

July 22-26
2013

Trip Report



ANARI INC.  **WORLDVIEW**
Institutional Investor Advisory Services



Anari group at the People's Bank of China



Anari group dinner meeting at Beijing's
Fangsheng Restaurant at Behai Lake



Anari group at Japan's Ministry of Finance

Beijing & Tokyo

Beijing and Tokyo are two of the most-watched spots on investors' global map -- Beijing because of global fears of a possible Chinese slowdown and Tokyo because of global interest in the course of Japanese resurgence -- each of which will have major implications for global economic performance & investment choices.

On July 22-26, 2013, Anari Inc. led a 11-investor delegation from the US, Canada, and Hong Kong, to Beijing and Tokyo.

The Anari group engaged in over thirty face-to-face in-depth meetings, meals, and discussions with top level governmental, banking, investment and financial executives, diplomats and scholarly experts.

This trip report documents and summarizes the experiences of this major Anari Worldview Asia program.

ANARI, INC.



Anari Worldview programs are designed to give top investment executives an immediate first-hand, high-level overview of the current situation and outlook about key economic and financial policy issues in the regions visited. Organized for this purpose by Anari Inc., participating institutions are independent of each other, and have independent interests, concerns, and priorities.

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July 2013
Beijing & Tokyo Trip

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- **Rachel Qiao**, Anari Coordinator, Beijing

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ANARI WORLDVIEW ASIA 2013

JULY 22-26, 2013
BEIJING || TOKYO

ANARI ASIA DELEGATION



William Anawaty
President, Anari, Inc.
Washington, DC



Ontario Teachers Pension Plan

Toronto, Canada

James Davis, Strategy & Asset Mix and
Chief Economist, Asset Mix & Risk



Acadian Asset Management

Boston, Massachusetts

Ronald Frashure, Chairman



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Karen Welch

Director, Portfolio Strategy

Josh Richter

Director, Public Equity

Wafa Wei,

Managing Director, Marketable Securities



Fjord Capital Management

Montreal, Canada

Laurent Desbois, President



Fort Sheridan Advisors

Chicago, Illinois

Peter Karmin, Manager/Partner



Kemnay Advisory Services

Kemnay Advisory Services

New York, New York

Chad Livingston, Director of Asian Inv.



Gavekal Research

London / Hong Kong

Arthur Kroeber

Managing Director, GK Dragonomics

Joyce Poon

Asia Research Director

Andrew Batson

Chief Analyst, GK Dragonomics



Beijing

Having just completed a once-a-decade change in top leadership at the outset of 2013, China immediately faces tremendous domestic & international challenges arising from its economic and geo-political re-emergence.

These challenges include energy and water resource issues, financial policy questions such as shadow banking loans and severely-backlogged IPO's, the military security implications of competing claims at several of its own border points, and internal environmental as well as social safety net problems.

Taking full advantage of this key moment and place in China's history opportunity, the Anari program included high-level meetings in Beijing with the top officials, executives and senior staff of:

- **SASAC - State-Owned Assets Supervision & Administration Commission** (pg. 6)
- **CIC – China Investment Corp.** (pg. 7)
- **CMG - China Merchants Group** (pg. 8)
- **Bosera Asset Management** (pg. 9)
- **CPES, Center of Private Economic Studies** (pg. 10)
- **Beijing Energy-Net DE** (pg. 11)
- **Petroleum Finance Corp** (pg. 12)
- **IIF - Institute of International Finance** (pg. 13)
- **CSRC - China Securities Regulatory Commission** (pg. 14)
- **PBoC – People's Bank of China** (pg. 15)
- **CASS - Chinese Academy of Social Sciences** (pg. 16)
- **NSSF – National Social Security Fund** (pg. 17)
- **World Bank, Beijing** (pg. 18)
- **YiCai (China Business News)** (pg. 19)

Beijing

DRAFT TEMPLATE ONLY – AS OF 8/30/2013

BEIJING Meetings

Beijing Schedule

Monday July 22 – Beijing



Headquarters of the China Investment Corporation, China's sovereign wealth fund managing over USD \$3 Trillion in funds.

7:30 AM Breakfast	<ul style="list-style-type: none"> Andrew Batson Chief Analyst, GaveKal Research Editor, China Economic Quarterly
9:30 AM	SASAC - State-Owned Assets Supervision & Administration Commission <ul style="list-style-type: none"> Mr. XU Baoli, Director of Competitiveness Department ZHOU Haichen, Deputy Division Chief, Research Center
11:00 AM	CIC – China Investment Corp. (sovereign fund) <ul style="list-style-type: none"> Dr. ZHOU Yuan, Chief Strategic Officer
1:00 PM Lunch	CMG - China Merchants Group <ul style="list-style-type: none"> Ray Feng, Executive Director CM Capital Management International Ltd.
2:00 PM	Bosera Asset Management <ul style="list-style-type: none"> CEO Andrew Wu; Macroeconomist Dr. Wei Dr. LIU Sidian, Ph.D., MacroStrategy Dept. Analyst
4:00 PM	CPES, Center of Private Economic Studies <ul style="list-style-type: none"> Dr. LIU Honglu, Ph.D., Director-General, C.A.S.S. Center of Private Economic Studies
7:00 PM Dinner	Beijing Energy-Net DE <ul style="list-style-type: none"> Dr. FENG Jianghua, President Petroleum Finance Corp <ul style="list-style-type: none"> ZHU Chen, Senior Analyst, PFC Energy, Beijing TEE SingYick, Analyst, PFC Energy, Beijing

Tuesday July 23 – Beijing



Beijing headquarters of the **People's Bank of China (PBOC)**.

7:30 AM Breakfast	IIF - Institute of International Finance <ul style="list-style-type: none"> Ms. Ashley Zhang, Assistant to Chief Representative Mr. Andy Gao, Assistant
9:30 AM	CSRC - China Securities Regulatory Commission <ul style="list-style-type: none"> Dr. QI Bin, Director-General, CSRC Research Center President, Institute of Securities & Futures
11:00 AM	PBoC – People's Bank of China (Central Bank) <ul style="list-style-type: none"> Dr. LIU Xiangyun, Director, Macroeconomic Research Div. Dr. ZENG Hui, Director, Monetary Policy Division, Research Department
12:30 PM Lunch	CASS - Chinese Academy of Social Sciences <ul style="list-style-type: none"> Dr. WANG Junsheng, Institute of Asia-Pacific Studies Dr. YANG Danzhi, Asia-Pacif. Security & Diplomatic Studies
2:00 PM	NSSF – National Social Security Fund <ul style="list-style-type: none"> Ms. CHEN Ying, Deputy Director, Equity & Fixed Income Investment Dept. Dr. ZHANG Jian, Equity & Fixed Income Investment Dept.
4:30 PM	World Bank <ul style="list-style-type: none"> Mr. Klaus Rohland, China Country Director
7:00 PM Dinner	YiCai (China Business News) <ul style="list-style-type: none"> Ms. SUN Hongjuan, Finance Desk Journalist Mr. JIANG Fei, Capital Market News Desk Director

MONDAY JULY 22, 2013 BEIJING Meetings

Founded in 2001 by Charles Gave, Anatole Kaletsky and Louis-Vincent Gave, **GaveKal** is one of the world's leading independent providers of global investment research. It also advises several funds, with combined assets of more than US\$1.2 bn. GaveKal has its headquarters in Hong Kong and offices in the US, Europe and China.

GaveKal operates four complementary businesses:

Global macro research for asset allocation	
In-depth macro research on China	
Institutional and private money management	
Economic and financial charting tools	

As the Research Director of GK Dragonomics, **Andrew Batson** is the company's lead analyst of the Chinese economy and manages the GK Dragonomics research team in Beijing. He has lived and worked in China since 1998, and over the course of a long career as an award-winning journalist and analyst has written hundreds of articles on Chinese business, government, economics and society. Before joining GaveKal in 2011, he was the China economics correspondent for The Wall Street Journal.

GaveKal Research

- Andrew Batson, Chief Analyst, **GaveKal Research** & Editor, **China Economic Quarterly**



Andrew Batson, GaveKal Research Chief Analyst & Editor of GaveKal's China Economic Quarterly, at breakfast meeting with the Anari group in Beijing, July 22, 2013.

After the Opening Dinner the prior evening at Beijing's famous "WangFuJing Beijing Duck" restaurant -- scene of many historic diplomatic and foreign business dinners-- the Anari group commenced Day One of the trip over breakfast with **GaveKal China economist Andrew Batson**.

Andrew presented an overview of current economic conditions as China faces a "slow-down" to 7.5% growth and the Central Government's new leadership takes steps to stimulate the economy by reforming it structurally rather than merely opening the monetary spigot as done previously. While Western economies are in a Quantitative Easing phase, China is seeking to pursue the Structural Tightening route.



At Anari breakfast meeting with GaveKal, (left), **Joyce Poon**, GaveKal Asia Research Director and (right) **Ronald Frashure**, Chairman, Acadian Asset Management (Boston), July 22, 2013.

MONDAY JULY 22, 2013 BEIJING Meetings

SASAC - State-Owned Assets Supervision & Administration Commission

- Mr. XU Baoli, Director of Competitiveness Department
- ZHOU Haichen, Deputy Division Chief, Research Center, SASAC

The **State-owned Assets Supervision and Administration Commission (SASAC)**, is a special

commission of the People's Republic of China, directly under the State Council. It was founded in 2003 through the



consolidation of various other industry-specific ministries and oversees 117 large centrally-owned

companies, including appointing top executives and approving any mergers or sales of stock or assets, as well as drafting laws related to state-owned enterprises.



Nov. 12, 2011, SASAC research center Minister Xu Baoli speaking at the seventh annual conference "Improving the competitiveness of the central enterprises to promote capital market development"(Photo credit: www.instant-news.us).

China's 113 largest State-Owned Enterprises, constituting core elements of the economy (petroleum, power, steel, telecom, automobiles, shipping, aviation, military and others) are supervised by SASAC.

Many internal voices oppose break-up of these giant companies, which employ 19% of China's workers and are China's corporate face to the world. SASAC therefore seeks to streamline them and help them become operationally more efficient.

The SASAC Director of Competitiveness, Mr. HU Baoli, with whom the investor delegation met, sets the metrics for measuring SOE profitability, employment, productivity, and dividends.



Mr. HU Baoli, Director of Competitiveness Department, China's State-owned Assets Supervision and Administration Commission (SASAC) greeting the Anari group, July 22, 2013.

MONDAY
JULY 22, 2013
BEIJING
Meetings

CIC – China Investment Corporation

- Dr. ZHOU Yuan
Chief Strategic Officer, CIC



The **China Investment Corporation (CIC)** was established to dedicate part of China's \$3.2 trillion of FX reserves for external investment on behalf of the PRC.

Mr. Zhou Yuan is the Chief Strategy Officer of the CIC.



Prior to this, he was Head of Alternative Investment Department, Special Investment Department, and Asset Allocation

and Strategic Research Departments of the CIC. Prior to joining CIC, Mr. Zhou served as Executive Vice Chairman of the Hong Kong Mercantile Exchange, Head of Asia business development at Chicago Mercantile Exchange, and as President of Zeta Institute of Finance and Risk Management. He has also served as top executive for finance, treasury, risk and clearing at Hong Kong Futures Exchange, UBS' senior-most banker in China and Head of research of State Street Bank in Boston. Mr. Zhou attended Peking University and holds a master's degree from Brandeis University.

At \$500 billion in assets, **CIC** is one of the world's largest sovereign wealth funds. As such, its interests and investments are studied by investors everywhere.



CIC Chief Strategic Officer Dr. Zhou Yuan at meeting with Anari group, July 22, 2013

CIC's Chief Strategist Dr. Zhou Yuan discussed his 'investment worldview' with the group, sharing his current assessment of the US, Japan, and European zones; outlined the paradigm shifts he thinks are taking place (such as end of fixed income cycle

and commodities cycle); and compared national energy strategies being adopted by the US, China, and other major countries to develop shale gas, solar, and alternatives.



Anari group members (L to R) **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist**, Strategy & Asset Mix (Toronto), **Laurent Desbois, Fjord Capital**, President (Montreal), and **Chad Livingston, Kemnay Advisory Services** (NY) in discussion at the Anari China Investment Corp. meeting at the CIC HQ in Beijing, July 22, 2013.

MONDAY JULY 22, 2013 BEIJING Meetings

CMG - China Merchants Group

- Ray Feng
Executive Director, CM Capital
Management International, Ltd.

Founded in 1872, China Merchants is proud that it has "left its mark in the late Qing dynasty, the Republic of China, and the People's Republic of China." CMG is presently a State Owned Enterprise (SOE) under the supervision of the State-owned Assets Supervision and Administration Commission (SASAC) of the PRC State Council. At the end of 2011, CMG had total assets of RMB 342.3 billion, assets under management of RMB 3.10 trillion, and total profits of 23.7 billion. Its net profit attributable to parent company ranked No.8 among all SOEs. Headquartered in Hong Kong, CMG's three core business sectors are transportation & related infrastructure; financial investment & management; and property development & management.



China Merchants Kunlun Capital Co., Ltd. ("CMK Capital") is one of the largest private equity fund managers in China. Its current assets under management amount to RMB7.5 billion (approximately USD1.2 billion). CMK Capital is now mainly engaged in managing ZXJ & China Merchants Private Equity Fund which has been registered as a qualified fund by National Development and Reform Commission in China. The fund is focused on four sectors: natural resources, financial services, agriculture and consumer, and infrastructure.



As the sixth largest SOE, China Merchants Group is the only one authorized to engage in three different sectors of the economy:

infrastructure (including shipping), finance, and real estate. Its recently established Capital Group is seeding diverse businesses to capture new economic trends.

The Capital Group's Executive Director Ray Feng indicated

some of that Group's recent and planned ventures in infrastructure, pipelines, energy-related shipping and associated real estate development.



China Merchant Capital's Executive Director Ray Feng in presentation to the Anari group, July 22, 2103.

MONDAY JULY 22, 2013 BEIJING Meetings

Bosera Asset Management

- Andrew WU, CEO
- Dr. LIU Sidian, Ph.D.
MacroStrategy Dept. Analyst



Beijing, July 22, 2013 - **Bosera Funds CEO Andrew Wu** welcomes the Anari group to the CMG-hosted luncheon at the "1872 Club" and sets the stage for the ensuing presentation.



Established in 1998 by China Merchants Group, Bosera Asset Management Co., Ltd. was one of the first five fund management companies established in China and in November 2002, became one of the first investment managers sanctioned to manage the National Social Security Fund (NSSF) portfolios.

Today Bosera is an independent asset management institution serving over 11 million retail investors and 6 million pensioners. Bosera Asset Management has RMB225 billion (\$37 billion) under management as of March 31, 2013 including over 30 funds including open-ended and closed-end.

As China's 3rd largest asset manager, Bosera presented its macro-economic view of the Chinese economic trends and discussed the transformation and upgrading of industry that the Central Government is seeking to induce.

Bosera's management of pension fund money (including for the National Social Security Fund) as well as mutual funds & individual portfolios provides a good vantage point for observing fund flows inside China and outbound as well.



Bosera Funds Macro-economist, Dr. Wei taking questions from the Anari group, July 22, 2013.



(Left to right) Anari luncheon meeting participants **Ronald Frashure, Chairman, Acadian Asset Management** (Boston), **Ray Feng, Exec. Dir., CM Capital**, **Laurent Desbois, Fjord Capital, President** (Montreal), and **Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix** (Toronto) listening to CMG Capital and Bosera Funds presentations and insights shared with the group.

MONDAY JULY 22, 2013 BEIJING Meetings

The **Center for Private Economic Studies** founded in 1994, is a non-profit research organization under the Chinese Academy of Social Sciences (CASS). Focusing on the development of private economy in China, CPES's activities include policy analysis on the development of the private sector, hosting policy dialogues between private firms and government officials, and producing economic policy papers.

Dr. LIU Honglu is the Executive Commissioner, Department Head for Members and Deputy Director for Organization Committee of the All-China Federation of Industry and Commerce. Dr. Liu's expertise is in private economy, the mechanism of organizations of industry and commerce, and the price and taxation of real estate. Dr. Liu holds an undergrad degree in law in 1986 from Renmin University of China, and a doctoral degree in economics in 1995 from the Academy of Social Science in China. Dr. Liu became a certified lawyer since 1986. From 1991 to 1995, Dr. Liu was the deputy director of Taiwan affairs in the government of Hainan Province. He is an expert of the economy of Taiwan. From 1995 to 2002, Dr. Liu acted as the secretary-general of Hainan General Chamber of Industry and Commerce.

CPES, Center of Private Economic Studies

- LIU Honglu, Ph.D.
Director-General, C.A.S..S. Center of Private Economic Studies

In counterpoint to the giant SOEs are China's 2 million private enterprises, which currently are facing tougher times because of tighter credit.

CPES Secretary General LIU HongLiu discussed the government's efforts to give enterprises incentive to improve their manufacturing processes or service techniques, develop new technologies, and expand overseas. Developing ways to assure flows of capital to these 'capillaries' of China's business community are a major current challenge for China's underdeveloped financial sector.



Dr. LIU Honglu, Director General, Center for Private Economic Studies, exchanges business cards with the Anari group – (bottom right) **Peter Karmin, Fort Sheridan Advisors (Chicago).**



Dr. LIU Honglu, Director General, Center for Private Economic Studies, presenting to the Anari group, as Anari's Rachel Qiao interprets, Beijing, July 22, 2013.

MONDAY JULY 22, 2013 BEIJING Meetings

Beijing Energy-Net DE

- Dr. FENG Jianghua, President

Petroleum Finance Corp

- ZHU Chen, Senior Analyst
- TEE SingYick, Analyst

Scenes from historic Beihai Park and Beihai Lake, as the Anari group passes through en route to dinner at Fangsheng Restaurant in this 10th Century imperial garden to the northwest of the Forbidden City in Beijing.



The Anari group finished the first day of the trip at the world-renowned Fangsheng Restaurant at Beihai Lake in Beijing's historic Beihai Park for a working dinner focused on energy issues.

Joining the Anari delegation were Dr. FENG Jianghua, President of Beijing Energy-Net DE and, from the Petroleum Finance Corp, Analysts Chen ZHU and SingYick TEE.

Energy-Net, a JV firm, engages in the development of medium and small sized CCHP (combined cooling, heating and power) projects in China. Energy-Net was one of the first professional companies working on distributed energy in China.

PFC Energy is a global consulting firm specializing in the oil and gas industry. Its clients include oil and gas operators, national oil companies, service companies, investors, governments and other stakeholders.



Anari energy issues dinner meeting, July 22, 2013, Beijing (left to right): **Dr. FENG Jianghua, President, Beijing Energy-Net DE**; **Chad Livingston, Kemnay Advisory Services (NY)**; **ZHU Chen, Senior Analyst, PFC Energy Beijing Ofc.**, **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto)**, **Laurent Desbois, Fjord Capital, President (Montreal)**, and **Ronald Frashure, Chairman, Acadian Asset Management (Boston)**.

TUESDAY

JULY 23, 2013

**BEIJING
Meetings**

**IIF - Institute of International
Finance**

- Ms. Ashley Zhang
Assistant to Chief Representative
- Mr. Andy Gao, Assistant
- Dr. Lionel Luo, SWS Research Co.



The **Institute of International Finance, Inc. (IIF)**, is the world's only global association of financial institutions. Created in 1983 in response to the international debt crisis, the IIF has evolved to meet the changing needs of the financial community.

The Institute currently has over 450 members headquartered in more than 70 countries in Africa, the Middle East, North and South America, Europe, and Asia. Included Among the Institute's members are commercial and investment banks, sovereign wealth funds, asset managers, hedge funds, insurance companies, multinational corporations, law firms, export credit agencies, multilateral agencies, development banks, and other organizations providing products and services to financial services community.

Over a working breakfast with the Anari group, representatives of the IIF's Asia Regional Office, based in Beijing, presented the IIF's published global report of shadow banking and discussed China's specific case.

Unregulated and difficult to measure, shadow banking poses issues for monetary control and financial stability. Yet shadow banking is often a critical source of capital to small and medium enterprises (SME's) who lack access to capital from State-Owned Banks, which favor large SOE's.

In perspective, wealth management products of financial entities caused the recent spike in shadow banking and thus deserve stricter scrutiny and regulation by the authorities.



July 23, 2013 - Anari group breakfast discussion with IIF's Ms. Ashley Zhang (left) and Dr. Lionel Luo, SWS Research's expert on China shadow banking.

TUESDAY JULY 23, 2013 BEIJING Meetings

The China Securities Regulatory Commission (CSRC), is a ministry-level unit directly under the State Council, which regulates China's securities and futures markets. It has 36 regional bureaus throughout the country as well as 2 offices for securities regulation in Shanghai and Shenzhen.



Dr. Qi Bin is the **Director-General of the Research Center, the think tank of the China**

Securities Regulatory Commission (CSRC). Previously, he was a deputy director of the CSRC Fund Supervision Department.. Dr. Qi joined the CSRC in 2000 as a member of its Strategy and Planning Committee. Before joining CSRC, Dr. Qi was a partner of a New York-based venture capital firm, and he worked with Goldman Sachs Asset Management and Paribas Capital Market in New York & London. He holds a PhD in Economics and BS in Physics from Tsinghua University, an MBA from the University of Chicago, & an MS in Biophysics from the Univ. of Rochester.

Beijing, July 23, 2013, Anari group in conference with **Dr. Qi Bi, Director General, China Securities Regulatory Commission Research Center** & members of his senior staff. Anari group (center top clockwise, **Ronald Frashure, Chairman, Acadian Asset Management (Boston)**, **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto)**, **Chad Livingston, Kemnay Advisory Services (NY)**, **Peter Karmin, Fort Sheridan Advisors (Chicago)**, **Laurent Desbois, Fjord Capital, President (Montreal)**, **Joyce Poon, GaveKal Asia Research Director (HK)**.

CSRC - China Securities Regulatory Commission

- Dr. QI Bin, Director-General
CSRC Research Center
President, Institute of Securities & Futures



Meeting at the CSRC Research Center, Director-General Dr. QI Bin, discussed with the Anari group, the CSRC's overall goal to foster market-based securities mechanisms like in US/Canada.

Dr. Qi said CSRC must also weigh social factors and financial stability before releasing the IPO backlog into the market -- seeking to unleash the power of the market without flooding it. Better pathways are needed to connect Chinese citizens' wealth with the rising companies needing growth capital. Thus, high on the reform agenda are securitization (supplementing bank lending) and experimental municipal bond programs (now being tested in four cities).



Dr. Qi Bi, Director General, China Securities Regulatory Commission Research Center at the CSRC offices with **Bill Anawaty, President, Anari Inc (left)**, **Peter Karmin, Fort Sheridan Advisors (Chicago)**.



TUESDAY JULY 23, 2013 BEIJING Meetings

People's Bank of China, HQ

- Dr. LIU Xiangyun, Director
MacroEconomic Research Division
- Dr. ZENG Hui, Director
Monetary Policy Division, Research Dept.

The People's Bank of China

(PBC or PBOC) is the central bank of the People's Republic of China with the power to control monetary policy and regulate financial institutions in mainland China. The bank was established in 1948 based on the consolidation of the Huabei Bank, the Beihai Bank and the Xibei Farmer Bank. First located in Shijiazhuang, Hebei, and then moved to Beijing. In the 1980s, as part of economic reform, the commercial banking functions of the PBC were split off into four independent but state-owned banks;

Meeting at the PBoC headquarters offices, in conference with the Anari group, the Central Bank researchers indicated that China's current slower growth rates are acceptable and noted that only a small percentage of loans are non-performing, and banks are well-reserved. The PBoC analysts further indicated that FX is at about equilibrium levels, consumption as a % of GDP is going up, and the new political leadership is determined to continue the shift from investment-led to consumption-led growth.



Beijing, July 23, 2013 – Dr. LIU Xiangyun, Director, MacroEconomic Research Division, PBoC in discussion with the Anari group.



Beijing, July 23, 2013 – Members of the Anari Delegation at People's Bank of China (left to right): Joyce Poon, GaveKal Asia Research Director (HK), Andrew Batson, GaveKal Dragonomics Chief Analyst & Editor of GaveKal's China Economic Quarterly (HK), Ronald Frashure, Chairman, Acadian Asset Management (Boston), Laurent Desbois, Fjord Capital, President (Montreal), James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto), Peter Karmin, Fort Sheridan Advisors (Chicago), Chad Livingston, Kemnay Advisory Services (NY).

TUESDAY
JULY 23, 2013
**BEIJING
Meetings**

CASS - Chinese Academy of Social Sciences

- Dr. WANG Junsheng, Institute of Asia-Pacific Studies, C.A.S.S.
- Dr. YANG Danzhi, Asia-Pacific Security and Diplomatic Studies, C.A.S.S.



The Chinese Academy of Social Sciences (CASS), established in

1977, is the premier and the most comprehensive academic research organization and national center in the People's Republic of China for study in the fields of philosophy and social sciences, with the mission of advancing and innovating in the scientific researches of philosophy, social sciences and policies. It was described by Foreign Policy magazine as the top think tank in Asia.

CASS consists of 59 research institutes specializing in different areas. CASS scholars undertake research in the social sciences and humanities with the broad aim of furthering China's social progress by examining the nation's historical and cultural heritage through the lens of modern Chinese communist theory. Because CASS undertakes research programs related to China's current state of economic and social development, party and state bureaucrats often rely on the reports of CASS scholars when making policies and decisions.

Over lunch, North-Asia and Asia-Pacific experts from the prestigious Chinese Academy of Social Sciences gave an overview of China's foreign policy tensions flaring up with North Korea, South Korea, Japan, Taiwan, and ASEAN nations.

Major differences between Chinese and Japanese positions appear to be both scholarly (historical border determinations) and perceptual (whether Japan has apologized sufficiently for its 1900-1950 actions).



Beijing July 23, 2013 - Dr. **YANG Danzhi**, Asia-Pacific Security and Diplomatic Studies The Chinese Academy of Social Sciences and Anari group member **Joyce Poon**, GaveKal Asia Research Director (HK)



Beijing July 23, 2013 - Dr. **WANG Junsheng**, Institute of Asia-Pacific Studies, The Chinese Academy of Social Sciences in discussion with the Anari group at luncheon (at left) **Ronald Frashure**, Chairman, Acadian Asset Management (Boston)

TUESDAY
JULY 23, 2013
**BEIJING
Meetings**

NSSF – National Social Security Fund

- Ms. CHEN Ying, Deputy Director
Equity & Fixed Income Investment Dept.
- Dr. ZHANG Jian, Equity & Fixed Income
Investment Dept.



China's **National Social Security Fund** is a government-controlled investment fund established primarily to provide a reserve of funds for China's social security system. The fund is managed by the National Council for Social Security Fund.

The funding sources of NSSF include fiscal allocation from the central government, allocation from the lottery public welfare proceeds, capital or equity assets derived from reduction or transfer of state-owned shares, capital raised by other methods approved by the State Council and 10% of the cash proceeds when State Owned Companies go public.

Although the National Social Security Fund is an independent entity distinct from the Chinese government, the National Council for Social Security Fund that manages it is a ministerial-level government institution. These funds are set aside to support social security payments through periods when population trends draw the fund down by a greater amount than the contributions it receives.

According to the Sovereign Wealth Fund Institute, the National Social Security Fund has approximately \$146.5 billion in assets.

Meeting at the NSSC main offices with the Anari group, Deputy Director CHEN Ying and Dr. ZHANG Jian explained to the group that, being principally a domestic investor, the \$150 billion NSSF looks for Chinese companies making a successful transformation to China's new consumption-oriented economy.

They indicated that Chinese equities currently are viewed as fairly valued and that no direct pressure is felt to invest in SOE's. They furthermore noted that as a national pension fund, safety needs dictate a 50% allocation to fixed income, consisting of domestic corporate and government bonds, which NSSF typically holds to maturity.



Beijing, July 23, 2013 - **Ms. CHEN Ying**, Deputy Director, Equity & Fixed Income Investment Dept., National Social Security Fund and **Dr. ZHANG Jian**, Equity & Fixed Income Investment Dept., the NSSF offices meeting with the Anari group.

TUESDAY JULY 23, 2013 BEIJING Meetings

World Bank

- Mr. Klaus Rohland
China Country Director



THE WORLD BANK
Working for a World Free of Poverty

As of June 30, 2012, World Bank cumulative lending (IBRD and IDA) to China was more than \$50.41 billion for 349 projects. The portfolio is concentrated in environment, transportation, urban development, rural development, energy, water resources management, and human development.



Klaus Rohland, a German national, is the World Bank's Country Director for China, Mongolia and Korea in the East Asia and Pacific Region, based in Beijing.

Mr. Rohland joined the World Bank in 1981 as an advisor to the German Executive Director. Since that time, he has held a number of key positions in the World Bank. Prior to his current assignment, Mr. Rohland worked as the Bank's Country Director for Russian Federation since April 2007. He also held the position of Country Director for Vietnam from November 2002 to March 2007. Between 1985 and 1995, Rohland worked with the German government on international development assistance policies and their implementation.

Mr. Rohland graduated from Marburg University in Germany and holds a degree in law and public administration.



Beijing, July 23, 2013 – (right) **Klaus Rohland, the World Bank, China Country Director** meeting at the WB Beijing offices with the Anari group; (left to right) **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto)**, **Joyce Poon, GaveKal Asia Research Director (HK)**, and **Laurent Desbois, Fjord**

With deep experience in China, Russia, and South East Asia, Mr. Rohland brought a special vantage point for evaluating modern-day China to the Anari group conference. He shared with the group that he sees a major mind-set change in the past decade, as China now moves into a different gear economically, politically, and demographically. His assessment is that China is moving away from a fixation on GDP as the measure of growth, and cares more now about qualitative issues -- environment, health, education, innovation, sustainable urbanization. There remains the pivotal question: can the country achieve sufficient velocity to escape the middle income trap?

TUESDAY
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**BEIJING
Meetings**



First Financial is the Shanghai Radio and Television / Shanghai Media Group (SMG)'s Finance Forum, founded in July 2003. After nearly nine years of development, First Financial has become China's largest and most complete variety of financial media group, with television, radio, newspapers and magazines, websites, research institutes, radio, news agencies, colleges and information services business.

"First Financial Daily" is China's first market-oriented Financial Daily and has reporters covering more than 230 global markets in New York, Washington, San Francisco, London, Paris, Berlin, Tokyo, Brussels and Seoul. In China, the "First Financial Daily" is in Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong and more than a dozen provincial cities with a strong editorial network providing readers with comprehensive and accurate daily financial news coverage and depth of analysis.

YiCai (China Business News)

- Ms. SUN Hongjuan, Finance Desk Journalist
- Mr. JIANG Fei, Capital Market News Desk Director

Beyond typical issues of capital markets in China's evolving economy, the Anari dinner discussion with Ms. SUN Hongjuan, Finance Desk Journalist, and Mr. JIANG Fei, Capital Market News Desk Director – both of the prestigious China Business News journal YiCai - refreshingly veered into how young people are adapting to the huge societal shifts in thinking about government, enterprise, career, and family.

As the next educated wave seeks to build and diversify their careers, a key quest is to experience life overseas, through education and job experience – a hallmark of the next bold, outbound, untethered generation of Chinese.

YICAI.COM dynamic Online Media webpage





Shinzo Abe, Japan's new Prime Minister

Since its election December 16, 2012 the Abe administration has instituted Japan's most major economic policy shifts in decades in an effort to ward off deflation and combat the effects of an aging population and slowing economy.

Japanese exporters benefit from the weaker yen, but the consequent higher imported energy costs are a drag on hoped-for domestic consumption. At the same time, Abe's strong patriotic leanings have fanned long-simmering geopolitical tensions between Japan and China, creating a quite difficult backdrop for political cooperation and accommodation between these two Asian giants amidst the shifting economics.

Tokyo

Taking full advantage of this key "moment and place in Japan's history" opportunity, the Anari program included high-level meetings in Tokyo with the top officials, executives and senior staff of:

- **The Institute of Energy Economics, Japan** (pg. 22)
- **Japan Post Holdings Co. Ltd.** (pg. 23)
- **Ministry of Finance Japan** (pg. 24)
- **Government Pension Investment Fund (GPIF)** (pg. 25)
- **Japan Institute for National Fundamentals** (pg. 26)
- **House of Representatives of Japan** (pg. 27)
- **Neo Career** (pg. 28)
- **Trenders Inc. (women in the Japanese workforce)** (pg. 29)
- **Sumitomo Mitsui Banking Corporation** (pg. 30)
- **Development Bank of Japan** (pg. 31)
- **Institute for International Economic Studies** (pg. 32)
- **Bank of Japan** (pg. 33)
- **Prime Minister Abe's Council on Economic and Fiscal Policy** (pg. 34)

TOKYO Meetings

Tokyo Schedule

**Wednesday
July 24**



7:00PM
Dinner

- **Mr. Nobuo Tanaka**
Global Associate, Energy Security and Sustainability
The Institute of Energy Economics, Japan

Thursday July 25

Mr. Taizo Nishimuro
President & CEO, Japan
Post Holdings Co., Ltd.



Ms. Yoshiko Sakura
Japan Institute for
National Fundamentals



Mr. Keisuke Suzuki
Member, House of
Representatives of
Japan



7:30 AM
Breakfast

- **Japan Post Holdings Co. Ltd.**
• Mr. Taizo Nishimuro , President & CEO
• Mr. Yoshiyuki Izawa, President & CEO
Japan Post Bank Co. Ltd.

9:30 AM

- **Ministry of Finance Japan**
• Mr. Nobumitsu Hayashi, Director-General, Financial Bureau
• Mr. Satoru Shibata, Director for Debt Management and JGB Investor Relations
• Ms. Ikuko Shirota, Deputy Director, Market Finance Div.

11:00 AM

- **Government Pension Investment Fund (GPIF)**
• Mr. Takashi Jimba, Director-General, Investment Dept.
• Mr. Atsushi Tenda, Director, Research Department

12:15 PM
Lunch

- **Japan Institute for National Fundamentals**
Ms. Yoshiko Sakurai, President

2:00 PM

- **House of Representatives of Japan**
• Mr. Keisuke Suzuki, 3-term Member, LDP

3:15 PM

- **Neo Career**
• Mr. Ryoichi Nishizawa, CEO

5:00 PM

- **Trenderers (women in the Japanese workforce)**
• Ms. Kahoko Tsunazawa, CEO

7:00 PM
Dinner

- **The Tokyo Club**
Sumitomo Mitsui Banking Corporation
• Mr. Toshihiro Sato, Gen. Mgr, Int'l Treasury Dept.
• Mr. Yasuyuki Takeda, General Manager, Treasury Dept.

Friday July 26

Amb. Shotaro Oshima
Former Deputy Foreign
Minister, previous Special
Rep. for TPP consultations,
& former Member, WTO
Appellate Body



Mr. Kazuo Momma
Executive Director,
Assistant Governor
Bank of Japan



Mr. Susumu Takahashi
Member, Prime Minister's
Council on Economic &
Fiscal Policy



10:30 AM

- **Development Bank of Japan**
• Mr. Satoshi Tomii, Managing Executive Officer

12:00 PM
Lunch

- **Institute for International Economic Studies**
• H.E. Ambassador Shotaro Oshima
Chairman
• **Mr. Kiyota Ido**, Vice-Chairman, IIEC

2:00 PM

- **Bank of Japan**
• Mr. Kazuo Momma
Assistant Governor

3:45 PM

- **Prime Minister Abe's Council
on Economic & Fiscal Policy**
• Mr. Susumu Takahashi, Member
& Chairman, Japan Research Institute Ltd.

7:00 PM

- **Dinner and Wrap-Up Group Discussion**

WEDNESDAY JULY 24, 2013 TOKYO Meetings

- **Mr. Nobuo Tanaka**

Global Associate, Energy Security and Sustainability

The Institute Of Energy Economics, Japan



Mr. Nobuo Tanaka is currently the Global Associate, Energy Security and Sustainability at the Institute of Energy Economics, Japan (IEEJ), IEA, Paris, Director 2007-2011



Formerly, as Executive Director of the International Energy Agency (IEA) from 2007 to 2011, he oversaw a seminal period in the Agency's work and direction.

He was responsible for pioneering the concept of comprehensive energy security while also expanding the Agency's focus on climate change, renewable energy and the transition to a low-carbon energy economy.

Mr. Tanaka began his career in 1973 in the Ministry of Economy, Trade and Industry (METI) in Tokyo, and has served in a number of high-ranking positions in METI, including Director-General of the Multilateral Trade System Department. He was also deeply engaged in a range of bilateral trade and economic issues with the US as Minister for Industry, Trade and Energy at the Embassy of Japan, Washington DC from 1998 to 2000, as well serving as the first secretary of the Embassy from 1982 to 1985.

Bringing to bear his experience as the head of the International Energy Agency in Paris, Mr. Tanaka – who is now advising the Japanese Government on energy security and sustainability in the wake of the 2011 earthquake/tsunami disaster - conferred over dinner with the Anari group.

Mr. Tanaka also shared his insight that despite an opposed citizenry, the Abe Government strongly favors re-starting Japan's nuclear power generating facilities and evolving into 4th Generation Nuclear technologies. Mr. Tanaka also noted that natural gas imports and alt-energy technologies have their provisional place, but that the Government sees no alternative to nuclear if Japan intends to remain a world economic player.



Tokyo, July 24, 2013 – **Mr. Nobuo Tanaka** (above, center right), former Executive Director of the International Energy Agency, at dinner with the Anari group: (above left to right) **Ronald Frashure**, Chairman, **Acadian Asset Management** (Boston), **Karen Welch**, Director, **Stanford University Management** (California), **Laurent Desbois**, **Fjord Capital**, President (Montreal), **Yu Serizawa**, President & CEO, **Forma Corp.** (Tokyo), (across table) **James Davis**, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto), (far right, front) **Peter Karmin**, **Fort Sheridan Advisors** (Chicago).

THURSDAY JULY 25, 2013 TOKYO Meetings

Japan Post Holdings Co., Ltd.

- Mr. Taizo Nishimuro, President & CEO
- Mr. Yoshiyuki Izawa
President & CEO, Japan Post Bank
Co., Ltd.



Japan Post Holdings Co., Ltd., through its subsidiaries, engages in the businesses of post offices, post services, banking, insurance, hospital, and hotel businesses. Its banking services include deposits, domestic remittances, international remittances, individual loans, investment products, credit and debit cards, and Internet banking services. The company also provides life insurance coverage. Japan Post Holdings Co., Ltd. was founded in 2006 as result of a major privatization program launched by then PM Junichiro Koizumi. Combined assets of the Bank and Insurance make them one of the largest non-pension institutional investors with approximately 2.7 trillion USD.

Mr. Taizo Nishimuro, President, Japan Post Holdings Co., Ltd



In May, 2013, the government asked former Toshiba Corp. Chairman Taizo Nishimuro to take over as president and CEO of Japan Post Holdings Co., which controls the giant government-owned Japan Post conglomerate. Mr. Nishimuro, who was president of Toshiba from 1996 to 2000 and then chairman until 2005 was chairman of a government council to oversee the privatization process of the Japan Post group, which is now trying to get listed on the Tokyo Stock Exchange in fall 2015. Mr. Nishimuro has also served as chairman of Tokyo Stock Exchange Inc.

Named head of Japan Post Holdings only 3 weeks prior to the Anari group breakfast, Mr. Nishimuro – formerly Chairman of Toshiba – and his colleagues now seek to revivify the reform and privatization of Japan Post bank and insurance, the twin backbones of Japan's vaunted household savings system for half a century. He noted that the huge but gradual nature of that undertaking requires a mix of robust financial modernization and careful operational restructuring. During that phase, overseas investment by these entities will be only experimental and gradual.



Tokyo, July 25, 2013 – **Mr. Taizo Nishimuro (center)**, President Japan Post Holdings, at breakfast meeting with Anari group: (left to right, **Karen Welch**, Director, Stanford University Management (California), **Ronald Frashure**, Chairman, Acadian Asset Management (Boston), **Peter Karmin**, Fort Sheridan Advisors (Chicago), **Chad Livingston**, Kemnay Advisory Services (NY).



Tokyo, July 25, 2013, **Mr. Yoshiyuki Izawa**, President & CEO, Japan Post Bank Ltd (center) with Anari group: (far left to right) **Yu Serizawa**, President, Forma Corp. (Tokyo), **James Davis**, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto), **Josh Richter**, Director, Stanford University Management (California), **Wafa Wei**, Managing Director, Stanford University Management (California).

THURSDAY
JULY 25, 2013
TOKYO
Meetings

Ministry of Finance Japan

- Nobumitsu Hayashi, Director-General, Financial Bureau
- Satoru Shibata, Director for Debt Management
- Ikuko Shiota, Deputy Director, Market Finance Div.

Ministry of Finance Japan

The **Ministry of Finance** has long been regarded as the most powerful ministry in the Japanese government.

Mr. Nobumitsu Hayashi
Director-General, Financial
Bureau, Ministry of Finance,
Japan



Mr. Nobumitsu Hayashi took up the post of Director-General, Financial Bureau of Ministry of Finance from July 2013. Previously, Mr. Hayashi served as Deputy Director-General of the International Bureau, Deputy Vice Minister of Finance for International Affairs, and Executive Assistant to Prime Minister. Mr. Hayashi joined the Ministry of Finance in 1980. In his 30 years of working for the Ministry, Mr. Hayashi has served in Minister's Secretariat, Budget Bureau, Financial Planning Bureau, and International Finance Bureau. Mr. Hayashi has also served temporarily at the International Monetary Fund, Japan's National Tax Agency, and Cabinet Secretariat

At Japan's Ministry of Finance, Director-General Nobumitsu Hayashi and his senior staff explained that it is too early to judge the reform element of Abenomics, but its urgency is felt by government and business, and very much shared by the MOF. With debt service now consuming 24% of the budget, expenditure cutbacks are underway and increased tax revenues are anticipated, based on anticipated 2% growth. Fully aware that falling real returns poses risks to JGB attractiveness, MOF remains optimistic that Japanese citizens will continue to buy JGB's. In any case, the overarching consideration of avoiding deflation justifies the 2% inflation goal.



Tokyo, July 25, 2013, Japan Ministry of Finance – (center speaking) **Mr. Nobumitsu Hayashi, Director-General, Financial Bureau, Ministry of Finance Japan** with (left) **Mr. Satoru Shibata, Director for Debt Management** and (right) **Ms. Ikuko Shiota, Deputy Director, Market Finance Division** in discussion with Anari group (back to camera) **Laurent Desbois, Fjord Capital, President (Montreal)**.

THURSDAY
JULY 25, 2013

TOKYO Meetings

Government Pension Investment Fund (GPIF)

- Mr. Takashi Jimba,
Director-General, Investment Department
- Mr. Atsushi Tenda
Director, Research Department

As of April 1, 2006, the new **Government Pension Investment Fund (new GPIF)** was established as an independent administrative institution with the mission of managing and investing the Reserve Funds of the Employees' Pension Insurance and the National Pension, taking over the responsibilities of the old Government Pension Investment Fund, which was dissolved in March 31 2006.

The GPIF pension fund is the largest in the world, with approximately \$1.3 trillion (122 trillion yen) in assets under management as of 2009. The GPIF contributes to the stability of the Employee's Pension Insurance and National Pension programs.

Giving a glimpse of its evolving investment intentions, GPIF's investment planners presented a thorough review of operations in recent fiscal years; explained their intention to expand investing into Emerging Markets and indicated they have conducted feasibility studies about investing in alternative assets.

They noted that even a slight shift in this \$1.4 trillion fund's asset allocation produces huge absolute changes, and provides the proper context for viewing GPIF's medium-term plan to reduce domestic bonds from 67% to 60%; to increase international bonds from 8% to 11%; and to increase international equities from 9% to 12%.



Tokyo, July 25, 2013 – **Mssrs. Takashi Jimba Atsushi Tenda (right) of the Government Pension Investment Fund** with Anari group: (left): **Bill Anawaty, President, Anari Inc., Ronald Frashure, Chairman, Acadian Asset Management (Boston), Josh Richter, Stanford University Management (California), James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto), Karen Welch, Director, Stanford University Management, Chad Livingston, Kemnay Advisory Services (NY), (end right) Peter Karmin, Fort Sheridan Advisors (Chicago).**

THURSDAY
JULY 25, 2013
TOKYO
Meetings

Japan Institute for National Fundamentals

- Ms. Yoshiko Sakurai, President

Ms. Yoshiko Sakurai is a prominent Japanese journalist, TV presenter, and writer. Sakurai started her career as a journalist for the Christian Science Monitor in Tokyo. She served as a news presenter on Nippon Television's late night news program, Kyo-no-dekigoto, from 1980 to 1996. She is best known for her work on the HIV-tainted blood scandal in Japan during the 1990s. The Japan Times has described her as being "... known as Japan's bravest and most responsible journalist. Her in-depth investigations have unnerved members of the establishment for decades."



Ms. Sakurai is also president of the **Japan Institute for National Fundamentals**, a public and foreign policy think tank in Tokyo, Japan, privately funded and founded in December 2007.



Tokyo, July 25, 2013 - **Yoshiko Sakurai (right center), well-known political author and political commentator**, at luncheon with Anari group: (left front to back) **Wafa Wei, Managing Director, Stanford University Management (California)**. **Karen Welch, Director, Stanford University Management (California)**, **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix (Toronto)**, **Arthur Kroeber, Managing Director, GaveKal Dragonomics (HK)**.

Meeting with the Anari group over luncheon, Ms. Sakurai, distinguishing proper patriotism from unbridled nationalism, gave a carefully-nuanced articulation of the positions of Prime Minister Abe, with whom she is known to be philosophically and politically in tune.

Her declaration that Japan has issued 56 official governmental apologies to other nations for its past actions stands in stark contrast to the view in Beijing that Japan has never sufficiently owned up to its 1900's expansionist policies and Wartime past. Debate continues.

THURSDAY
JULY 25, 2013
TOKYO
Meetings

House of Representatives of Japan (Japan National Diet)

- Mr. Keisuke Suzuki
3-term Member, LDP

Japan House of Representatives



Mr. Keisuke Suzuki
Member, Japan
House of
Representatives.

Keisuke Suzuki is a member of the Liberal Democratic Party serving in the House of Representatives.

A native of Tokyo, he was born in London, UK, served as Vice-Consul at Consulate General of Japan and is a Former high official of Ministry of Finance.

In the Japan House of Representatives he is Director, Committee on Foreign Affairs and a Member of the Commission on the Constitution.



Mr. Suzuki (right) greeting the Anari group in the foyer of the Japan House of Representatives.

In the National Diet at Japan's House of Representatives, 35-year old Keisuke Suzuki, hails from a Tokyo suburban prefecture, where urban interests now hold sway over long-entrenched rural interests. Thus, he avers, the rural vote can be induced to support economic reform and TPP participation. Dietman Suzuki is one a coterie of Next-Gen LDP supporters who maintain close ties with Prime Minister Abe and MOF Minister Aso while embodying and speaking for a younger constituency.

Future leadership is anticipated to come from their ranks.



Tokyo, July 25, 2013, **House of Representatives of Japan – Mr. Keisuke Suzuki, Member, LDP**, in discussion with Anari group: (right) **Bill Anawaty, President, Anari**, (left, back to camera) **Josh Richter, Stanford University Management (California)**, **Chad Livingston, Kemnay Advisory Services (NY)**.

THURSDAY JULY 25, 2013 TOKYO Meetings



**Mr. Ryoichi Nishizawa, CEO,
Neo Career**



Neo Career CO., LTD. provides human resource (HR) services. Its services include consultancy; career portal and media; agency services for permanent

placement of fresh graduates; and agency services for permanent placement of experienced workers. The company's services also comprise production of recruitment tools; outsourcing of HR and recruiting duties; agency services for temporary employment of IT professionals; and agency services for temporary employment of office and white collar workers. It also offers personal services, such as job hunting, job searching, job changing, female job changing, sales job changing, IT job changing, and engineer job changing services. Neo Career CO., LTD. was founded in 2000 and is based in Tokyo, Japan

Neo Career

- Mr. Ryoichi Nishizawa, CEO

Using novel methods like hosting internet cafes to attract Japan's college educated unemployed or underemployed, NeoCareer is at the frontier of the Japanese next-generation's approach to employment -- willing to sacrifice stability for versatility and broader experience.



The mood of Japan has "totally changed", said Ryoichi Nishizawa, chief executive of Neo Career, an employment agency which has seen a sharp pick-up in traffic through its café-style advice centres.

Opening 20 branches overseas, NeoCareer's treating Asia as "one country" for employment purposes is a distinctive and novel concept.



Tokyo, July 25, 2013 - **Mr. Ryoichi Nishizawa, CEO, Neo Career** fielding post-presentation questions from the Anari group. (back to camera, left) **Joyce Poon, GaveKal Asia Research Director (HK)**, (back to camera, right) **Arthur Kroeber, Managing Director, GaveKal Dragonomics (HK)**.

THURSDAY
JULY 25, 2013
TOKYO
Meetings

Trenders(women in the Japanese workforce)

- Ms. Kahoko Tsunezawa,
President



**Ms. Kahoko
Tsunezawa,
President
Trenders, Inc.**

Trenders, Inc. is a Japan-based company mainly engaged in the provision of social media marketing services. The Company has two business segments. The Social Media Marketing segment involves in the provision of social media promotion, event promotion, media promotion event, Amaze, Web news services and and Kininarumon services. The Media segment involves in the operation of a portal site regarding to the cosmetic dentistry and cosmetic dermatology areas.

Married with three children, Ms. Kahoko Tsunezawa, President and Founder of Trenders, Inc. embodies the desired paradigm shift for Japanese women seeking to stay meaningfully in the work force after marriage. Her influential blog directed to that audience registers over 1 million page views per month.

Meeting with the Anari group at her company offices, Ms. Tsunezawa explained that her company uses that base of readers to socially-market products and advice to that large and increasingly influential cohort of women in Japan.



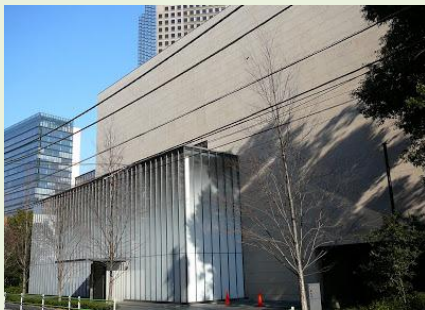
Tokyo, July 25, 2013 - **Ms. Kahoko Tsunezawa, President, Trenders, Inc.** (center) with Anari group: (left to right) **Wafa Wei, Managing Director, Stanford University Management** (California), **Joyce Poon, GaveKal Asia Research Director** (HK), **Karen Welch, Director, Stanford University Management** (California), **Mayumi Kamada, Forma Corp.** (Tokyo).

THURSDAY
JULY 25, 2013
**TOKYO
Meetings**

The Tokyo Club

Sumitomo Mitsui Banking Corporation

- Mr. Toshihiro Sato, General Manager, International Treasury Department
- Mr. Yasuyuki Takeda, General Manager, Treasury Department



The Tokyo Club

The conversation over this Anari-hosted dinner at Japan's prestigious Tokyo Club covered the full range of financial topics -- currencies, trading, stocks and bonds, short and long-term trends, investment leanings and choices -- to which professional investors and market watchers naturally drift over a relaxing evening meal.



Tokyo, July 25, 2013 – A toast during dinner at the elegant and historic Tokyo Club – (left, front to back), **Mr. Eiji Ono**, President, Global Reach Advisors (Japan Anari cooperator); **Toshihiro Sato**, General Manager, International Treasury Department, Sumitomo Mitsui Bank, Anari group (visible) : **James Davis**, Chief Economist, Ontario Teachers Pension Plan (Toronto), **Wafa Wei**, Managing Director, Stanford University Management (California). **Yu Serizawa**, President & CEO, Forma Corp. (Tokyo) (Anari Japan cooperator); **Bill Anawaty**, President, Anari, Inc., (right, front to back) **Josh Richter**, Stanford University Management (California), **Arthur Kroeber**, Managing Director, GaveKal Dragonomics (HK), **Joyce Poon**, GaveKal Asia Research Director (HK) (obscured); **Chad Livingston**, Kemnay Advisory Services (NY), **Peter Karmin**, Fort Sheridan Advisors (Chicago), **Yasuyuki Takeda**, General Manager, Treasury Dept., Sumitomo Mitsui Banking Corporation (obscured); **Laurent Desbois**, Fjord Capital, President (Montreal).

FRIDAY
JULY 26, 2013
TOKYO
Meetings

Development Bank of Japan

- Mr. Satoshi Tomii
Managing Executive Officer
& six leading staff members of
various departments



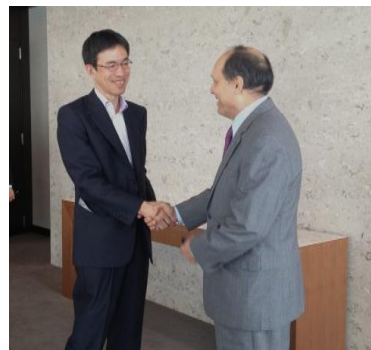
DBJ Managing Executive Officer **Mr. Satoshi Tomii** addresses the group. Senior VP International Strategy & Coordination Department **Masayoshi Tatewaki** at right.



Meeting in the DBJ headquarters conference room, Managing Executive Officer, Mr. Satoshi Tomii, in discussion with the Anari group, explained that half of DBJ's lending is for Japan's infrastructure and half for commercial lending, often policy-guided (such as recent financing of alternative-energy sources at home and abroad).

He noted that the Government budget is insufficient for renewing Japan's aging infrastructure, so huge infrastructure concessions will be coming to market requiring equity, including foreign equity, but that it is too early to know the sponsors or the anticipated I.R.R. of the intended projects.

The Development Bank of Japan Inc., a major government-affiliated financial institution, provides financing, investing, and advisory products and services in Japan. The company's financing services comprise medium- to long-term financing, syndicated loans, asset-based lending, debtor-in-possession financing, structured and subordinated financing, real estate asset financing, and project financing. Its investment products and services include equity financing, leveraged buyout and management buyout, and mezzanine financing services. The company's advisory services consist of mergers and acquisitions advisory services. Development Bank of Japan Inc. offers its services through its 10 branch offices and 8 representative offices in Japan, and 1 overseas representative office. The company was founded in 1951 and is headquartered in Tokyo, Japan.



July 26, 2013- **Mr. Satoshi Tomii** greets Bill Anawaty at DBJ headquarters.

FRIDAY
JULY 26, 2013
TOKYO
Meetings

Institute for International Economic Studies

- H.E. Ambassador Shotaro Oshima, Chairman
- Mr. Kiyota Ido, Vice-Chairman



Tokyo, July 26, 2013, **Ambassador Shotaro Oshima speaking with the Anari group luncheon**

H.E.

Ambassador Shotaro Oshima



is a law graduate from the University of Tokyo, with almost 40 years' experience as a diplomat in Japan's Foreign Service, most recently as Ambassador to the Republic of Korea.

From 2002 to 2005, Amb. Oshima served as Japan's Permanent Representative to the WTO from 2002 to 2005, during which time he served as Chair of the General Council and the Dispute Settlement Body, prior to that, Amb. Oshima served as Deputy Foreign Minister responsible for economic matters and was designated as Prime Minister Koizumi's Personal Representative to the G8 Summit in Canada in June 2002. From 1997 to 2000, Amb. Oshima served as Director-General for Economic Affairs in the Ministry of Foreign Affairs.

Over luncheon with the Anari group, Minister Oshima and his colleague Mr. Ido emphasized the significance of Japan's joining TPP negotiations and opined that Japan's entrenched rural interests will be persuaded to accept the resulting package this time as part of Abe reforms.

While concerned about the rising political tensions between Japan and China, Minister Oshima expressed optimism that cooler heads will prevail in both countries, based on mutual awareness of the broad and enormously positive economic interrelationships and business benefits the two nations derive from each other.



Tokyo, July 26, 2013 - **Mr. Kiyota Ido, Vice-Chairman, IIES** also addresses the Anari group at the luncheon.

FRIDAY
JULY 26, 2013
TOKYO
Meetings

Bank of Japan

- Mr. Kazuo Momma
Assistant Governor



Meeting at the BOJ, Assistant Governor Kazuo Momma explained to the Anari group that Governor Kuroda's announced 2% inflation target is BOJ's first-ever explicit inflation target and a vital part of Prime Minister Abe's 3-arrow reform program. He stated that BOJ is taking revolutionary measures such as a doubling of the monetary base and purchasing ETFs, to assure that the third arrow succeeds and is not broken. He noted that the 2-year announced time-frame may be flexible, but the goal is firm, and BOJ is paying close attention to possible side effects.



Tokyo, July 26, 2013, **Bank of Japan - Mr. Kazuo Momma, Assistant Governor**, meeting with Anari group.



Tokyo, July 26, 2013 – In the Boardroom of the Bank of Japan, Anari group meeting with **Kazuo Momma, Assistant Governor, BOJ** (right) with **Bill Anawaty, President, Anari, Inc.**; Anari group (left to right) **Laurent Desbois, Fjord Capital, President** (Montreal), **Chad Livingston, Kemnay Advisory Services** (NY), **James Davis, Ontario Teachers Pension Plan, Sr. VP & Chief Economist, Strategy & Asset Mix** (Toronto), **Karen Welch, Director, Stanford University Management** (California), **Wafa Wei, Managing Director, Stanford University Management** (California), **Ronald Frashure, Chairman, Acadian Asset Management** (Boston), **Joyce Poon, GaveKal Asia Research Director** (HK), **Josh Richter, Stanford University Management** (California).

FRIDAY
JULY 26, 2013
TOKYO
Meetings

Prime Minister Abe's Council on Economic & Fiscal Policy

- Mr. Susumu Takahashi
Expert Member & Chairman, Japan
Research Institute Ltd.

Mr. Susumu Takahashi

serves as
Chairman of the
Institute at The
**Japan Research
Institute, Limited** and has been a
Member of the International Advisory
Board at Komatsu Ltd. since April
2012. Mr. Takahashi is also a **Group
Member, Government Revitalization
Unit, Cabinet Office, Government of
Japan**. The Government Revitalization
Unit was established in order to reform
the overall national administration,
including the budget and system of
national administration and also to
review the division of roles among the
national government, local public
authorities, and private companies.

The **Japan Research Institute, Limited**
is a "knowledge
engineering" company,
that offers comprehensive,
highly value-added
information services,
especially with regard to
the development of
financial systems services.
The JRI is also active in
research of both domestic
and foreign economic
issues and formation of
policy recommendation.



Meeting with the Anari group, Mr. Susumu Takahashi, a Member of Prime Minister Abe's Council on Economic and Fiscal Policy shared the news that the Prime Minister's Fiscal Committee will wait longer to decide whether the consumption tax will be raised on schedule in mid-2014. He noted that medical, health, agriculture, and labor reforms (including industrial reformation) are among the most critical reforms being implemented while immigration reform, for cultural reasons, will be the last reform actually achieved. He added that to achieve 2% growth, Japan is counting on 1% from export gains due to the weakened yen.



Tokyo, July 26, 2013 – (above) At the **Japan Research Institute, Mr. Susumu Takahashi, Chairman, JRI**, (right center) meeting with the Anari group.

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12	Beijing Energy-Net DE <ul style="list-style-type: none">Dr. FENG Jianghua, President	
10	Bosera Asset Management <ul style="list-style-type: none">CEO Andrew WuMacroeconomist Dr. WeiDr. LIU Sidian, Ph.D., MacroStrategy Dept. Analyst	
16	CASS - Chinese Academy of Social Sciences <ul style="list-style-type: none">16Dr. WANG Junsheng, Institute of Asia-Pacific StudiesDr. YANG Danzhi, Asia-Pacific Security & Diplomatic Studies	
8	CIC – China Investment Corporation (sovereign fund) <ul style="list-style-type: none">Dr. ZHOU Yuan, Chief Strategic Officer	
9	CMG - China Merchants Group <ul style="list-style-type: none">Ray Feng, Executive Director CM Capital Management International Ltd.	
11	CPES, Center of Private Economic Studies <ul style="list-style-type: none">Dr. LIU Honglu, Ph.D., Director-General, C.A.S.S. Center of Private Economic Studies	
14	CSRC - China Securities Regulatory Commission <ul style="list-style-type: none">Dr. QI Bin, Director-General, CSRC Research Center President, Institute of Securities & Futures	
13	IIF - Institute of International Finance <ul style="list-style-type: none">Ms. Ashley Zhang, Assistant to Chief RepresentativeMr. Andy Gao, AssistantDr. Lionel Luo, SWS Research Co.	
6	GaveKal Research <ul style="list-style-type: none">Andrew Batson Chief Analyst, GaveKal Research, Editor, China Economic Quarterly	
17	NSSF – National Social Security Fund <ul style="list-style-type: none">Ms. CHEN Ying, Deputy Director, Equity & Fixed Income Investment Dept.Dr. ZHANG Jian, Equity & Fixed Income Investment Dept.	
15	PBoC – People’s Bank of China (Central Bank) <ul style="list-style-type: none">Dr. LIU Xiangyun, Director, Macroeconomic Research Div.Dr. ZENG Hui, Director, Monetary Policy Division, Research Department	
12	Petroleum Finance Corp <ul style="list-style-type: none">ZHU Chen, Senior Analyst, PFC Energy, BeijingTEE SingYick, Analyst, PFC Energy, Beijing	
7	SASAC - State-Owned Assets Supervision & Administration Commission <ul style="list-style-type: none">Mr. XU Baoli, Director of Competitiveness DepartmentZHOU Haichen, Deputy Division Chief, Research Center	
18	World Bank <ul style="list-style-type: none">Mr. Klaus Rohland, China Country Director	
19	YiCai (China Business News) <ul style="list-style-type: none">Ms. SUN Hongjuan, Finance Desk JournalistMr. JIANG Fei, Capital Market News Desk Director	

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33	Bank of Japan <ul style="list-style-type: none">Mr. Kazuo Momma Assistant Governor	
25	Government Pension Investment Fund (GPIF) <ul style="list-style-type: none">Mr. Takashi Jimba, Director-General, Investment DepartmentMr. Atsushi Tenda, Director, Research Department	
31	Development Bank of Japan <ul style="list-style-type: none">Mr. Satoshi Tomii Managing Executive Officer	
32	Institute for International Economic Studies <ul style="list-style-type: none">Ambassador Shotaro Oshima, Chairman & CEOMr. Kiyota Ido, Vice-Chairman, IIEC	
27	House of Representatives of Japan <ul style="list-style-type: none">Mr. Keisuke Suzuki, 3-term Member, LDP Party	
26	Japan Institute for National Fundamentals <ul style="list-style-type: none">Ms. Yoshiko Sakurai, President	
24	Japan Ministry of Finance <ul style="list-style-type: none">Mr. Nobumitsu Hayashi, Director-General, Financial BureauMr. Satoru Shibata, Director for Debt Management and JGB Investor RelationsMs. Ikuko Shiota, Deputy Director, Market Finance Division	
23	Japan Post Holdings Co., Ltd. <ul style="list-style-type: none">Mr. Taizo Nishimuro, President & CEOMr. Yoshiyuki Izawa, President & CEO, Japan Post Bank Co., Ltd.	
34	Japan Research Institute Ltd. <ul style="list-style-type: none">Mr. Susumu Takahashi, Chairman, Japan Research Institute Ltd. Expert Member Prime Minister Abe's Council on Economic & Fiscal Policy	
28	Neo Career <ul style="list-style-type: none">Mr. Ryoichi Nishizawa, CEO	
22	The Institute of Energy Economics, Japan <ul style="list-style-type: none">Mr. Nobuo Tanaka, Global Associate, Energy Security and Sustainability	
30	Sumitomo Mitsui Banking Corporation (at the Tokyo Club) <ul style="list-style-type: none">Mr. Toshihiro Sato, Gen. Mgr, International Treasury DepartmentMr. Yasuyuki Takeda, General Manager, Treasury Department	
29	Trenders Inc. (women in the Japanese workforce) <ul style="list-style-type: none">Ms. Kahoko Tsunazawa, CEO	

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