
Honorable Mention

By Editorial Staff Thu, Mar 24, 2016

Brief or late-breaking items from Prudential, the CFP Board, Fidelity and TIAA.

Global aging will bring opportunities in real estate and health care: Prudential

Aging populations worldwide will create investment opportunities in real estate, healthcare, and technology, according to a new report from PGIM, Prudential Financial's \$963 billion global investment management businesses. *A Silver Lining: The Investment Implications of an Aging World* urges institutional investors to consider how a graying world could impact their portfolios.

The report describes opportunities in real estate, healthcare and technology:

Real estate represents more than 40% of the gross assets of 65+ households in developed markets, and aging populations will create demand in the sector in at least three ways:

- *From homes to condos:* In the U.S., Baby Boomers are buying centrally located condos in cities like Raleigh, N.C.; Nashville, Tenn.; Austin, Texas; and Atlanta.
- *Senior housing:* Demand for senior housing in the U.S. will grow by 850,000 new units by 2030, up 75% from 2010, according to *Senior Housing Analytics*. The U.K., Japan, and China, also face rising demand.
- *Eds and Meds:* The increase in age-related diseases will create opportunities to invest in the real estate required by biotech start-ups, established medical companies, and research centers near universities.

Healthcare and technology growth will be driven by people over 85, who spend four times as much on healthcare as those aged 45 to 64, leading to two key investment themes:

- *Pharmaceutical and biotech firms:* Venture capital firms are financing companies that target dementia, stroke, cancer, Alzheimer's, and Parkinson's. Mid- and late-stage pharma-focused private equity also plays a role.
- *Silvertech:* A new wave of businesses are creating, distributing, and using technology-enabled medical services and devices to help seniors live independently, including solutions for chronic care, mobility, and delivery of medical care.

The CFP Board to host new research conference in February 2017

The CFP Board Center for Financial Planning has put out a call for papers to be presented at the first- Academic Research Colloquium for Financial Planning and Related Disciplines, set for Washington, D.C. on February 7-9, 2017. Retirement planning will be one of the topics covered.

The Center, along with the Canadian-based Financial Planning Standards Council and the international association, Financial Planning Standards Board, host the meeting for researchers, graduate students and leaders of financial planning practice. The leading sponsor is TD Ameritrade Institutional, which is the lead founding sponsor of the CFP Board Center for Financial Planning.

The deadline for submitting an expression of interest to offer a paper or poster is April 30, 2016. The colloquium will be held at the Renaissance Arlington Capital View Hotel on February 7-9, 2017. More information can be found [here](#).

The Center's Academic Research Colloquium for Financial Planning and Related Disciplines will feature paper presentations; invited speakers; interviews for open financial planning faculty positions; and a focus on poster/concurrent sessions for doctoral students within financial planning programs as well as related research areas.

The review committee welcomes papers on the following topics that relate or indirectly relate to financial planning practice/financial planning body of knowledge:

- Retirement Planning
- Financial Management
- Psychology and Relationship-building
- Taxation
- Insurance/Risk Management
- Sociology
- Investments/Asset Management
- Financial Planner Education/Pedagogy
- Estate planning/Wealth Transfer
- Marriage and Family Therapy
- Communication and Counseling
- Behavioral Finance
- Other topics related to financial planning

- Proposals for panel discussions devoted to research areas that affect financial planning practice or financial planner education will also be considered for inclusion in the program.

There will also opportunities for both Best Paper Awards as well as Student Best Paper Awards.

Best active large-cap equity funds beat average index counterparts: Fidelity

A certain group of actively managed U.S. large-cap equity fund—funds “with lower fees from the five largest fund families”—on average outperformed their benchmark in by 0.70% (70 basis points) after fees in 2015, according to a new report from Fidelity Investments.

The same subset of funds also outperformed their benchmarks by 0.18% per year from 1992 through 2015, while the average subset of passive index fund slightly trailed its benchmark by 0.04%.

The new report, “Some Active Funds Rise Above a Tough Year,” updates Fidelity’s previously released paper with 2015 performance data.

“Industry-wide averages... may be doing investors a disservice by giving them the perception that all active funds cannot outperform passive funds, which is simply not true,” says Timothy Cohen, chief investment officer at Fidelity Investments.

If a hypothetical retirement investor saved \$5,000 per year in two different accounts, one with 0.18% of annual excess return and one with -0.04% of annual excess return (assuming returns are net of fees and a constant “benchmark” return of 7%), the balance for the account with 0.18% of excess return would be more than \$64,000 or 6% higher than the other account after 40 years, or 6% more, Fidelity said.

Fidelity said that the best actively managed international large-cap funds outperformed their benchmarks by 0.85% per year and U.S. small-cap funds outperformed their benchmarks by 0.99% per year. The giant fund company also said that 81% of its equity funds managed by the same portfolio manager for at least five years have beaten their benchmark over the manager’s tenure.

TIAA “globalizes” the name of its asset management group

Within weeks after shortening its brand name to a single four-letter acronym from a hyphenated pair of four-letter acronyms, TIAA this announced that its investment organization will henceforth be known as “TIAA Global Asset Management” and no longer as TIAA-CREF Asset Management.

“This name change is one of many steps in our journey to be recognized as a leading global asset manager,” said Robert Leary, the unit’s president, in a release.

TIAA Global Asset Management has investments in more than 40 countries and collectively manages \$854 billion in assets. About \$220 billion of those assets were acquired in April 2016 when TIAA bought Nuveen Investments for \$6.25 billion from Madison Dearborn Partners.

TIAA Global Asset Management investment teams, strategies, products and investment solutions will not change as a result of the new brand. The division offers equities and fixed income, as well as alternative and private investments such as commercial real estate, agriculture, timber, infrastructure and energy. The unit has about 2,500 employees, including more than 500 investment professionals.

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