

ASIF

Newsletter

Quarterly Issue, May 2014

The Newsletter of the Asian Securities and Investments Federation

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Secretariat News

ASIF Executive Committee Telephone Conference

On Monday 7 April 2014, ASIF interim Executive Committee telephone meeting was held. Though ASIF used to hold the interim Executive Committee meeting physically or in-writing, it was the first occasion to hold it as the telephone conference.

At the tele-conference, the transfer of Communications Committee functions from the Secretariat to Finsia was unanimously approved. As the result, all of production of ASIF Newsletter, Yearbook, and E-Journal, as well as the management of ASIF website will be taken care of by Finsia with no charge to ASIF. In relation to the transfer of Communication Committee functions from the Secretariat to Finsia, Dr. Yasuhiro Maehara, President & CEO of SAAJ offered to reduce the annual management fee paid by ASIF to SAAJ from current A\$45,000 to A\$30,000 annually as from July 2014 as one of the measures to reduce the financial burden of ASIF. His proposal was unanimously approved.

Also, there were reports on the preparation of ASIF AGM and Advocacy Roundtable Discussion to be held in October 2014 in Jakarta, Indonesia, Education Committee

Activities, Six-monthly Financial Statements, and basic idea about ASIF interim ExComm meeting and SAAJ International Seminar to be held in April 2015. The minutes of the meeting were circulated to all ASIF members by the Secretariat.

ASIF Annual General Meeting to be held in October in Jakarta

It was approved by the ASIF Executive Committee that the ASIF AGM will be held on Saturday 18 October at Four Seasons Hotel Jakarta. It is also planned to hold the ASIF Advocacy Roundtable Discussion on Friday 17 October in Jakarta. The details of hotel information will be informed by the Secretariat shortly. We hope that as many participants as possible will be able to attend the event.



Four Seasons Hotel, Jakarta

Communications committee

Thank you to all members who completed the communications survey. We received a 35% Response rate. In summary, the survey has confirmed the objective of the committee has shown that although members are satisfied with the activities there is certainly room for improvement. Particularly in sharing more information amongst our member bodies about our activities (including products and events).

We better understand the frequency and reasons why people visit the website and we will take this into account when developing our new website which will be launched before the AGM. Your responses tell us that many of you use Twitter and would also like to see ASIF doing the same and using Facebook and LinkedIn too. We will look further into this and report back to the Executive Committee. Thank you again for completing the survey.

Members' Regional News: Finsia Australia

International Presentation of the Retirement Risk Zone Research

Finsia continues to pursue quality, bespoke and practical research initiatives by bringing together the skills of our practitioner and academic members. This was on display as Finsia launched its latest research in the Retirement Risk Zone series on safe withdrawal rates, presenting to large audiences across Brisbane, Perth, Adelaide, Melbourne and Sydney. To further showcase Finsia's research globally, Professor Michael Drew SF Fin and Dr Adam Walk SF Fin accepted invitations to speak at the JP Morgan Retirement Symposium in New York and a retirement income conference at Stanford University and co-hosted by Nobel Laureate Dr. Bill Sharpe.

Please visit www.finsia.com for more details.

Finsia Financial System Inquiry Roundtable Series

In response to the government's Financial System Inquiry, Finsia is conducting a number of roundtables to hear directly from members and the industry. These roundtables are being used to facilitate informed and wide-ranging discussion, which will refine Finsia's position in relation to the Inquiry and develop policy responses to shape the future direction of the industry.

Roundtable 1: Australia as a regional financial player

Hosted at King & Wood Mallesons, 13 March 2014

"In order to succeed, we've got to join up all the dots, from education through to more accommodative regulatory policy – that is trusting each other to apply the global rules while increasing cultural understanding." Jeffrey Dick SF Fin, Executive Director, UBS Wealth Management.

The panel of 25 industry experts discussed what technical and professional skills and regulatory changes were required to enable the Australian financial services and funds management sector to integrate successfully with the Asia market. The panel devised a number of recommendations that could be adopted to ensure that Australia was 'Asia ready'. These recommendations centered around two key themes. The first theme related to the need to harmonise bank regulations, investment and financial products and services. The second theme concerned the necessity of developing professional skills such as leadership, increased cultural awareness and deeper promotion and development of relevant language skills.



Finsia Roundtable, March 2014.

Roundtable 2: Australia's superannuation system

Hosted at Finsia, 26 March 2014

"I question whether there is a common understanding of what the superannuation mandate is? Is it meant to replace 65 per cent of everyone's final salary? Is it meant to supplement the pension?" Adam Walk SF Fin, Partner, Drew, Walk & Co.



Finsia Roundtable, March 2014.

This roundtable identified the strengths and weaknesses of Australia's current superannuation system and what changes to policy, regulation and structure were required to ensure the system remained affordable and effective. The 20 participants identified eight core challenges for the superannuation industry to address. One factor identified as critical to the Murray Inquiry panel was to redefine the mandate of superannuation from a returns focus to a retirement outcome emphasis. More accurate retirement income estimates and better planning on the part of the industry was also a key finding of the roundtable.

Roundtable 3: Efficient and effective funding of the Australian economy

Hosted at National Australia Bank, 16 April 2014

"Our banks are really just big building societies. Apart from one or two exceptions, there's not much effort being made by banks to put the marginal dollar into business investment." Pierre Prentice F Fin, Non-Executive Director

This roundtable sought to identify the effective sources of funding available in the Australian economy and to determine whether any impediments prevented the efficient allocation to businesses and households. The 22 participants agreed that there was an ample supply of capital available in aggregate, but it was the efficient allocation of that capital across

the different sectors, especially in respect of SMEs, agriculture and infrastructure, that was a major concern. In order to overcome this issue the panel recommend encouraging longer-dated debt products and also further developing the Australian corporate bond market.

Members' Regional News: HKSI Hong Kong

HKSI Institute Awards Top Scholars Premier Industry Placements and Overseas Field Trip Opportunities

The Hong Kong Securities and Investment Institute ("HKSI Institute") awarded 20 scholarships to outstanding university students in Hong Kong. The scholars received complimentary access to events and training courses at the HKSI Institute and competed for premier summer placement with leading firms and the HKSI Institute, as well as for the opportunity to join the HKSI Institute delegation to Shanghai in May.

The HKSI Institute Scholarship Programme was launched in 2004 and is open to business and finance students in their penultimate or final year of university with superior academic performance. Since its launch, over 540 scholars benefited from the networking and training opportunities offered.

This year, participating universities of the program included:

- City University of Hong Kong
- Lingnan University
- Hong Kong Baptist University
- Hong Kong Polytechnic University
- Hong Kong University of Science & Technology
- Hong Kong Shue Yan University
- University of Hong Kong

For placements, the scholars submitted an essay on, *What should Hong Kong do now to maintain our status as a leading international financial centre (IFC) over the next 10 years?* for selection for a panel interview. Six finalists were shortlisted to meet with senior market practitioners from the HKSI Institute Membership

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Committee to present their essays and address questions arising.

The winners are:

- Ms Wong Tsz Ying, Clara, Hong Kong University of Science & Technology
1st Prize: REORIENT Financial Markets Ltd cash prize of HK\$3,000 and REORIENT Financial Markets Ltd internship for 4 weeks
- Ms Tan Xin, Kate, Hong Kong Polytechnic University
1st Runner-up: Pride Fund Management Ltd cash prize of HK\$2,000, attachment programme with Mr Paul Day, Managing Director of Morgan Stanley Asia Ltd, and HKSI Institute internship for 1 week
- Mr Lee Tat Hung, Peter, Lingnan University
2nd Runner-up: Realchamp Asset Management Ltd cash prize of HK\$1,000 and HKSI Institute internship for 1 week

Commenting on the selection of the winners, Mr John Maguire, Chairman of the Judging

Panel said, "We celebrate academic excellence, but we also look for all-rounders, who are able to articulate their thoughts with passion and conviction as to what they think Hong Kong should do to compete as a leading international financial centre. Grooming young talent for tomorrow's real business challenges is a cause close to our hearts, and the scholarship programme provides awardees with just the right tools to further their career aspirations."

For the Shanghai delegation, the scholars submitted an essay on "Internet Finance", personally reviewed by the sponsor, Mr Louis Mak, Chief Executive Officer of I-Access Group Ltd, against entries from the HKSI Institute's Mentoring Programme participants. One of the three winners for the Shanghai mission, is this year's Scholar, and the other two are awardees from last year's programme who took advantage of the opportunity to join the HKSI Institute Mentoring Programme .



The Judging Panel with the 6 finalists who competed for the industry placement opportunity.

(Seated from left to right: Mr Joseph Chan, Managing Director, Equity Derivatives and Intermediaries Sales, Financial Markets, Standard Chartered Bank (Hong Kong) Ltd; Ms Anna Wong, HSKI Institute Board Director; Mr John Maguire, Head of Corporate Finance, REORIENT Financial Markets Ltd; Mrs Edith Chan, Chief Executive, HKSI Institute; and Ms Vivian Chan, Chief Compliance Officer, Prime Capital Management Co. Ltd.

Standing from left to right: Mr Wong Ngan Fun, Kelvin, Hong Kong Polytechnic University; Mr Lee Tat Hung, Peter, Lingnan University; Mr Yu Jiawei, Harry, Lingnan University; Ms Tan Xin, Kate, Hong Kong Polytechnic University; Ms Wong Tsz Ying, Clara Hong Kong University of Science and Technology; and Mr Chen Duyi, Tony, Hong Kong Baptist University.)

The winners are:

- Mr Lee Tat Hung, Peter, Lingnan University
- Mr Chan Chun Ho, Eric, The Hong Kong University of Science and Technology
- Mr Zhou Haote, City University of Hong Kong

“At the HKSI Institute, we champion professional standards of excellence in the financial services industry in Hong Kong to contribute to Hong Kong’s role as a leading international financial centre. This year, we are grateful to our resourceful members for supporting and funding the work experience and study trip opportunities. Such exposure and interaction with top professionals in the field will be invaluable to their career and personal development,” said Mrs Edith Chan, Chief Executive of the HKSI Institute.

The Eleventh PRC Securities Regulations Examination to be held in Hong Kong in June 2014

With the implementation of the Closer Economic Partnership Arrangement (CEPA) between the Mainland and Hong Kong, Hong Kong professionals in the securities industry are offered a fast track opportunity to obtain the required industry qualification to practice in Mainland’s financial market.

Under CEPA, the Securities Association of China (SAC) has specially developed the PRC Securities Regulations Examination (the examination) for Hong Kong professionals. Hong Kong professionals (defined as Hong Kong permanent residents holding or having held a relevant license issued by Hong Kong’s Securities and Futures Commission within the last three years) can now take a specified examination on the laws and regulations of the Mainland. Upon passing, they are eligible to apply for the corresponding industry qualification from the SAC, subject to any other requirements of the Mainland. This group of Hong Kong professionals will be exempted from taking other technical examinations. Once all other requirements of the Mainland are fulfilled, they will be able to apply for the corresponding practising qualification in the Mainland.

The Hong Kong Securities and Investment Institute (HKSI) is the sole dedicated organisation

in Hong Kong appointed by the SAC to handle the enrolment and administration of the examination for Hong Kong professionals. For 2014, the eleventh examination will be held in Hong Kong on 28 June 2014 (Saturday).

Enrolments will be coordinated by HKSI and will commence from 25 April 2014 to 13 June 2014. The relevant enrolment forms and details about the examination are available from the HKSI counter and website.

About the Hong Kong Securities and Investment Institute (HKSI)

The HKSI is a professional membership organisation established in 1997 for the securities and investment industry in the region.

Our vision is to be the leading organisation in Greater China in promoting the standard of financial services by offering the highest quality professional examinations and training, and most valued and respected membership in the securities and investment industry.

Our mission is to:

- set standards of professional excellence and integrity for members and market participants, and to provide the means of attaining them;
- contribute to Hong Kong’s role as a leading international finance centre; and
- broaden the membership of professionals and enhance the capabilities and reputation of members.

Members’ Regional News: SAAJ Japan

14th SAAJ Summer Seminar will be held on 2 July 2014 in Tokyo

The Securities Analysts Association of Japan - SAAJ will host the 14th SAAJ Summer Seminar entitled “Macro-Economic Environment and Fixed Income Investment Strategy by the Japanese Pension Funds” on Wednesday 2 July in Tokyo. The first SAAJ Summer Seminar was held in 2001 and since then fixed income investment strategies have been the main theme. SAAJ welcomes CIIA holders from abroad for free of charge.

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The Japanese economic environment has experienced drastic improvement since the start of Abe Administration in December 2012. The market welcomed so-called "Abenomics" with "Three Arrows Strategy", 1) Aggressive Monetary Easing, 2) Fiscal Stimulus and 3) Structural Economic Reform. Under the current macro-economic environment, both public and private pension funds have been trying hard to adjust to the rapidly changing market environment.

The following three sessions will be conducted focusing the fixed income strategies of public and private pension funds at the 14th SAAJ Summer Seminar which will be held on Wednesday 2 July at SAAJ's Seminar Room.

Session 1: "Challenges for 'Abenomics' in its second year"

Hideo Hayakawa, Executive Fellow, Fujitsu Research Institute

Session 2: "Fixed Income Investment Strategy of Public Pension Funds"

Tsutomu Kawasaki, CMA, CIIA, Chief Fund Manager, Pension Fund Association

Session 3: "Fixed Income Portfolio Investment Strategy of Private Pension Fund"

Kenichiro Kaku, Deputy Manager, Finance Department, Tokyo Gas Col, Ltd.

Please contact SAAJ seminar@saa.or.jp for more details.



SAAJ Summer Seminar 2013.

IAA Thailand Education

Educational programs on campus

IAA arranged a seminar on "Examining financial statements before making investment decisions" for Sripatum University on 28 March 2014.



Educational Programs on campus.

Refresher Course

Refresher course is to give participants the knowledge and skill, as well as, the chance to renew the license of analysts and investment consultants. IAA had organized three topics on 26-27 April 2014 as follows:

- "Strategic investment planning to clients"
- "In-depth case studies of the complaint and proper practices"
- "Using financial statement to analysts and select stocks for investment"

There were 250 participants for all 3 topics.



Refresher Course.

Survey

On 14 May 2014 our Deputy Chairman Mrs. Porranee Tongyen, CISA reported the results of IAA survey with 21 foreign and local brokerage houses and 2 gold futures dealers. The average forecast on SET index at the end of this year is at 1,473 points.

Main risk is the current local political turmoil and positive factors include the global economic recovery and return of offshore capital inflows.

From the survey, analysts have slashed the average earnings-per-share (EPS) growth projection to 11% this year from 12.1% previously.



Report of the IAA survey.



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