



Message from the Chairman

Greetings from the Board of Governors!

On behalf of the APAFS Board of Governors, I would like to thank everyone who participated and contributed to the success of the 15th Pacific Region Investment Conference (PRIC) held at The Peninsula Hotel, Makati, Manila Philippines on December 3 & 4, 2015.

The conference was once again well attended by over 225 delegates from throughout the vast Asia Pacific Region. For the first time we welcomed fiduciaries representing countries in the South Pacific, who joined us from Kiribati and Vanuatu. The 2015 PRIC was a thought provoking event that provided delegates with a myriad of actionable ideas they would be able to bring back to the organization they represented, and convert into action.



Delegates come together for Day 1 of the 15th Annual Pacific Region Investment Conference at Peninsula Hotel



Ernest Cu, CEO of Globe Telecom is this year's Keynote Speaker

The morning of Day 1 was opened by yours truly, with the welcoming remarks. Conference Keynote speaker **Ernest Cu**, CEO of **Globe Telecom**, lead off the day as he discussed **The Next Frontier: Transformation of the Telecom Industry in the Philippines**. Mr. Cu spoke about Globe Telecom's key drivers for 2015, including empowerment and accountability, image positioning and relationship-building. Mr. Cu was followed by a thought provoking 3 hour session led by **Hiroshi Yoh of Janus Capital**; **Parker Jones of Brandes Investment Partners**; and, **Joe Bruening of Renaissance Investment Management**. They addressed the question; **U.S. Dollar Investors & Foreign Investing: Failed Promised or Future Opportunities?** Each speaker addressed specific parts of the world in terms of their role in prudent asset allocation, as well as the future outlook for each. The luncheon session, **Out of the Ivory Tower: A Common Sense Approach to Portfolio Optimization**, was lead by **Nicholas Lacey** and **My Edmonds of Raymond James**. who discussed a "common sense" approach to portfolio optimization focusing more on the mitigation of risk aspect of optimization, rather than on a return maximization focus. Following lunch, the delegates were provided an **Outlook for Real Estate Investing in and Evolving Market Environment** during a panel discussion by **Michael Gately of Cornerstone Real Estate Advisors** and **Christine Schadlich of Adelante Capital Management**. Key takeaways included the role of real estate as a strategic diversifying asset class for investors; and, the value in today's low interest rate environment that a larger part of total REIT returns coming from dividends provides. In the last session of Day 1, **Jeff Jorgensen of Center Coast Capital** addressed the **U.S. Energy Renaissance and the Impact on Global Commodity prices and MLPs**. Jeff discussed the energy market updates in North American oil and gas revolution – natural gas, long-term global demand and the energy value chain. Lastly, he made a compelling case that MLPs were a well-position asset class to provide both high current income and diversification to institutional portfolios.



FE® Certificate Training Program

Trainees from across the Asia Pacific Region with Fi360 instructors Jason Miyashita, AIFA® and Ross Fowler, AIFA®, are all smiles for a photo to mark their successful completion of the Fiduciary Essentials™ Certificate Program.



AIF® Designation Training Program

AIF trainees, together with Fi360 instructor Ross Fowler, AIFA®, gather after a successful 2-day training at the The Peninsula Hotel, Manila, Philippines. Candidates were excited to take the exam for the AIF® Designation, and looking forward to applying the knowledge learned upon returning home.





Jason Miyashita moderates the U.S. equity outlook panel session with Mark Heath and Kamani Kuala'au



Dr. Leila Kabigting and students from the University of Guam attend the two-day conference

In the first session of Day 2, **Luke Theeuwes of Miller Howard Investments** spoke about benefits of **Investing in Global Utility and Infrastructure Assets**, based upon the three drivers of infrastructure: demand for access to basic needs; the emerging middle class in emerging markets; and, a never-ending use of global resources. Next up was a discussion of **Risk Parity Strategies/Liability Driven Investment** led by **Timothy Tarpenting of Pacific Income Advisers**. Tim touched upon sophisticated strategies that pension funds can employ to best match their asset allocations to their future liabilities. In the third session of the day, **David J. John of ASC Trust Corporation**, addressed **What the U.S. DOL "Fiduciary Rule" may mean to retirement plan sponsors**. The conclusion reached is that while well-intentioned, it may have negative consequences to retirement plan participants as plan sponsors become less willing to provide education. During lunch, **Ross Fowler of F1360 Pacific** spoke about the **Global Perspective on the Increasing Regulatory Oversight of Fiduciaries**. The fourth session centered on **Fixed Income Markets - Then and Now**. The session lead off with **Jeff Detwiler of Garcia Hamilton & Associates** providing a historical context to investing in fixed income securities, in order to better understand today's market. Jeff also provided a primer on how investors can determine credit risk by understanding credit ratings issued by S&P and Moody's, as well as interest rate risk by understanding a security's duration. **Jason Stewart of Chartwell Investment Partners** followed with an update of the U.S. high yield bond market, in which he made the case that in today's environment, it offered a high relative current income, low correlation to other bonds and an attractive total return potential. In the final session, **Outlook for U.S. Equity Markets**, **Kamani Kuala'au of Atalanta Sosnoff Capital** and **Mark Heath of Aristotle Capital** discussed their firms outlook in 2016 for growth and value stock investing, respectively. **Dr. Patrick Tellei, Vice Chairman, APAFS Board of Governors**, concluded the conference with his closing remarks, thanking all the delegates for attending and thanking the corporate sponsors for making this valuable education event possible.

As we enter 2016, we invite you to continue being an active member of the Asia Pacific Association for Fiduciary Studies by either renewing your membership, or by becoming a member. Without your help we cannot continue to offer our educational programs such as the 16th Annual Pacific Region Investment Conference, or the local programs we hold in your home jurisdictions during the year.

In the meantime, mark your calendars for the week of **November 28, 2016** to join us for a week of **Fiduciary Events** at the **New World Hotel in Manila, Philippines!**

Sincerely,

Gerard A. Cruz, AIF®
APAFS Chairman

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