



# Tokyo Asset Management Forum 2022

Thursday, 24<sup>th</sup> February 2022

# Opening Remarks

## ■ Keiichi Aritomo

Executive Director, FinCity.Tokyo

# Global Asset Owner Survey on Emerging Managers

FinCity.Tokyo

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# Introduction – background and objectives of survey

## Situation

- FinCity.Tokyo (FCT) has been conducting promotional activities and policy recommendations with the Tokyo Metropolitan Government in order to achieve its “Global Financial City: Tokyo” goals
- One of the measures for this initiative is enhancing the asset management ecosystem in Japan, and as part of this FCT has been working on Tokyo’s EMP\*
- EMPs or similar manager seeding programs have been in place in other global financial cities across the world

## Problems

- The number of Emerging Managers (EMs) in Japan is gradually increasing as a result of FCT’s efforts
- EMs in Japan are attracting interest from overseas Asset Owners (AOs), and are building up a track record of actual allocations from those AOs
- However, while Japanese AOs have come to recognize the value of the EMP, most continue to refrain from actually making seed investments
- Lack of EM track record, concerns about AOs’ abilities in EM selection, and high management burden vis-à-vis the small scale of investment, are the main reasons given for their hesitation

## Objectives

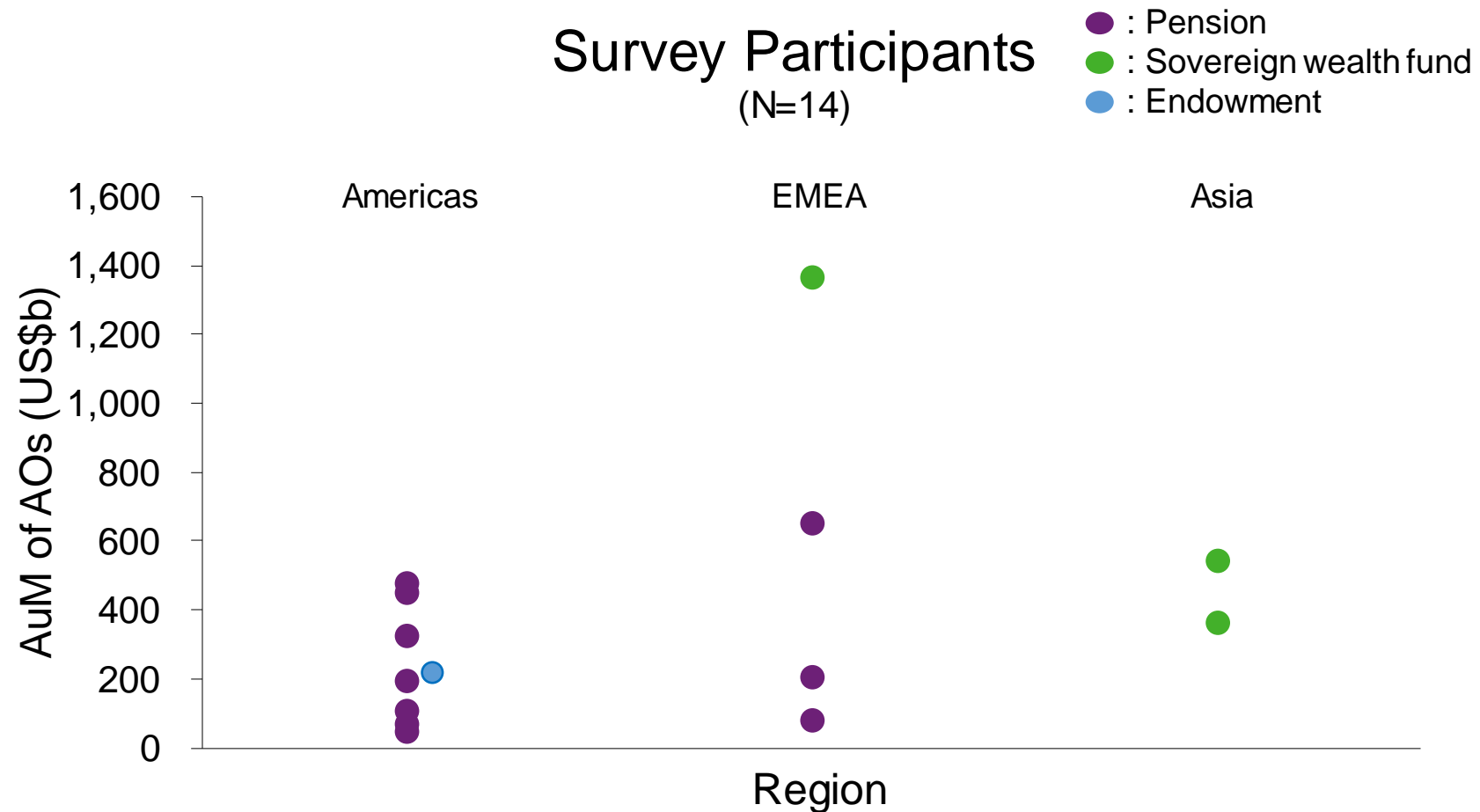
- Confirm rationale of EM allocation by overseas AOs, particularly:
  - ✓ Background and/or purpose of allocating to EMs
  - ✓ EM allocation policy (selection criteria, ticket size, etc.)
  - ✓ How AOs control the risks associated with EM allocation
- Disclose the results of the survey to domestic AOs in order to promote allocation by them to EMs in Japan

\*Emerging Managers Program: Emerging Asset Manager Seeding Program  
(Promoted since 2017, led by Tokyo metropolitan government until 2019, the foundation year of FCT)

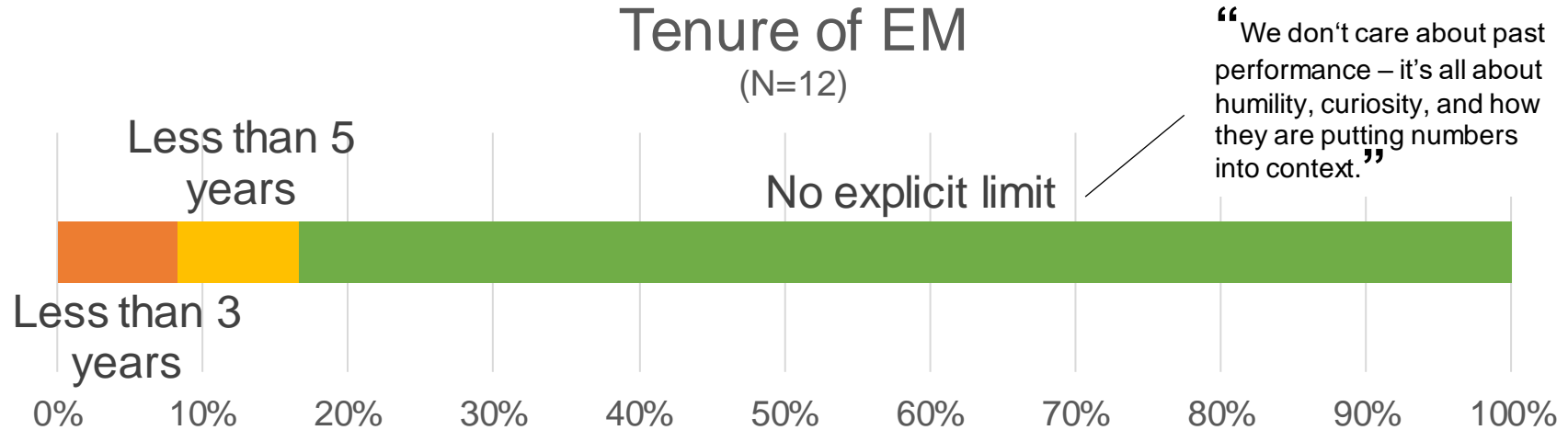
# Executive Summary

- The survey participants comprised large 14 AOs across the globe, including Pensions, Sovereign Wealth Funds (SWF) and Endowments, with aggregate AuM of roughly USD 4.6 trillion.
- Over 80% of AOs interviewed do not set any upper limit on the number of years since establishment to define EMs, while the size of EMs in their portfolios is generally between USD 1-2 billion AuM.
- There tends to be a direct relationship between size of AO (AuM) and ratio of assets managed internally.
- The majority of AOs, regardless of size, allocate around 1% or less of their total AuM to EMs.
- The ticket size for EMs tends to be around either USD 50 million or USD 200 million.
- Over 40% of AOs interviewed maintain only a minority stake in EMs they allocate to, while some AOs have a clear approach to seek a dominant stake.
- Around half of AOs interviewed allocate to around 10-30 EMs at a time, while some AOs allocate to more than 100 EMs at a time.
- AOs allocate to EMs within the context of their overall portfolios, and there is no bias towards any particular asset class.
- AOs stated various motivations for allocating to EMs, including seeking high returns (alpha generation) and complementing the AO's own capabilities.
- Around 60% of AOs interviewed search for new EMs themselves, primarily through their own networks.
- Reputation risk was the response most given as a key obstacle with respect to EM allocation, surpassing challenges with performance and management burden.

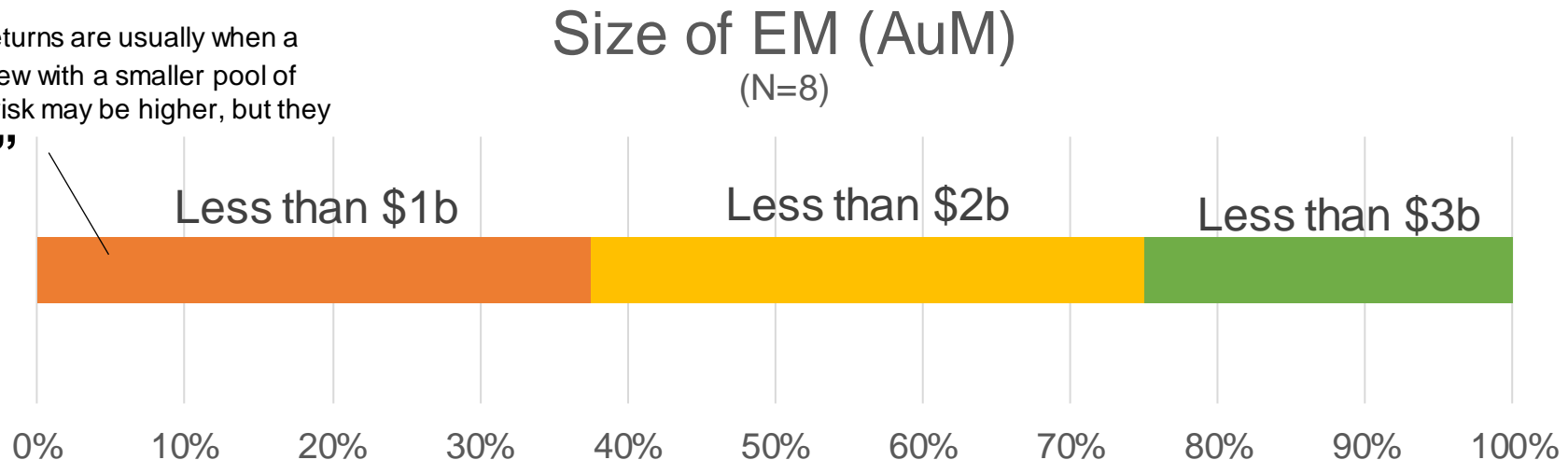
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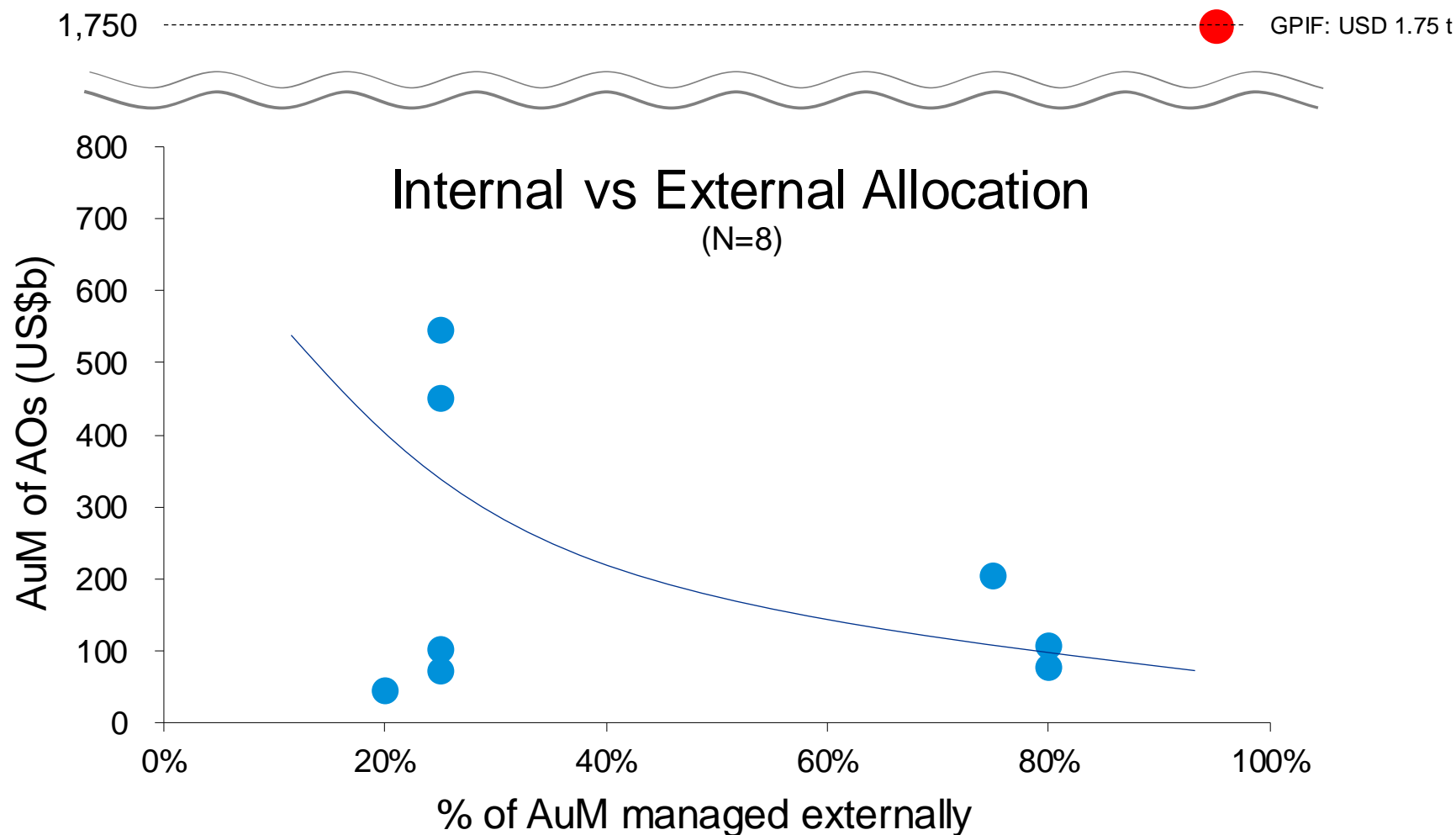


“The best returns are usually when a manager is new with a smaller pool of assets – the risk may be higher, but they fight harder.”



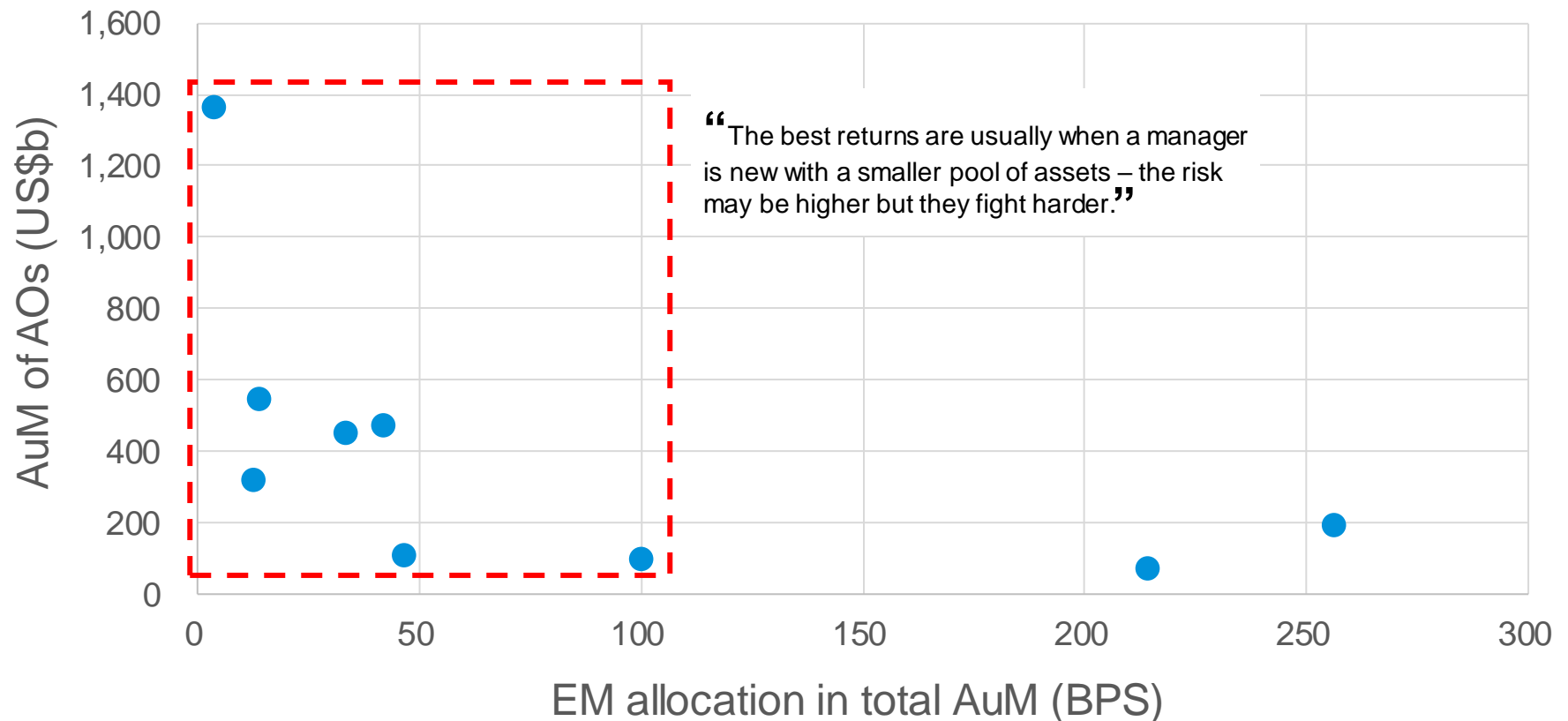


There tends to be a direct relationship between size of AO (AuM) and ratio of assets managed internally.

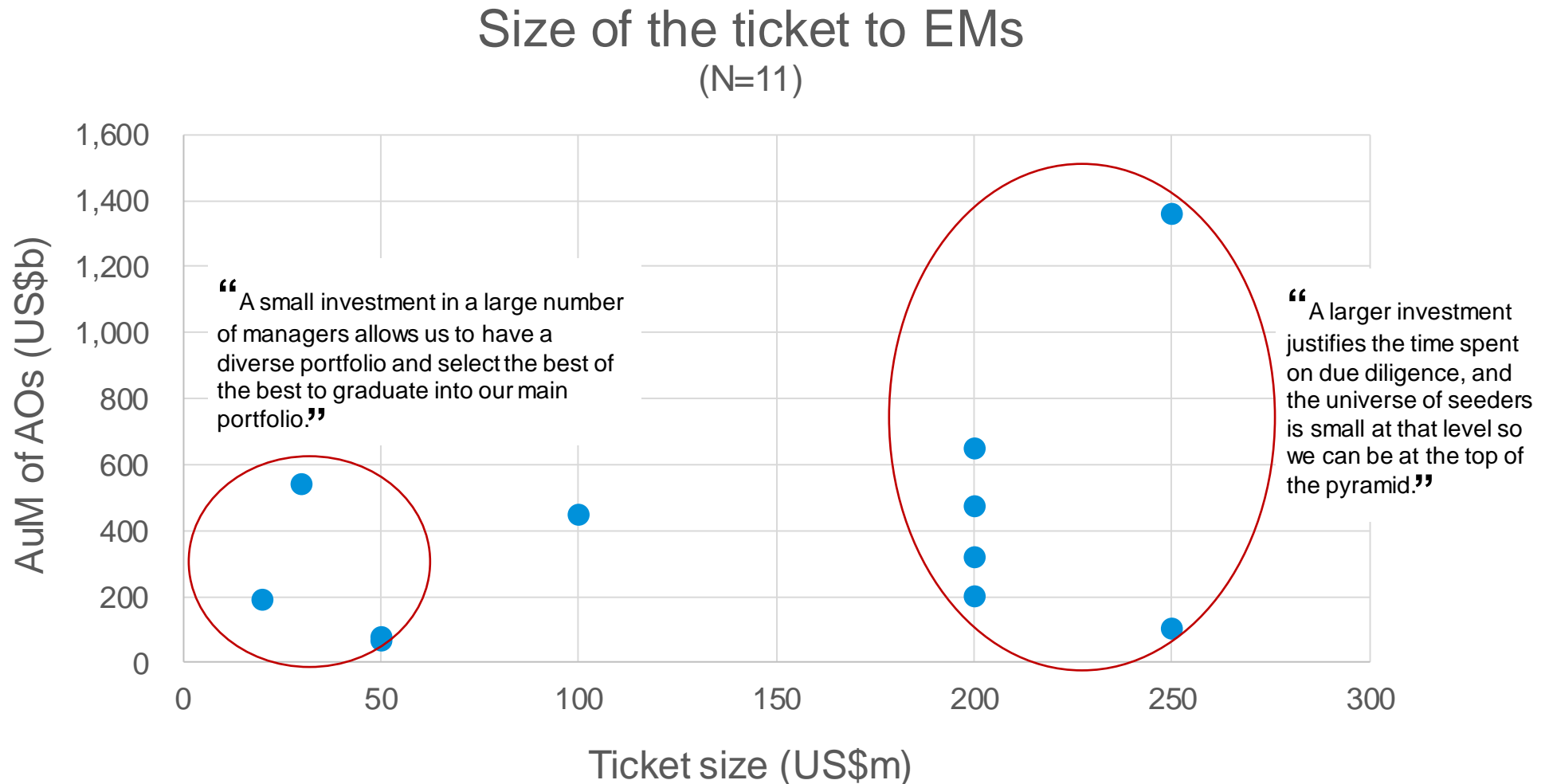


The majority of AOs, regardless of size, allocate around 0.5% of their total AuM to EMs.

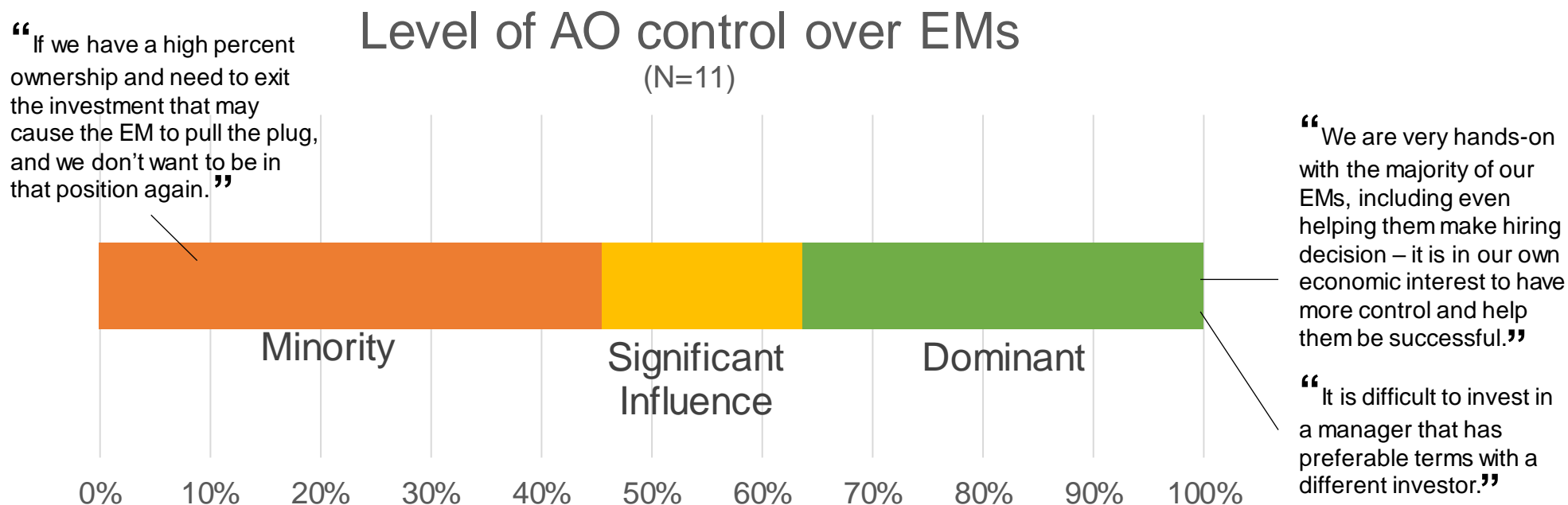
## EM allocation as proportion of total AuM (N=9)



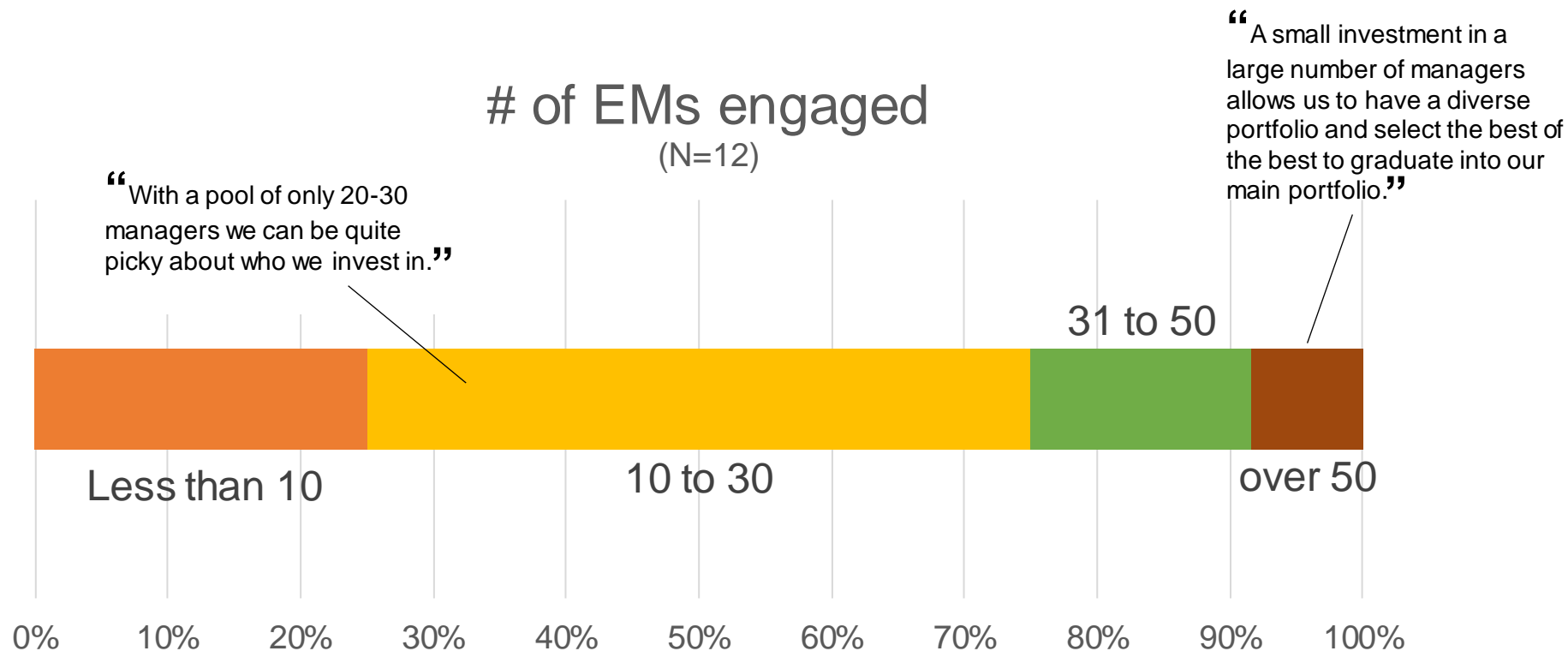
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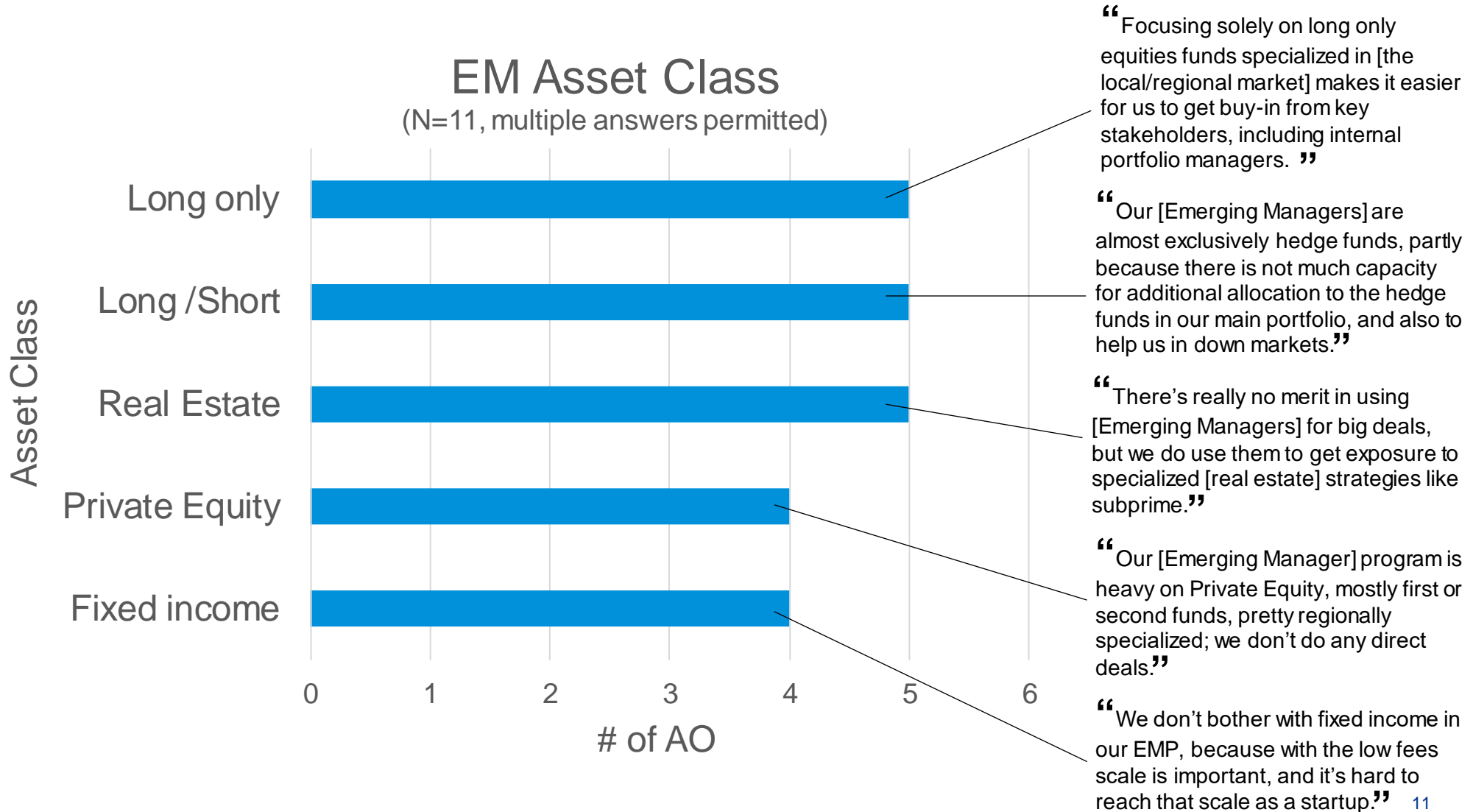
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Around half of AOs interviewed allocate to around 10-30 EMs at a time, while some AOs allocate to more than 100 EMs at a time.

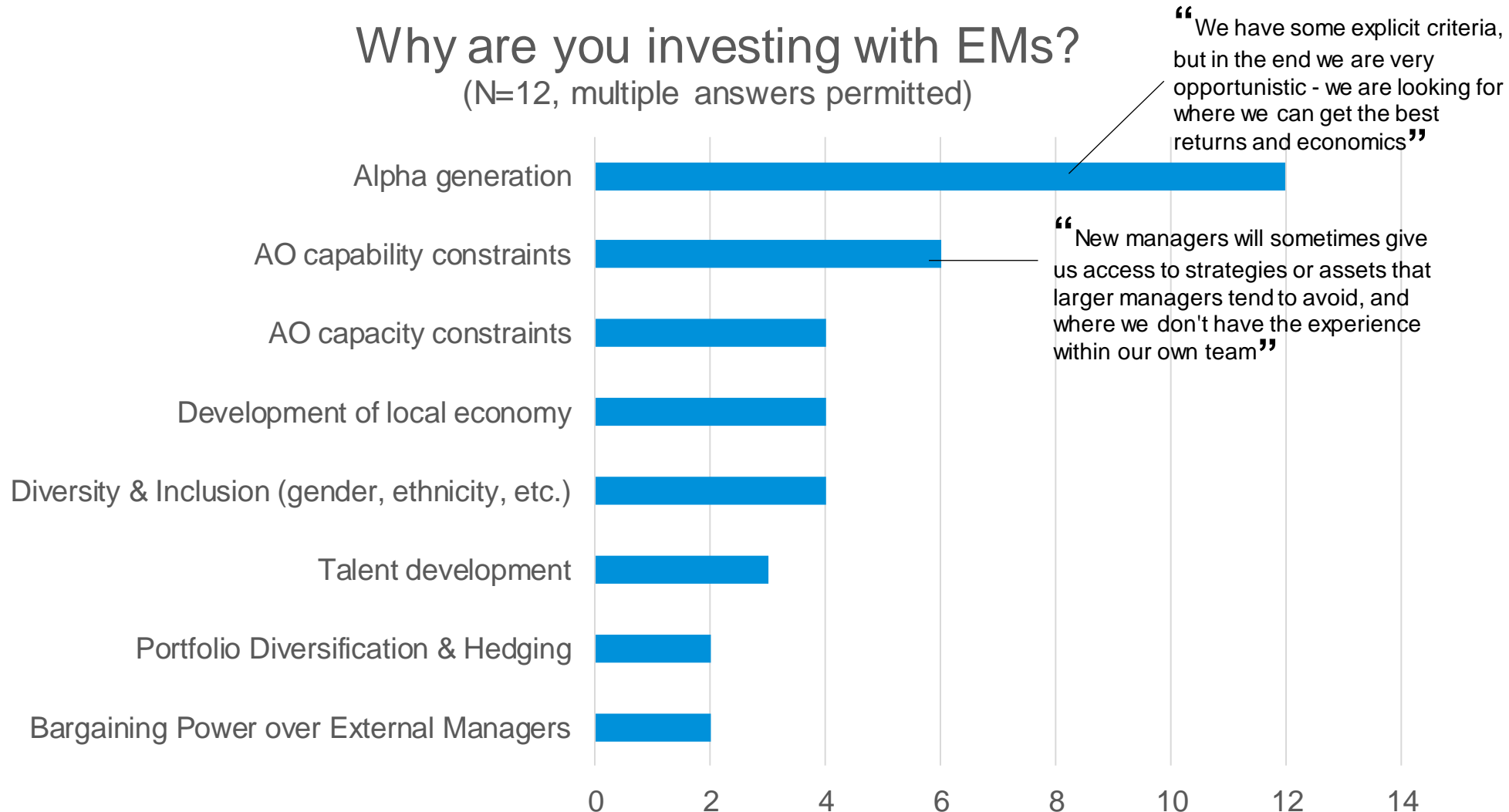


AOs allocate to EMs within the context of their overall portfolios, and there is no bias towards any particular asset class.



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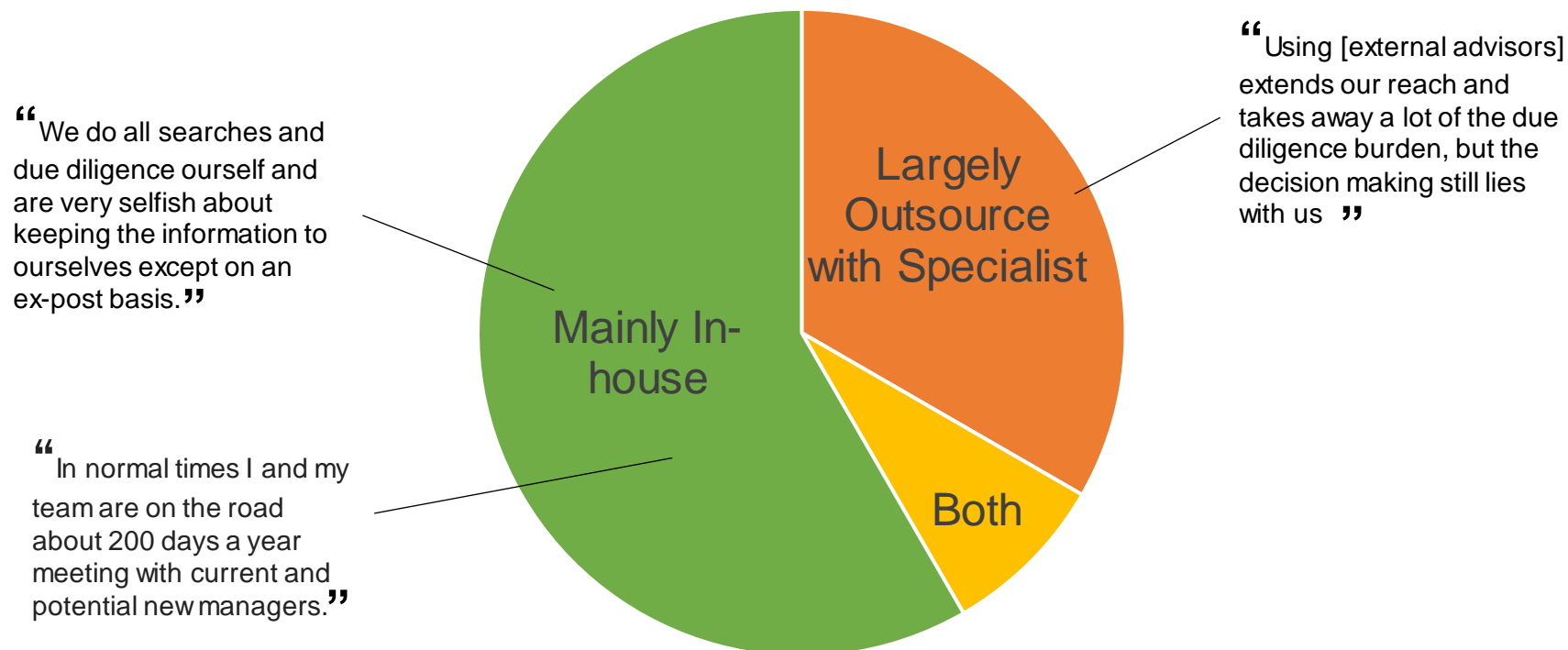
## Why are you investing with EMs? (N=12, multiple answers permitted)



Around 60% of AOs interviewed search for new EMs themselves, primarily through their own networks.

## How do you conduct EM search?

(N=12)

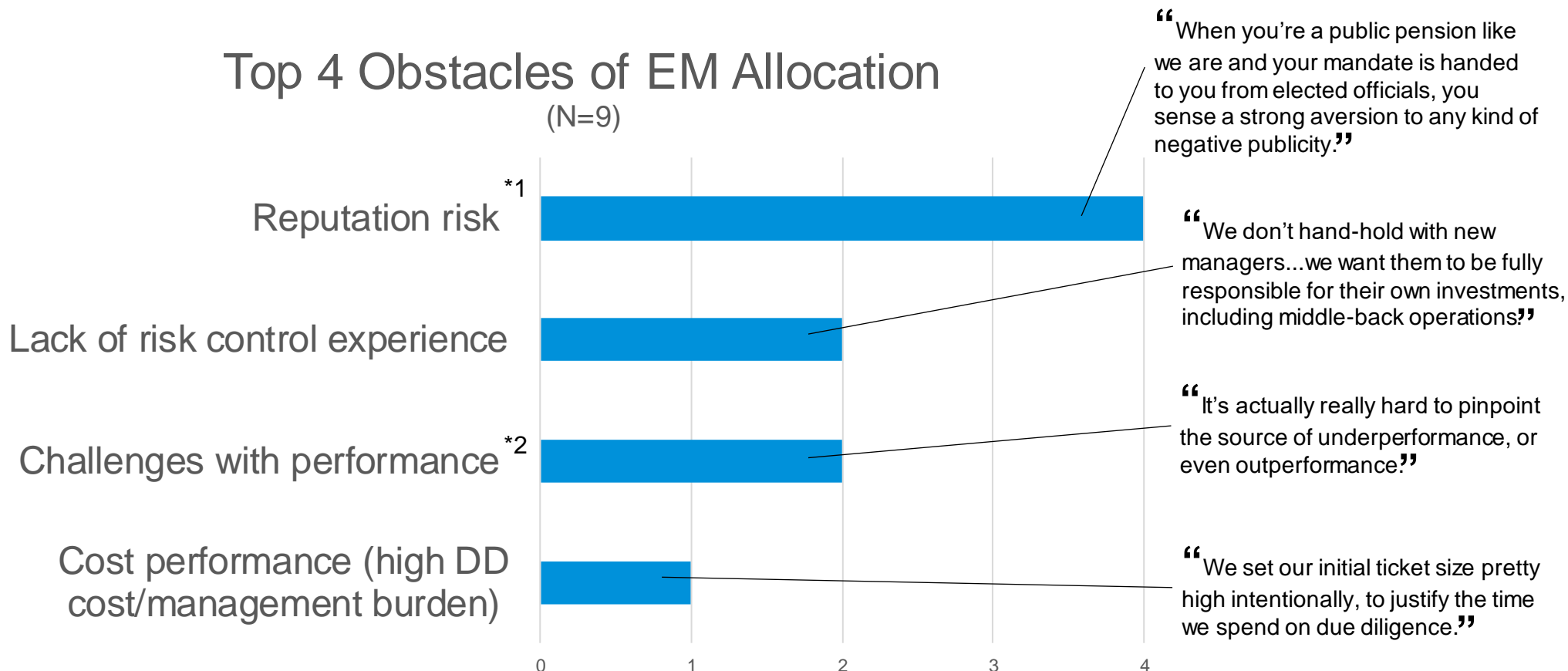




Reputation risk was the response most given as a key obstacle with respect to EM allocation, surpassing challenges with performance and management burden.

## Top 4 Obstacles of EM Allocation

(N=9)



\*1 Risk of misconduct by the EM itself / reputational risk of terminating contracts with unsuccessful EMs (possibility of negative publicity with respect to using hedge funds)

\*2 Performance of EM investments does not meet expectations in some cases

For more information, please follow FinCity.Tokyo's social media

More information

<https://fincity.tokyo/en/>



# Tokyo Asset Management Forum 2022

カタリスト投資顧問株式会社  
Japan Catalyst, Inc.

2022.2.24

Japan Catalyst, Inc.

# カタリスト投資顧問について

- 変革期を迎える日本企業が真に変化するためのカタリストとなることを目的に、日本に根付いたプロフェッショナルにより設立

## 会社概要

会社名	カタリスト投資顧問株式会社
設立	2019年9月
所在地	東京都港区赤坂1丁目12番32号 アーク森ビル25階
株主	マネックスグループ株式会社（100%）
沿革	2020年4月 私募投信“ジャパン・カタリスト・ファンド”へ投資助言開始  2020年6月 公募投信“マネックス・アクティビスト・ファンド（愛称：日本の未来）”へ投資助言開始  2021年8月 海外私募“Japan Catalyst Fund”へ投資助言開始
業界団体参画	FinCity Tokyo、ジャパン・スチュワードシップ・イニシアティブ

## 経営メンバー



松本 大会長

- マネックスグループCEO
- ゴールドマンサックスにてゼネラルパートナー就任、スペシャル・シチュエーション・グループ設立
- 東京証券取引所社外取締役、コーポレートガバナンス改革に関する審議会などの委員を歴任



平野 太郎社長

- 直近まで、アライアンス・バーンスタインにてバリュー投資の中心的役割を果たす（15年以上の投資経験）
- 以前は、マッキンゼー・アンド・カンパニーにて、経営コンサルティングに従事



小野塚 恵美副社長

- 2000年よりゴールドマン・サックス・アセット・マネジメント(GSAM)において多岐にわたる資産運用業務に従事
- 2016年からは日本におけるスチュワードシップ責任推進統括としてESG（環境・社会・ガバナンス）リサーチ、GSAMの投資先企業との対話を年間200社以上実施

# Japan Catalyst, Inc.

Established by professionals based in Japan with the aim of becoming a catalyst for Japanese companies entering a period of transformation

## Corporate Summary

Name	Japan Catalyst, Inc.
Establishment	September, 2019
Address	1-12-32 ARK Mori Building 25F, Akasaka, Minato-ku, Tokyo 107-6025, Japan
Shareholder	Monex Group
History	April, 2020 Began investment advice <b>to Japan Catalyst Fund</b> (Privately Placed Fund)
	June, 2021 Began investment advice <b>to Monex Activist Fund</b> (Publicly offered mutual fund)
	August, 2021 Began investment advice <b>to Japan Catalyst Fund, offshore</b> (Cayman)
Industry Groups	FinCity Tokyo Japan Stewardship Initiative

## Management Team



**Chairman**  
**Oki Matsumoto**

- Monex Group Founder & CEO
- Former partner at Goldman Sachs
- Former independent director of Tokyo Stock Exchange



**President**  
**Taro Hirano**

- Over 15 years as a value investor at AllianceBernstein
- Previously with McKinsey & Co.



**Vice President**  
**Emi Onozuka**

- 20 years at Goldman Sachs Asset Management
- Since 2016, in charge of ESG/Stewardship in Japan

# ディスクレームー

- カタリスト投資顧問株式会社（以下「当社」といいます。）が提供する情報に関しては万全を期しておりますが完全性、正確性に対して一切の保証を与えるものではありません。
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Japan Catalyst, Inc.





# Keynote Speech #1

## “Enhancing the Asset Management Business”

### ■ Hisashi Kuwata

Director of the Advancing Asset Management Office,  
Financial Services Agency





# Enhancing the Asset Management Business

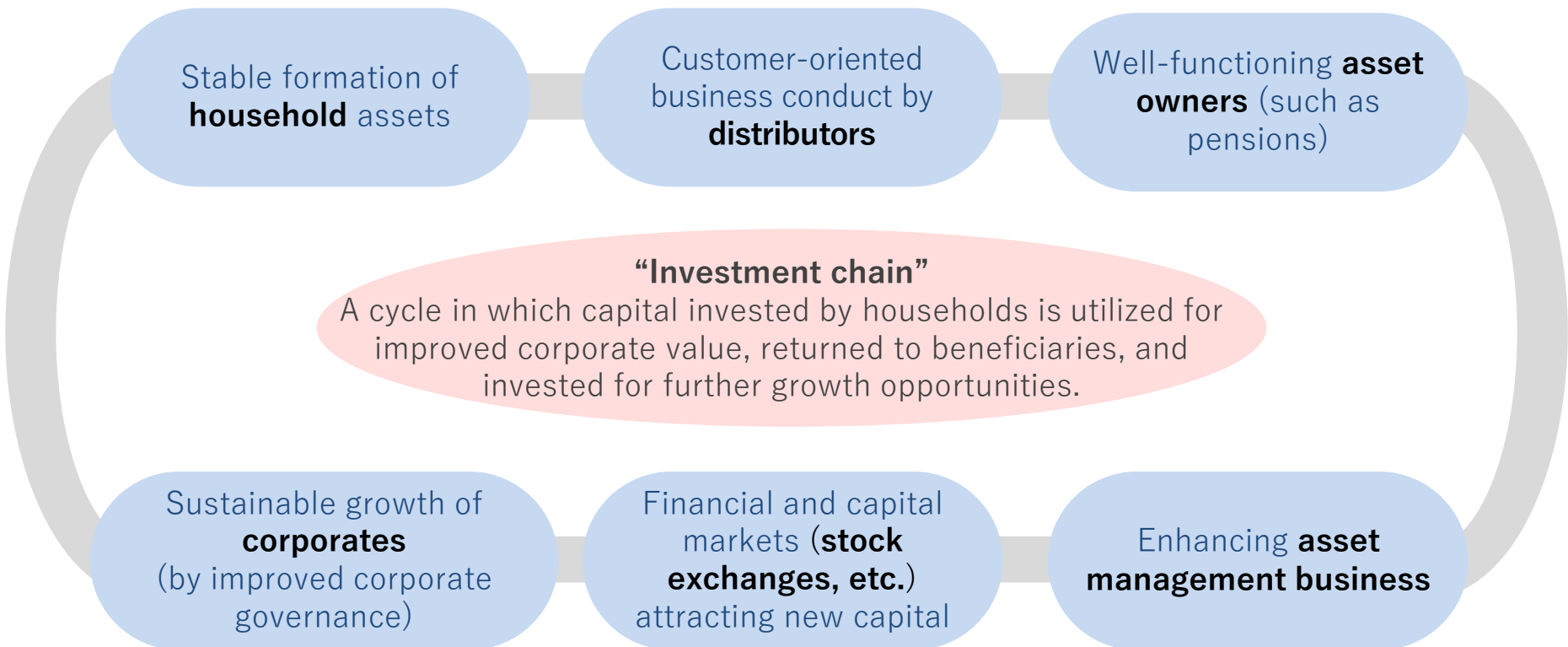
**5th Tokyo Asset Management Forum  
(Thursday, February 24<sup>th</sup>, 2022)**

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Hisashi Kuwata  
Financial Services Agency  
Director of the Advancing Asset Management Office

# For a better-functioning investment chain

- Not only asset management firms but also all participants in the investment chain, should fulfil their respective duties and enhance their asset management capabilities.



# Dialogue with asset managers to improve their capabilities

- The JFSA engages in continuous dialogue with asset managers to ensure that their efforts toward improved investment capabilities lead to favorable returns on and growth in their assets under management.

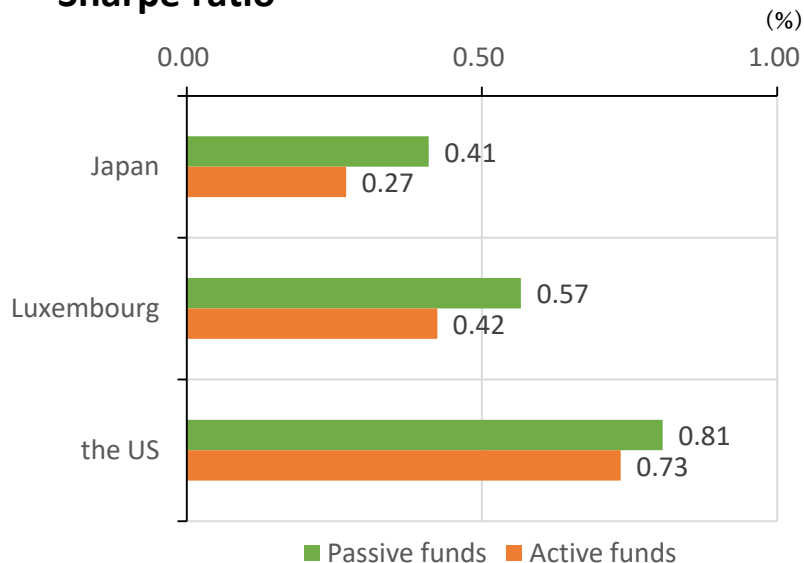
## Purposes of the dialogue and challenges facing asset managers

- ✓ Establish a governance framework to prioritize customers' interests
- ✓ Managerial structure (for successful long-term asset management)
- ✓ Differentiate visions and competences
- ✓ Business operations putting asset management first

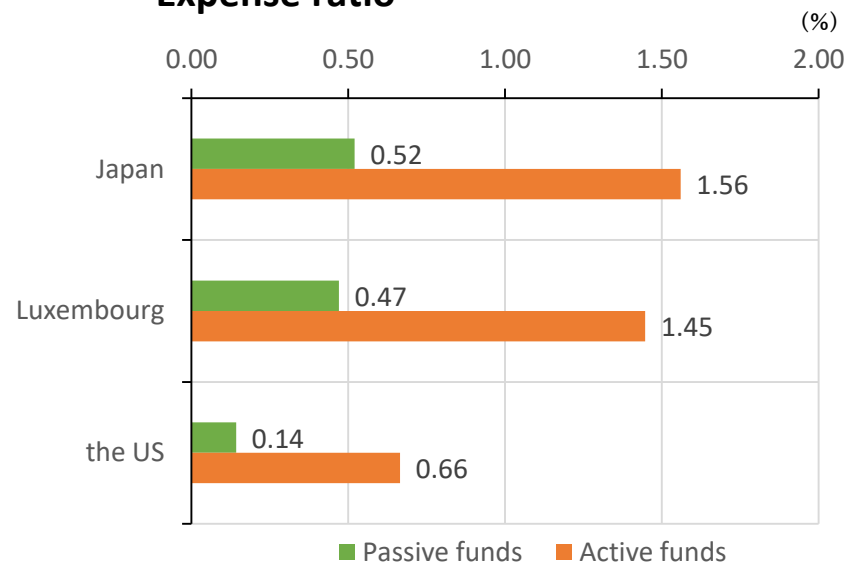
# International comparison of funds' performance & cost

- US mutual funds outperform those of Japan & Luxemburg in terms of the Sharpe ratio as well as the Expense ratio of both passive or active funds.
- In all of Japan, Luxembourg, and the US, the Sharpe ratio of active funds is higher than that of passive funds.

## • Sharpe ratio



## • Expense ratio



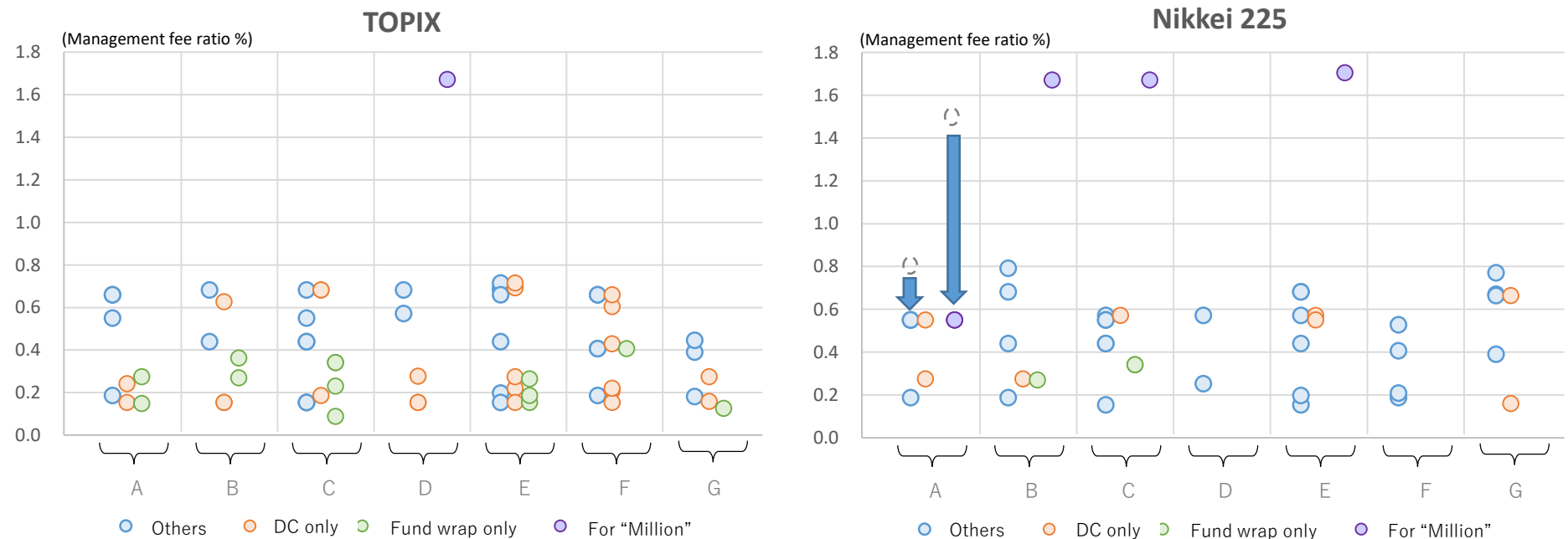
(Note) Data based on funds with a five-year performance track record as of the end of 2020 among domestic publicly offered investment trusts in Japan, mutual funds in the US, and open-end funds in Luxembourg. The five-year Sharpe ratio and the expense ratio of each fund are measured as asset-weighted averages based on the AUM at the end of 2015.

(Source) Prepared by JFSA based on data provided by QUICK and Ibbotson Associates Japan

# Index fund fees

- Fees of index funds linked to the same benchmark and managed by the same asset manager vary even in the same distribution channel.
- Asset Manager “A” lowered and standardized the management fees of their index funds, and other asset managers are also planning similar measures.

Levels of management fees of index funds per asset manager and distribution channel



(Note) Index funds among publicly offered open-ended investment trusts investing in Japanese stocks (as of December 2021).

(Source) QUICK data, edited by the JFSA

# Current status of ESG investment in Japan and overseas

- While ESG/sustainable investments are on the rise in Japan and overseas, concerns have been raised that the practices of asset management firms and distributors might be misleading investors (“greenwashing”).
- Asset management firms and distributors are required to have appropriate practical measures to protect investors and, ultimately, to ensure confidence in the markets.

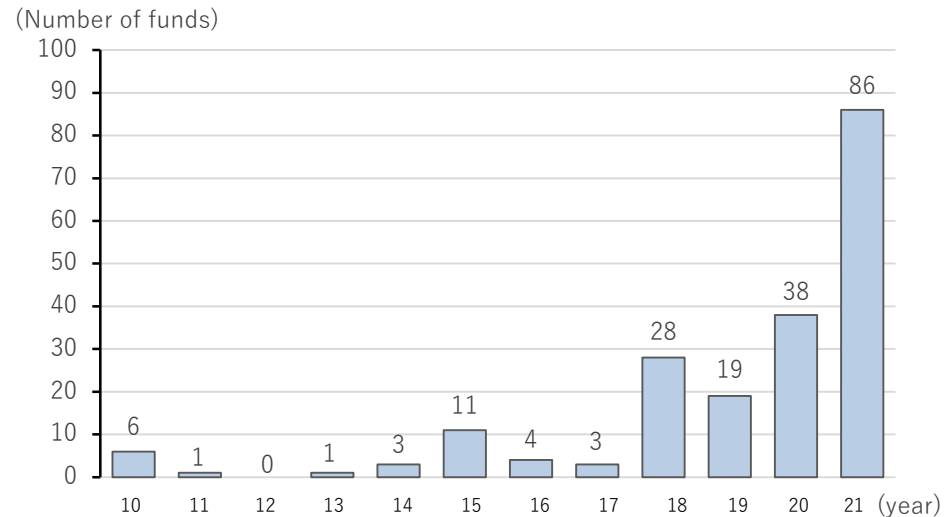
## Expansion of ESG/SDGs investment

- ✓ Increase in ESG/sustainable investment has been accelerated in the wake of COVID-19, and particularly so in Europe.
- ✓ In Japan, the number of new ESG-related funds is also on the rise.

## Concerns about greenwashing

- ✓ Non-ESG product may be labelled as sustainability-related in a misleading manner without any change in its investment strategy toward ESG/sustainability, etc.

## Number of ESG-related Funds Newly Established



(Note) Publicly offered domestic investment trusts at the end of December 2021, “ESG-related funds” are expediently defined as any funds clearly stating an investment policy of focusing on “ESG, impact investment, SDGs, SRI, CSR, environment, corporate governance, women’s empowerment and human resources.”

(Source) Prepared by JFSA based on QUICK data

# Current status of ESG investment in Japan and overseas

- Asset management companies are expected to provide and disclose appropriate information from the perspective of customer protection.
- Inconsistent practices by asset management companies described as below are often observed, which require improvements in the current practices to ensure confidence in the markets.

## Product's name

- A product has the word, “sustainable” or “ESG”, in its name, but
  - ✓ its investment objectives **only reference financial performance.**
  - ✓ **it only uses a limited negative screening strategy to exclude investments in controversial weapons.**
  - ✓ **its disclosure states that the asset manager “may” take ESG factors into account in the product’s investment strategies.**

## Investment objectives and strategies

- A product is marketed as an ESG product, but while the manager of the product has access to ESG ratings and data, it does not take them into consideration in its investment process, and only uses **investment strategies that are similar to those used by non-ESG products.**
- A product’s website shows the product’s ESG ratings, identifying them to be on the high-end of an ESG performance scale and thus implying that the product has an ESG focus, **but the product’s name, investment objectives and strategies do not reference ESG at all.**

## Stock selection

- **A product claims to use a negative screening investment strategy to screen out all companies that are involved in the oil and gas industry,** but the product’s portfolio in fact holds securities of companies in those industry.

## Investment results

- A product claims that investments in the product will achieve carbon dioxide emission reductions **despite a lack of explanation of how such impact is being calculated.**

## Disclosure

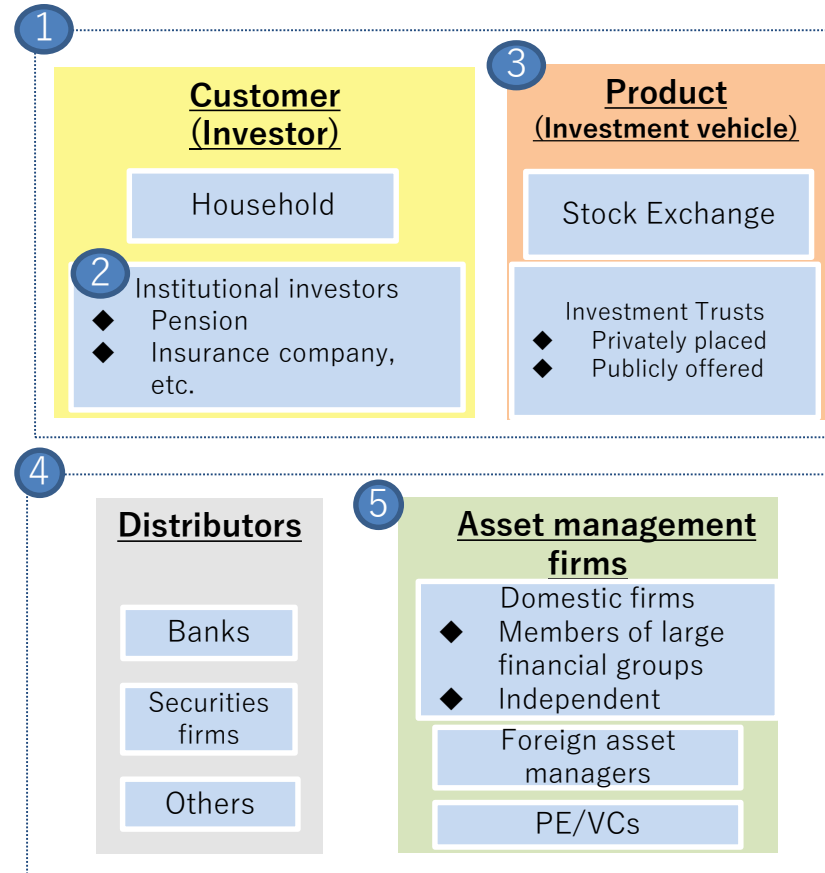
- A product states that it may exclude companies involved in severe ESG-related controversies but **does not explain what would constitute a severe ESG-related controversy.**
- In an index-tracking product, the disclosure provides limited information **about how the selected index meets the objective of investing in companies that contribute to climate transition.**
- **A product does not disclose its full proxy voting record.**

# Future directions for enhancing the asset management business

- Continue dialogues with asset management firms, their parent companies,
- Analyze the performance of funds and other products (mutual fund wrap accounts, structured bonds, etc.) and visualize the results,
- Have discussions on the appropriate approach to ESG investment, etc.

## Future measures

1. Visualization of fund performance of publicly offered/privately placed mutual funds and separately managed accounts
2. Research and analysis of the initiatives and investment methods taken by institutional investors for advanced asset management practices
3. Research and analysis of the ESG/SDGs investment conducted by Japanese asset managers
4. Incentivize asset management firms to provide products meeting customers' interests better
5. Facilitate better performance of asset management for the mid- to long-term





# International Financial Center

- The “International Financial Center Initiative” will create a win-win situation for both Japan and overseas asset managers.

The Initiative aims to provide opportunities for:

## Japan to



Create **more jobs** in the financial industry and beyond;



Increase **GDP** through more efficient allocation of financial resources;



Contribute to international **risk diversification** and create a more resilient global financial market.

## Overseas asset managers to



Raise funds from Japan's huge households financial assets;



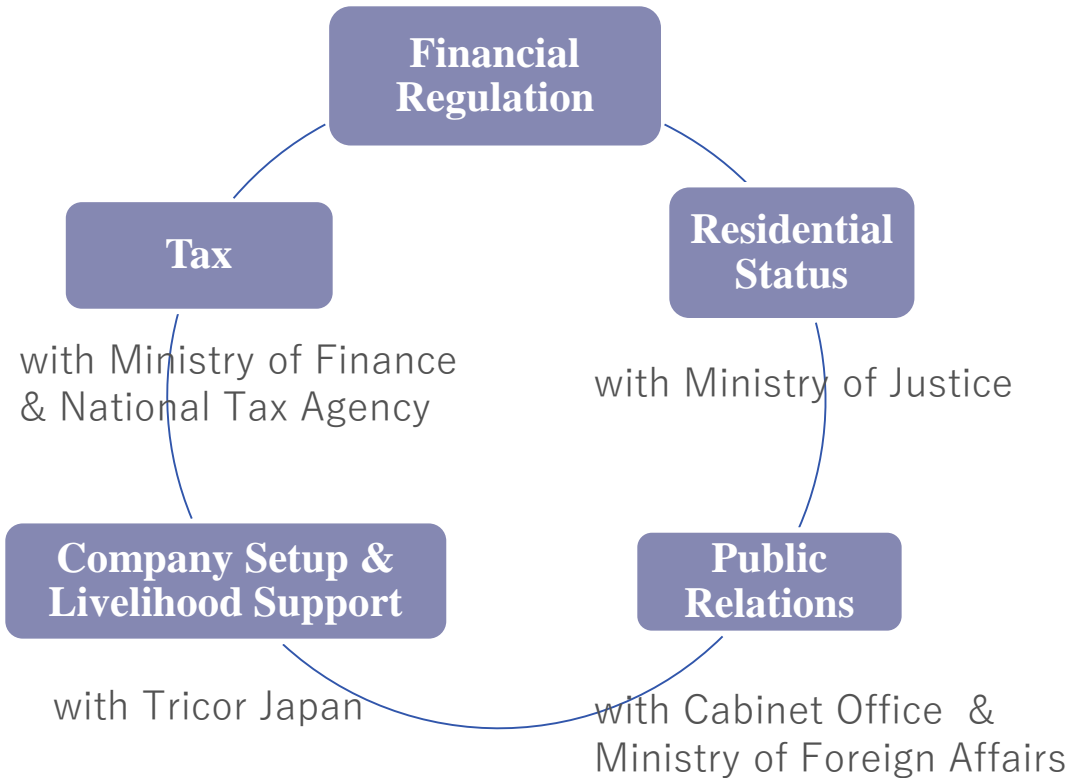
Gain access to **firsthand information** of Japanese companies;



Enhance the **quality of life** of employees.

# International Financial Center

- A government-wide approach has enabled this initiative to be a comprehensive policy package beyond financial regulation.



### FSA Website

The screenshot displays the FSA Website's International Financial Center Japan page. The header features the title "International Financial Center JAPAN" and navigation links. The main content area includes a globe graphic with the text "Japan as an international financial center". Below this, a section titled "International Financial Center Initiatives" provides a detailed overview of the government's efforts to attract investment and business to Japan. A world map highlights Japan's global reach, and a QR code is provided for further information.

**International Financial Center Initiatives**

Japan is the third wealthiest economy and third largest pension market in the world. However, it has yet to perform at its full potential as a financial center. Over 18 trillion dollars of cash equivalent assets on household's balance sheet is waiting to be mobilized by selected asset managers. Within this context, the Japanese government is working as "one team" to expand its role as an international financial center. While simplified market entry and company setup procedures are prime examples of our efforts on eliminating financial obstacles, we are also vigorously pursuing bold tax incentives and providing one-stop seamless support for living and doing business in Japan. Japan's stable political and legal systems, high-level public security and quality of life, and wide variety of natural attractions will be invaluable assets for your entry into the Japanese market.

**Transforming Japan into an international financial center that attracts employees, companies, and funds from around the world**

**International Financial Center : The Appeal of Japan**

[Learn More](#)

# Keynote Speech #2

## “Expectations for Japanese Asset Owners and Emerging Managers”

### ■ Kirk Sims

Director, Head of Emerging Manager Program,  
Teachers Retirement System of Texas





# Emerging Manager Program

February 23, 2022

# TRS Emerging Manager Program Team



**Kirk Sims, CFA**  
Director

## EM Program Team

## Key Partners

### Private Markets

### Public Markets



**Tommy Heitz, CAIA**  
Associate



**Olivia Dwan**  
Admin - Contractor



**Charles Phippen**  
Dedicated GCM Seconded  
*(Onsite at TRS in Austin)*

## EM Program Advisors



**Jase Auby, CFA**  
Chief Investment Officer



**Carolyn Hansard**  
Sr. Director  
Energy, Infrastructure,  
& Natural Resources



**Scott Ramsower**  
Director  
Private Equity



**Matt Halstead**  
Director  
Real Estate



**Michael Ijeh, CAIA**  
Associate  
Public Markets



# Emerging Manager Program Highlights



**17**  
Years Program History



**\$4.9 bn**  
Underlying Commitments  
*\$5.9 bn program size*



**200**  
Managers Backed



**7**  
TRS Graduates to  
Premier List  
*\$3.4 bn invested with  
Graduates at the Trust  
Level*



**5**  
EM Select Commitments  
*\$330 mm Invested EM  
Select Managers at the  
Trust Level*



**330**  
Investments



**53%**  
Diverse Manager  
Commitments

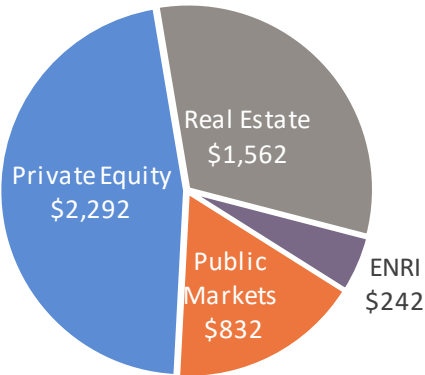
Source: TRS IMD

# Performance and Commitments

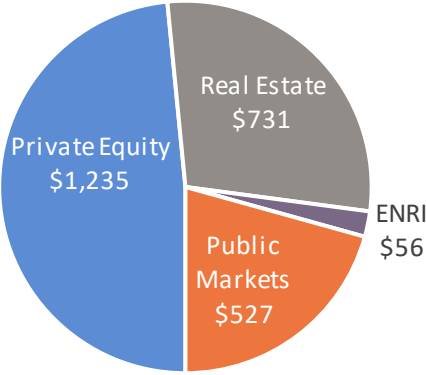
As of September 30, 2021

Emerging Manager Program			
Total Time Weighted Returns			
	1-Yr	3-Yr	5-Yr
Returns	25.6%	10.3%	11.1%

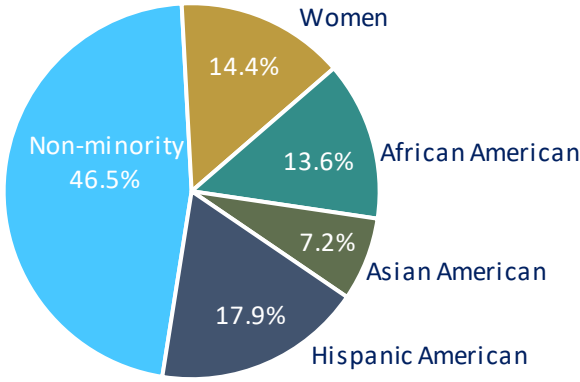
Underlying Allocations: \$4,927 MM



Net Asset Value: \$2,549 MM

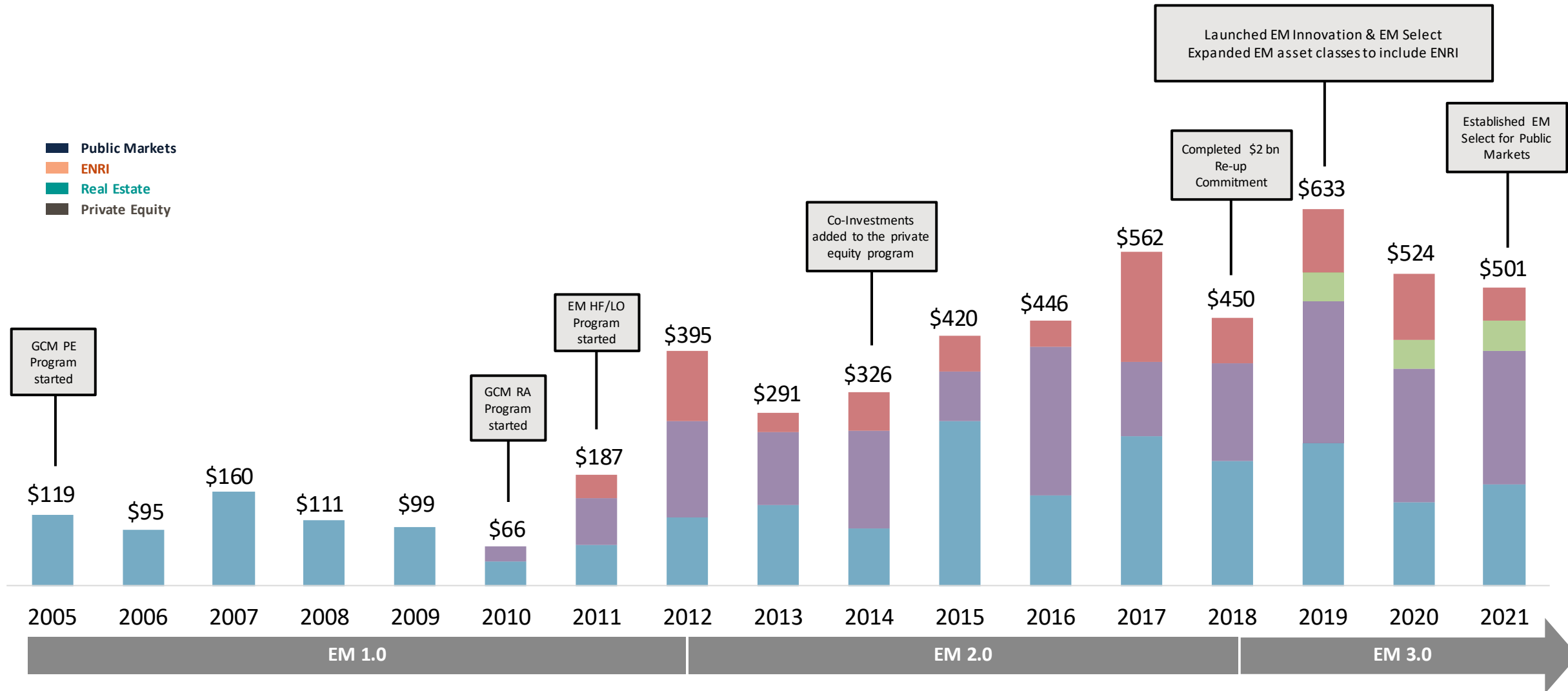


Commitments by Diversity Type



Source: State Street and TRS IMD

# History of Emerging Manager Program Allocations



Source: TRS IMD

Note: Represents timing of underlying allocations to investment managers. US Dollars in millions.



# Presentations by Asset Managers #1

- 1 Ariake Capital
- 2 BUSHIDO Asset Management
- 3 Capital Asset Management
- 4 FINOLAB
- 5 Nihonbashi Value Partners
- 6 ORIOR Asset Management
- 7 HiJoJoPartners
- 8 Keyaki Capital

# Ariake Capital

**Name of CEO/CIO** Katsunori Tanaka

**Email** ir@ariakecapital.com

**Type of License Registration** Pro-DIM

**Amount of Net Assets** JPY 75 mm (\$700k)

**Address** 8-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo 103-0026, Japan

**TEL** +813-6206-2867

**Registration date** February 3<sup>rd</sup>, 2021

**AuM (or investment advisory amounts)** JPY 5.5 bn (\$50mm)

**Number of Employee/Fund Managers** 4/1

**Revenue** TBD

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

Ariake Capital is a new Japan activist focused on financial sector launched in December 2021. We find the unrealized gains in the cross share holdings held by Japanese Regional Banks the proverbial “diamond in the rough”. Total 80 banks in Japan are traded at historical low which we find as the best timing to enter.

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

- 1.Conversation with Management: Dialogue with management who are looking for improvement market cap.
- 2.Execution by Management: Pressure on corporates for restructuring and a potential tie-up.
- 3.Awareness in Stock Market: Upside in valuation (Average PBR 0.2x). Exit strategy through corporate action.

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

Katsunori Tanaka (CIO)

- 2000-2020 Goldman Sachs (Investment Research)

Shigeru Takano (COO)

- 2010-2020 Goldman Sachs (Prime Brokerage)
- 1998-2010 Goldman Sachs, Merrill Lynch, Morgan Stanley, BNP Paribas (Equity Sales)

その他運用に関する特記事項  
**Other Investment Strengths**

- 1) Amount of hidden capital is larger than market cap.
- 2) Unrealized profits are not included in capital under Japanese Basel.
- 3) Japanese government is supportive.
- 4) No Google Banks or Amazon Banks in the U.S. but there are Sony Banks and Seven Banks (7-11) in Japan.
- 5) First TOB against a Japanese bank took place in September 2021 by SBI (Softbank Investment).

# BUSHIDO Asset Management

Name of CEO/CIO Kenji Sugiyama

Email sugiyama@bushido-asset.com

Type of License Registration Pro-DIM

Amount of Net Assets USD 82.3 million

Address FinGATE KABUTO 3F, 6-5 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo 103-0026

TEL +81-5843-6572

Registration date June 18<sup>th</sup>, 2018

AuM (or investment advisory amounts) USD 82.3 million  
as of December, 2021.

Number of Employee/Fund Managers 5/2

Revenue

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

- Currently offering : JPY / USD Class A
- Capacity : USD 120mn (JPY14bn)
- Investment Strategy : Beta adjusted Market Neutral, Fundamental approach.
- Focus : Mainly Mid/Small-caps & Market Themes.
- Universe : Mainly listed Japanese Equities, Futures/Options & OTC Derivatives.

投資に関する意思決定プロセス  
Decision Making Process to Invest

Investments are generated using a broad variety of analytical tools and information sources, such as interviews to companies, broker research, analyst contacts, financial statements, publicly available information, and some propriety valuation models. The core part of the investment research process is fundamental company analysis, which focuses on understanding its business & supply enterprises & fair valuation in the markets.

運用責任者等の業務経験  
Professional Experience of CIO and Others

**CEO / CIO : Kenji Sugiyama**

Before funding BUSHIDO Asset Management Co., Ltd., Kenji was a Portfolio Advisor at Akito Capital. Before joining Akito, he was a Japanese Equity Sector Analyst covering Paper/Pulp and Glass sector and Financial Consultant at Mitsubishi UFJ Morgan Stanley Securities. Graduated from Keio University with a Master of Science and Technology in 2009.

その他運用に関する特記事項  
Other Investment Strengths

Investment Strategy starting with a position, it involves various strategies, but “bottom-up” research is proven to be most effective supported by more than 500 meetings in a year basis and researching hidden gems company that not many Sell-side coverages etc.

# Capital Asset Management Co., Ltd.

**Name of CEO** Toshinobu Yamazaki

**Email** t.yamazaki@capital-am.co.jp

**Type of License Registration** Investment Management Business  
(Investment Trust Management Business/  
Discretionary Investment Business)  
Investment Advisory Business and Agency Business

**Amount of Net Assets** ¥ 226 million (as of 3.31.'21)

**Address** Shikoku Building, 1-13-7 Uchikanda, Chiyoda-ku, Tokyo

**TEL** 81-3-5259-7401

**Registration date** September 30, 2007

**AuM (or investment advisory amounts)** ¥ 61.9 billion (as of 12.30.'21) **Revenue** ¥ 667 million (FY ended 3.31.'21)

**運用対象資産、投資哲学等**  
**Asset Class, Investment Philosophy, etc.**

With a global perspective, we intend to pursue various opportunities for attaining investment returns in order to realize a long-term growth of assets under management. For this objective, we commit ourselves to determine those countries/regions, investment assets and specified themes having a growth potential.

To achieve this goal, we will identify stocks for investment mobilizing our particular insight as well as information gathering and research capabilities. Our main theme for investment is "growth". Depending on a growth phase of an investment target country, we will determine a sector allocation and select specific stocks after analyzing growth potential of respective sector and company.

**その他運用に関する特記事項**  
**Other Investment Strengths**

As one of our group entities, we have a research company in Hanoi, Vietnam. It enables us to collect information concerning political, economic and social conditions of Vietnam and other ASEAN nations. Regarding Vietnam, in particular, we have been obtaining through local staffs fluent in Japanese on-the-spot information which is difficult to acquire in Japan or requires time to do so. This resource has been instrumental in allowing us to make an investment decision.

With respect to ESG investment, which has currently become a new trend worldwide, we have assented to its intent and purpose from an early stage and have been managing ESG investment funds for five years.

**投資に関する意思決定プロセス**  
**Decision Making Process to Invest**

We employ an approach based on a combination of top-down and bottom-up analysis.

With respect to a top-down analysis, we review an outlook for macro-economic conditions and political environment so that we can make a proper investment decision.

As for a bottom-up analysis, we will determine an allocation for each stock by reference to an analysis of profit growth potential, dividend yield and other relevant information.

**運用責任者等の専門性**  
**Expertise of CIO and other Fund Managers**

Toshifumi Sugimoto, Chief Investment Officer, began his career at Nikko Securities Co., Ltd. After serving as Head of Foreign Bond Dept. and as Head of Bond Dept. at the Hong Kong Branch, he assumed the position of Fund Manager at Nikko Investment Trust Management Company (currently Nikko Asset Management Co. Ltd.).

Mr. Sugimoto joined Capital Asset Management in 2009, and then he has been managing Vietnamese stock funds since 2012. He is a Chartered Member of the Securities Analysts Association of Japan (CMA) and a Certified International Investment Analyst (CIIA).

All other fund managers are qualified CFAs or CMAs having over 20 years of experience in investment business.

# FINOLAB Inc.

**Name of CEO** Chie Ito

**Email** info@finolab.co.jp

**Type of License Registration** Special Business Activities  
for Qualified Institutional Investors

**Amount of Net Assets** JPY500 Mil.

**Address** 1-6-1 Otemachi Chiyoda-ku Tokyo 100-0004

**TEL** 03-6269-9208

**Registration date** 2020-09-04

**AuM (or investment advisory amounts)** JPY500 Mil.

**Number of Employee/Fund Managers** 5

**Revenue** JPY20 Mil.

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

FINOLAB FUND is specialized in venture investing into early stage, such as seed round and series A, FinTech startups.

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

Based on the recommendation from the investment team, the management team of FINOLAB Inc. will make endorsement and final decision is to be made by independent Investment committee.

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

**CEO:** Technology professional with 20+ years experience in venture investment in financial services.

**CIO:** 20+ years experience in real estate and infrastructure investment, venture investment in both Japan and US market.

**Fund Manager:** 10+ years experience in corporate finance and venture funding.

**Fund Administrator:** CPA with 10+ years experience in accounting and corporate admin.

**Sourcing Manager:** 30+ years experience in financial services.

その他運用に関する特記事項  
**Other Investment Strengths**

FINOLAB was selected as an operator of Tokyo FinTech Supporting Fund. Tokyo Metropolitan Government (TMP) is to invest JPY200 Mil. To the existing FINOLAB FUND and planning to bring in additional investors to aim at the fund size of JPY2,000 Mil. It is a part of TMP's strategic agenda to improve its presence as a International Financial City. Since FINOLAB has been a driving force to expand FinTech Ecosystem in Tokyo and a member of FinCity Tokyo, its fund is expected to support early stage FinTech startups in Tokyo to promote FinTech Community as a whole.



# Nihonbashi Value Partners Co., Ltd.

Name of CEO/CIO Kentaro Takayanagi

Email ktakayanagi@nvpvalue.com

Type of License Registration

Amount of Net Assets

Address 3-3-5 Nihonbashi-Ningyocho, Chuo-ku, Tokyo

TEL +81(0)3-6661-7191 (+81(0)90-7257-7941)

Registration date

AuM (or investment advisory amounts)

Number of Employee/Fund Managers

Revenue

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

**Asset Class:** Japanese value equities

We consider value and growth separate asset classes based on fundamental attributes. Although it has lagged over the past decade, value equity's 10-year return is approximately 6%/year, a return nearly identical to its average over the past 40 years. As such, value equities remain an attractive asset class for investors with stock selection skills.

**Investment Philosophy:** We believe that investing in companies that are 1) undervalued and underappreciated by market participants and 2) exhibit fundamental potential, leads to long-term compounding of capital.

その他運用に関する特記事項  
Other Investment Strengths

- (1) Ability to unlock value through fundamental research and engagement in a less competitive and undervalued market.
- (2) Strong commitment to value investing in Japanese equities backed by the ownership structure of an independent boutique firm and a team with deep roots in Japan.
- (3) Managed by seasoned Japan Value specialist with global acumen and an academic footprint.

投資に関する意思決定プロセス  
Investment Decision Making Process

**Idea generation:** Proprietary valuation screen combined with organic idea generation from team members  
→ Determining a target universe: 100 companies

**Value Assessment:** In-depth analysis of company financials and industry to assess Asset, Earnings Power and Franchise value  
→ Combining 3 types of value

**Portfolio Construction:** Judgment with focuses on the degree of undervaluation and potential. Conviction, cross-correlation, liquidity, and risk analysis are also considered.  
→ Focus Value Portfolio: 20-40 companies

**Strength:** Time tested Process (20-year track record over multiple cycles)

運用責任者等の業務経験  
Professional Experience of CIO and Others

Kentaro Takayanagi has over 30 years of experience at Nomura Asset Management, 21 of which were spent managing self-designed Japanese equity value funds with client assets of over USD 3bil. in 28 countries.

**Awards:** 2014 - Morningstar, Japanese Equities  
/2012 - Morningstar, Japanese Equities  
/2010 - Morningstar - Best in Class, Japanese Equities  
/2003 - Morningstar - Rookie Award, Japanese Equities

**Publications:** White Papers: Reconsideration of Value Investing: Evaluation Based on Perfect Foresight, March 2021/ IIF Paper: Reflecting on 20-Years of Strategic Value Investing in Japan

# ORIOR Asset Management Inc

**Name of CEO/CIO** Noboru Tadokoro

**Email** onozuka@orior-am.com ise@orior-am.com

**Type of License Registration** Pro DIM

**Amount of Net Assets** 830Mil. yen

**Address** 1-11-6-1102 Muromachi, Nihonbashi, Chuo-ku, Tokyo

**TEL** +81 3-3277-0819

**Registration date** November 13th 2020

**AuM (or investment advisory amounts)** 830Mil. yen

**Number of Employee/Fund Managers** 6/2

**Revenue**

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

**We'd like to ask for SEED MONEY to New Concept Fund Transforming from existing OK Fund.**

**Objective:** achieve stable return in Japanese Equity market under any circumstances by long/short strategy. Business results is the key factor for the performance far more important than the other elements in long term

**Competitive companies:** Our existing OK Fund focuses on IT/Internet service, one of most exciting and innovative themes. So we want to explore new other mines like Green Innovation.

**Long term trend :** For the long position we will discover companies having new technology and solutions to expect business expansion 5 times, 10 times in mid-term. We short, on the other hand, those whose technology and solution losing the demand of society

その他運用に関する特記事項  
Other Investment Strengths

Many of Japanese small caps are not covered by sell-side analysts and institutional investors are only minor holders. Many of those stock price rise 5 times and even 10 times in few years but also decline to half or even less.

We have manager's perspective to select jewelry from number of stone. We have experience to have managed performance in IT/Internet sectors with deep research skill. Even under any market circumstances Orior AM will live up to the expectation.

投資に関する意思決定プロセス  
Decision Making Process to Invest

**Selection of Universe:** Select 600 companies as our universe, mainly Mid-small companies and invest only severely selected names

**Approach:** We meet with CEO and CFO of target companies regularly and judge if it worth to invest or not in daily investment meeting

**Investment Decision:** We gradually narrow down from the universe to 50 to 100 names expecting drastic expansion of business in future.

**Management's view:** Research companies from management's point of view

**Maintenance:** Careful maintenance and necessary position adjustment by daily investment meeting. Verify risk and balance of portfolio in monthly investment committee.

運用責任者等の業務経験  
Professional Experience of CIO and Others

**Noboru Tadokoro**, CEO&CIO, is fully responsible for investment decision. He was a founding member of KIMCO International, one of the most successful Japanese Hedge Fund. He has unique career to run 3 non-financial corporations by himself. This experience, we believe, clarify difference from other investment managers.

**Tomohiko Okugawa**, once in 2nd position in the Nikkei analyst ranking and won top score in the Internet section in Japan by Institutional Investor Research & Ranking.

**Tsuguya Onozuka** was the Head trader of Japanese stocks and FX at Pictet, and he took the position of a senior fund manager in the asset management department of Pictet. These 3 members are core professional in charge of fund management.

# HiJoJoPartners

**Name of CEO/CIO** Spyridon Mentzas

**Email** harada@hijojo.com

**Type of License Registration** Type II Financial Instruments Business, Investment Advisory, Investment Management Business

**Amount of Net Assets** N/A

**Address** Takagi Building 7F, 2-20-7, Azabujyuban, Minato-ku, Tokyo

**TEL** +81-3-6705-8660

**Registration date** 2018

**AuM (or investment advisory amounts)** About 20 Billion JPY

**Number of Employee/Fund Managers** 17/4

**Revenue** N/A

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

HiJoJo Partners raise single name SPVs and theme-based funds, focusing on mid/late-stage startups/private companies in the US, Japan, and Israel. Our investors are primarily based in Japan, ranging from publicly listed companies/private companies, university endowments, financial institutions as well as high-net-worth individuals. Along with investing into a company, HiJoJo Partners advise in bringing the company into the Japan market if interested, as well as introducing companies in Japan for potential collaboration with proprietary relationships as well as leveraging investment banking relationships of Mizuho Securities, Okasan Securities, and Monex Group who are also investors of HiJoJo Partners.

その他運用に関する特記事項  
**Other Investment Strengths**

-Have raised 34 funds total, collecting \$5-15M for each SPV, of which some have already listed on public markets, such as Palantir, SoFi, 23 and Me and Bird Rides.

-Have also made principal investments into early stages of promising startups such as Pipe Technologies, H2U Technologies, Privateer, Epibone and others.

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

Our team is made up of experienced professionals who have detailed knowledge regarding sensible startup investment practices. We are intertwined with investment banks and asset management companies. We utilize each and every connection within our network of promising startup investors and entrepreneurs, and we pride ourselves on being able to provide expert consulting for your aspiring startup investments. We mainly identify new opportunities within the United States, Israel and Japan.

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

**Spyridon Mentzas** Founder / CEO

Spyro began his career as a programmer at Salomon Brothers, Asia in 1995 where he launched the global program trading desk for equities. In 2010 he was appointed Co-Head of Equities and Deputy Global Head of Pan Asian Equities for Mizuho. In 2016, he joined the principal investment department expanding into the FinTech ecosystem, running due diligence and valuation modeling of venture capital firms and startups globally and connecting them to various institutional investors, mainly in Japan. In 2017, he founded HiJoJo Partners.

Spyro graduated Columbia University with a degree in Engineering & Management Systems.





# Keyaki Capital K.K.

Name of CEO/CIO Taiki Kimura

Address 7-2-3-301 Akasaka Minato-ku Tokyo

Email taiki.kimura@keyakicapital.co.jp

TEL 03-6455-4728

Number of Employee/Fund Managers 3

Type of License Registration Type II,  
Investment Advisory and Agency

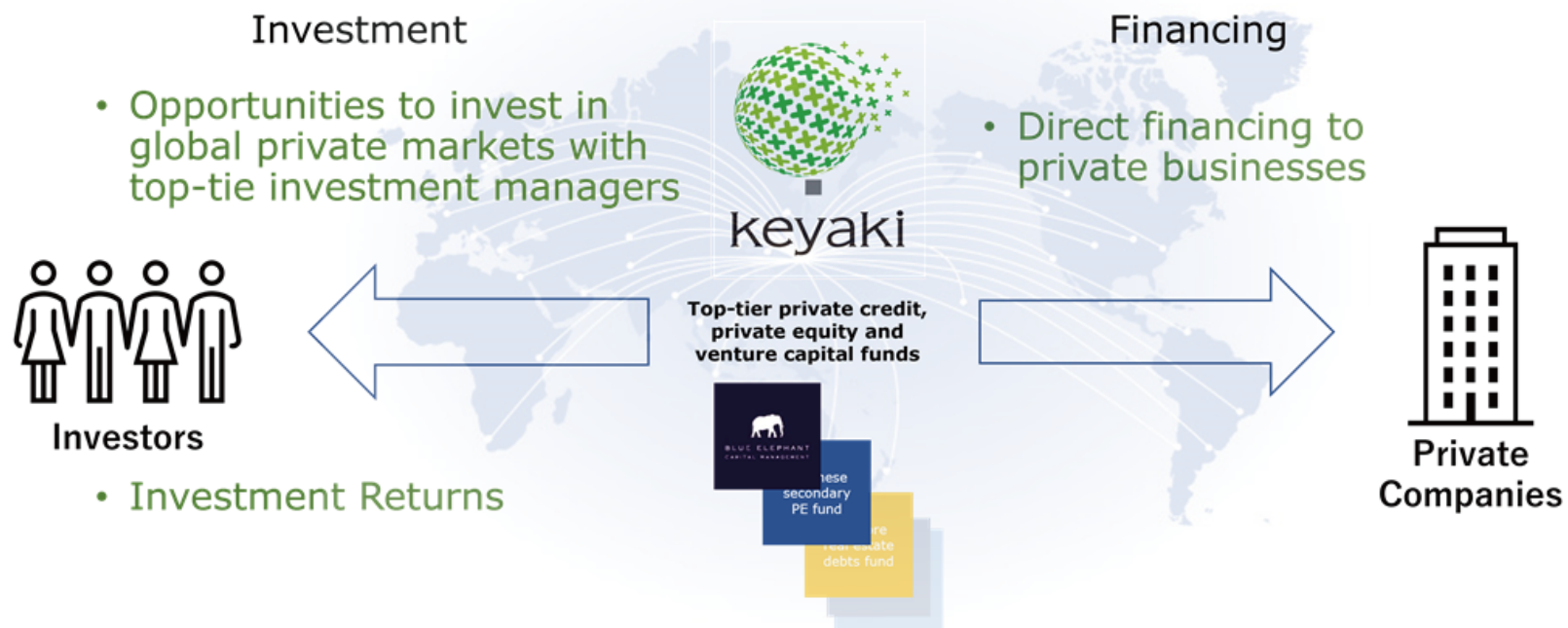
Registration date September 17th 2021

Amount of Net Assets ¥ 54.5 million (31 Mar 2021)

AuM (or investment advisory amounts) N/A

Revenue Not disclosed.

## Unlock the wealth for efficient allocation in private markets



# Panel Discussion

## “Industry Leader’s Vision”

### ■ Akira Sugano

President and CEO, Asset Management One Co., Ltd.

### ■ Yoshio Hishida

Representative Director and President,  
Sumitomo Mitsui Trust Asset Management Co., Ltd.

### ■ Hideto Fujino

Representative Director, Chairman, President and CEO, CIO,  
Rheos Capital Works Inc.

### ■ Moderator: **Keiichi Aritomo** Executive Director, FinCity.Tokyo



Agenda for panel discussion  
24 Feb 2022

# Panel discussion 登壇者

座長：アセットマネジメントOne 代表取締役社長 菅野 暁 氏

三井住友トラスト・アセットマネジメント 代表取締役社長 菱田 賀夫 氏



レオス・キャピタルワークス 代表取締役会長兼社長 藤野 英人 氏

(科学技術振興機構 運用業務担当理事 喜田 昌和 氏はKey note speakerとして本日登壇)

## 日本でEMPを推進する意義 1/2

- 各国金融都市では、政府ないしは政府系AOがEMPを推進し、資産運用のイノベーションを促進している
- また、海外AOは、全体のAuMIに一定枠を定めて自前でEM投資を行っている先も多い 資料①
- この点、国内のマネジャーエントリー制度では、運用残高の規模が大きく、運用実績の長い資産運用会社のみが選定される仕組みになっており、資産運用産業の育成が促進されにくい 資料②
- 東京が国際金融都市構想を推進する中で、諸外国同様にEM投資を促進すれば、AOの立場から見たメリットと社会的なインパクトを実現することができる（次項参照）

## 日本でEMPを推進する意義 2/2

### AOの立場からの意義 資料③

- アルファの確保（運用期間が短くまたAuMが少ないマネージャーは、運用期間が長くAuMが大きいマネージャーより比較的リターンが高い旨学術的検証もある\*）
- アーリーステージで資金拠出を行うことにより、先行して、優秀なマネージャーのキャパシティを確保
- EM投資の目利き力蓄積、ノウハウ共有
- EMにエクイティ投資を行った場合、MBOやIPO等のイグジットによる金銭的リターンの創出

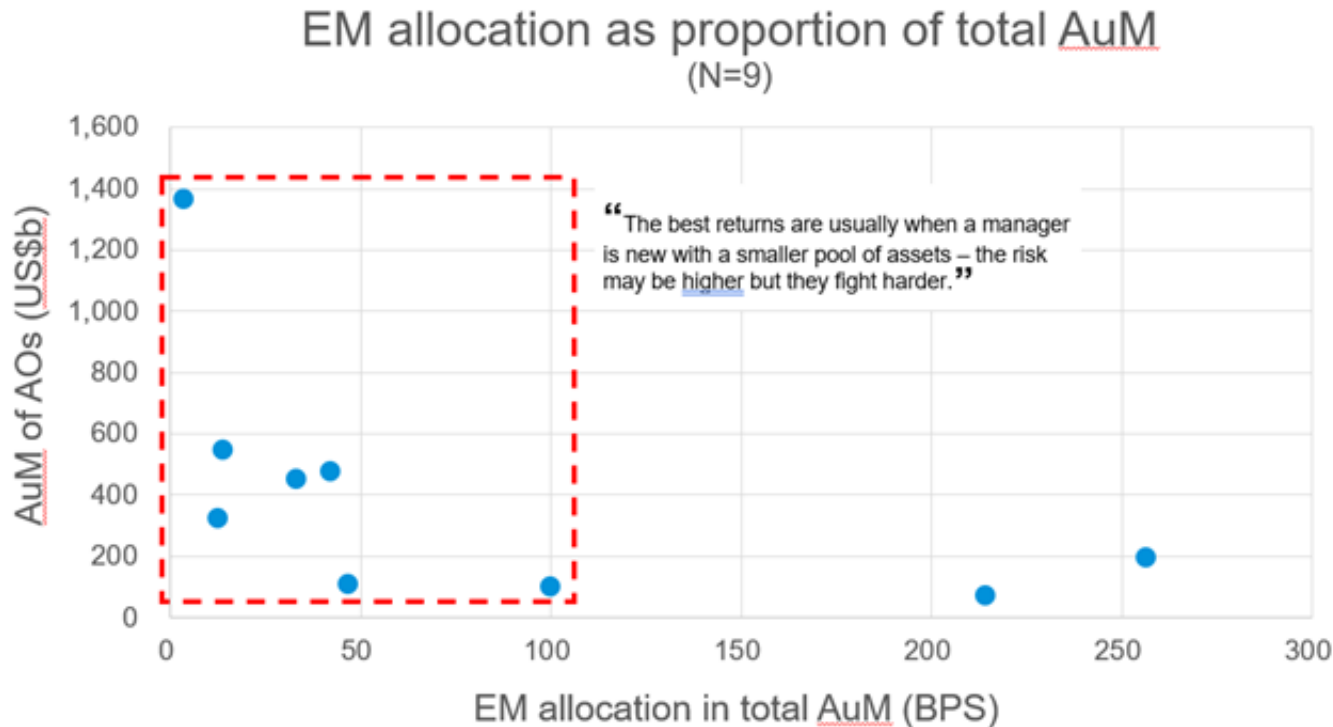
### 社会的なインパクト(ESGのS&G)

- AOの利益拡大による国民の資産形成の安定的な向上
- 資産運用の多様化による投資対象の拡大、イノベーション創出、産業の新興
- 高度金融人材の集積

\*一般的に、過去のトレンドとして、立ち上げ間もないファンドやAuM規模が小さめのファンドの運用実績は、比較的高い傾向が見受けられるとの調査結果が見られる（“Hedge Fund Pulse, Emerging Managers: Good Buy or Good Bye?”, April 2011, Barclays Capital.など）。その他、運用後3年間は既存のファンドを顕著にアウトパフォーム、その後も5年目まで統計的に優位なアルファがあるとの実証研究もある（Aggarwal, Rajesh K. and Jorion, Philippe, “The Performance of Emerging Hedge Fund Managers”, (January 23, 2008), AFA 2009 San Francisco Meetings Paper.など）。

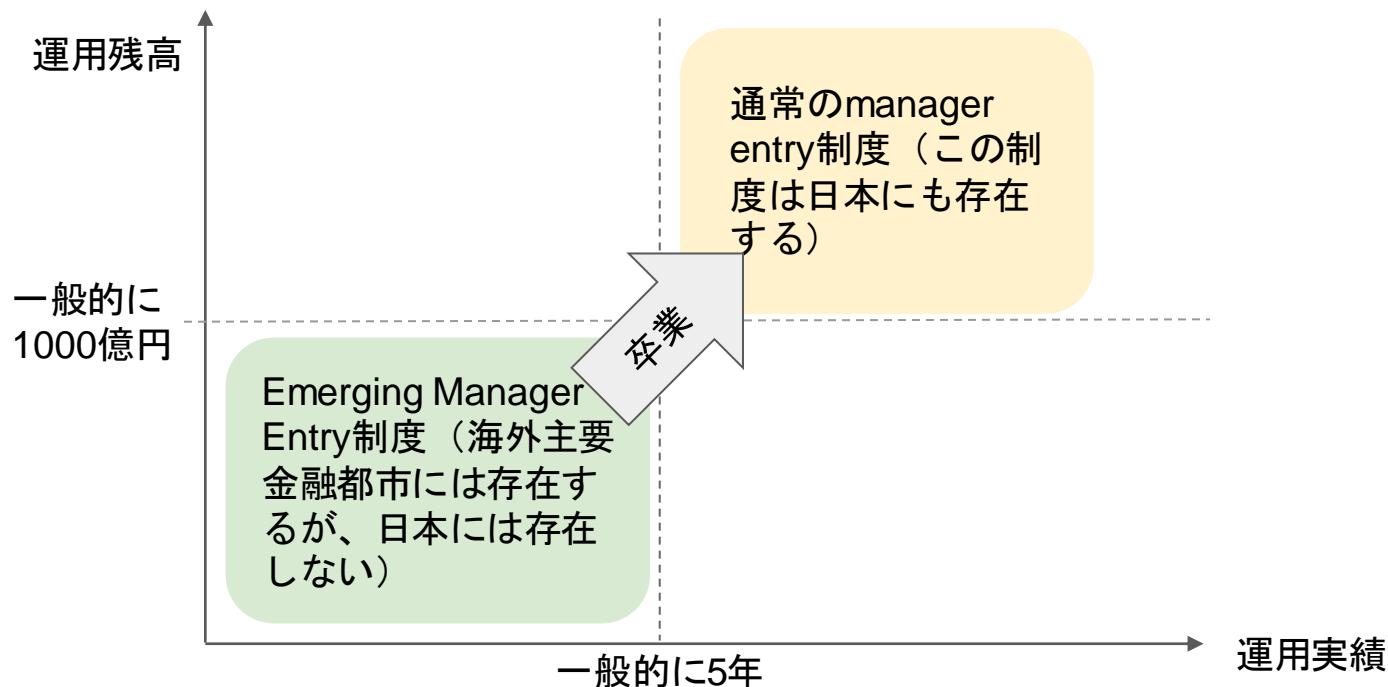
## 資料①：全運用資産に占めるEMへの拠出の割合

各AOの運用資産総額に対するEMへのアロケーション比率は、AuM規模に関わらず概ね0.5%に集中している。EM拠出枠の適正な規模については、海外AOも継続的に議論しているが、日本AOのように枠がゼロではない。



## 資料②：マネージャーエントリー制度の比較

海外主要金融都市では、AuM規模やtrack record年数に応じたmanager entry制度が存在するが日本のAOのmanager entry制度は大手以外に入り込めない。





# 参考情報：TRS / ERS Emerging Manager Conference



**ACCESS MEETS OPPORTUNITY**

**TRS**  
TEXAS RETIREMENT SYSTEM OF FUND  
INVESTMENT  
MANAGEMENT DIVISION

**TRS / ERS Emerging Manager Conference**

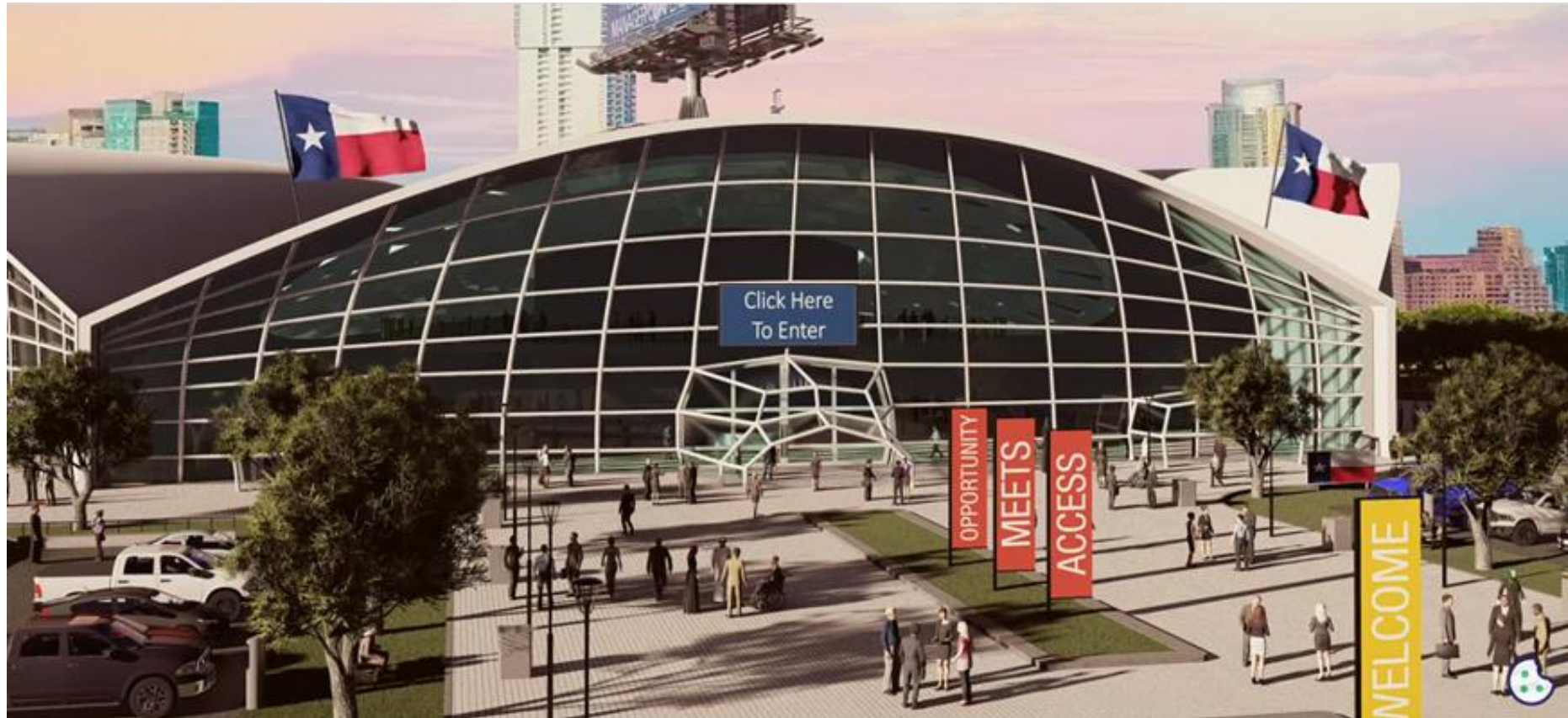
**ERS**  
EMPLOYERS' RETIREMENT  
SYSTEM OF TEXAS

Sponsored By:



**RockCreek**

# イベント会場





# イベント管内



# AOのニーズに合わせasset class毎にbreakout roomがある

Need Technical Assistance? [trs@getvfairs.io](mailto:trs@getvfairs.io)

EMC 2022  
1-19-2022

Edit Profile Paul Landerman ▼

Agenda Conference Breakout Rooms Video Vault Resources Managers Briefcase Help Desk Survey

Real Estate Panel  
Infrastructure Panel  
Private Equity Panel  
Public Markets Panel

GCM GROSVENOR

TRS INVESTMENT MANAGEMENT DIVISION

ERS

RockCreek

Keynote Speaker  
Roger W. Ferguson Jr.  
12pmCT

Allocator Hall

Diversity Speaker  
Dr. Derrick Gay  
9amCT

Breakout Rooms  
Real Estate  
Infrastructure  
Private Equity

<https://2022-emconference.vfairs.com/en/hall#>

# Breakout room内にはGatekeeperなどの出展者もいる

The screenshot displays a virtual conference environment. The top portion is a 3D-rendered exhibition hall with a city skyline in the background. Several booths are visible, including one for 'INVESTMENT MANAGEMENT DIVISION TRS' with a sign that says 'Access Meets Opportunity', a booth for 'PRIVATE EQUITY', and a central booth for 'ERS EMERGING MARKETS CONFERENCE 2022'. To the right, there's a booth for '50 Years of Investing' and another for '\$70 bn ASSETS UNDER MANAGEMENT' and '\$20 bn INVESTED IN ESG THEMES'. The bottom portion of the screen is a dark blue interface with a white 'Exhibitors Index' list on the left, a 'How it Works' guide in the center, and a video player on the right showing a man in a suit speaking at a podium. The video player has a play button and a timestamp of 00:38.

**Exhibitors Index**

- Accelerate Investors
- Aksla
- Albourne
- Astarte Capital Partners
- Attucks Asset Management

**How it Works**

1. Scroll the exhibitor booths above from left to right, or top to bottom in the Exhibitor's Index to the left.
2. Click on the pictures to learn more about each exhibitor.
3. Click "Chat" to join a group discussion and

00:38



Breakout room内では、Avatarで交流を図ることが可能



# Key questions



1. 海外AO EMP surveyやAO key note speechで得られた最大の学びは何ですか
  
1. 元EMである藤野さんにとって、今から振り返り創業後に必要性を感じたサポートは何でしょうか
  
1. 海外主要都市では、政府ないしは政府系AOがEMPを主導し、資産運用業のエコシステム構築が図られています。
  - a. 東京で同様に資産運用業のエコシステム活性化を図る上では、大手資産運用会社としてどのような取り組みを考えていますか。
  - b. FCTに期待する点はありますか

# Presentations by Asset Managers #2

- 1 Seiryu Asset Management
- 2 Polymer Capital
- 3 Northleaf Capital Partners
- 4 Mayar Capital
- 5 Ellington Management Group
- 6 AIP Asset Management
- 7 GO Fund
- 8 Tishman Speyer
- 9 Columbia Threadneedle Investments



# Seiryu Asset Management, Ltd.

**Name of CEO** Takuma Yoshida

**Email** takuma.yoshida@seiryuam.com

**Type of License Registration** Investment Management Business/  
Type 2 Financial Instrument Business

**Amount of Net Assets** JPY 142 million (as of 6/2021)

**Address** 2-20-19 Akasaka, Minato-ku, Tokyo, 107-0052

**TEL** 813-5575-8521

**Date of Incorporation** 2009/7/7

**AuM (or investment advisory amounts)** JPY 181,766 million  
(as of 12/2021)

**Number of Employee/Fund Managers** 20/9

**Revenue** JPY 811 million  
(as of 2021/6)

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

投資に関する意思決定プロセス  
Decision Making Process to Invest

運用責任者等の業務経験  
Professional Experience of CIO and Others

## ACCESS

Discover a wide variety of "high-quality investment opportunities" from the global perspective and create access to it. Select investment manager with the effective investment strategies and the quality investment teams to approach such investment opportunities.

## PERFORMANCE

Aiming to provide "high-quality performance" that meets clients' portfolio needs and risk tolerances. We engage in active dialogue with clients, identify potential investment needs, and propose appropriate investment strategies.

## ALIGNMENT

As a "fiduciary" to our clients, we put alignment of interests first. The operational services we provide must be in the true interest of our clients. "Good investment opportunities" and "good performance" are meaningful only when there is an alignment with the clients.

その他運用に関する特記事項  
Other Investment Strengths



## Experienced Investment Team

Long financial business experience on the sell side and buy side, high expertise in "financial operations" and "global markets", and abundant track record of collaboration with overseas managers. Smooth communication with managers by the staff with long overseas business experience.

## Wealth of access to investment opportunities and ability to make proposals

Research and product handling of various asset classes and strategies; including traditional assets, hedge funds and illiquid assets (PE, PD, RE and Infrastructure). Broad business network: Utilize network to capture in-depth research in various asset classes/strategies. Discovery of promising managers that are not on a general database or not marketed in Japan.

## Providing Information from the Clients' Perspective

Team members are capable to explain and report professional information from client's point of view.

We believe that "Market" is not a static or fixed one, rather it changes and evolves all the times. We think that efficiency of the market have always been changing and by accessing to the new markets, asset classes, products and approaches, it would be possible to obtain better risk return profile. Seiryu is an independent asset management company who has been trying to provide the access to such new and unique asset classes, by choosing right partners to invest in those opportunities.

As a fiduciary we value the alignment with our clients. We thrive to achieve the return which fits their risk tolerance, by doing so we believe we would be able to contribute to the society. We call this "Unyohokoku".



# Polymer Capital

24/F Three Pacific Place, 1 Queen's Road East, Hong Kong	
<b>Name of CEO/CIO</b>	Angus Wai
<b>Email</b>	ir@polymercapital.com
<b>Type of License Registration</b>	Type 9-HKSFC; Discretionary Investment Management and Investment Advisory- Japan Financial Services Agency
<b>Amount of Net Assets</b>	USD3.1B (est. Feb 1, 2022)
<b>Address</b>	23/F Otemachi Financial City North Tower, 1-9-5 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
<b>TEL</b>	+852 3719 3300
<b>Registration date</b>	March 11, 2020 (HKSFC); September 1, 2020 (Japan FSA)
<b>AuM (or investment advisory amounts)</b>	USD3.1B (est. Feb 1, 2022)
<b>Number of Employee/Fund Managers</b>	120+
<b>Revenue</b>	Not disclosed

## 運用対象資産、投資哲学等

### Asset Class, Investment Philosophy, etc.

- Polymer Capital Management is an Asia-focused, market-neutral, multi-manager hedge fund platform
- Emphasis on liquid strategies by employing proven portfolio managers (PM) with a wide range of trading styles and geographies
- Portfolio construction combines diverse, uncorrelated alpha streams and delivers exposure to high idiosyncratic risks
  - Underwrite talents with proven track record
  - Long-term and relationship-driven talent strategy
  - Customize mandates to maximize diversification benefits
  - Disciplined risk framework across the firm

## その他運用に関する特記事項

### Other Investment Strengths

- Polymer has one of the largest risk teams dedicated to Asia and has developed a robust proprietary system providing real-time access to PMs and Management team
- Asia-based and Asia-focused, Polymer's management team has deep local knowledge and high degree of cultural sensitivity to local investment talents
- Polymer management seeks to build a collegial and productive working environment, allowing PMs to maximize their probability of success and optimize their portfolio performance

## 投資に関する意思決定プロセス

### Decision Making Process to Invest

- Each portfolio manager has a unique investment research process
- Polymer constructs the portfolios both at the PM level and platform level
  - Bottom-up: assess each PM's investment process and universe
  - Top-down: combine PMs to minimize overlaps and correlation and optimize diversification
- Decisions in capital allocation are made through a semi-annual and formal review process

## 運用責任者等の業務経験

### Professional Experience of CIO and Others

- Angus has spent more than 15 years overseeing asset management businesses in Asian markets
- 2006-2015: Angus was a founding member of Asia team and Head of Asia-Pacific at SAC/Point72
- 2016-2018: Angus launched Asia business at Folger Hill Asset Management and served as its Asia-Pacific CEO
- He previously held roles as part of the investment advisory group of Sumitomo Trust Finance, and as a public auditor at KPMG in Hong Kong and Canada

# Northleaf Northleaf Capital Partners

**Name of CEO/CIO** Stuart Waugh

**Email** [contact@northleafcapital.com](mailto:contact@northleafcapital.com)

**Type of License Registration** Northleaf is registered with the securities regulators in the US, UK, Canada and Australia

**Amount of Net Assets** More than US\$19 billion in commitments raised

**Address** 79 Wellington St W 6th Floor, Toronto, ON CANADA M5K 1N9

**TEL** +1 866964 4141

**Registration date** With the SEC since 2007

**AuM (or investment advisory amounts)**

**Number of Employee/Fund Managers** More than 160 professionals across 7 global offices

**Revenue**

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

## Providing access to global private alternatives

Investors benefit from the information flows and insights generated by a differentiated private markets platform focused on investments in mid-market companies.

### Private equity

Value creation in mid-market companies globally across primary fund investments, secondaries and direct investments

### Private credit

Direct investments in senior and junior capital loans to private equity-backed and independent mid-market companies globally

### Infrastructure

Direct investments in mid-market assets in OECD countries

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

## Well Defined Investment Process Developed Over 20+ years

Investors benefit from a systematic and rigorous investment process for sourcing, evaluating, executing and managing transactions developed through more than 20+ years of active private markets investing experience.



### Consistent focus on mid-market transactions

Leverage **integrated platform scale** and network for proprietary deal flow and informational advantages

### Responsible investor with focus on ESG

**Ability to invest flexibly** across the capital structure to create bespoke opportunities for our investors

**Well-established franchise** backed by leading global institutional investors

Each opportunity proceeds through a **well defined investment process**: Deal Origination, Initial Review, Due Diligence, Structuring, Investment Committee Approval, Execution and Documentation, Portfolio Management/Monitoring, Exit/Distributions

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

## Consistent Leadership and a Engaged/Fully Aligned Team

Investors benefit from a highly stable leadership team supported by more than 160 professionals across a network of seven global offices.

### Consistent firm leadership

No senior team turnover  
Average leadership group tenure >10 years

### Asset class investment expertise

Separate asset class investment teams/committees with extensive track records and local market presence  
Portfolio Strategy and Analytics teams focused on portfolio construction  
Networks of Senior Advisors/Operating Professionals  
Supported by Northleaf's global platform (legal, tax, operations etc.)

### Highly engaged team

Collaborative firm culture and approach  
Maintained top scores in biennial employee survey  
90% "Proud to tell others I work for Northleaf"

その他運用に関する特記事項  
**Other Investment Strengths**

## Why investors partner with Northleaf

Returns-oriented, principal investment firm managed in **full alignment with investors**

**Focus on consistency of portfolio outcomes** that aim to deliver income, yield and capital appreciation with inflation protection and downside management

Unique combination of **global reach, scale and resources** with mid-market transaction focus

**Collaborative approach** to construction of comprehensive, tailored private markets solutions

Longstanding commitment to responsible investing and **alignment with ESG considerations**



# Mayar Capital

Name of CEO/CIO Abdulaziz Anaim

Email marc.cox@mayarcapital.com

Type of License Registration TBC

Amount of Net Assets \$235m

Address

TEL +44 20 8050 2515

Registration date TBC

AuM (or investment advisory amounts) \$235m

Number of Employee/Fund Managers 10

Revenue \$2.5m

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

## ESG Global Equity Strategy

We approach the craft of investing with a responsible private business owner's mindset. Our process Integrates ESG factors as we think about businesses and industries, rather than stocks and indices. We combine insights from behavioral science and a probabilistic perspective into the design and implementation of our investment strategy, applying our proprietary checklistbased process. Our valuation methodology underpins decision-making under uncertainty by evaluating distributions of risk-reward outcomes.

その他運用に関する特記事項  
Other Investment Strengths

By taking a probabilistic approach, we can explore all possible outcomes, fully incorporate tail risk in our forecasts and avoid anchoring.

By considering ranges in forecasts, valuations and risk management, we believe that we can tilt the odds of success in our favor, systematically and consistently

投資に関する意思決定プロセス  
Decision Making Process to Invest

We believe that an ethical-owner approach is essential for generating long-term returns. Our assessment of the sustainability of a business, the intrinsic value and the margin of safety required to invest is indivisible. By thinking like business owners, we only invest in companies consistent with both our ethical and investing values

運用責任者等の業務経験  
Professional Experience of CIO and Others

Abdulaziz is the founder and Managing Director at Mayar Capital and manages the firm's flagship responsible global value investing strategy. Prior to founding Mayar in 2011, he managed a portfolio using a similar strategy at Yareem Ltd. for eight years. Abdulaziz has board-level experience in multiple industries including asset management, investment banking, insurance, food & beverage, amusement parks, chemicals, logistics, and education.

Abdulaziz is a CFA charterholder a member of YPO. He holds a bachelor's degree in Management Science with a concentration in Finance and a minor in Economics from MIT

# Ellington Management Group

**Name of CEO/CIO** Michael Vranos

**Email** investor@ellington.com

**Type of License Registration** US RIA

**Amount of Net Assets** N/A

**Address** 711 3<sup>rd</sup> Avenue, Suite 501, New York, NY 10017

**TEL** +1 (203) 698 1200

**Registration date** Founded in 1994

**AuM (or investment advisory amounts)** USD 13 billion

**Number of Employee/Fund Managers** 160/54

**Revenue** N/A

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

Ellington offers a diverse range of commingled and bespoke credit strategies across the liquidity spectrum, from UCITS to private credit as well as publicly listed REITS. Our core expertise is centered around structured as well as corporate/distressed credit. Our investment philosophy is based on four core principles: Being mindful of the credit cycle and maintaining a countercyclical outlook; seeking structural simplicity, or at the very least, getting paid for complexity; cultivating smaller, often-overlooked, niche strategies that in aggregate add significant alpha; and remaining active on both sides of the market.

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

Our top-down process involves setting top-level targets based on our macro outlook — this includes setting target “dry powder” and philosophy for sector selection; and, setting targets and/or limits at the sector/strategy level — this includes setting a percentage of NAV limits for various asset classes. Some processes include both top-down and bottom-up elements, such as identifying attractive sectors and strategies. The Portfolio Management Committee and Risk Review Committee propose targets and limits pertinent to our top-down decision-making. CEO/CIO Mike Vranos has final authority on top-level and sector/strategy-level decisions.

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

Mr. Vranos is the founder and CEO/CIO of Ellington. Mr. Vranos founded Ellington in Dec of 1994 to capitalize on distressed conditions in the MBS derivatives market. Until December 1994, Mr. Vranos was the Senior Managing Director of Kidder Peabody in charge of RMBS trading. With Mr. Vranos as head trader and senior manager, Kidder Peabody’s MBS department became a leader on Wall Street in CMO underwriting. Mr. Vranos began his Wall Street career in 1983, after graduating magna cum laude, Phi Beta Kappa with a Bachelor of Arts in Mathematics from Harvard University.

その他運用に関する特記事項  
**Other Investment Strengths**

Ellington’s competitive edge is derived from our ability to identify undervalued securities; our proprietary systems and analytic capabilities; our intensive analytical approach to risk management; our access to opportunities through strong Wall Street and regional dealer relationships; and our ability to identify trends and anticipate emerging risks based on knowledge gained through successfully navigating market cycles for more than 25 years.

# AIPアセット・マネジメント

www.aipconvertibleprivatedebtfund.com

Name of CEO/CIO Jay Bala

Email jay@aipassetmanagement.com

Type of License Registration

Amount of Net Assets 116.5 (単位:百万円)

Address 200 Bay Street, Suite 3240 Toronto, Ontario, Canada M5J 2J2

TEL +416-601-0808 内線226

Registration date

AuM (or investment advisory amounts) 10283 (単位:百万円)

Number of Employee/Fund Managers 10人/3人

Revenue 306.3 (単位:百万円)

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

2013年設立のAIPアセット・マネジメントは、プライベート・デット投資に対する革新的なアプローチで高い評価を博しており、プリンシパル投資を確保しつつ、中小企業の市場シェア拡大も逃さないよう努めています。2021年のカナダ・ヘッジファンド・アワードでは、グローバル・マクロ/マネージド・フューチャーズ/マルチ戦略部門で31位を1件、2位を2件獲得しました。2021年のAlt Credit US Performance & Service Awardsでは、ベストハイイールドファンド部門で1位を獲得しました。2017年には、カナダ国際連合協会トロント支部のサステナブル・デベロップメント・ゴール(SDGs)・レコグニション・アワードを受賞しました。

投資に関する意思決定プロセス  
Decision Making Process to Invest

- 現在のマクロ・テーマに基づくセクターおよび短期資金の調達を要する企業を見極めます。
- 制限を設けずにローン条件を交渉して、資産や借り手の銀行口座への抵当権による担保をローンに設定します。求められるローンは株式に転換可能なもので、新株予約権も必要とされます。
- ポジション解消まで、融資先企業をモニターします。必要に応じて経営陣との協議、現地視察、現地調査を行うなど、積極的にモニタリングを実施します。
- 環境および借り手の市場パフォーマンス次第で、ローンを株式に転換し売却するか、またはローンのまま継続保有して金利を徴収します。

運用責任者等の業務経験  
Professional Experience of CIO and Others

ダイレクト・レンディング、プライベート・エクイティ、キャピタル・マーケット関連の業務経験を合計すると100年を超える、約10人の投資のプロがチームを結成しました。



Jay Bala (CFA取得)  
CIO兼共同創業者兼  
シニア・ポートフォリオ  
マネージャー



Alex Kanayev  
(MBA, CPA, ICD.D,  
CIM取得)  
共同創業者兼会長



Karl Lohwater  
(法学博士号、修士号取得)  
CCO



Karim Mecklai  
CFO兼副社長

同チームがバンクローンや株式市場において奥の深い経験を有することから、過去年間高いパフォーマンスを実現しています。

- 過去1年間のリターン: 8.7%
- 過去3年間の平均リターン: 13.5%
- 設定来(過去7年間)のリターン: 年32.6%



その他運用に関する特記事項  
Other Investment Strengths

- 債券や株式市場との相関性は低く、AIPコンバーティブル・プライベート・デット・ファンドと日経225の相関係数は0.11、Nomuraボンド・パフォーマンス・インデックス(BPI)との相関係数は0.19です。
- プライベート・デット投資の重点分野: 上場企業に対するシニア担保付コンバーティブル・ローン - ポートフォリオ組入資産の約75%はシニア担保付ローンです。
- ブルームバンク集計のランキング: 過去7年間のトータル・リターンに基づく、AIPファンドは北米の1,715余りのヘッジファンドのうちの第4位、世界全体の2,202のヘッジファンドのうちの第5位となっています。
- 仮にAIPファンドへの配分比率を5%とした場合でも、ポートフォリオのボラティリティとリスクを引き下げつつ、貴社の顧客である投資家に高いアルファを提供することが可能な計算です。
- AIPは、受託する預かり資産が65億ドルを超えるという、強力なカナダのパートナーに支えられている上、本ファンドのカナダ国内独占販売権を有しています。

# GO Fund Co.,Ltd.

**Name of CEO/CIO** Go Tanuma

**Email** info@gofund.co.jp

**Type of License Registration** Investment Management,  
Type II Financial Instruments Firms

**Amount of Net Assets** NA (JPY mil.)

**Address** FinGATE TERRACE 2F, 8-1 Nihombashi Kabuto-Cho, Chuo-ku

**TEL** 03-6555-2660

**Registration date** 2021/11/12

**AuM (or investment advisory amounts)** 850 (JPY mil.)

**Number of Employee/Fund Managers** 9/1

**Revenue** NA (JPY mil.)

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

## ■ Asset Class

Stock index futures and bond futures in Japan, the United States and Europe.

Stock index futures : TOPIX, Nikkei225, S&P500, DAX  
Bond futures : JGB, US Treasury, Bunds, Gilt

## ■ Investment Philosophy

Managed futures fund based on quants strategies.

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

Trading based on proprietary quants strategies.

運用責任者等の業務経験  
**Professional Experience of CIO and Others**

Go Tanuma has been an experienced private investor since he was a teenager and joined Bayview Asset Management.

He managed hedge funds that invest mainly in domestic and international stocks, bonds, and currency futures (over 100 billion yen in assets under management).

その他運用に関する特記事項  
**Other Investment Strengths**

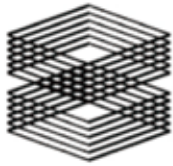
## ■ Performance

Annualized return : 14.2%、Standard deviation : 13.8%、Sharpe ratio : 1.03、Monthly win rate : 79% ※Gross performance (2020/6/1-2021/12/31)

## ■ High liquidity

Monthly、No lock-up、Loading fee : 0%、Redemption fee : 0%





# TISHMAN SPEYER

**President & CEO (Global) :** Rob Speyer  
**TISHMAN SPEYER JAPAN:** Yuzuru Ikeda

**Email** yiked@tishmanspeyer.com

**# of Assets** 150+ (87M SF Managed)

**Address** Hibiya Mitsui Tower 12F, 1-1-2, Yurakucho, Chiyoda-ku, Tokyo, JAPAN

**TEL** 03-4530-6334

**AuM (or investment advisory amounts)** USD 65.9 Billion  
(Sep. 30, 2021)

**# of Employee** 1,200+ (Global)

**Revenue** N/A

運用対象資産、投資哲学等  
**Asset Class, Investment Philosophy, etc.**

Tishman Speyer is a leading owner, developer, operator and fund manager of first-class real estate around the world. Founded in 1978, Tishman Speyer is active across the United States, Europe, Latin America, and Asia, and many of the world's most prestigious corporations rely on Tishman Speyer to meet their space needs. At Tishman Speyer, we believe real estate is about much more than physical buildings. With global vision, on-the-ground expertise and a personalized approach, we are fostering innovation, offering new solutions and adapting to our customers' needs. In today's ever-changing world, our customers count on us for creative solutions to today's complex challenges, fostering tomorrow's groundbreaking ideas.

主要な保有不動産・プロジェクト  
**Signature Properties and Projects**

投資に関する意思決定プロセス  
**Decision Making Process to Invest**

Potential investments are identified and analyzed by regional Acquisition teams. The Investment Committee reviews analysis provided by the regional teams and the Portfolio Manager and votes to approve or disapprove of the acquisition of a property. Consistent with the firm's integrated investment management approach, Tishman Speyer's Portfolio Management group monitors all investments and regional Asset Management teams are directly responsible for managing each asset within their regions, with the overall goal of maximizing asset values.

ESGの取り組み  
**ESG Approach**



**Rockefeller Center - NY**



**Yankee Stadium - NY**



**200 Park - NY**



**Taunus Trum - Frankfurt**



**The Springs - Shanghai**



**Jackson Park - NY**



**Mission Rock - CA**



**Harvard Enterprise  
Research Campus - MA**





# Columbia Threadneedle Investments

**Name of CEO/CIO** Ted Truscott / William Davies

**Email** jp\_client\_service@columbiathreadneedle.com

**Type of License Registration** Investment Advisory and Agency Business license (CTI Japan)

**Amount of Net Assets** - USD5.8billion<sup>1</sup>

**Address** Japan Office : 4F Tekko Bldg., Office S-03, 8-2 Marunouchi 1 chome, Chiyoda-ku, Tokyo  
New Office from this Spring : 18F Otemachi Financial City Grand Cube, 9-2, Otemachi 1-chome Chiyoda-ku, Tokyo

**TEL**

**Registration date** (CTI Japan) 25 August 2021

**AuM (or investment advisory amounts)** USD754 billion<sup>2</sup>

**Number of Employee/Fund Managers** 2500/650\*

**Revenue** - USD11.8 billion<sup>1</sup>

運用対象資産、投資哲学等  
Asset Class, Investment Philosophy, etc.

## EQUITIES:

**Global:** Large & Small Cap, EAFE, Emerging Markets

**Regional & Single country:** Large, Mid & Small Cap Core, Equity Income, ESG & Sustainable Equity, Equity Long/Short

## FIXED INCOME:

Investment Grade Credit, High Yield Credit, US Municipal Bonds, Securitised Debt, US Bank Loans, Social Bonds, Fixed Income Long/Short, Multi-Sector Fixed Income

## ALTERNATIVES:

Infrastructure, Real Estate (US, UK, EU), Private Equity

その他運用に関する特記事項  
Other Investment Strengths

投資に関する意思決定プロセス  
Decision Making Process to Invest

Our priority is the investment success of our clients. We know investors want strong and repeatable risk-adjusted returns and we aim to deliver this through an active and consistent investment approach that is team-based, risk-aware and performance-driven. Our investment teams around the world work together to uncover investment insights. By sharing knowledge across asset classes and geographies we generate richer perspectives on global, regional and local investment landscapes. The ability to exchange and debate investment ideas in a collaborative environment enriches our teams' investment processes to ensure the best insights are applied to portfolios. More importantly it results in better informed decisions for our clients.

運用責任者等の業務経験  
Professional Experience of CIO and Others

As Global CIO, William Davies has overall responsibility for the company's investment teams. He joined the company in 1994 and has been a member of the investment community since 1983.

Our 650 investment professionals are predominately located in the US, UK, Europe, and in Singapore.

**Responsible Investment** – A significant research and portfolio construction capability focused exclusively on Responsible Investing. Both Columbia Threadneedle and BMO GAM were among 18 founding members of the UN Principles for Responsible Investment (PRI) in 2006, managing total assets of \$48.8bn<sup>2</sup> in RI funds and strategies across asset classes.

**Research Intensity** – A team of over 200 investment professionals, including more than 130 analysts, dedicated to original, independent research. Working collaboratively across all major asset classes, our teams utilize big data and analytics, such as machine learning and augmented intelligence, to turn information into forward-looking insights that add real value to investment decisions, enabling consistent and replicable outcomes for our clients.

\*Investment professionals (includes portfolio managers, analysts and traders)

<sup>1</sup> Source: Ameriprise Financial 2020 Annual report.

<sup>2</sup> Source: Ameriprise Financial Q4 2021 earnings release.

<sup>3</sup> As at 30 June 2021.

# Keynote Speech #3

## “Key Investment Principles of the University Fund”

### ■ Masakazu Kita

Chief Investment Officer,  
Japan Science and Technology Agency

# **Key investment principles of the Japan University Fund**

Japan Science and Technology Agency (JST)  
Chief Investment Officer  
KITA Masakazu

# Overview of “The Japan University Fund”

## Background and purpose of the fund

Decline in Japanese research competitiveness:

- Decrease in the number of high-quality academic papers, PhD students and academic positions for young researchers
- Poorly-financed universities; growing gaps with top global universities

**Realizing to build World-Class Research Universities by radically strengthening both system and finance :**

- Providing of the long-term and stable investment for supporting to build the research infrastructures in universities**
- Implementing to renew a university system suitable as a World-Class Research University**

## Fund scheme

**Fund management:** Japan S&T Agency (JST)

**Investment strategy:** Long-term investment with diversified asset allocation and outsourcing

**Duration:** 50 years

**Requirement :** Commitment for the financial and institutional reform

**Additional consideration:** The investment policy has to be a model for each individual university endowment

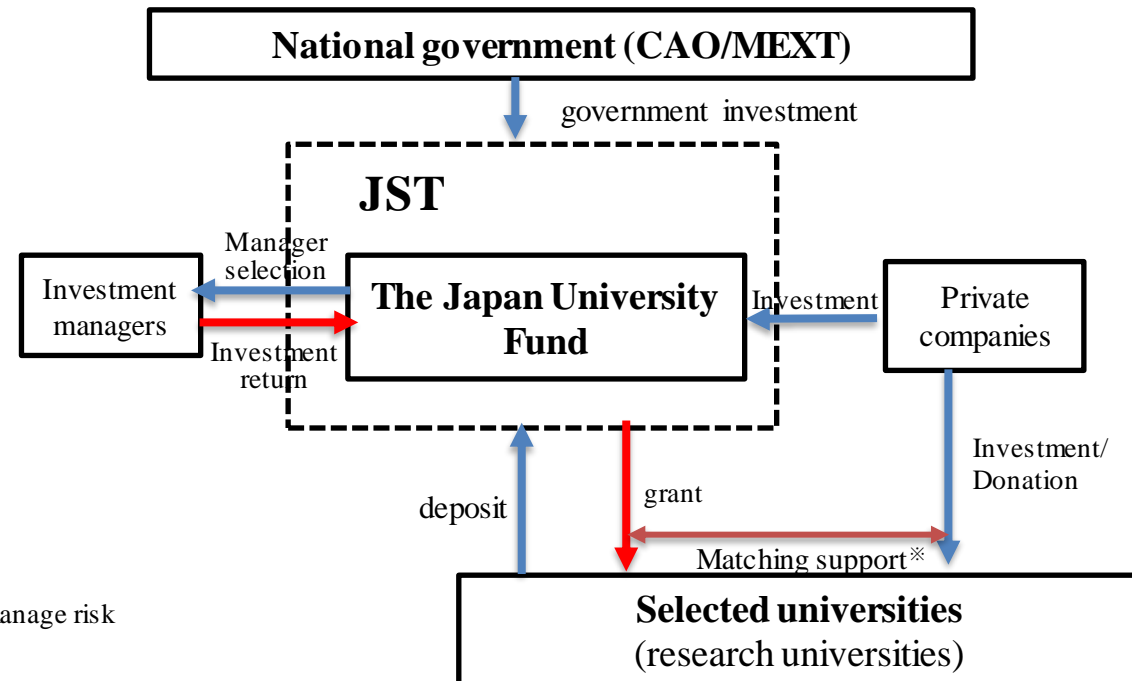
## Asset management

**Asset size:** ¥5.1 trillion (2022) → ¥10 trillion (near future)

**Operation:** Efficiently strengthen operation / governance system and manage risk appropriately from a long-term perspective

**Beginning :** MAR, 2022.

## Fund structure



**Usage of the support (examples):**

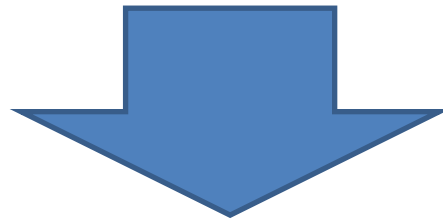
Research facilities, infrastructure for data, and support for PhD students and young researchers

# Necessity of a new fund

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## Crisis in JP research universities

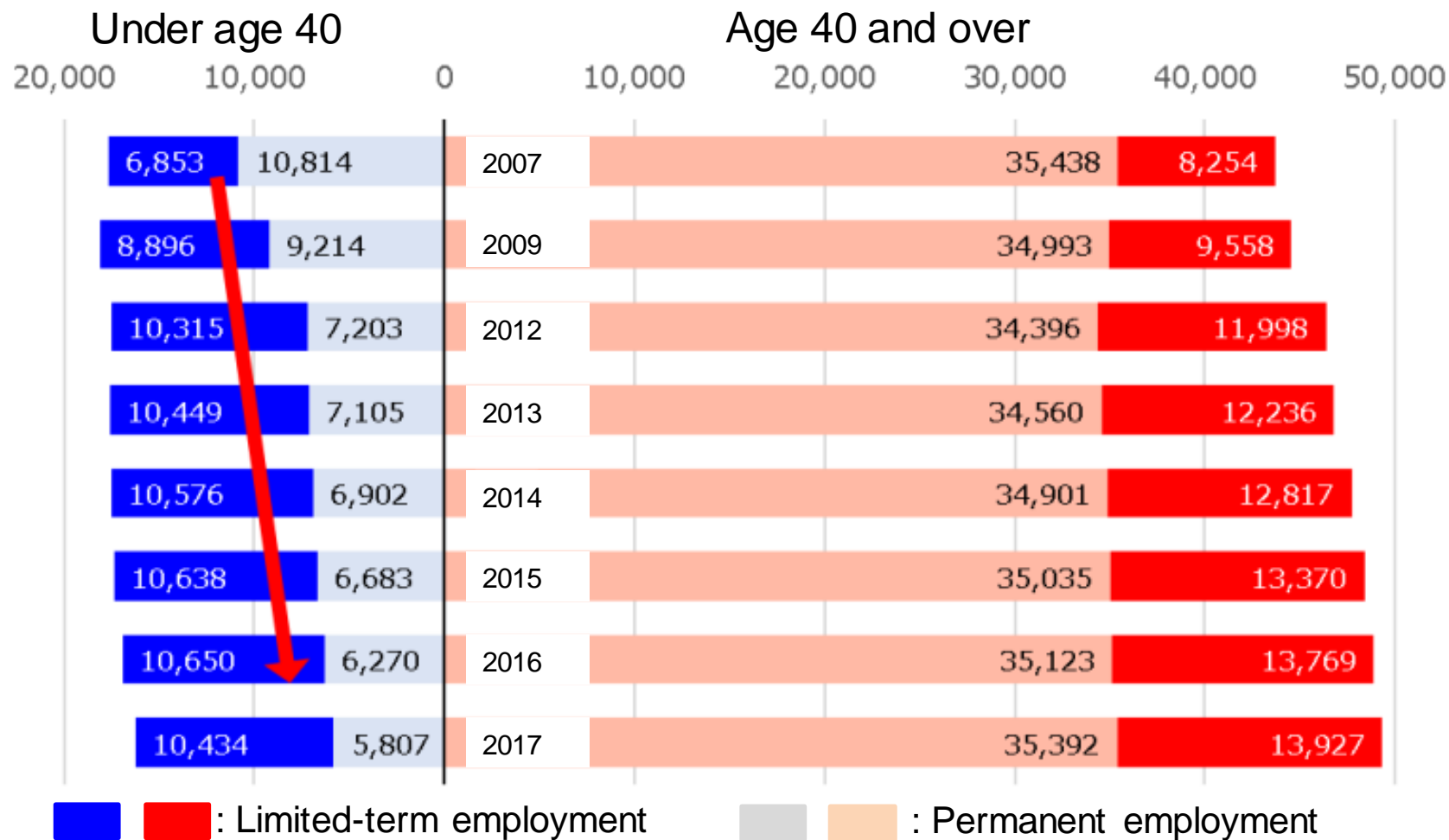
- R&D competitiveness : Declining year by year
- Number of Ph.D. students : Declining year by year
- Young researchers : Unstable employment like fixed-term contracts
- Universities' budget : Widening gap with top institutions around the world



**Significant improvements in organization needed for Japan's R&D system to compete internationally**

# Unstable employment among young researchers

## Employment status of researchers at national universities



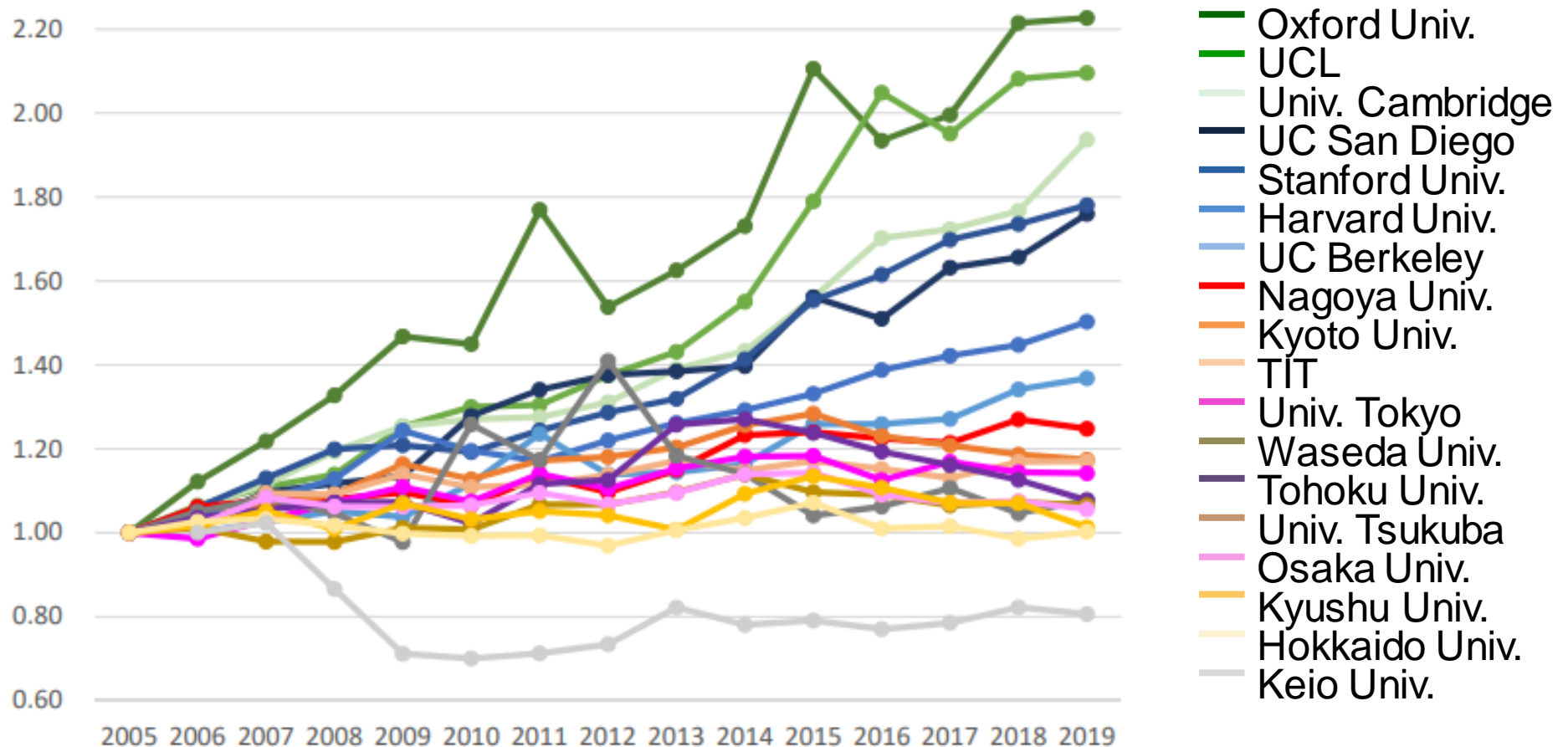
### Increasing limited-term employment for under 40s

Reference material from "Comprehensive package to strengthen research capacity and support young researchers by CSTI" (1/23/2020)  
<https://www8.cao.go.jp/cstp/package/wakate/wakatesanko.pdf> (P.28) (Japanese)

# Low growth of Japanese universities' incomes

## Growth rates of universities' incomes

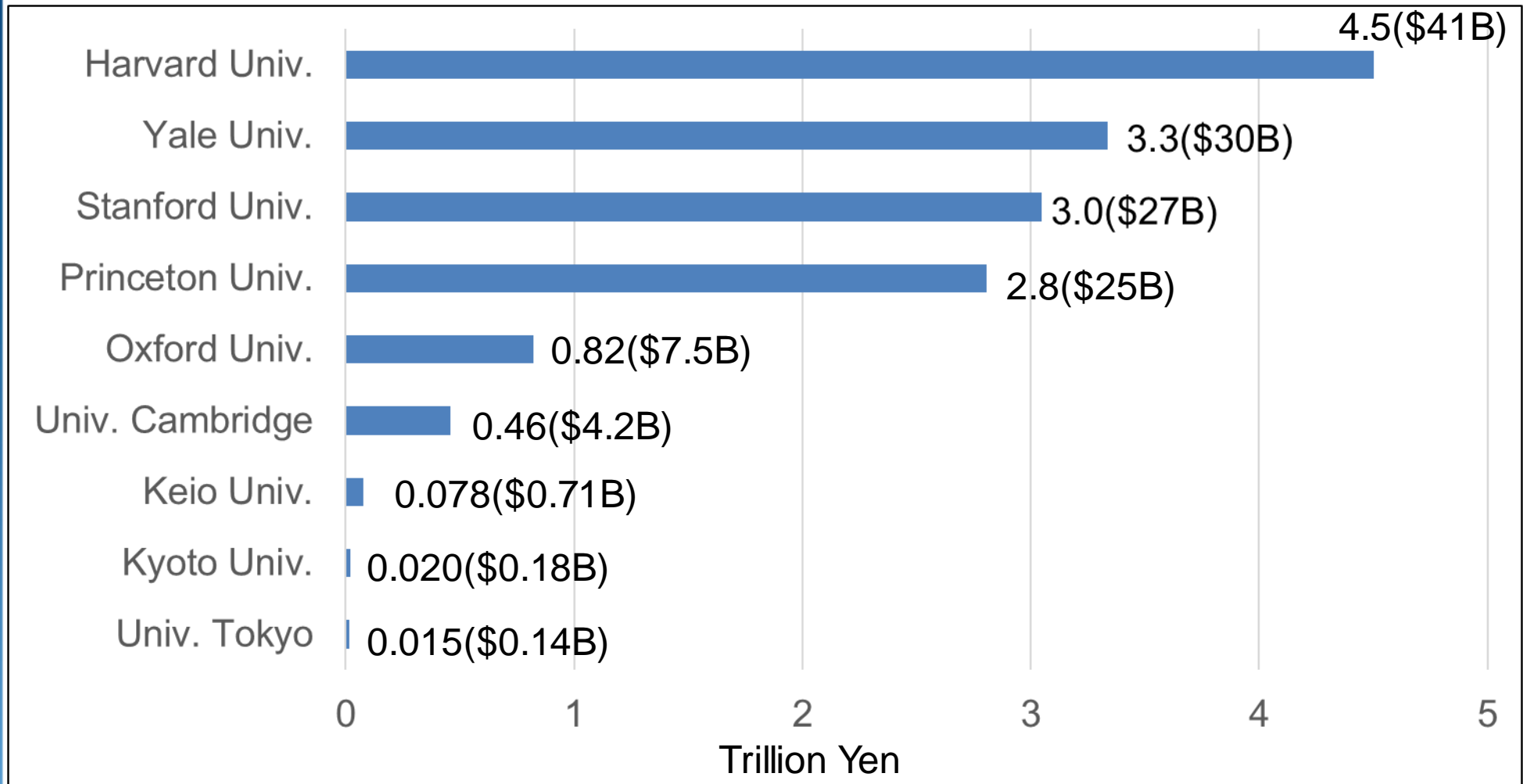
\*Base year 2005



Material No.7 from "The 1<sup>st</sup> CSTI Expert Committee on Building World-class Research Universities Meeting" (3/24/2021)  
<https://www8.cao.go.jp/cstp/tyousakai/sekai/1kai/siryo7.pdf> (P.30) (Japanese)

# Small budgets compared to counterparts

## Universities' endowments in FY 2019



Material No.7 of "The 1<sup>st</sup> CSTI Expert Committee on Building World-class Research Universities Meeting" (3/24/2021)

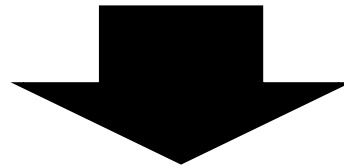
<https://www8.cao.go.jp/cstp/tyousakai/sekai/1kai/siry07.pdf> (P.32) (Japanese)



# Establishment of “the Japan University Fund”

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- To overcome universities' crises such as declining R&D competitiveness and weak finances.
- To allow universities to play a more core role in Japan's R&D ecosystem.



- The government of Japan launched a new 10 trillion Yen (\$91 billion) fund designed to help specialized universities better compete with top institutions around the world.

# Outline of a new fund 1/2

## Framework

- JST establishes the fund. The period of the fund is 50 years.
- Fund profits are allocated to specialized research universities to build research infrastructure on a stable long-term basis.
- These universities commit themselves to university reform, greater independence in their management and securing outside funding.
- Each university aims to establish an endowment using their own funds in the future.

# Outline of a new fund 2/2

## Fund management

- The government has allocated an initial 5.1 trillion yen (\$44B) to this new fund through its Fiscal Investment and Loan Program, and aims to expand the fund to 10 trillion yen (\$87B) as soon as possible.
- JST will invest safely and efficiently using a long-term perspective, enhancing its governance system to diversify investments and achieve prudential risk management.
- JST aims to begin investment in FY2021.

# Government's investment concept 1/3

## Objectives

- Secure long-term and stable financial resources for the specialized universities to build research environments appropriate for top global institutions.
- Set a guideline for universities to establish their own endowments.

## Targets

- Yield on investment : More than 4.38%\*

\*Sum of long-term payout target (3%) and long-term inflation rate (1.38%)

- Maximizing yield on investment within acceptable risks\*\*

\*\*Risk buffer for stable contribution to universities (300B Yen (\$2.7B) x 2 years)

\*\*Standard deviation of reference report (65% to global stocks and 35% to global

bonds)

# Government's investment concept 2/3

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## Investment Approach

- Capture domestic and overseas growth with **long-term global investments based on investment theory.**
- **Emphasize investment discipline** and rebalancing based on basic portfolio, even when the market environment deteriorates.

## Timeline

- **Achieve 300 billion Yen (\$2.7B) (real) investment profit at the earliest possible stage within 5 years of investment start.**

# Government's investment concept 3/3

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## Fund Governance

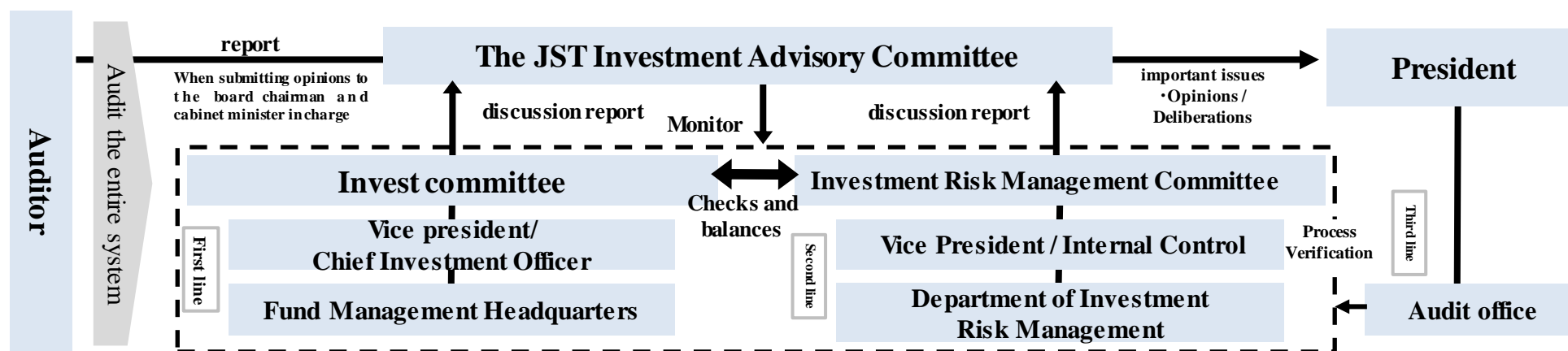
- Properly monitor investment using “Investment Advisory Committee” independent of investment section.
- Investment by experts. Introduce new employment and salary systems to secure excellent human resources.

## Risk Management

- Ensure the certainty of redemption to government's Fiscal Investment and Loan Program.
- Report asset management performance when the valuation gain / loss reaches a certain level while observing investment discipline, checking the market environment, etc.

# OVERVIEW (Governance system)

- ❑ Establish a governance system in order to establish an operational check and balance relationship between the investment division(the first line) and the Risk Management Division (the second line) and enable three lines of defense structure to function with the Audit Division(the third line)monitoring the relationship.
- ❑ the JST investment advisory committee, as the highest-ranking body consisting of external experts appointed by the Minister of Education, Culture, Sports, Science and Technology, deliberates on important matters such as the basic portfolio, monitors investment operations, and makes opinions and proposals to the President as necessary.



	The JST Investment Advisory Committee [deliberation committee]
<b>Number of people and composition</b>	Up to 5 people iPersons with academic or practical experience in economics or finance iiPersons with academic or practical experience in asset management iiiPersons with academic or practical experience in business management
<b>appointment</b>	Appointment by the Minister of Education, Culture, Sports, Science and Technology Appoint a person who has academic or practical experience in economics, finance, asset management, business administration, or other fields related to the deposit management business, etc.
<b>term of office</b>	2 years (reappointment possible)

# List of members of the JST Investment Advisory Committee

Name	Affiliation
Masaharu Usuki	Professor, Graduate School of Economics, Nagoya City University
Hisae Sato	Trustee, International Christian University
Landis Zimmerman	Former Vice President & CIO, Howard Hughes Medical Institute
Hiroshi Nakaso	Chairman, Daiwa Institute of Research Ltd.
Takuei Maruyama	Executive Officer and Managing Partner, PricewaterhouseCoopers Aarata LLC Representative Executive Officer and COO, PwC Business Assurance LLC

(Syllabary order; honorifics omitted)



# Initial asset-liability structure

## Asset

## Liability / capital

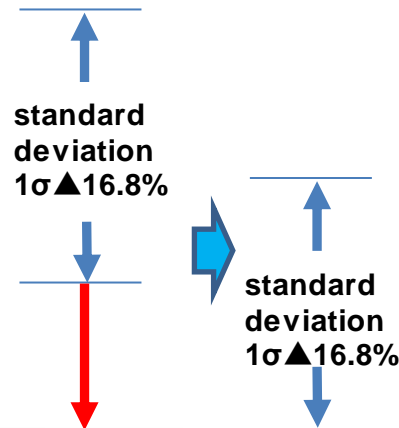
<p>Initial investment 10 trillion Yen (\$87B)</p>	<p>Fund from Fiscal Investment and Loan Program 8.9 trillion Yen (\$77B) Borrowing ratio : 89%</p>
<p>Dividend reinvestment</p>	<p>Capital from government 1.1 trillion Yen(\$10B) Capital adequacy ratio : 11%</p> <p>(Accumulation of retained earnings)</p>

Fund from Fiscal Investment and Loan Program

✓ Deferred : 20 years

✓ Redemption at maturity : 40 Years

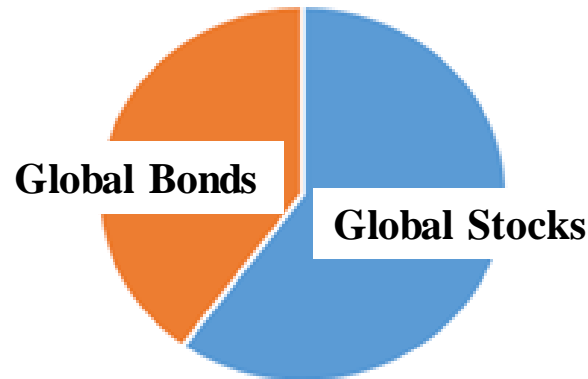
Risk of reference portfolio



# Image of portfolio

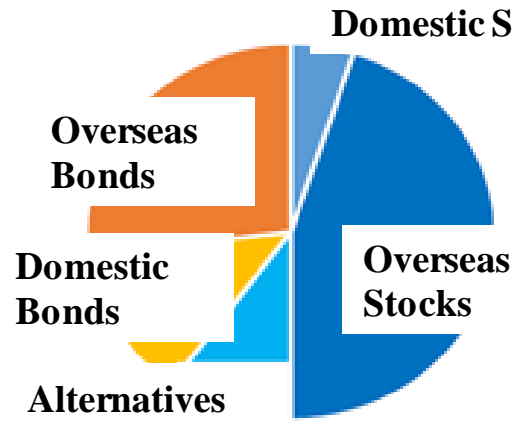
## Government

### Reference Portfolio (RP)

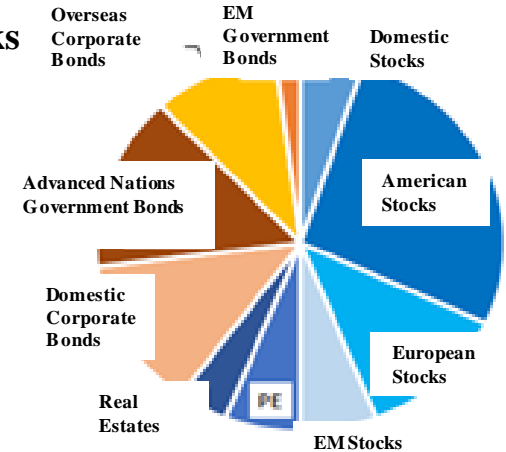


## JST

### Policy Portfolio



### Actual Portfolio



### Reference Portfolio

- ✓ Global stocks 65%
- Global bonds 35%
- ✓ Expected return : 4.8%
- ✓ Risk (standard deviation) : 16.8%.

### Policy Portfolio

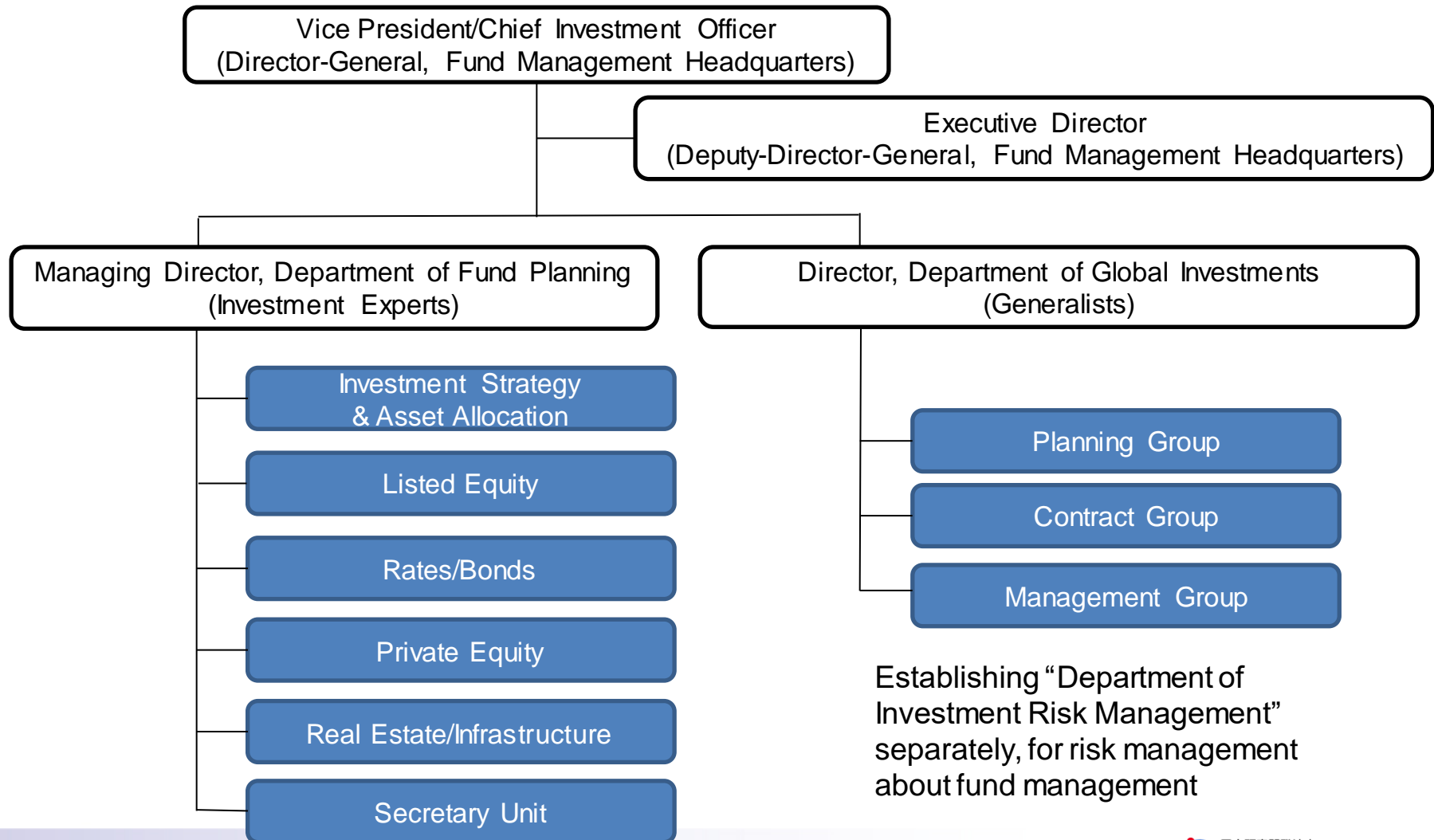
Optimizing portfolio composition that maximizes long-term returns within the risk range of standard deviation 16.8%.

### Actual Portfolio

Asset allocation considering the market environment, capital, and the period required for transition toward the basic portfolio.

# Organization for fund management in JST

**Newly organizing more than 30 people  
including investment experts**



# Basic Policy on the Management of Grant Funds 1/3

## I. Purpose of operation

- Securing financial resources for long-term and stable support for the establishment of research infrastructure necessary for the realization of world-class research universities.

## II. Operating objectives and methodologies, risk management of losses and other investment policies

### 1. Targets for the grant fund management (including the target of investment income)

Ensure annual expenditure target rate (3%) plus long-term inflation rate (1.38% in 2021) or higher. However, this shall not apply to the operation start-up period.

### 2. Methods of the grant fund management

#### (1) Basic matters concerning operating methods

- Based on the management based on the Policy Portfolio, observe the investment discipline and appropriately implement rebalancing within the allowable deviation.
- Promote global investment while taking advantage of the diversification effect among assets.
- In principle, passive and active management are combined.
- Promote alternative investments from the viewpoint of securing medium-to long-term profits.
- Establish effective internal management and administrative processing functions and verify risk management, etc.

#### (2) Form of operation

- Combine Investment Manager and in-house investment.
- For the purpose of securing medium- to long-term profits and liquidity, in-house investment will be conducted after deliberating guidelines for in-house investment in advance by [the JST Investment Advisory Committee](#) and taking market pricing into consideration.

### 3. Management of risk of losses (risk management)

#### (1) Policy on Risk Management in grant Fund Management

- The Investment Risk Management Basic Policy is deliberated [by the JST Investment Advisory Committee](#) and monitored according to the characteristics of various risks.
- Measuring monthly that the standard deviation of the Policy Portfolio and the actual asset composition ratio is within Risk Tolerance. If it is exceeded, the necessary examination shall be promptly carried out, and it shall be reported to the JST Investment Advisory Committee.

#### (2) Risk Management Method for Grant Fund Investment

- Conducted stress testing when formulating or changing the Policy Portfolio and annual asset allocation plan.
- Monthly confirmation of changes (standard deviations) in the valuation of assets and reporting to the JST Investment Advisory Committee if the loss of the standard deviation of the Policy Portfolio is reached. When the loss is twice the standard deviation, a review of the asset allocation policy shall be promptly implemented as necessary, and the results shall be reported to the Minister of Education, Culture, Sports, Science, and Technology after deliberation by the JST Investment Advisory Committee.
- In the event that the net loss realized, or the accumulated net loss exceeds shares capital stock at the end of each fiscal year, the results and countermeasures shall be deliberated by the JST Investment Advisory Committee and reported to the Minister of Education, Culture, Sports, Science, and Technology. In addition, if the situation continues for three consecutive years, this shall be reported to the Minister of Education, Culture, Sports, Science, and Technology.

### 4. Other investment policies for grant fund management

- No other consideration shall be given to the management of grant funds.
- Lead to long-term, stable investment gains through adherence to investment discipline without being overly constrained by temporary market fluctuations.
- Pay full attention not to distort market pricing and private investment behavior.

# Basic Policy on the Management of Grant Funds 2/3

## III. Matters concerning the composition of assets in the management of grant funds

### 1. Management based on the Policy Portfolio

- The Policy Portfolio is defined with the aim of maximizing the rate of return on investment as much as possible within the standard deviation (Risk Tolerance) of the reference portfolio with global equity:fixed income = 65:35.

### 2. The Policy Portfolio and allowable deviations

#### (1) Asset Composition Ratio and allowable deviation

- The Policy Portfolio shall be determined after deliberation by [the JST Investment Advisory Committee](#).
- During the investment start-up period, the Policy Portfolio will be taken private, and the asset composition ratio as of the end of the period will be published in the Annual Report every fiscal year.

#### (2) Concept of allowable deviations

- To conduct flexible investment while observing the investment discipline, an allowable deviation is determined, and rebalancing, etc. is appropriately implemented within the allowable deviation.
- Prior to the commencement of fund management, Crisis Playbook shall be established after deliberation by the JST Investment Advisory Committee.

#### (3) Review of the Policy Portfolio

- The Policy Portfolio shall be reviewed annually and, when deemed necessary, reviewed after deliberation by [the JST Investment Advisory Committee](#).

### 3. Evaluation of grant fund management

- Every fiscal year, assess whether operations are conducted safely and efficiently from a long-term perspective, and report it to [the JST Investment Advisory Committee](#).
- Assessment is based on the operational status of a fixed period (3, 5, 10 years) rather than a single year, taking market conditions and other factors into account. Evaluations, including comparisons with benchmarks, take asset characteristics and fit with the benchmark into account.

## IV. Matters concerning the accumulation of assets and the reversal thereof in the management of grant funds

- Secure financial resources for grant operations up to a maximum of ¥300 billion per year (in real terms) from the investment profit.
- In addition, JST will secure preparations (buffers) for cases in which it is not possible to secure revenue resources from the following fiscal year, up to ¥600 billion from the residual amount of investment profit.
- To facilitate the smooth implementation of grant operations, fixed liquidity assets will be secured by smoothly selling assets while taking market pricing and other factors into account.

## V. Matters concerning the procurement by the Agency of funds necessary for the management of grant funds

(including matters necessary for the reliable reimbursement of obligations pertaining to the procurement of funds)

- Funds required for investment will be raised from the government's investments and Fiscal Loan Fund, while paying attention to the balance between shares capital and other people's capital, from the viewpoint of achieving investment targets and ensuring redemption certainty, and then expanded through bond issuance and other methods.
- Formulate a redemption plan that gives due consideration to the reliable redemption of the Fiscal Loan Fund from fiscal 2041 onward.

## VI. Matters concerning the appointment and evaluation of the counterparty to the trust contract and discretionary investment contract in the Grant Fund Management;

- The criteria for selecting Investment Managers, etc. shall be determined after deliberation by [the JST Investment Advisory Committee](#).
- Alternative investments makes quick and flexible investment decisions while paying attention to risk management.
- Efforts will be made to build relationships with overseas investment institutions and human resources in order to select excellent fund managers for global investment.
- After the commencement of the deposited investment, the supervisors shall check the status of compliance with the deposited contents, continuously evaluate the investment performance, and take appropriate measures such as reviewing the deposited amount.

# Basic Policy on the Management of Grant Funds 3/3

## VII. Matters to be observed by Investment Managers, and other necessary matters concerning the business of the Investment Managers

### 1. Basic Matters to be Observed by the Investment Managers

- Request reports on the status of investment management from the Investment Managers or hold regular meetings and give necessary instructions based on these reports, etc.

### 2. Matters concerning investment guidelines to be observed by Investment Managers

- In cases where investment is conducted through outsourcing operations, investment guidelines prepared after deliberation by [the JST Investment Advisory Committee](#) shall be delivered to Investment Managers.

## VIII. Other matters required for the appropriate management of funds belonging to the grant account

### 1. Matters to be observed in relation to grant fund management

#### (1) Strengthening Operational and Governance Functions

- The investment division (line 1) and the risk management division (line 2) will establish a check-and-balance relationship and establish a governance system based on a three-line defense system in which the internal audit division (line 3) audits them. In addition, by receiving audits from the Auditors, who are in a position independent from the execution of business, the appropriateness of the operation of internal controls and business operations of the organization as a whole will be ensured.
- The Investment Committee for the purpose of investment decision-making, etc., and the Investment Risk Management Committee for the purpose of exercising checks and balances against the Investment Division and risk management shall be established and reported appropriately to [the JST Investment Advisory Committee](#) through these committees.

#### (2) Securing and Utilizing Advanced and Specialized Human Resources

- To secure and train personnel with superior qualifications and abilities such as expertise necessary to achieve investment objectives, measures will be pursued with regard to personnel affairs, such as establishing employment patterns and wage systems.
- As management is long-term, long-term human resource development will be implemented with a view to contributing to fund management at each university in the future.

- (3) Activities to fulfill stewardship responsibilities and activities that take ESG (environment, society, corporate governance) into account

- To achieve investment objectives while appropriately managing risks from a long-term perspective, the Agency will promote activities to fulfill our stewardship responsibilities and appropriately promote initiatives that take ESG into account.
- Confirm that stewardship activities and ESG considerations are properly implemented in the evaluation of Investment Managers, etc., based on the response through Investment Managers, etc.

- (4) Information Dissemination, Public Relations, and Securing Transparency

- , the Agency will examine strategically the way information is disseminated and public relations activities are conducted, and the Agency will continue to disseminate information to the public and conduct public relations activities. the Agency will also endeavor to assess and analyze the effects of these activities.
- However, special attention will be paid to the impact on the market by, for example, keeping in mind the disclosure of investment results only when disclosing information during the start-up period.

- (5) Enhancement of Study and Research Services Concerning Upgrading, etc. of Operating and Upgrading of Investment, etc.

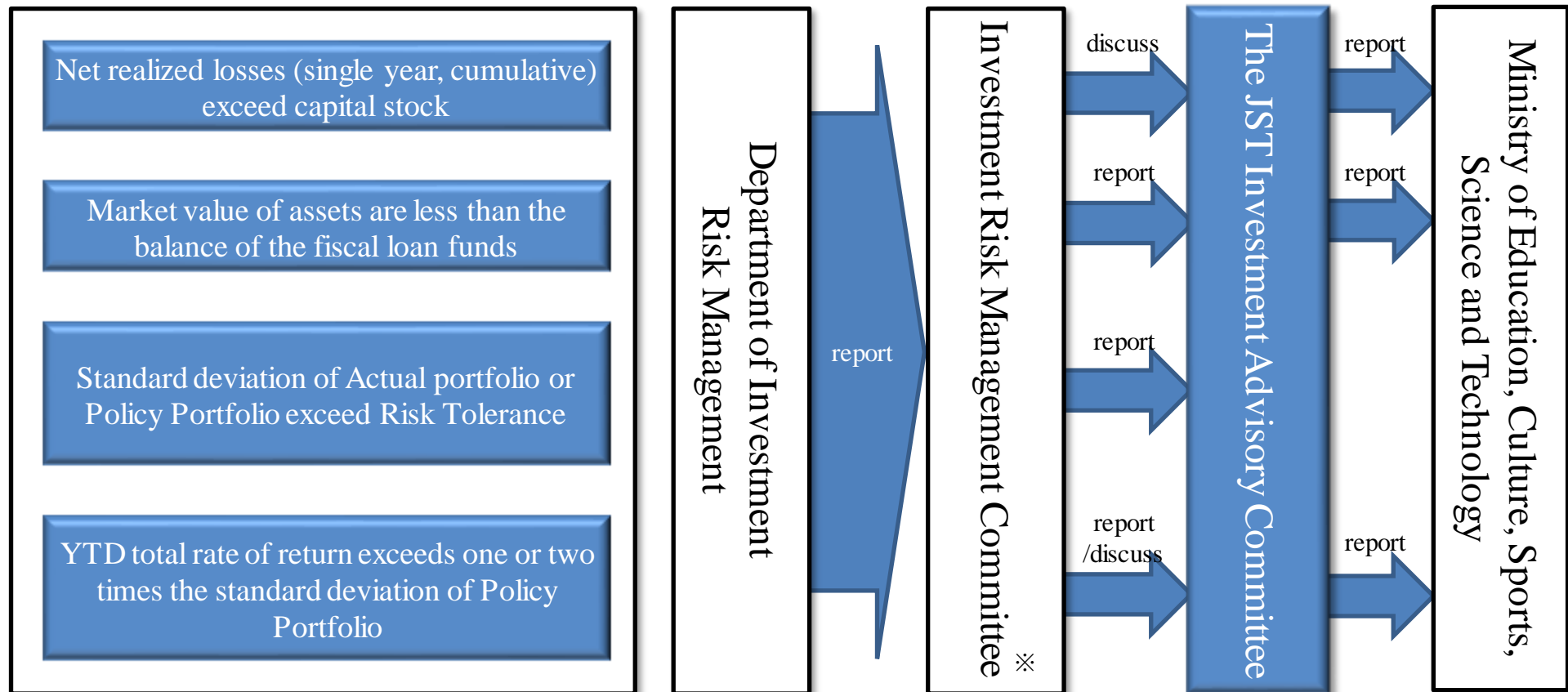
- From the viewpoint of improving investment efficiency while appropriately managing risks, the Investment Corporation will actively conduct surveys and research on new products and methods, and continuously improve the sophistication of its operations.

### 2. Points of Attention for the Startup Period of Investment

- Aim to achieve investment gains equal to the maximum amount of expenditures at the earliest possible stage in five years after commencement of operations.
- Appropriately take risks based on Risk Tolerance and aim to realize the asset composition ratio in line with the Policy Portfolio at an early stage within 10 years from the start of investment. In addition, the investment management will be evaluated based not only on the status of achievement of investment targets, but also on the status of the planned transition of the asset composition ratio.

# Process for reporting items under the basic policy

- Reporting items in the Basic Policy (Report on conflict status and response policy, discussion process)



The above reporting items are subject to change due to changes in the basic guidelines or basic policy.

※In principle, expect to hold the meeting at the same time as the Investment Committee



# Keynote Speech #4

## “Investing with External Managers”

### ■ Erik Hilde

Global Head of External Strategies,  
Norges Bank Investment Management



# **NORGES BANK INVESTMENT MANAGEMENT**

**TOKYO ASSET MANAGEMENT FORUM 2022**

**ERIK HILDE, GLOBAL HEAD OF EXTERNAL STRATEGIES**

# Norges Bank Investment Management

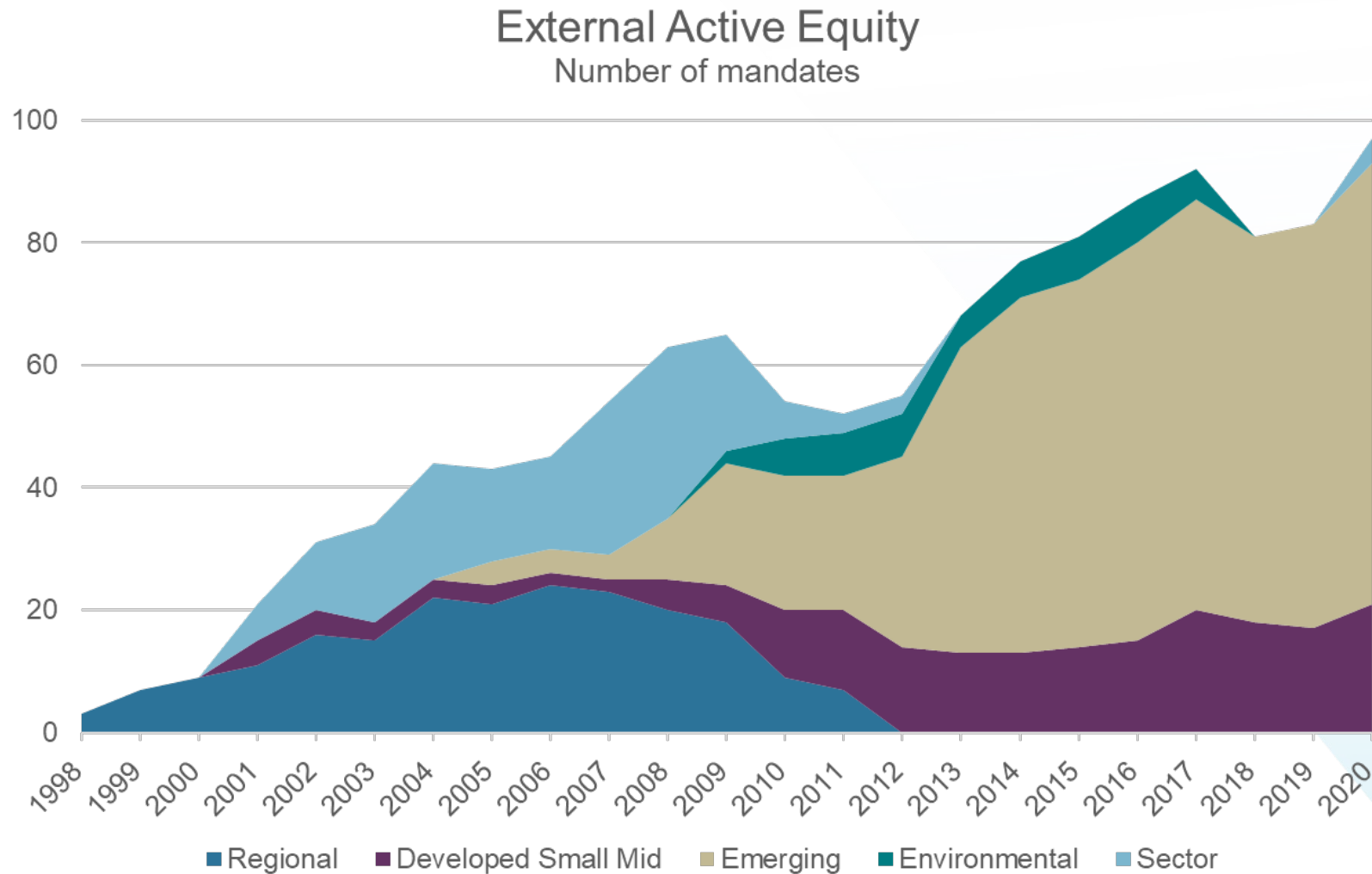
Safeguard and build and financial wealth for future generations

- A global organisation
  - 530 Employees
  - Tokyo, Shanghai, Singapore, Luxembourg, London, Oslo, New York
  - 100 External managers in 50 cities
- The investments
  - 72% Equity
  - 25% Fixed income,
  - 3% Unlisted real estate and renewable energy infrastructure
- Equity
  - 1 trillion USD in equity
  - 22% of the equity portfolio in Asia
  - 33% of the Asia equity portfolio in Japan



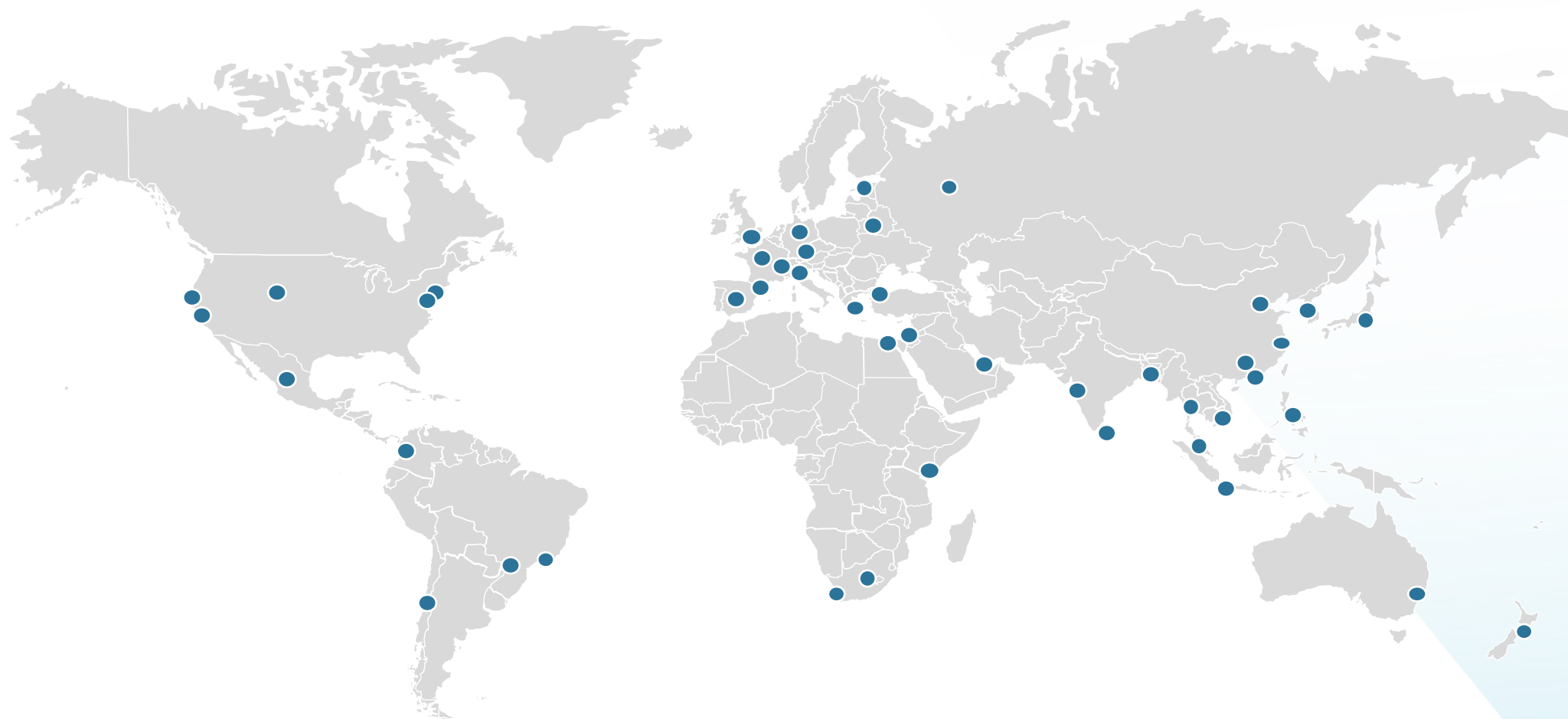
# Investing with external managers

Adapt processes and strategies to a changing world



# We use experts in selected market segments

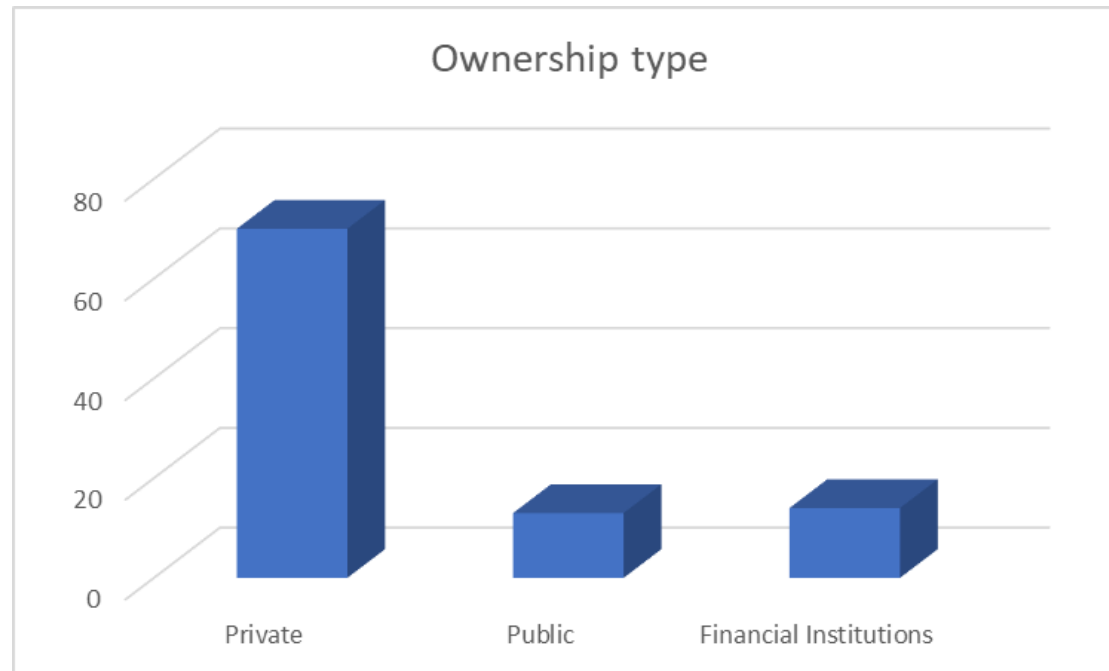
100 mandates in 50 cities



Sydney, Australia  
Dhaka, Bangladesh  
Rio de Janeiro, Brazil  
Sao Paulo, Brazil  
Santiago, Chile  
Beijing, China  
Shanghai, China  
Shenzhen, China  
Hong Kong, China  
Bogota, Colombia  
Cairo, Egypt  
Tallinn, Estonia  
Paris, France  
Munich, Germany  
Frankfurt, Germany  
Athens, Greece  
Mumbai, India  
Jakarta, Indonesia  
Tel Aviv, Israel  
Milan, Italy  
Tokyo, Japan  
Nairobi, Kenya  
Kuala Lumpur, Malaysia  
Mexico City, Mexico  
Wellington, New Zealand  
Manila, Philippines  
Warsaw, Poland  
Moscow, Russia  
Johannesburg, South Africa  
Cape Town, South Africa  
Seoul, South Korea  
Barcelona, Spain  
Madrid, Spain  
Colombo, Sri Lanka  
Geneva, Switzerland  
Bangkok, Thailand  
Istanbul, Turkey  
London, UK  
Dubai, United Arab Emirates  
Newton, US  
New York, US  
Denver, US  
San Francisco, US  
San Diego, US  
Ho Chi Min, Vietnam

# We prefer small, privately owned organisations

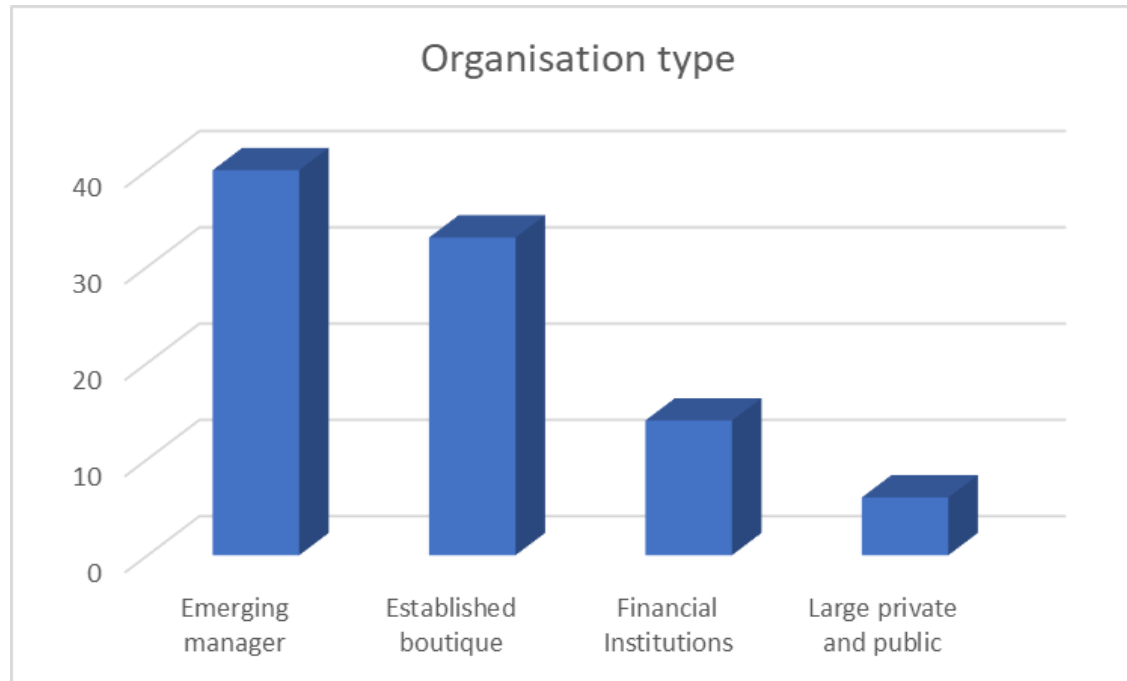
Excess return is tied to individuals



- They need an investment organisation they can thrive
- Less bureaucratic and hierarchical
- Attract, retain and grow talent
- Incentives

# We prefer being an early investor

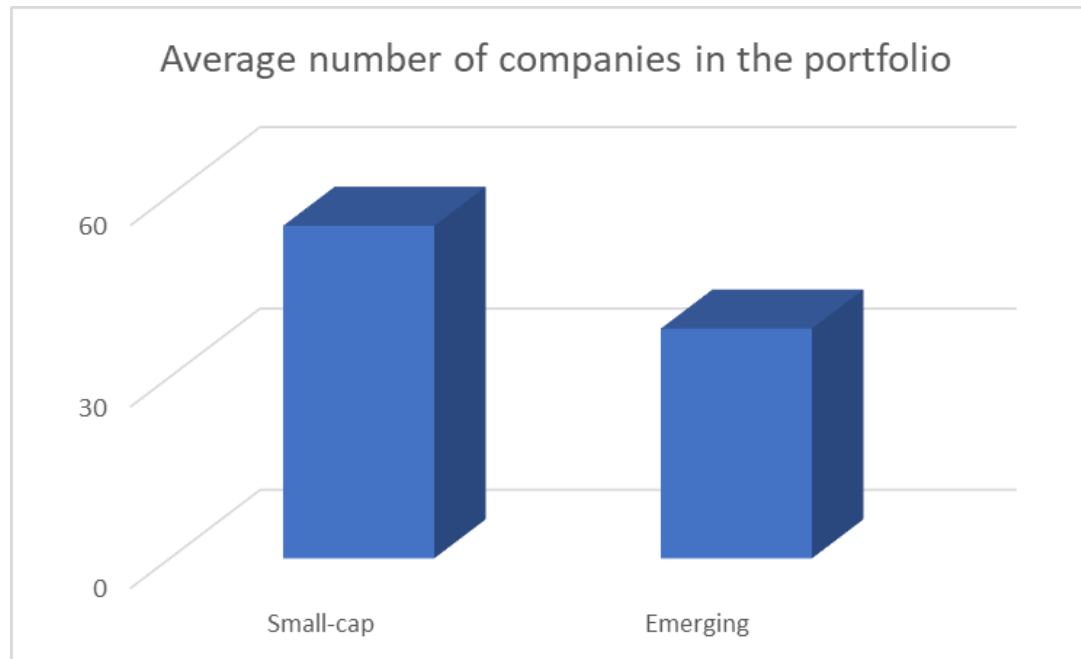
Alignment of interest



- We don't look at past performance
- Focus on investments
- Focus on building track record
- Long term commitment

# We prefer concentrated portfolios

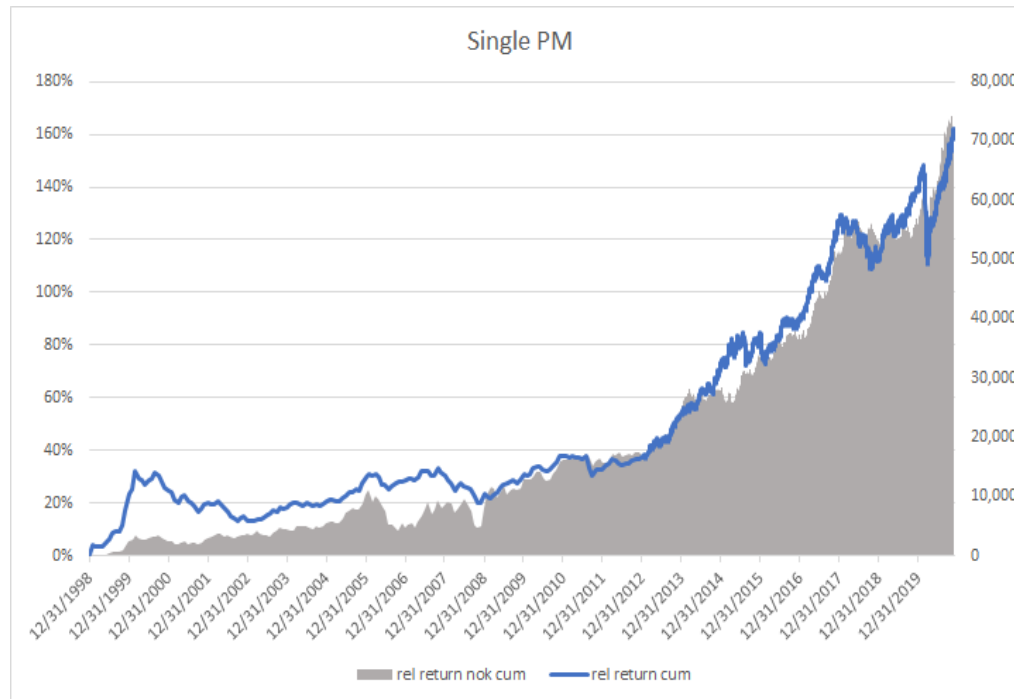
In-depth fundamental research



- Manage information complexity - Management, valuation, priced upsides, potential earnings, B/S
- Convictions reflected in allocations
- Avoid companies with valuation and ESG issues

# We prefer single pm vs team run portfolios

## Individual accountability



- Avoid rigid investment committees
- Ownership to final investment decision
- Personal responsibility
- Beware of biases that skews the decision



# **We prefer certain portfolio managers**

- Humble – Admit and do something about mistakes
- Curious – Challenge conventional wisdom
- Ability to put the numbers in context
- Seek different data and different interpretations
- Accept changing market dynamics with disruptions

# Investing with external managers

Our focus is excess performance

- We use experts in selected market segments
- We prefer small, privately owned organisations
- We prefer being an early investor
- We prefer concentrated portfolios
- We prefer single pm vs team run portfolios



The background of the slide is a full-page image with a blue color grade. It depicts a calm body of water meeting a distant, flat horizon. The sky above is a deep blue with some light, wispy clouds. In the foreground, dark, jagged rocks are visible, partially submerged. A large, semi-transparent blue triangle is positioned in the lower right corner, pointing towards the center of the slide.

# Thank you & Questions





**Thank you for joining us**  
**Please respond to the questionnaire**