FundConnext

Cross-border investment fund distribution

Asia Fund Standardization Forum
13 November 2019
FundConnext at the glance

- Officially operate in July 2017
- 20 Asset managers* (99% of Thai mutual funds are in platform)
- 26 Distributors* including commercial banks, securities companies, insurances and Fintech

*As of October 2019

- Simplify
- Standardize
- Streamline
- Scale

Wider Distribution
Thai market is top performance for last decade

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>SET</td>
<td>4.7%</td>
<td>-10.8%</td>
<td>6.7%</td>
<td>3.8%</td>
<td>13.3%</td>
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<tr>
<td>Singapore</td>
<td>STI</td>
<td>1.7%</td>
<td>-9.8%</td>
<td>2.1%</td>
<td>-0.6%</td>
<td>5.7%</td>
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<td>-5.9%</td>
<td>0.0%</td>
<td>-2.0%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Jakarta</td>
<td>-0.4%</td>
<td>-2.5%</td>
<td>10.5%</td>
<td>7.7%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Philippine</td>
<td>PSE</td>
<td>4.2%</td>
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<td>2.4%</td>
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<tr>
<td>China</td>
<td>Shanghai SE</td>
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<td>-24.6%</td>
<td>-11.0%</td>
<td>3.3%</td>
<td>3.2%</td>
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<tr>
<td>Hong Kong</td>
<td>Hang Seng</td>
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<td>-13.6%</td>
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<td>2.1%</td>
<td>6.0%</td>
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<tr>
<td>Korea</td>
<td>KOSPI</td>
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<td>0.3%</td>
<td>6.1%</td>
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<tr>
<td>USA</td>
<td>DJIA</td>
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<td>10.3%</td>
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<tr>
<td>Europe</td>
<td>MSCI Europe</td>
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<td>-13.1%</td>
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<td>0.4%</td>
<td>5.1%</td>
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<tr>
<td>Japan</td>
<td>Nikkei 225</td>
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<td>-12.1%</td>
<td>1.7%</td>
<td>4.2%</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Source: Bloomberg as of 30 Sep 2019  *Local currency **Annualized return
Foreign Investment Fund is growing significantly

(Unit: Billion THB)

Source: Thai Association of Investment Management Companies as of 30 Sep
FundConnext Cross-border Vision

Outbound

“One Form for the World”

Inbound

“Gateway of Thai Mutual Funds”
Cross-border Connectivity Overview

<table>
<thead>
<tr>
<th>Thailand</th>
<th>Foreign Countries</th>
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<tbody>
<tr>
<td>Distributor</td>
<td>AMC</td>
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<tr>
<td>Distributor</td>
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<tr>
<td>AMC</td>
<td>Distributor</td>
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Proprietary Message

FundConnext

Clearstream Vestima

Cross-border Connectivity Overview

ISO 20022

Outbound

Inbound
Workshop Stream with Participants

- **Business Requirement**
  - Account Structure
  - Account Opening
  - Distribution Agreement

- **Operation Flow**
  - Order Flow
  - Payment
  - Corporate Action

- **Regulatory Framework**
  - Tax
  - Regulatory Report
Challenges

• Regulations

• International Standard and Practices

• Participant’s readiness
Key Takeaways

• The linkage enhances fully automated capabilities

• The first implementations of ISO 20022 in Thailand

• Providing the investment communities with lower cost, ease of access and more efficient services