forms part of a Financial Services Education Project that is supported by the Victorian Government's Department of Innovation, Industry and Regional Development. Monash and Finsia will also jointly bid for international aid work funded by agencies such as the World Bank, International Finance Corporation, Asian Development Bank and AusAID.

The Memorandum of Understanding was signed between Professor Kim Langfield-Smith and Finsia CEO Brian Salter on Tuesday 28th of February at the Windsor Hotel, Melbourne.

### **Indonesia: Asian Development Bank Project**

Finsia has provided a consultant, Sandra Harris, to provide advice on enforcement for the new super regulator being established in Indonesia. Sandra was formerly with the US SEC and brings a wealth of experience to this challenging project. The project will be for three months and is based in Jakarta.

### **59th International Banking Summer School for Australia**

Finsia will host the 59th International Banking Summer School (IBSS) in Melbourne, Australia, from 27 August to 6 September 2006. The IBSS is a unique annual educational event in world banking supported by the world's leading banking associations and institutes. It is a 10-day educational program of the highest quality aimed at fast-track bankers and finance professionals from around the world. Please visit the website at [www.ibss2006.com](http://www.ibss2006.com) for further details.

## **Hong Kong — HKSI**

### **Achievement Recognised**

The Hong Kong Securities Institute (HKSI) was proud to present the awards to 34 outstanding achievers at the annual Chairman's Cocktail held in February 2006.

Aimed at rewarding candidates' hard work in the Licensing Examination for Securities and Futures Intermediaries (LE), the HKSI Outstanding Achievers Award Scheme was launched in 2005.

Licensing Examination candidates who attempt a Licensing Examination paper for the first time and achieve 95 percent or above of the total score in each monthly examination session will be recognised as "Candidates of the Month". For those candidates who score the highest mark in each Licensing Examination Paper during a calendar year will be recognised as "Candidates of the Year."

The Licensing Examination is considered one of the most important keys to entering the Hong Kong finance industry and it is well known for its high quality and standard.



*The HKSI Board members and the outstanding achievers*

### **Business Continuity Planning**

An Executive Briefing on High-level Principles for Business Continuity was successfully held on 21 February at the HKSI Training Centre. The forum was timely in view of the possible challenge of the Avian flu and was well attended by over 100 participants including Hong Kong practitioners, overseas visitors from the Joint Forum delegation and Asian Regulators delegation.



Full house for the Executive Briefing on High-level Principles for Business Continuity



The Panel

### Roundtable Luncheon featuring SFC's Chairman

The first HKSI roundtable luncheon for 2006 was held on 10 March at the Island Shangri-La Hotel. Mr Martin Wheatley, Chairman of the Securities and Futures Commission (SFC) was the principal guest and he gave the audience a review of the securities market in 2005 and the way forward. Attended by over 110 industry practitioners, this luncheon talk was well received.

### Executive Seminar on Corporate Governance

The HKSI is pleased to launch a top-notch Executive Seminar Series. Every two months, the Institute will invite distinguished speakers to share their respective areas of expertise. The series intends to cover the following areas:

- Corporate Governance
- Corporate Failure
- Corporate Finance
- Derivatives/Structured Products

- Risk Management
- Asset Securitisation
- Latest Development of Mainland Financial Markets

The first seminar on "Corporate Governance" was held on 18 March 2006 (9:00 am-12:00 noon), featuring Professor Simon Ho of the Hong Kong Baptist University and Mr James Wardell of Horwath Corporate Advisory Services Ltd.

Moving forward, the HKSI will have two major events in April, the Business Ethics Forum in Hong Kong and CEPA Forum in Beijing.

### Recognition of PDFM by Napier University, Scotland

Alongside its existing recognition of the HKSI Diploma Programme Examination (DPE), Napier University, one of the largest universities in Scotland with over 12,000 enrolled students, has confirmed that students who have completed Modules 1 to 3 and 6 to 7 of the HKSI's newly launched Professional Diploma in Financial Markets (PDFM) are eligible for entry to Level 4 of its Bachelor of Arts (Hons) Financial Services degree programme. This also applies to students who have completed Modules 1 to 3 of the PDFM by means of being granted an exemption.

### Launch of Computer Based Examinations for the LE

In addition to its current paper-and-pencil examinations, the HKSI is planning to launch computer-based examinations for the LE in order to provide more flexibility and better service for its LE candidates. The Institute is now developing the necessary system and intends to introduce this service in 2007.

### Reciprocal Examination Arrangements under CEPA

The LE Paper 1 examination, which is offered by the HKSI to Mainland professionals (defined as PRC nationals possessing valid securities or futures practicing qualifications in Mainland China) under CEPA, will be held in Shanghai on 22 April 2006. The Shanghai Securities Association (SSA), an organization assigned by the Securities Association of China (SAC), will conduct the examination on behalf of the HKSI. Over 400 enrolments have been received for the examination with candidates coming from all over the Mainland.

As a reciprocal arrangement under CEPA, the third PRC Securities Regulations Examination, offered by the SAC to Hong Kong professionals (defined as Hong Kong permanent residents holding or having held within the past three years a relevant licence issued by the Securities and Futures Commission) and administered by the HKSI, will be held in Hong Kong on 13 May 2006. The HKSI will offer a PRC Securities Regulations Examination Preparatory Course to be held from 29–30 April 2006 in Hong Kong. The course is designed to provide comprehensive understanding of Mainland securities laws and regulations and will be conducted in Putonghua by experienced Mainland practitioners.

### **Preparatory Course for CIIA® Final Examination in Beijing**

The Securities Association of China (SAC) recently launched the CIIA® Final Examination in Beijing, Shanghai and Shenzhen together on 11 March 2006. To help Mainland practitioners prepare the Examination, the SAC invited the Institute to refer experienced speakers to deliver preparatory courses in the Mainland. The first three-day preparatory course was held in Beijing on 10–12 February 2006 which covered the following topics:

- Economics
- Financial Accounting and Financial Statement Analysis
- Corporate Finance, and Equity Valuation and Analysis

## **India — ICFAI**

### **ICFAI Education Lanka launches Certified Treasury Management (CTM) Program in Sri Lanka**

ICFAI Education Lanka (IEL) has recently launched the prestigious Certified Treasury Management (CTM) Program of the Association of Certified Treasury Managers (ACTM). ACTM was set up in 1998 by ICFAI as a non-profit society for the development and regulation of the profession of Certified Treasury Managers. It represents India in the International Group of Treasury Associations (IGTA), UK.

The CTM Program is being offered on the Distance Learning mode in Sri Lanka. It covers all the major areas of in treasury, forex management and risk management, leading to the designation of “Certified Treasury Manager”. The one year

CTM Program has been designed to equip the candidates with special skill sets that are needed to manage domestic cash operations, investments, and borrowings. They become adept at ensuring effective liquidity so that cash is managed through appropriate cash collection and disbursement methods. The CTM Program consists of 4 papers. The examinations will be conducted at Colombo, Sri Lanka. For further details, you may visit [www.icfai.org/iel](http://www.icfai.org/iel).



### **New Releases from ICFAI University Press**

ICFAI University Press, a constituent of the ICFAI University has recently published 75 new titles.

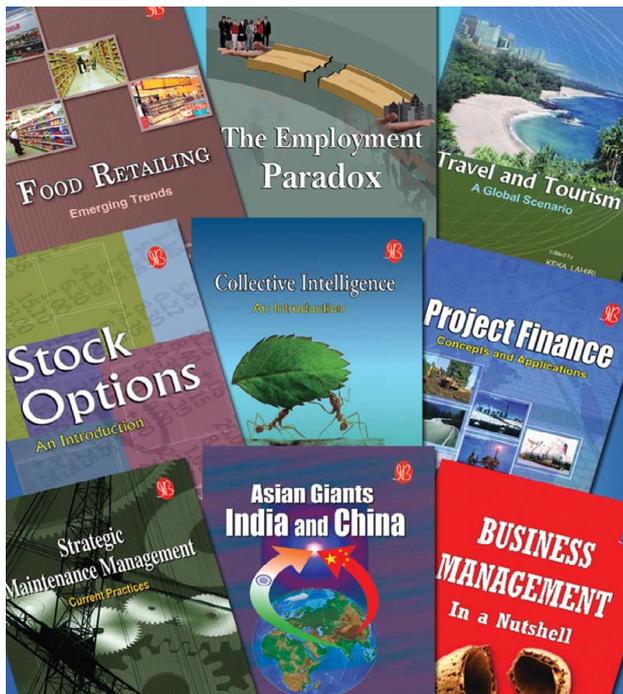
Some of the recently published titles include:

- Food Retailing: Emerging Trends
- The Employment Paradox
- Travel and Tourism: A Global Scenario
- Stock Options — An Introduction
- Project Finance — Concepts and Applications
- Business Management in a Nutshell
- Strategic Maintenance Management — Current Practices

- Collective Intelligence — An Introduction
- Asian Giants — India and China

ICFAI University Press has so far published more than 700 books.

For further details on the books published by the ICFAI University Press, please visit [www.icfaipress.org/books](http://www.icfaipress.org/books).



## The Convocation 2005

The Convocation of the Institute was held at Hyderabad on December 17, 2005. Prof V N Rajasekharan Pillai, Chairman, University Grants Commission (UGC), was the Chief Guest. The Chief Guest congratulated all the students who were conferred their Charters, Degrees, Diplomas, Certificates, Medals and Awards.



## Iran — IIDAI

### Investment Companies

#### In Tehran Stock Exchange

The investor companies have a special situation in Tehran Stock Exchange. On the basis of final classification of securities exchange organization, in regard to their portfolio, the aforementioned companies are in their relevant industry. This article takes under advisement the classification of investors and propounds their situation in securities and exchange stock market in last year.

#### Introduction

Growth of securities and exchange market and step-up of shareholders not only cause capital turnover and prosperity in business economic but also it is a step to distribute the income fairly and all the people of country can use the profitable economic chance. Something that is the most significant herein is the method of capital management and the standing and secure attendances of people are depending on the function of capital market institutions and their suitable management. The investing companies that have suitable finance, utilization of capital market analysts and various portfolios in market can be a suitable assistance for investing all different groups of shareholders.

## Part I

### Introduction of investment companies in Securities Stock Exchange

#### Definition

On the basis of a simple definition of investment, investor is a person — natural or legal — who respites the current consumption and assists to obtain the more consumption in future. Therefore, with this reasoning, it can be stated that many companies include the investment companies. By reason of this subject, there are some companies in Tehran Stock Exchange that have included other industries but the long-term investments of them are similar to the investment nature. In accordance with some observations from 50 active companies in Tehran stock exchange, more than 30 companies have a considerable income that relative to that, many companies can take in the investment companies exclusive of their natures. Hence, in regard to the nature of their activity and even the income of these companies can support them to exceed the producing companies and the income of investment in these companies proceed the essential rules. So although these companies are as other industry in Tehran Stock Exchange, Investment Industry Development Association of Iran, located them as an investment company.

#### The history of investment companies

The history of the investment companies began the decade of 1960. The Stock market evolved after the Islamic republic of Iran revolution and the investment companies faced the distribution of activity and their numbers increased.

On the basis of this trend, intermediary trades in Tehran Securities/stock market especially industry is more important and influences the market. The significance of this industry is due to majority shareholders that have the shares of these companies and also the complex portfolio of their shares from registered and unregistered companies except the reduction of investment risk is effective in the investment market and as a result of great finance is a trusty factor.

This matter especially is more important when the market faces fluctuating prices of stocks and mentions the active presence of these companies in market. Therefore, the investment companies with many finance and finance analysts of experience are proceeding to make various portfolios. In fact, this specificity is an essential factor to separate the function of institutional investor from individual investors.

Nowadays the investment companies are divided into four main groups:

1. The investing companies with authorized/basic capital (closed-end) that the main part of finance obtain through stock and borrowing and provide through private or initial offering and the resources invest in monetary assets (securities and exchange). The main part of income of these companies is buying, selling and holding the stocks. In industry, these companies is intermediary trade and as an investment company.
2. The parent companies are as the holding companies in an especial industry. On the basis of the sanction of Tehran securities and exchange market, these companies should devote min 80 percent of their finance for investing in economic corporation; C.B.I should confirm their eligible securities and reception of securities in stock market and banking deposit. Therefore, the companies those are in this part bases on their industry classification.
3. The conglomerate companies with various activities and several fields that their main activities are the management of stocks in different holding forms.
4. The investment companies of real estate agency that the main part of their income is through purchase and sale and preparing and financial services of real estate and debenture.

## Part II

### Indicators of investment companies

In order to study the function and position of the investment companies in Tehran Stock Exchange, we can use many indices. But perhaps the essential specificity of aforementioned companies are the numbers of shareholders and their trust that causes the people purchase their stocks and obtain the stocks of the investment companies. On the basis of information, the investment companies in Iran are further 1 million of individual shareholders and it means that more than a third of investors in stock market have the stocks of the investment companies.

The value trading of the relevant companies in the year 2001 were 30 percent, in 2002: 17 percent, in 2003: 12 percent, in 2004: 24 percent and in 2005: 29 percent of total value of share trading; these companies have a considerable position. The information of share trading shows that the investor companies have in the year 2001 was 47 percent, 2002: 36 percent, 2003: 30 percent, 2004: 36 percent, 2005: 42 percent of total share trading.

## Evaluation of portfolio of the investment companies

The said investment companies allocate their main investments to the stocks of share companies although some part of their capital is for unregistered companies, auxiliary activities and bonds. The evidence shows that on the basis of portfolio of 2004 and 2005 of the aforementioned companies, further 65 percent of them are listed companies.

Also a part of portfolio of these companies participate another activities such as bonds and civil participation of investment that in some stages, these investing rate allocates a considerable share of portfolio of the said companies.

Thus, the main part of portfolio of the investing companies consist of the registered companies that are more important in market and on the basis of the portfolio of investment companies, the market value of portfolio of these companies is more than 21 percent of total value of market without the value of stock market itself.

## The compound of portfolio of the investment companies

Some industries have an especial position in the portfolio of the investing companies. It means that the main shares of portfolio of these companies centralize in the exceptional industries and the decision of these companies will affect the said industries.

According to the figure below, the portfolio of these companies include different industries that are active in securities and exchange market and in this situation, the share of industries such as non metallic mineral, chemicals, food and drink productions, intermediary trades, make vehicles and accumulation of industries that are very much in the portfolio of the investor companies.

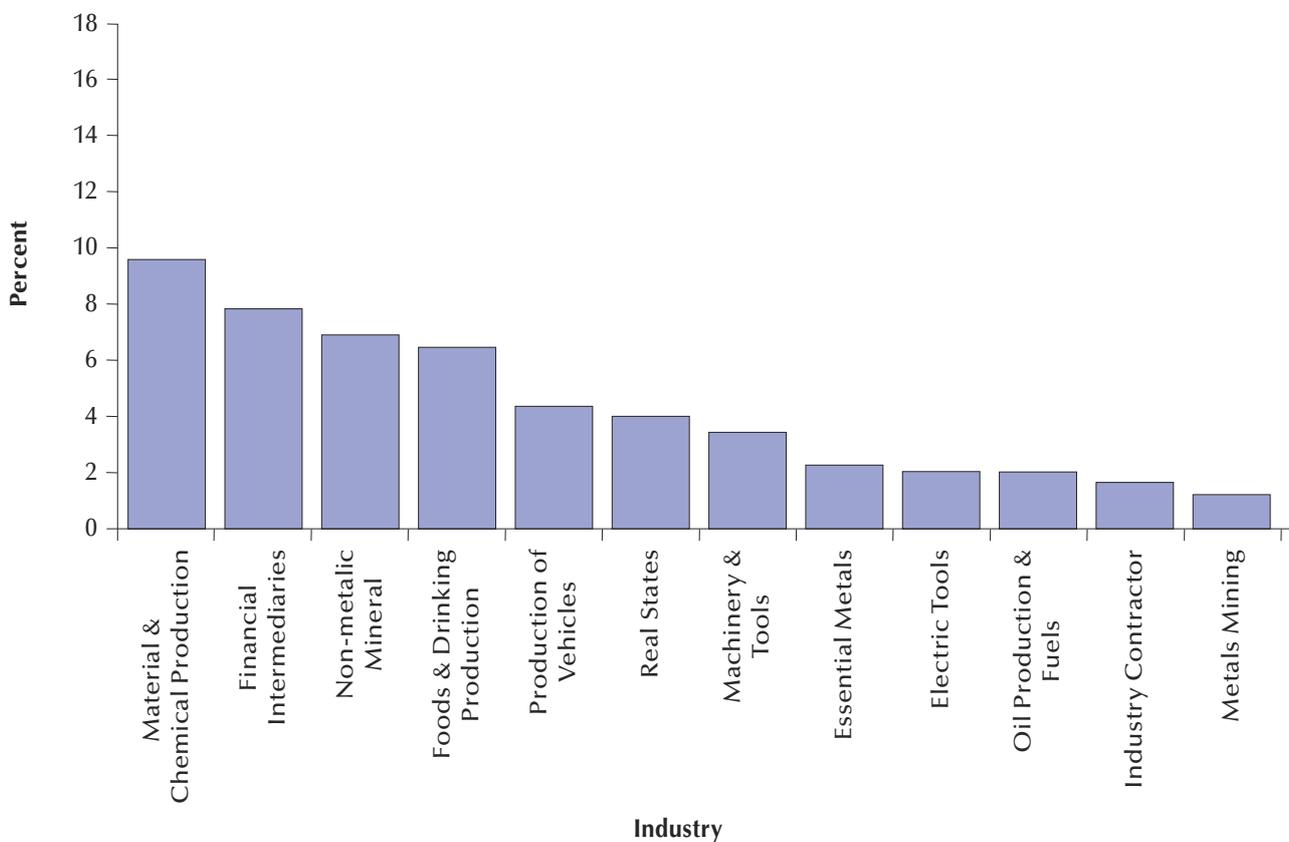


Figure 1: The portfolio average of the investment companies in different industries

## The policy of dividends and trend of capital formation

The policy of dividends in the investment companies is another subject that the investors interest it that although the investment company divides the low profit and have many resources in their companies so they are power to do the portfolio management. On the other hand, the investors' interest to have further cash earnings and oppositeness of these two theories create the division of profit. Otherwise, during these previous years, the investment companies have a main rule to have capital formation trend as 56 percent raise of total stocks capital formation in the year 2004 belong to these companies.

Economic growth of market during the recent years and the extension of capital rate of the companies that are being studied in industry and also different stocks cause that the main companies utilize their finance to invest again. The relevant information for their capital formation is average and the total raise of capital is in the years 2001, 2002, 2003, 2004 and 2005 respectively are 31%, 74%, 77%, 63%, 99% of commercial receivable and cash contributions. Therefore, the investment companies use their benefit to raise their capital.

## The comparison between the financial intermediary and other industries

In order to compare the financial intermediary and other industries, it is necessary to state this fact that the definition of stock exchange for the division of industries has changed although during many years this division has changed and the companies were variation year by year. But this comparison is on the basis of the scale Tehran Stock Exchange. In this study, we will consider to the situation of the special investment companies (in regard to the definition of the financial intermediary).

The survey of the financial intermediary about stocks property in different industries of shares illustrates the position and influence of these companies in capital market.

In some industries such as non-metallic mineral, chemical productions, food and drink productions, financial intermediary, make vehicles and tools and accumulation of industries, properties and real estates that have a lot of influence and success to find a policy. In regard to the situation and especial conditions of some investment companies, the investment trend of the investment companies carry out in other industries and although the

trend of properties in the companies in some industries transfer to another industries but the ratio of ownership do not change and this matter demonstrate that these companies concern some special industries.

The rate of returns these companies are directly affected from the activities. So the comparison of their returns and dividends yield shows the interesting of:

Shareholders from the functions of the companies. In regard to the nature of the investment companies and the various portfolios, we expect these companies have a suitable return and their risks are low. Indeed, the nature of investment is that on the basis of equal return, the investors interest a share with a little risk and vice versa.

Therefore, something that we observe although the risk of the investment companies is high, the finance industries could obtain the high profit. The trend of returns shows that during 3 or 5 years, this industry has progressed in the ratio of last years and also the comparison of other producing companies.

## Japan — SAAJ

### Recent Events

The following events and seminars were successfully held during January–March 2006:

#### 2006

- **16 January:**  
 “Outlook for the Japanese Stock Market in 2006 – From the viewpoint of technical analysis – ”  
 Eiji Kinouchi  
 Daiwa Institute of Research
- **20 January:**  
 11th SAAJ Seminar, Tokyo  
 SAAJ seminar was held successfully with 110 participants. Main theme was “Sustainability of Corporations – New perspective of corporate value” and fruitful lectures were given by five speakers.  
**Session 1: Hostile Acquisition and Corporate Evaluation**  
 by Tsutomu Fujita, CMA  
 Equity Strategist, Nikko Citigroup Limited

**Session 2:** Accounting Accruals, Quality of Profit, and Corporate Evaluation

by Hitoshi Takehara, Ph. D.

Associate Professor, Institute of Policy and Planning Sciences

University of Tsukuba

**Session 3:** Brand Value and its Economic and Psychological Measurement

by Yoshitaka Nakatani

Executive Manager, R&D Division

HAKUHODO Inc.

**Session 4:** CSR and Corporate Evaluation — From the viewpoint of SRI Investors

by Shigeki Moriki, CMA

Senior Manager, Pension Investment Department

The Sumitomo Trust & Banking Co., Ltd.

**Session 5:** Evaluation of Corporate Surplus in Financial Assets and Real Options

by Takashi Suwabe, CMA

Quantitative Strategist, Global Investment Research

Goldman Sachs (Japan) Ltd.

• **24 January:**

“Investment Performance Standards Seminar — Convergence on Global Investment Performance Standards”

by Yoh Kuwabara, Director

Chuo Aoyama Audit Corporation

Hiroshi Fujibayashi, CMA, Senior Researcher

The Sumitomo Trust & Banking Co., Ltd.

• **3 February:**

“Hedge Fund Investment to Asian Stocks”

by Michael Lai

GAM Investment Director for Asian Funds

• **2–3 March:**

18th SAAJ-CFA Institute/CFA Society of Japan Joint Seminar, Tokyo



SAAJ has held an annual seminar in cooperation with CFA Institute (previously known as AIMR) since 1989 (since 2001 with AIMR and its member CFA society of Japan) focusing on various investment topics. This 18th joint seminar, “New Dimensions in Global Investment Strategies” was held in Tokyo, 2–3 March 2006 with nine prominent experienced practitioners and leading researchers from overseas and Japan as speakers.



*Opening Address by Kiyoto Hagiwara, President and CEO, SAAJ*

Given Japan’s prolonged low interest rate environment, Japanese investors have been increasing allocations to global markets seeking higher returns. The environment is rapidly changing, however, because of IT developments, the globalization of enterprises, the growth of emerging countries, and the convergence of international financial reporting standards.

This seminar featured various strategic topics such as developed and emerging equity markets, fixed-income markets, hedge fund investments, the perspective of pension plan sponsors, and the impact of the convergence of international financial reporting standards. Case study discussions provided participants with practical insights.



Case study led by Professor James A. Gentry, Emeritus of Finance, University of Illinois

Speakers and instructors are experienced practitioners and leading researchers from Japan and the United States and explored each topic in depth.



The seminar was particularly useful for those who are extensively involved in global investments and drew a large participants approximately 110 and provided them with latest knowledge and investment strategic skills through intensive sessions and case study.



Thanks to the promotion by ASAF member societies, we received participants from Korea, P.R. China, and U.S..

Topics covered and speakers are:

- Recent Trends, Features, and Future Direction of Global Investments  
by Kurt Winkelmann,  
Managing Director and Head of Global Investment Strategies of Goldman Sachs Asset Management
- Investing in Developed Equity Markets: Convergence of Global Equity Markets and Implications for Active Portfolio Management  
by Takashi Suwabe, CMA,  
Vice President, Global Investment Research Quantitative Strategist of Goldman Sachs (Japan) Ltd
- Investing in Emerging Equity Markets  
by Shinji Nakamura,  
Pension Marketing Manager of Pictedt Asset Management (Japan) Ltd.
- Global Fixed-Income Investments: Approach to New Financial Products and Challenges  
by Hirofumi Koda, CMA,  
Vice President, Bond Portfolio Analysis of Nikko Citigroup Ltd.  
and  
by Hideaki Takahashi, CMA,  
Vice President, Bond Portfolio Analysis of Nikko Citigroup Ltd.
- Exploring Alpha in Global Hedge Fund Investments: Hedge Funds, Active Management, and the Asset Allocation Decision  
by Robert E. Kiernan III,  
Chief Executive Officer of Advanced Portfolio Management
- Global Investments: Perspective of Pension Plan Sponsors. A Practical Approach as a Global Pension Plan Sponsor in Japan  
by Masakazu Arikawa,  
President of Sony Global Pension Management
- Innovative Global Approaches: From Static to Dynamic Management of Portfolios  
by Arun Muralidhar,  
Chairman of Mcube Investment Technologies LLC

- Convergence of International Financial Standards and Global Investments

by Toshihiko Saito, CFA,

Senior Vice President of Capital International Research

- 17 March:

SAAJ's national program for securities analysts, CMA® (Chartered Member of Association) renewed,

Public release, 8–9 March 2006, Tokyo, Osaka

For the first time in fifteen years, national educational program for the securities analysts, 'CMA® program' was thoroughly reviewed and had full-fledged revise to meet changing investment and financial markets.



By this substantial renewal, SAAJ has started conducting CMA exam Level 1 twice a year and offering internet self-level check system to its students.

To disseminate the information on renewed program to its members, and universities, SAAJ organized presentations on 8 and 9 March in Tokyo and 17 March in Osaka respectively.

## Thailand — SAA, Thailand

### Securities Analysts Association held a seminar on “Derivatives: A New Alternative” in “Derivatives Fun Fair” with an objective of providing investors with the knowledge and understanding on derivatives trading

This fair was hosted by Thailand Futures Exchange Pcl. (TFEX) in conjunction with The Stock Exchange of Thailand (SET) and the Thai Investors Association on March 4–5, 2006. It was especially aimed at preparing investors for the trading of the SET50 Index Futures scheduled to commence on Friday April 28, 2006. The fair provided everything people will need to know about derivatives trading. They would have a chance to learn more about the SET50 Index Futures, including possible benefits, risks and trading procedures.



According to the Securities and Exchange Commission rules, analysts must be licensed by the Securities and Exchange Commission. One of the qualifications required for the licensing is that the applicant must hold SAA' Certified Investment and Securities Analyst (CISA) or Chartered Financial Analyst (CFA) Level 2 upwards.



**Disclaimer: Not for distribution in North America.**

**Members' regional news supplied by ASAF members and ASAF takes no responsibility for the accuracy of the articles or views expressed therein.**

Published by the ASAF Secretariat, Contact: Kazumichi Karita,  
c/o 5F Tokyo Stock Exchange Building, 2–1 Nihonbashi-Kabutocho, Chuo-ku, Tokyo 103–0026, Japan  
Tel: 81 3 3666 1576 Fax: 81 3 3666 5845  
E-mail: [asaf-manager@saa.or.jp](mailto:asaf-manager@saa.or.jp) Website: [www.asaf.org.au](http://www.asaf.org.au)