

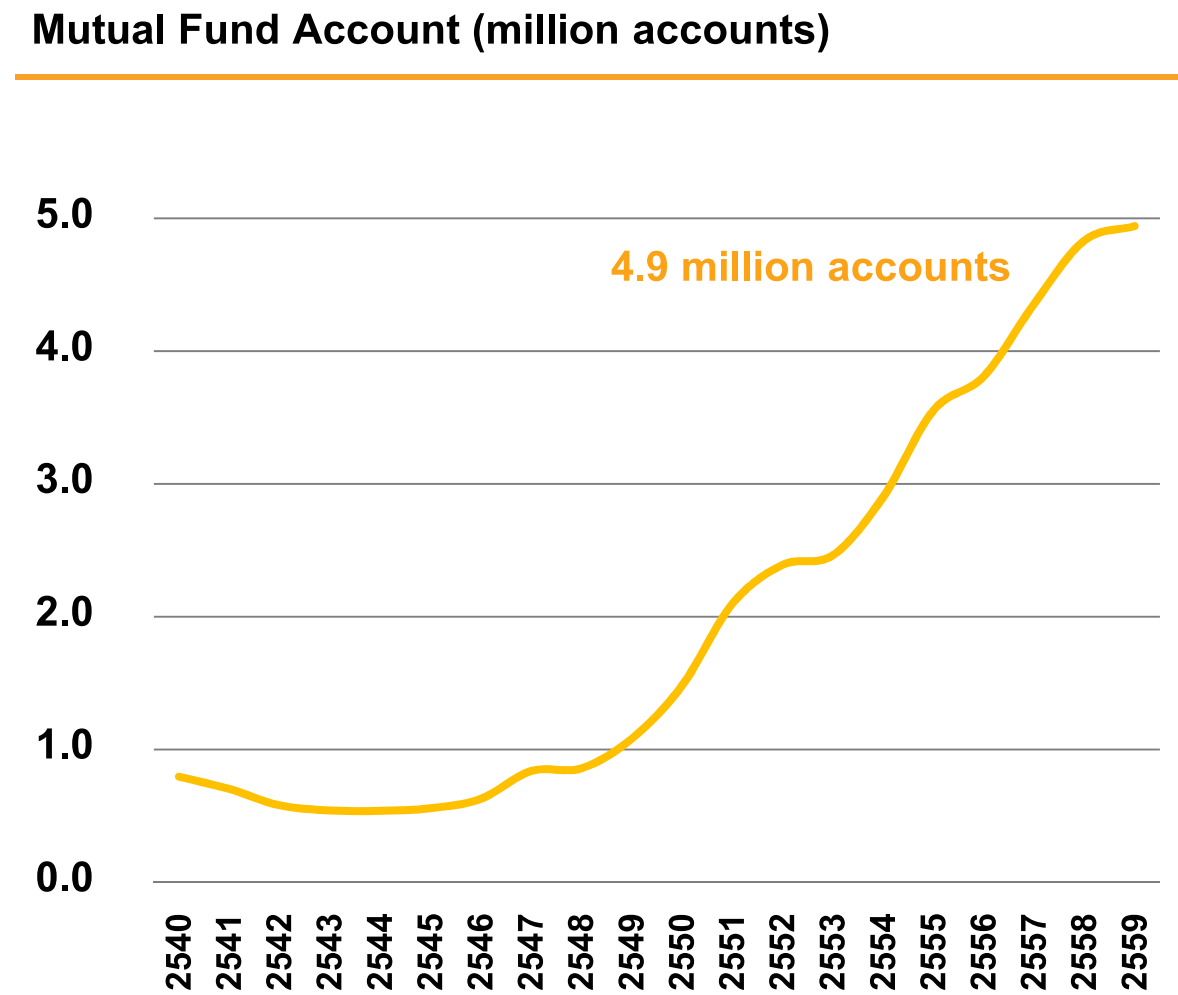
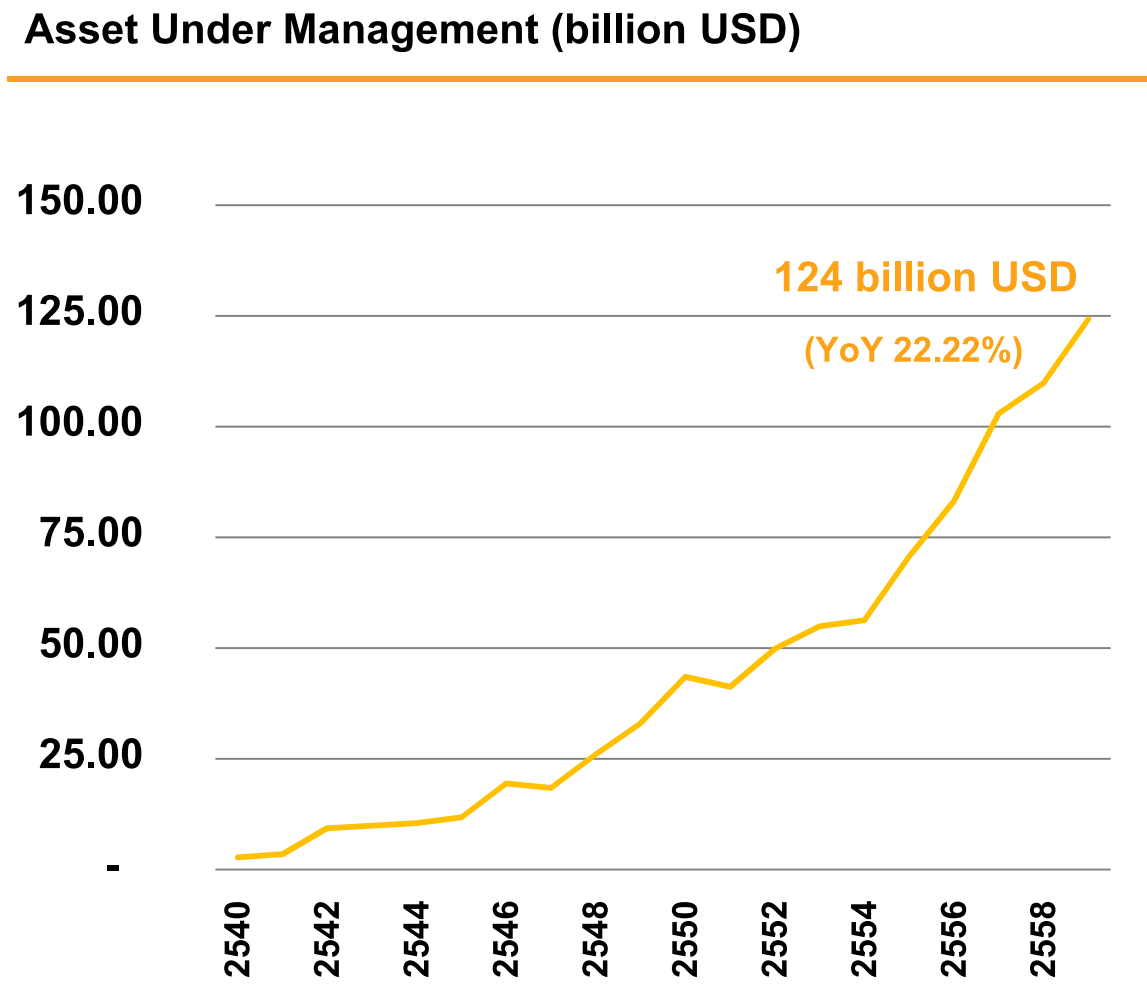
Market Infrastructure Initiatives in APAC:

STP in Thailand Market – Funds Settle Platform and PSMS

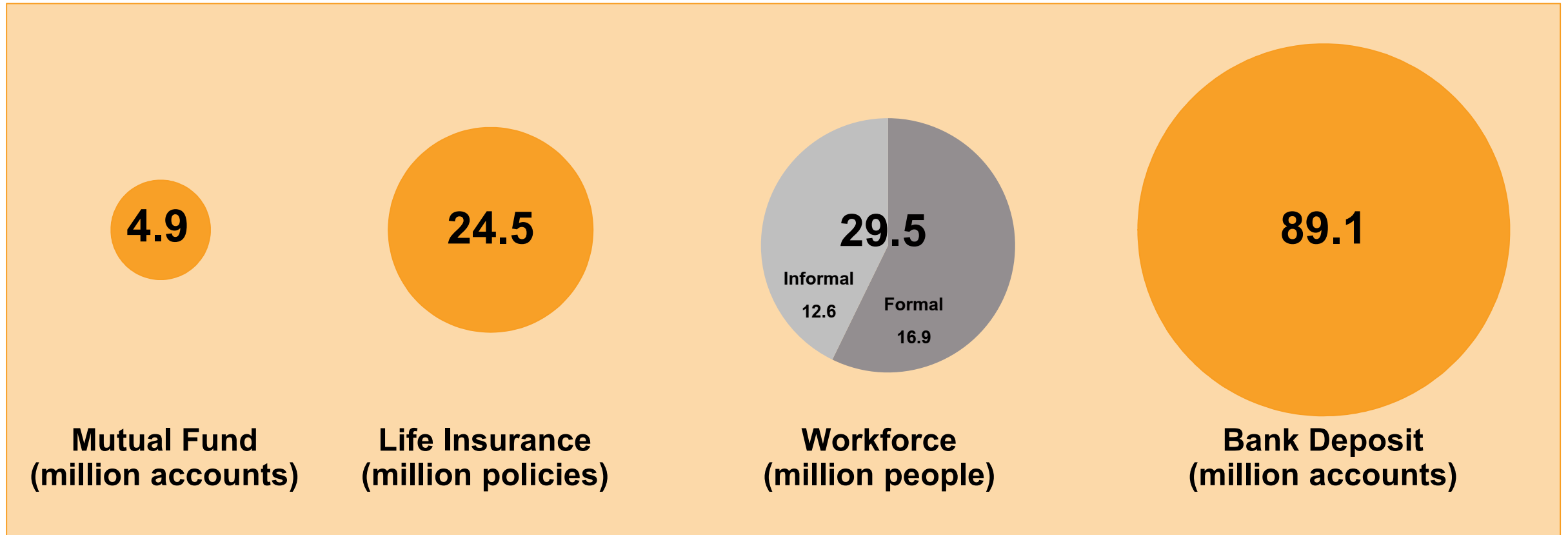
RMPG

November 2016

Thailand mutual fund has been growing steadily



Access to mutual fund is relatively limited



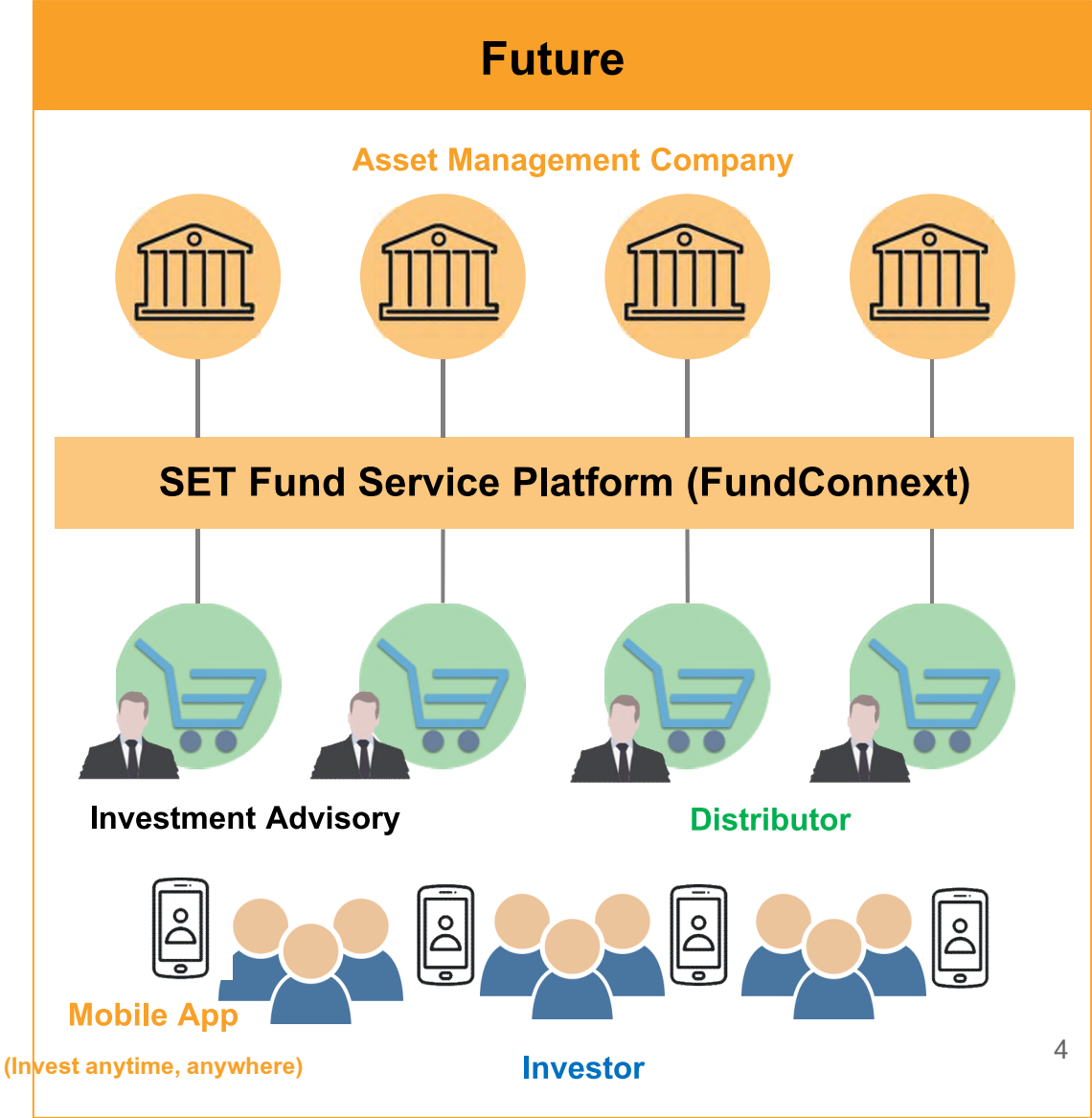
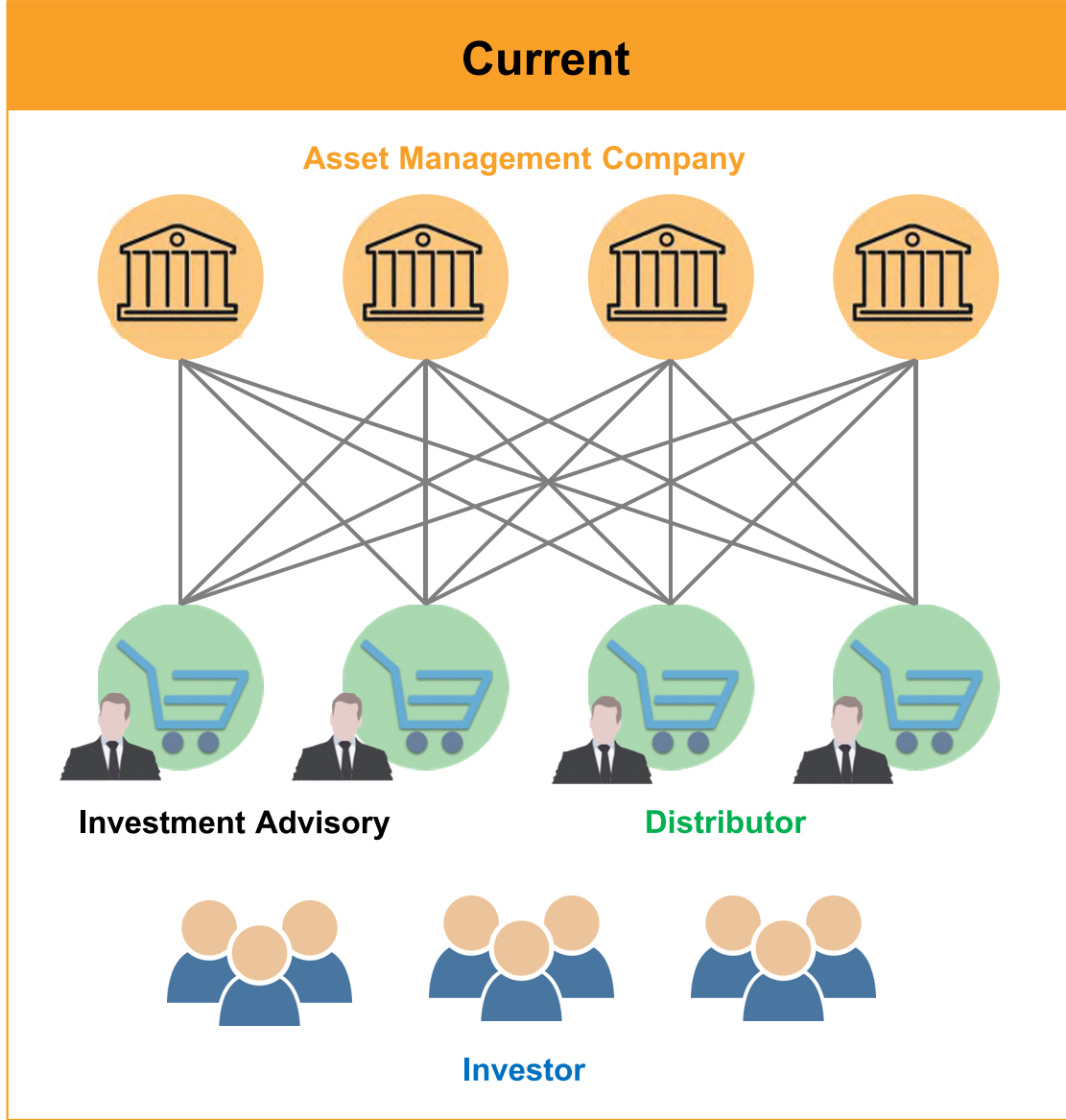
Source: (1) The Association of Investment Management Companies, data as of August 2016

(2) Bank of Thailand, data as of June 2016

(3) Life Insurance Association, data as of June 2016

(4) National Statistical Office of Thailand, data as of December 2015

SET in collaborating with mutual fund stakeholders and the Thai regulator to implement the Fund Service Platform to broaden access to mutual funds



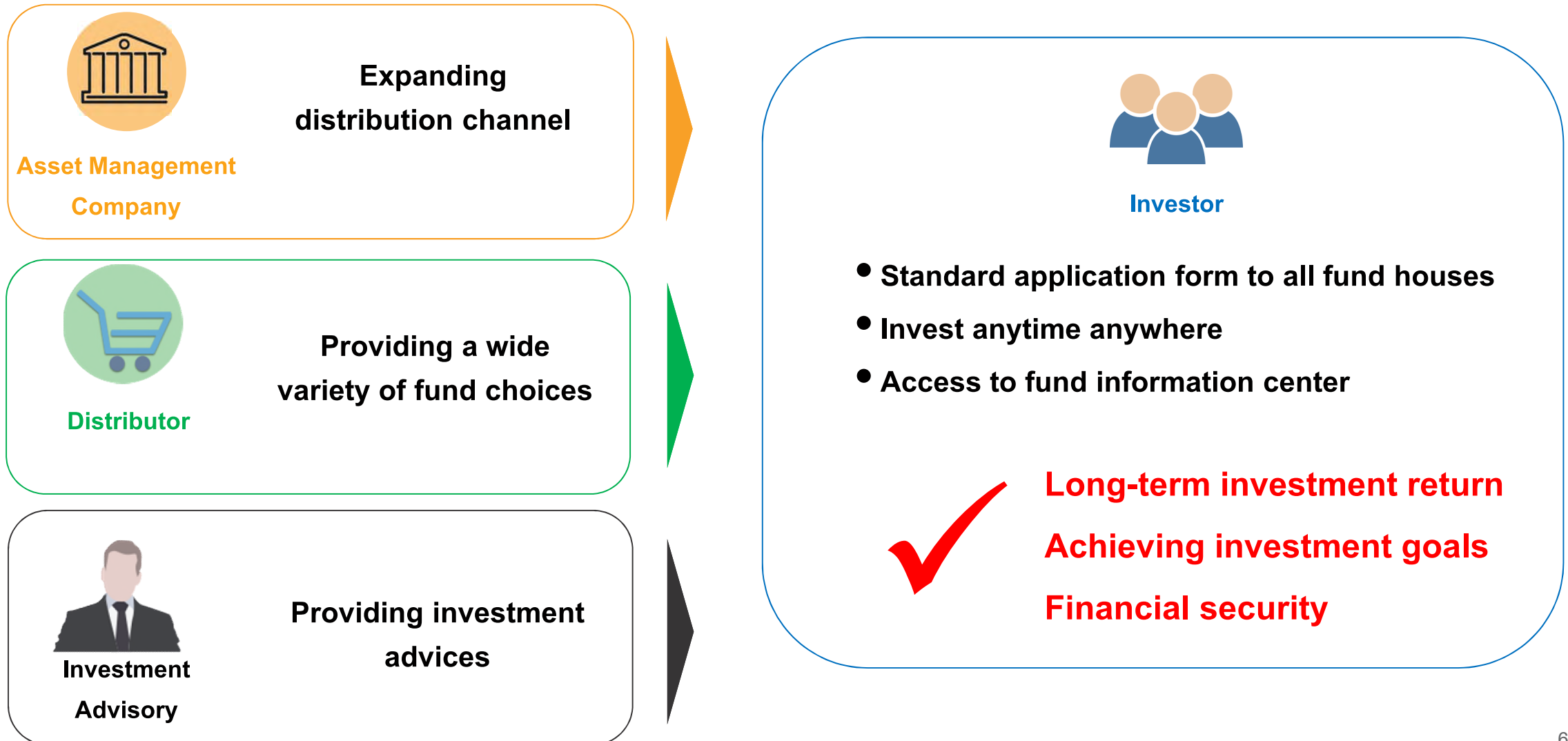
VISION

**Build the future ecosystem for
mutual fund distribution and investment**

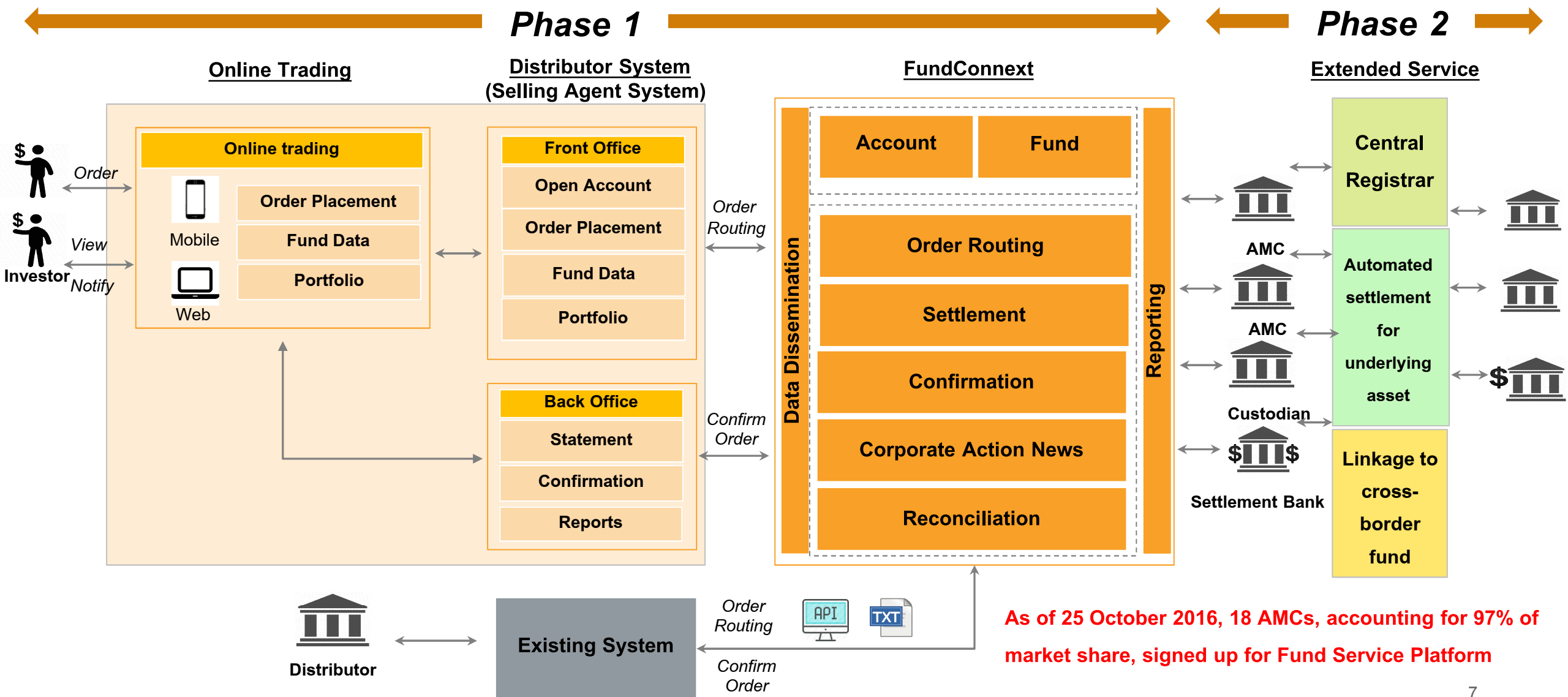
MISSION

Make it easy to access mutual funds

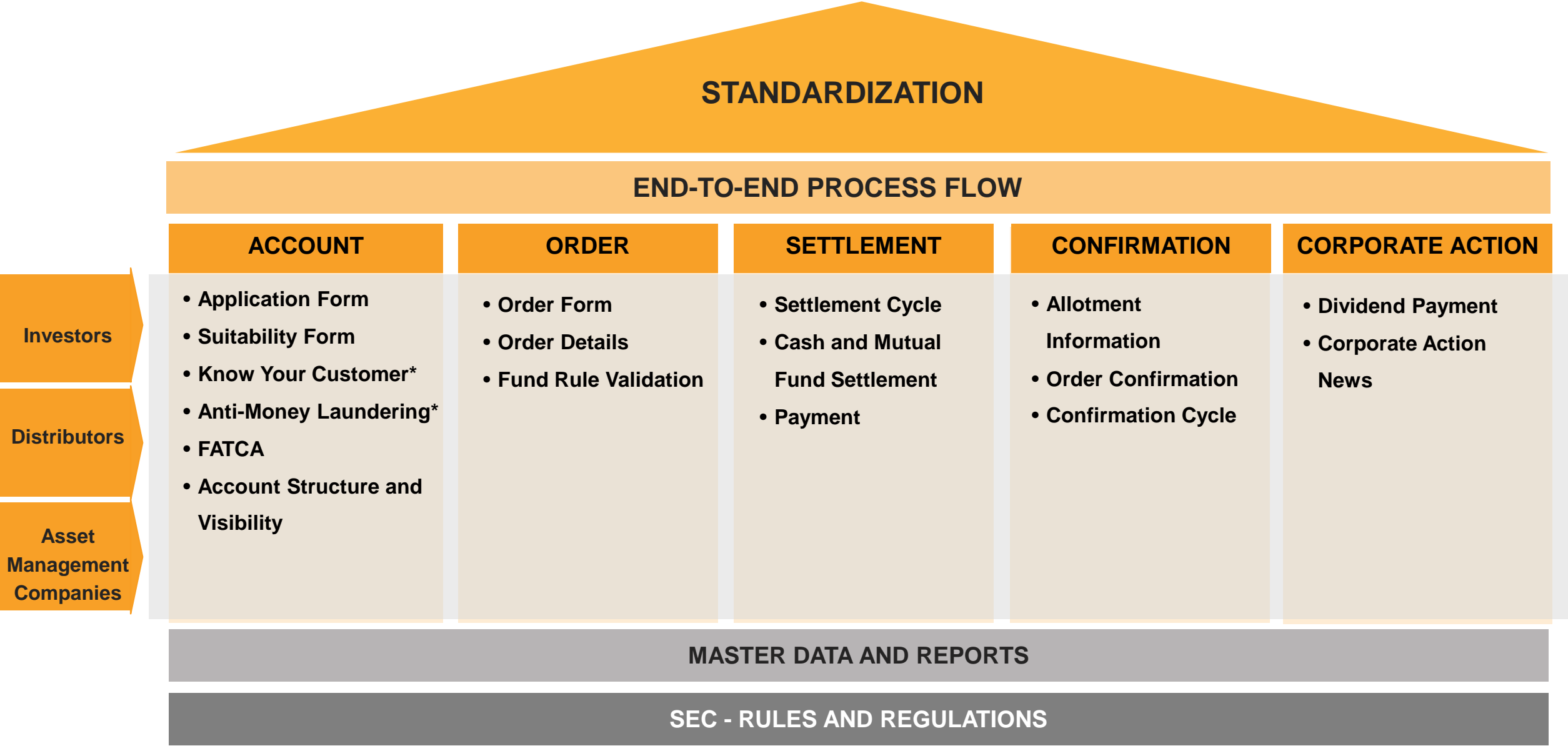
The Platform will reduce operational burden and allow stakeholders to deliver values added: Advices and Returns



SET Fund Service Platform covers end-to-end process

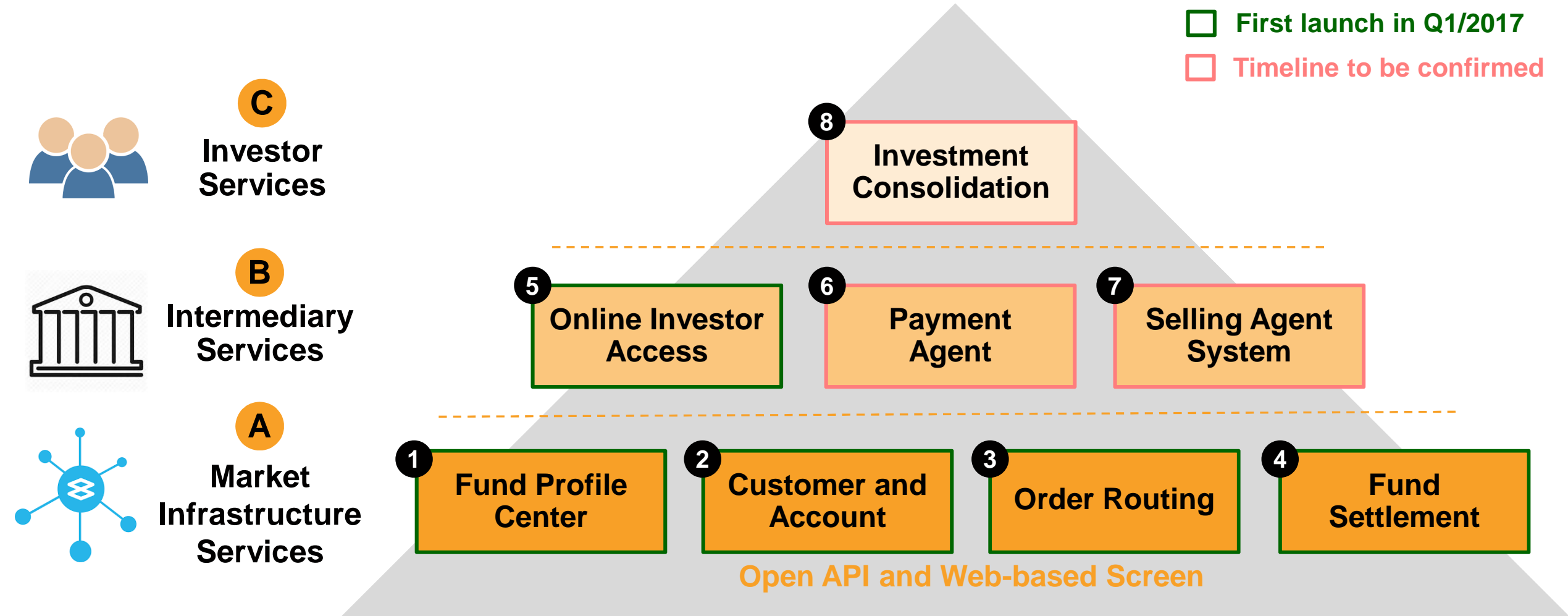


Workstreams of workshop with market participants and regulator



* KYC and Anti-Money Laundering compliance are still performed by distributor.

Phase I: Eight services will be offered to address various needs of market participants

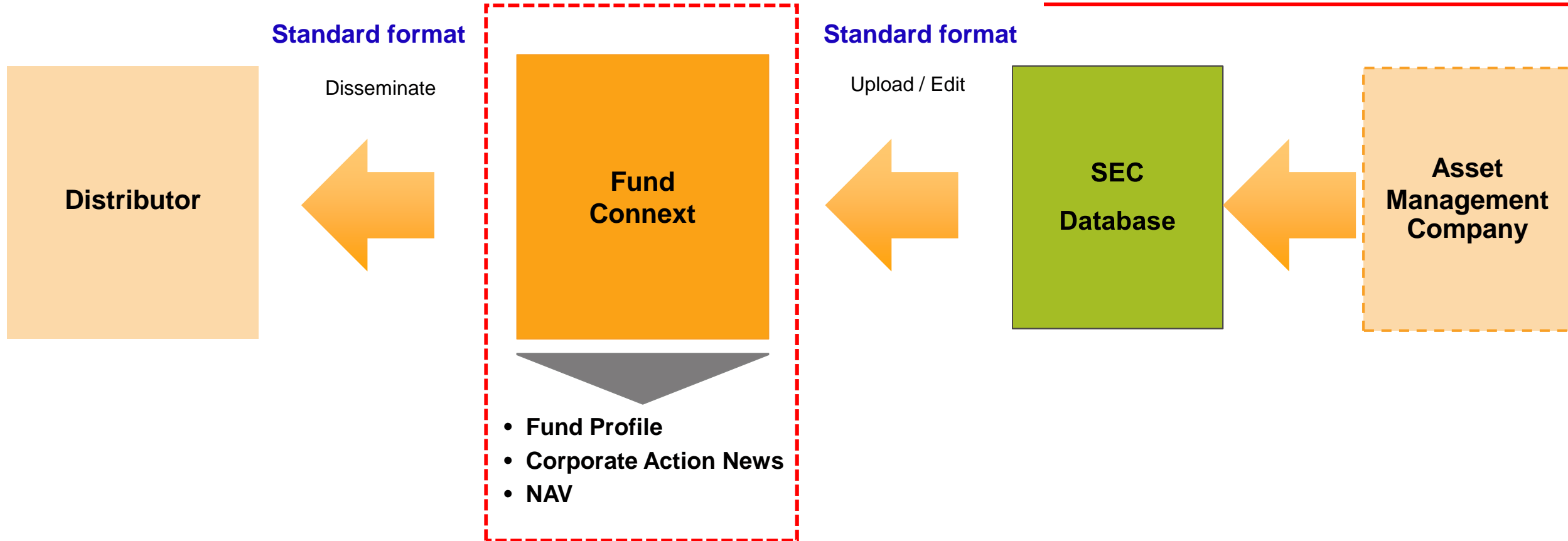


- Participating distributors and asset management companies are not required to use all eight services. They can adopt services according to their needs.v

1 Fund profile

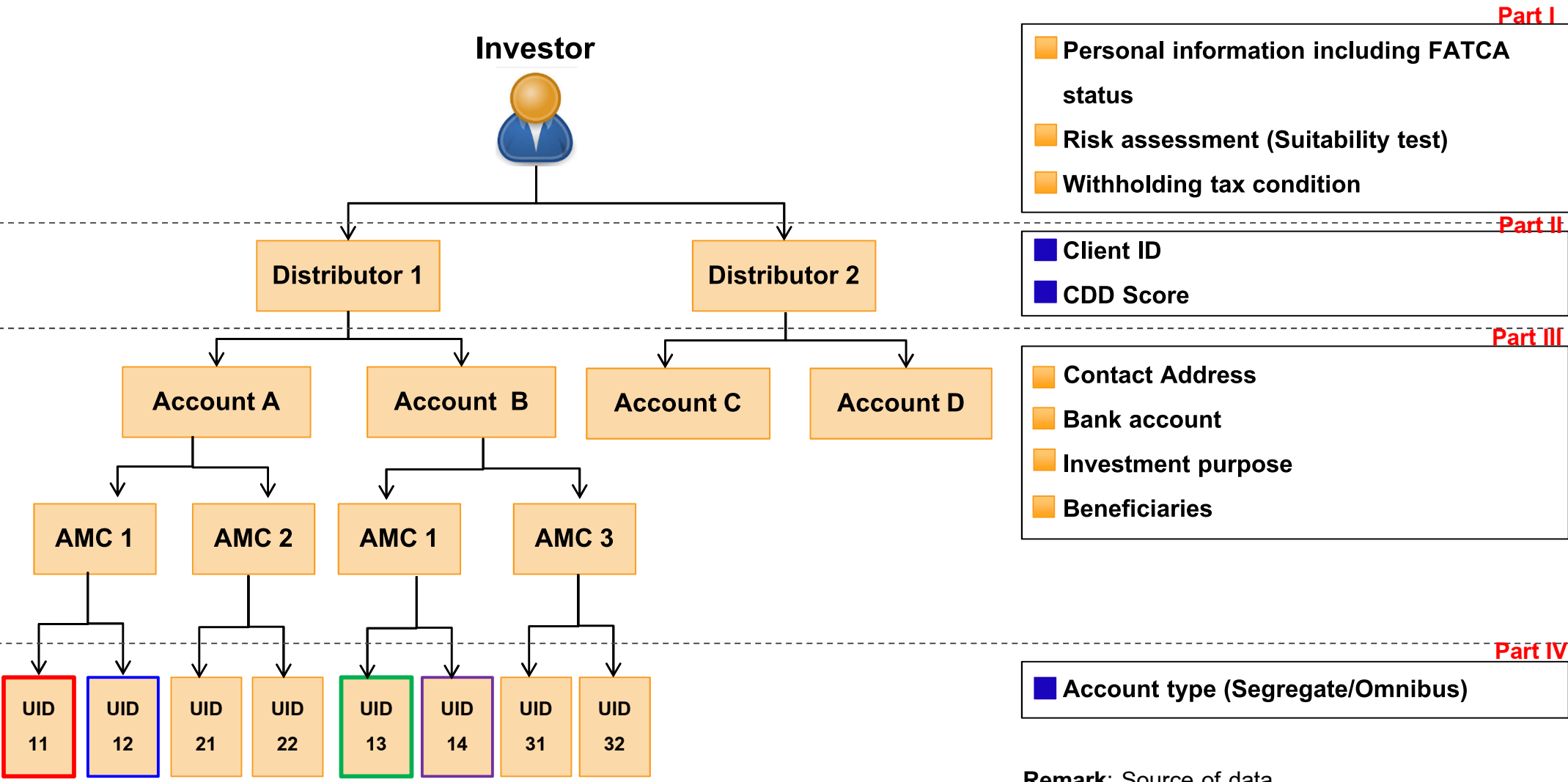
FundConnex is a single source of fund information including fund profile, fund performance, and corporate action news

In process to discuss with Securities Exchange Commission (SEC) and Association of Investment Management Companies (AIMC)



2 Customer and account

One investor has one profile which is used to created accounts by distributors



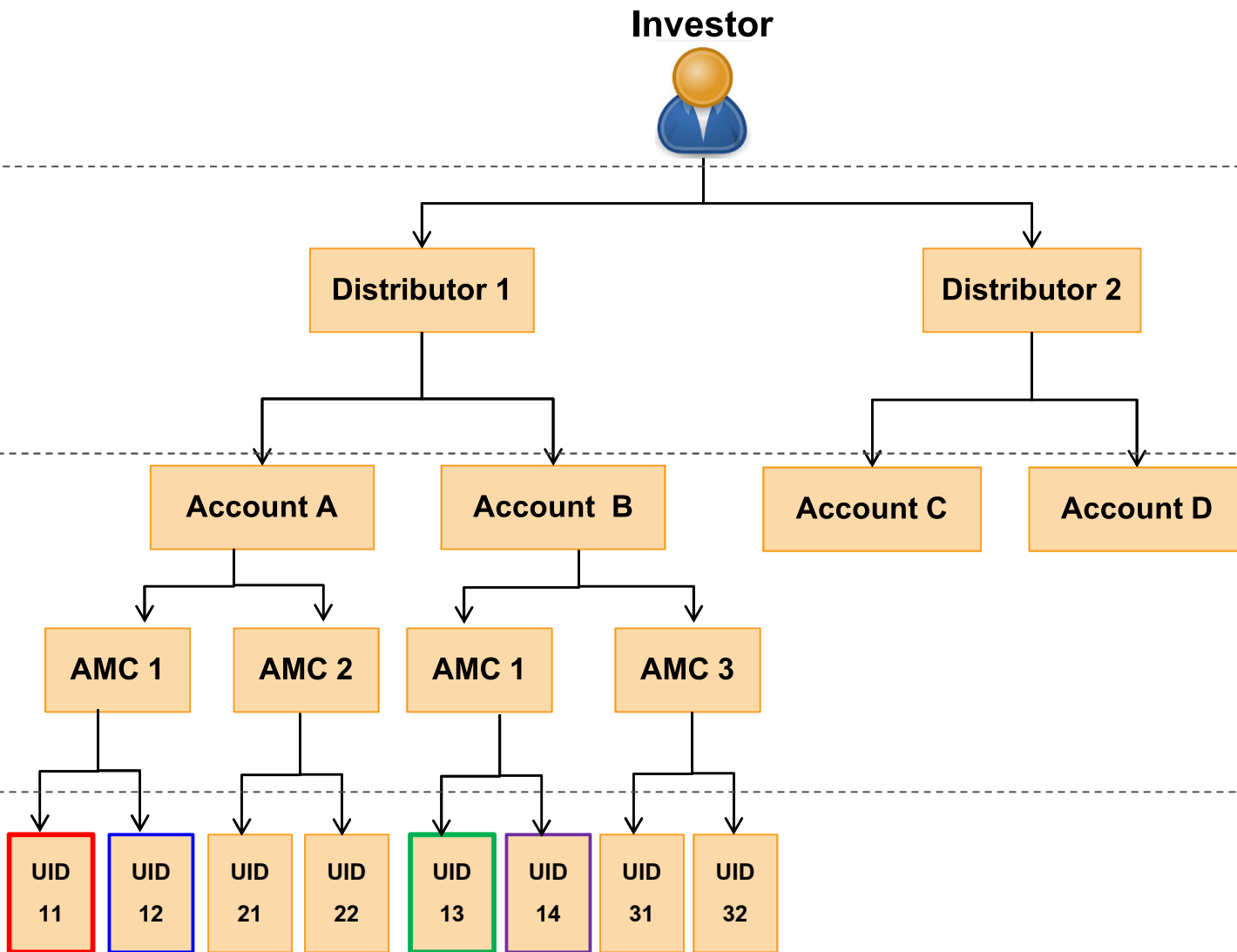
• One Account – Multiple Unitholder ID

Remark: Source of data

Application form Distributor assessment

2 Customer and account

One investor has one profile at distributor



• One Account – Multiple Unitholder ID

Part I

- Personal information including FATCA
- Risk assessment (Suitability test)
- Withholding tax condition
- Client ID
- CDD Score

Part II

- Contact Address
- Bank account
- Investment purpose
- Beneficiaries

Part III

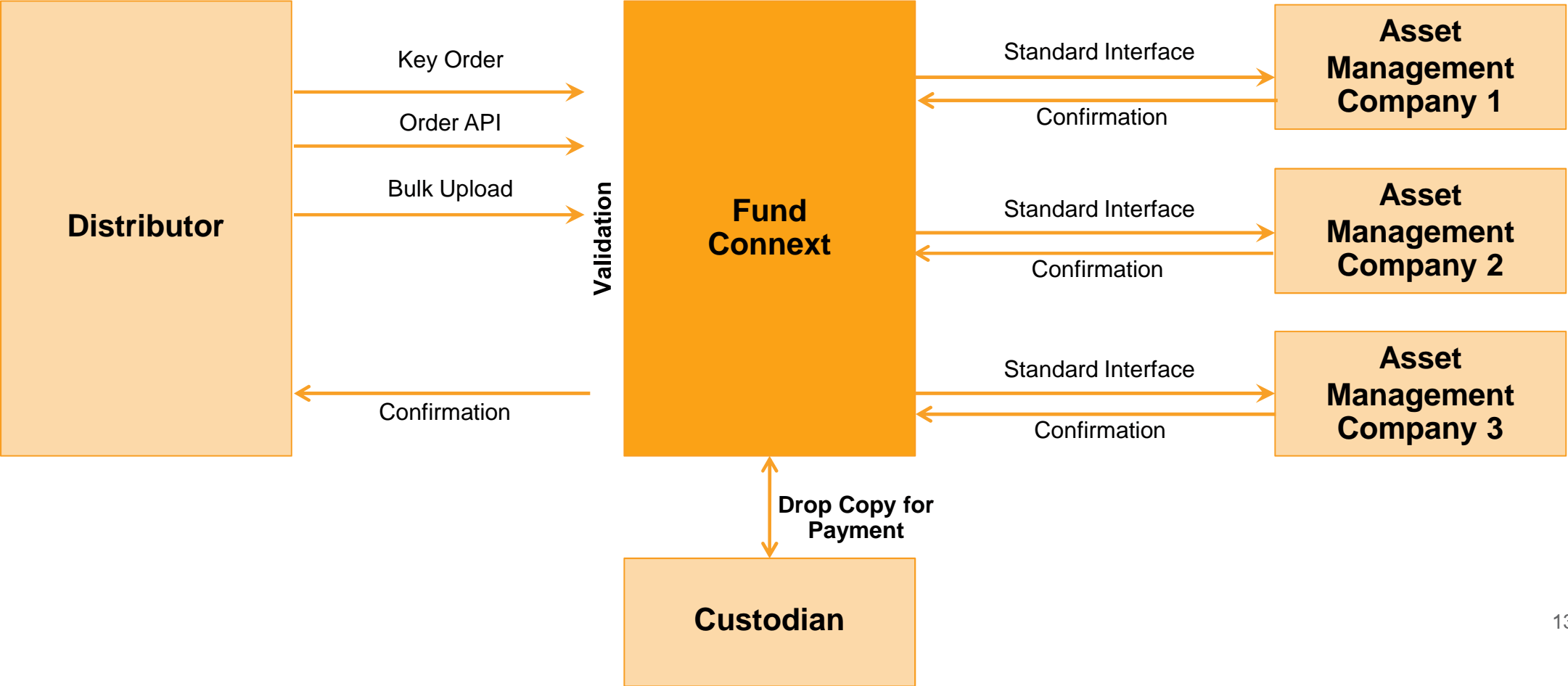
- Account type (Segregate/Omnibus)

Remark: Source of data

Application form Distributor assessment

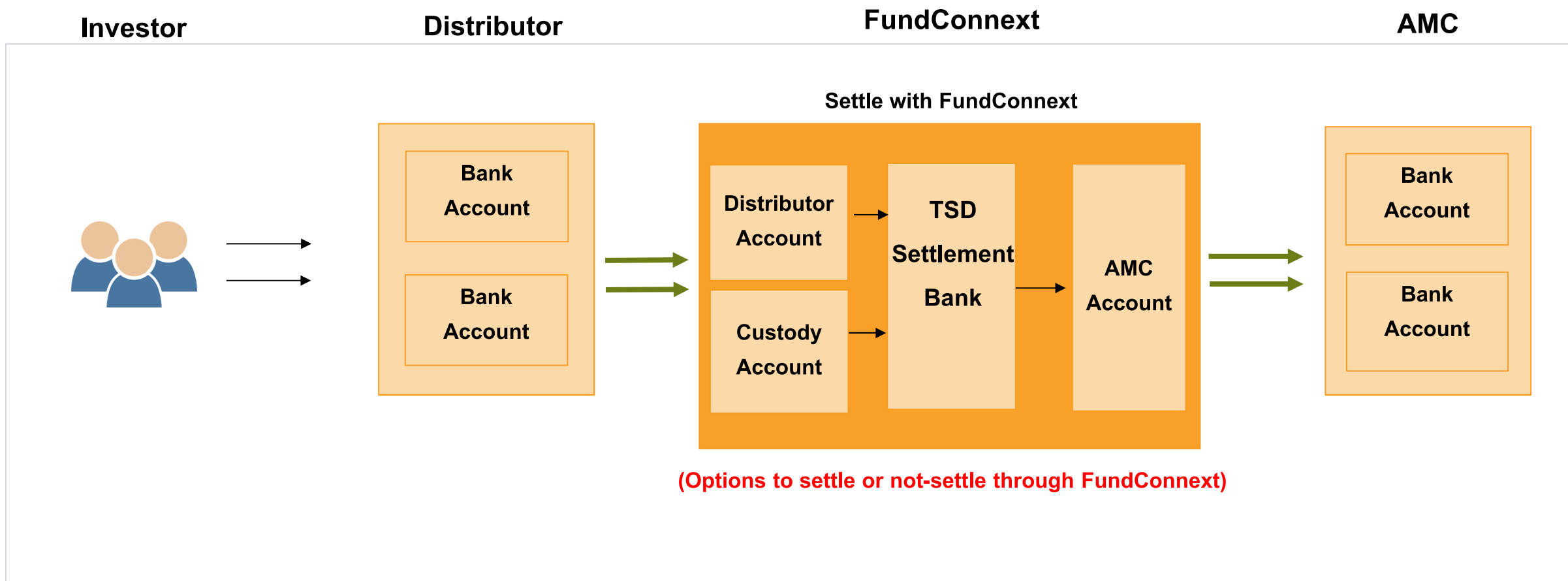
3 Order Routing

FundConnex is an electronic order-routing and confirmation system between distributor and AMC



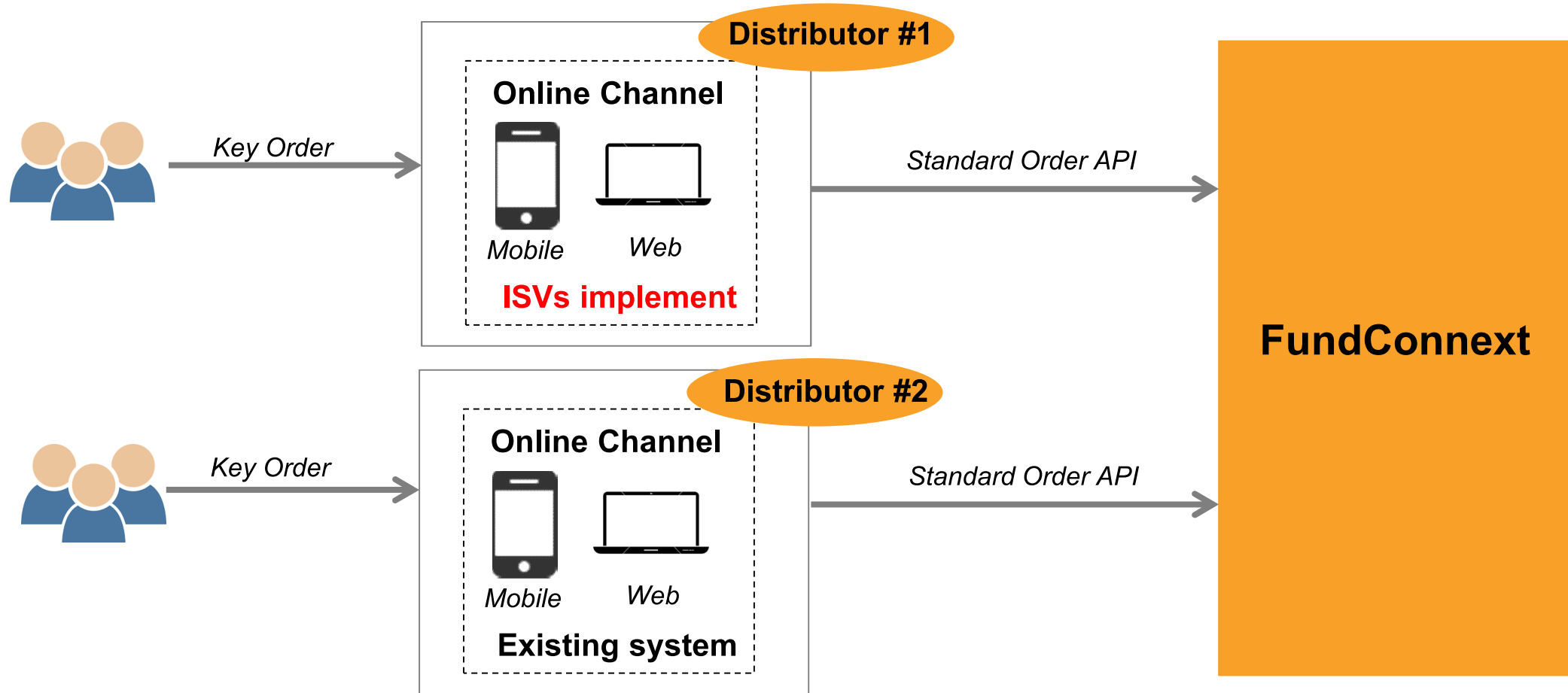
4 Fund Settlement

FundConnex provides automated cash settlement between distributor and AMC



5 Online channels for Investor Access

FundConnex provides open APIs that support the development of online channel for investors



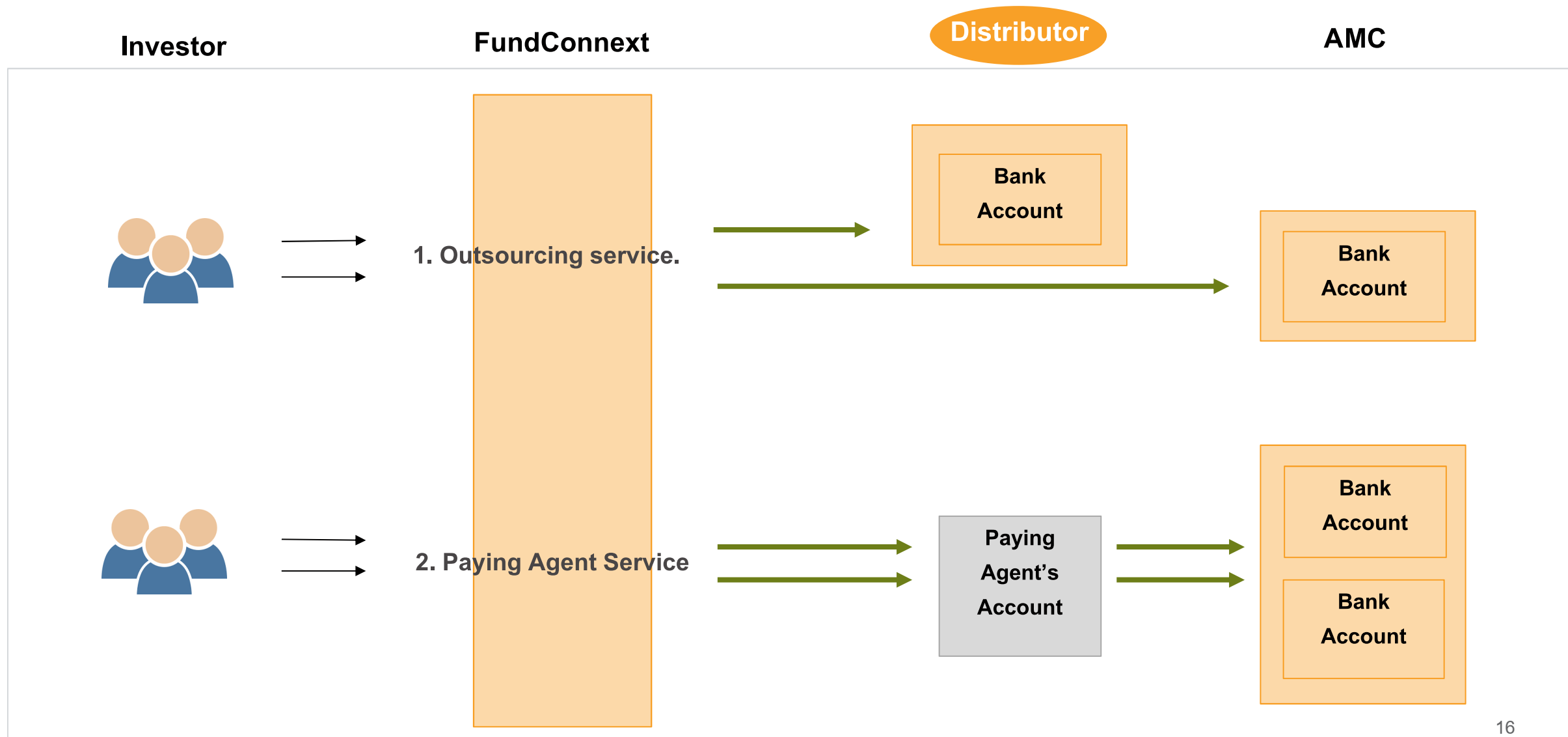
Key Benefit

- Open architecture for ISVs to implement innovative investment tools for investors

Remark: ISVs = Independent Software Vendors

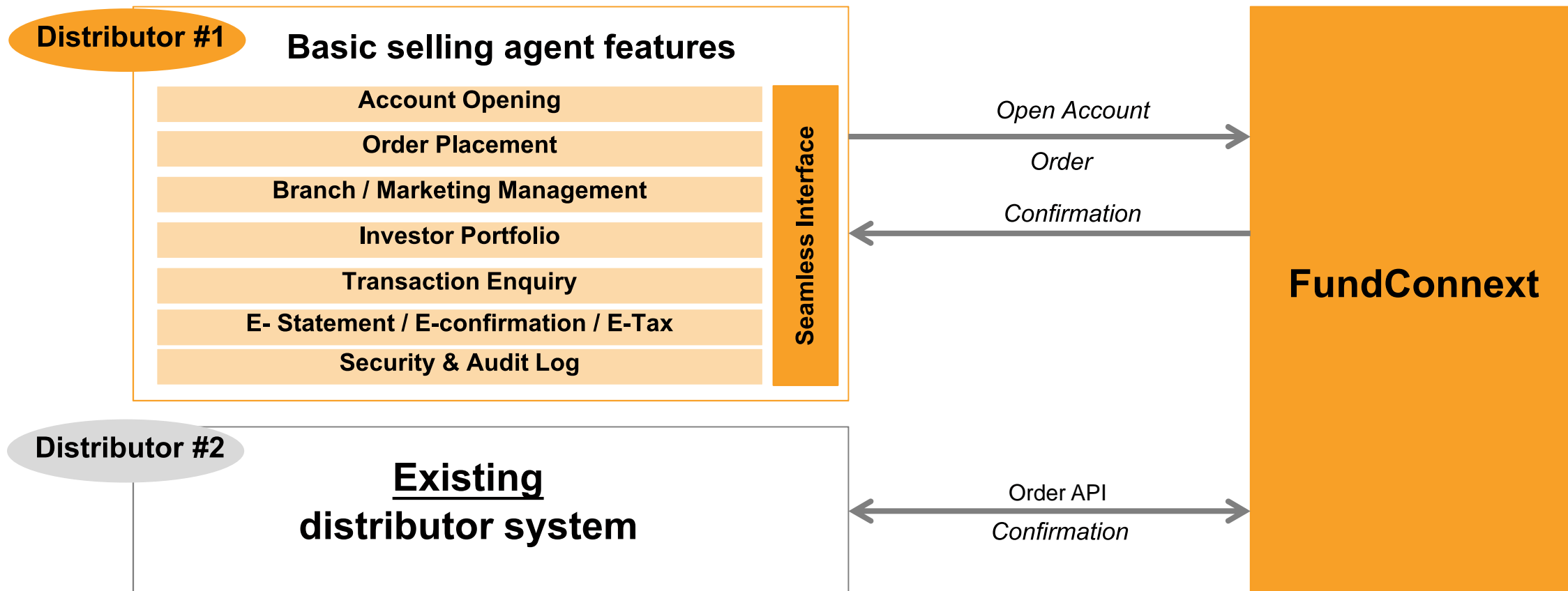
6 Paying Agent

FundConnex facilitates payment between intermediaries and end investors



7 Selling Agent System

FundConnex provides basic features to support distributor's front / back-office operation

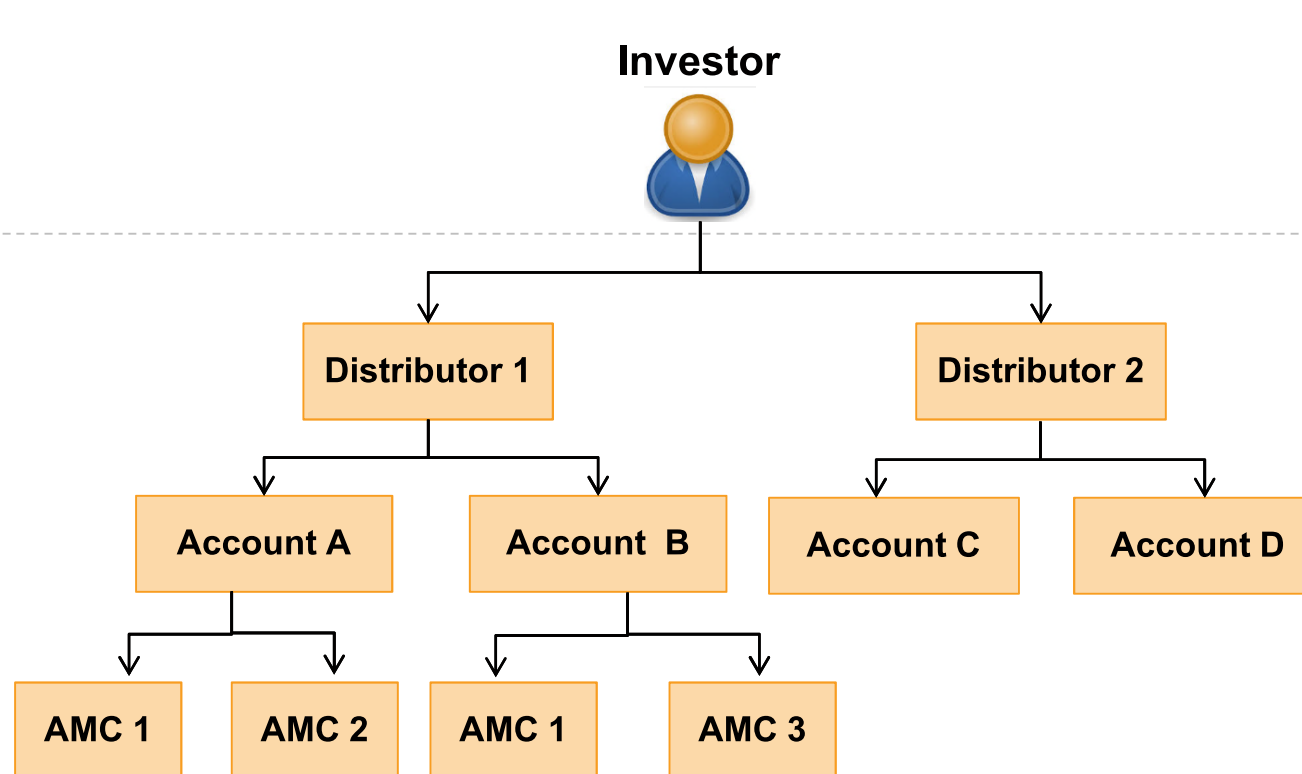


Key Benefit

- Lower initial cost for distributors
- Seamless standard interface with FundConnex
- Electronic statement and confirmation

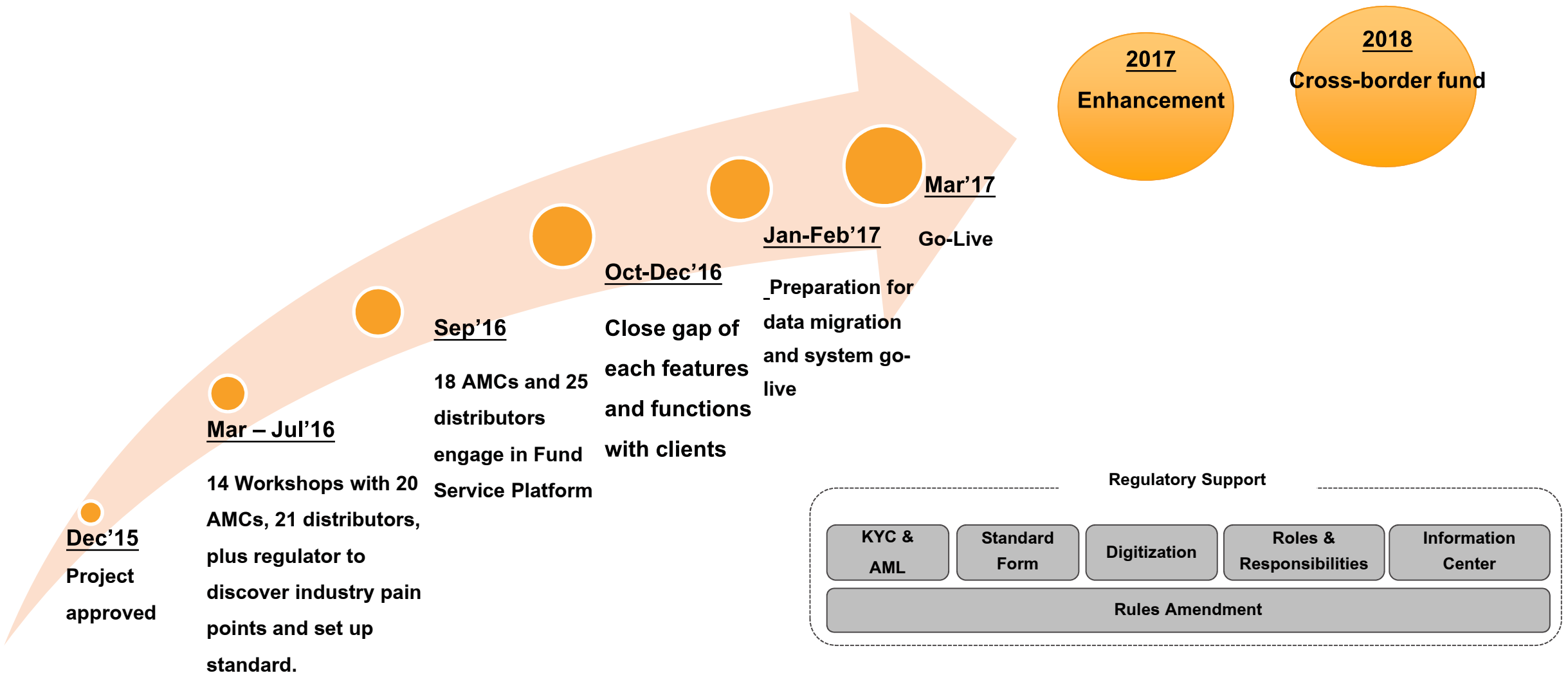
Consolidated Report

The Platform provides consolidated reports that aggregate positions across all distributors and asset management companies for investors



- Consolidated Statement
- Dividend payment
- LTF/ RMF documents

The Way Forward: Continuous Enhancement



Q & A

Appendix

Participants who plan to adopt the Fund Service Platform to broaden mutual fund access

As of 20 October 2016

18 Asset Management Companies

1. Krungthai AM
2. Krungsri AM
3. Kasikorn AM
4. Solaris AM
5. TMB AM
6. Talis AM
7. TISCO AM
8. SCB AM
9. Thanachart AM
10. BBL AM
11. Merchant Partner AM
12. UOB AM
13. One AM
14. Aberdeen AM
15. MFC AM
16. CPAM
17. BCAP
18. Phatra Asset

Market share by
AUM = 97%*

25 Fund Distributors

15 Securities Companies

1. Krungsri Securities
2. Kasikorn Securities
3. KTB Securities Thailand
4. DBS Vickers Thailand
5. TISCO Securities
6. SCB Securities
7. Bualuang Securities
8. Finansia Securities
9. Merchant Partner Securities
10. Yuanta Thailand Securities
11. Asia Wealth Securities
12. AEC Securities
13. KT ZMICO Securities
14. Capital Nomura Securities
15. Maybank Kim Eng Securities

5 Commercial Banks

1. CIMB Thai
2. SCB
3. BAY
4. LH Bank
5. Government Savings Bank

2 Life Insurance Companies

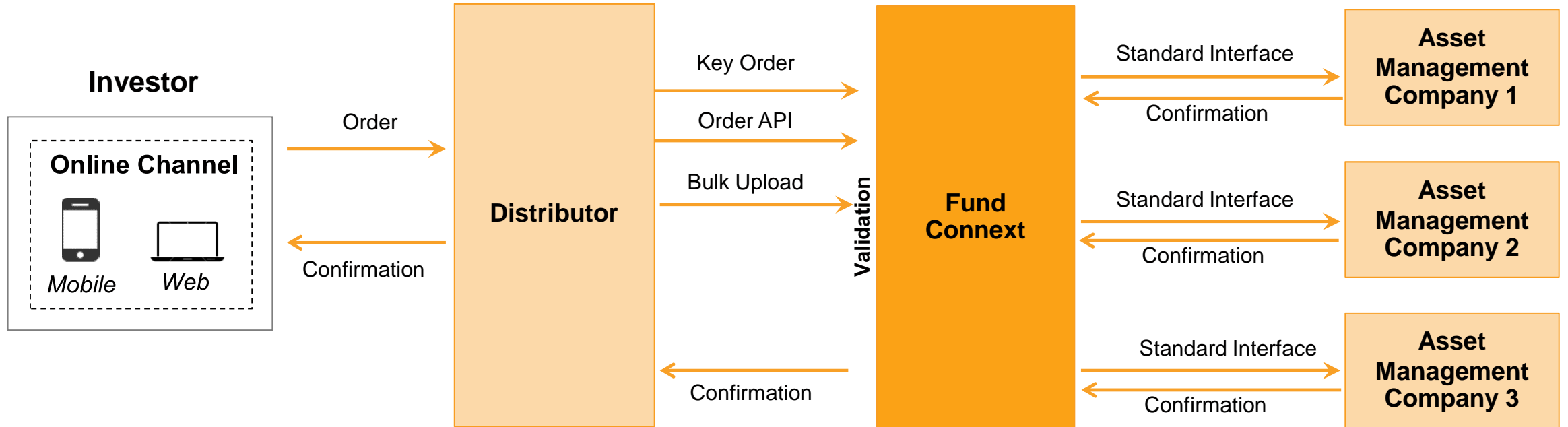
1. Muangthai
2. AIA

3 Limited BDU

1. Central Wealth Solution
2. Wealth Republic
3. Infiniti

Note: * Asset size of all mutual funds, excluding property funds, infrastructure fund and Vayupak

End-to-end order flow



Development on Securities Market Infrastructure

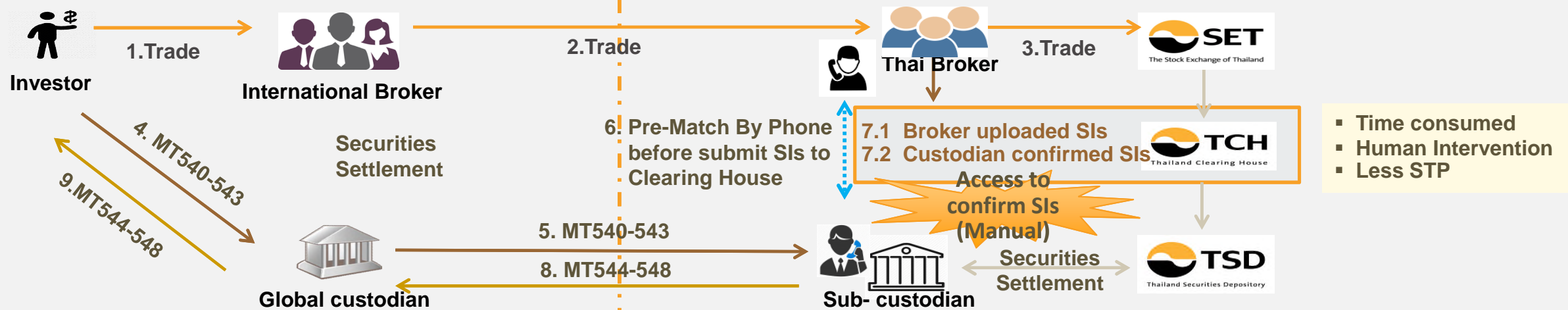
RMPG

November 2016

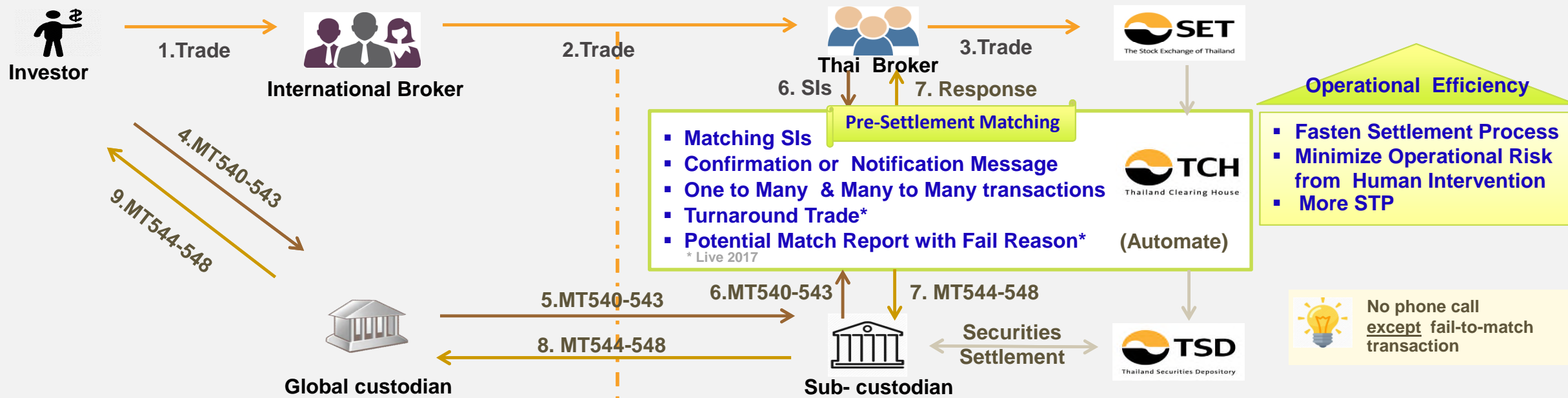
How has settlement process of custodian bank been evolved?

SIs = Settlement Instructions

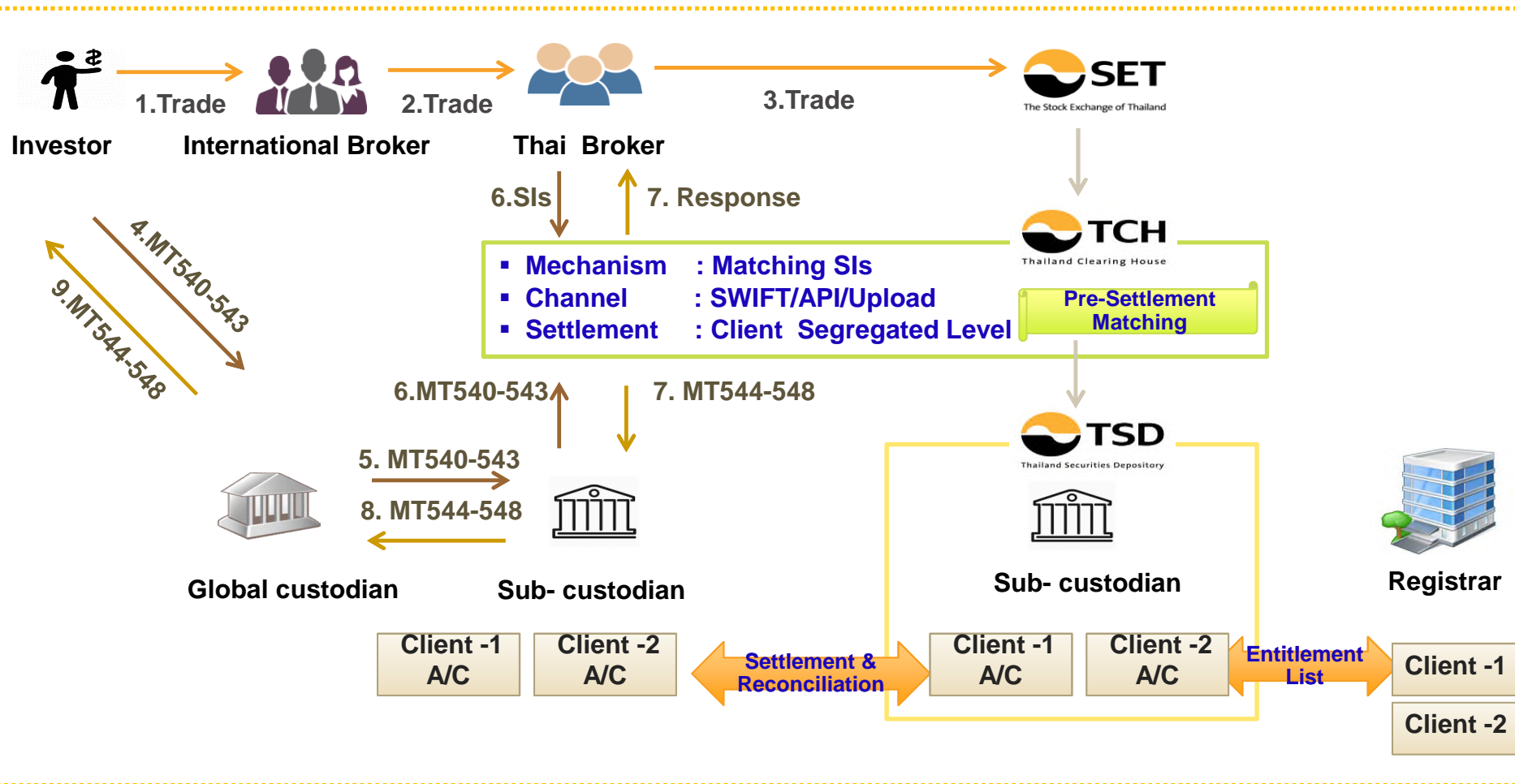
Before



Now



How does Pre-Settlement Matching work with CSD account Structure?



- ☑ Asset Segregation at CSD Level
- ☑ Transparency & Traceability
- ☑ End-to-End STP Solution
- ☑ Simplified reconciliation

Remark API = Application Program Interface
SIs = Settlement Instructions