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Taiwan Government Pension Funds & Mandates Market Quarterly Review

Report Highlight

- 70+ pages with 120+ charts and tables covering Taiwan government pension funds and discretionary mandate market
- Taiwan Delegated Market – Overview, Mandate Size and Mandate Number by Type of Investors, SITEs & SICEs Players in Mandate Market
- **Taiwan Government Pension Funds** - Past 5-Quarter Asset Allocation of 5 Taiwan Government Pension Funds + Postal Savings, *Asset Size / Delegated Global & Domestic Mandate AUM / Mandates No. / Fund Yield, Breakdown of Active Domestic & Global Mandate AUM by Asset Manager*
- **Taiwan Global Mandate Market** – Overview, Asset Sizes & Outsourcing Ratio of Mandates by Government Pension Fund, Breakdown by Portfolio Type & by Manager, List of Mandate Top-Ups and Early Termination, **New RFPS**, 7 Key Global Mandate Managers Analysis
- **Taiwan Domestic Mandate Market** – Overview, Asset Sizes & Outsourcing Ratio of Mandates by Government Pension Fund, Breakdown by Pension Fund & by Manager, List of Mandate Top-Ups and Early Termination, **New RFPS**, 5 Key Global Mandate Managers Analysis

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Taiwan Delegated Mandate & Pension Market Quarterly Review (1Q/2018)

SAMPLE

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I. Taiwan Delegate Mandate Market

Taiwan Discretionary Asset Management Market Overview

- Taiwan Discretionary Asset Management Market Size:** As of 03/2018, the asset size totaled US\$109.9bn, with QoQ AUM growth of US\$4.6bn (+4.4%) or +US\$20.7bn (+23.2%) on a YoY basis.
- Market Breakdown:** The market consisted of US\$55.6bn of assets in 152 global mandates outsourced by 5 leading global government pension funds and US\$54.3bn of assets in 828 onshore domestic mandates managed by onshore securities investment trust companies (SITs), securities investment consulting companies (SITCs), securities investment banks, and securities houses holding trust licenses.

1.01: Taiwan Delegated Mandate Market Assets Size & Mandate No. Breakdown

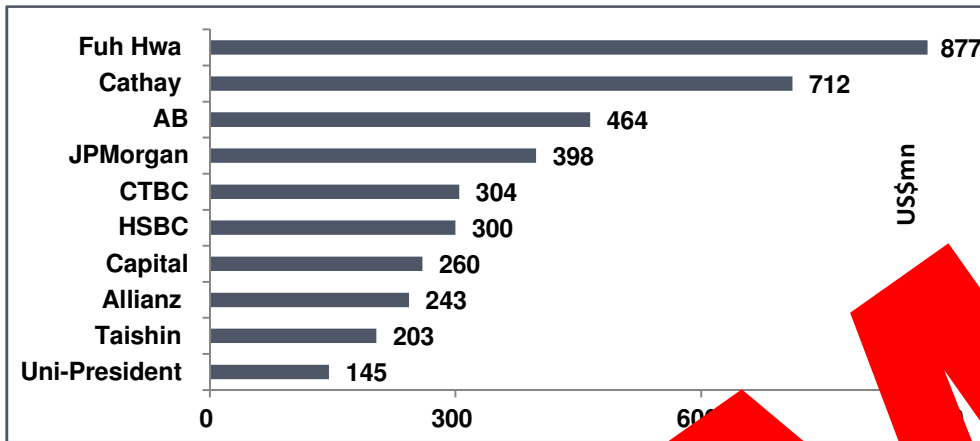
Factor	Assets (US\$bn)	Quarters Data					AuM Change (US\$mn)			
		03/17	06/17	09/17	12/17	03/18	QoQ	1Y	2Y	3Y
Size (US\$bn)	Domestic Mandates	44.5	45.6	47.1	49.8	54.3	4.6	9.9	13.8	16.9
	Global Mandates	60.7	47.3	51.4	55.5	55.6	0.1	10.9	22.0	27.1
	Total	105.2	92.9	98.5	105.3	109.9	4.6	20.7	35.9	44.0
Mandate No.	Domestic Mandates	1,267	1,041	914	854	828	(26)	(439)	(656)	(629)
	Global Mandates	124	140	154	152	152	0	28	43	75
	Total	1,391	1,181	1,068	1,006	980	(26)	(411)	(613)	(554)

(Source: SITCA, SITC, SIT, SIF, etc.)

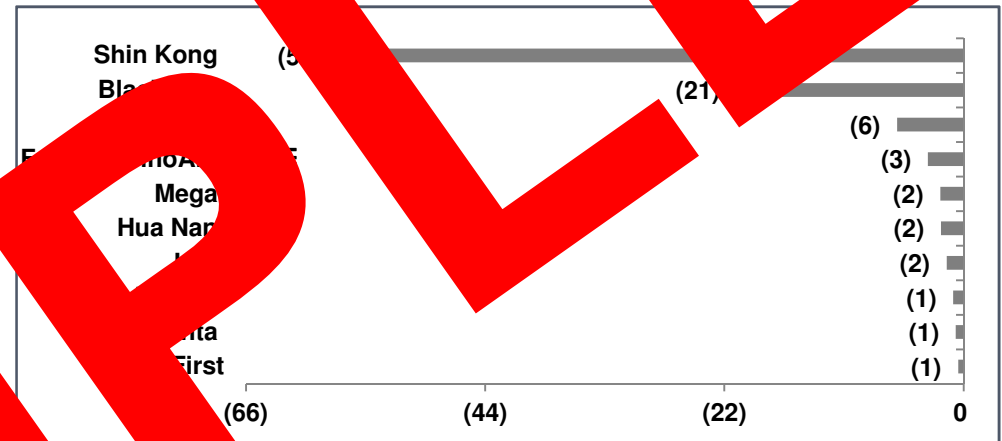
I. Taiwan Delegate Mandate Market

SITE Players in Onshore Delegated Mandate Market

1.07a: QoQ AUM Growth – Top 10 Managers



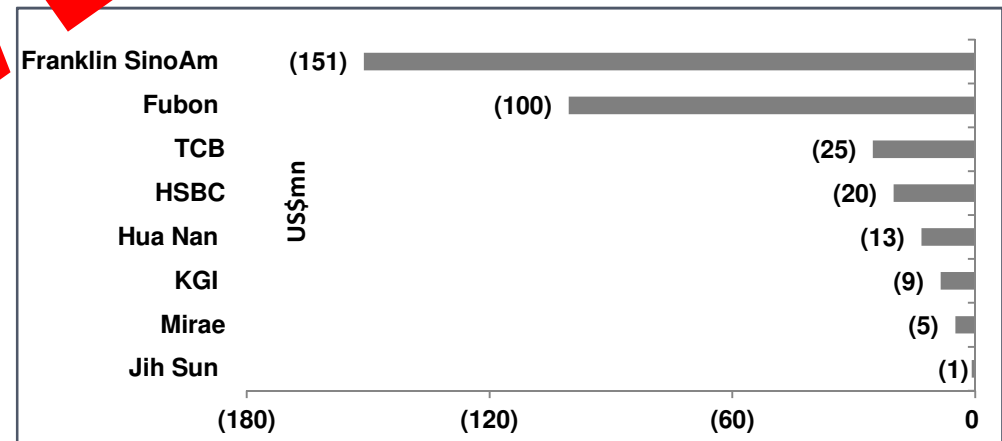
1.07c: QoQ AUM Drop – Top 10 Managers



1.07b: YoY AUM Growth - Top 10 Managers



1.07d: YoY AUM Drop – Top 10 Managers



(Source: SITCA)

II. Taiwan Government Pension Funds

Fund Yields versus Guaranteed Rates

- In the first quarter of 2018, all of the government pension funds had negative performance, after having a good performance in year 2017.

2.03: Actual Yields of Taiwan Pension Funds vs. Guaranteed Rates

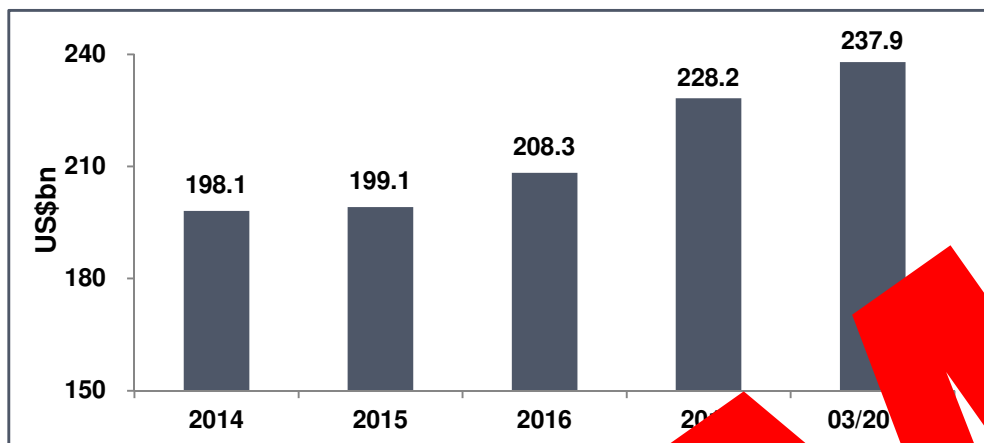
Year / Fund	LPF (DC)		LRF (DB)		SPF		LIF	NPF
	Fund Yield	Guaranteed Rate	Fund Yield	Guaranteed Rate	Fund Yield	Guaranteed Rate	Fund Yield	Fund Yield
1Q/2018	-1.02%	1.05%	-0.89%	1.64%	-0.37%	1.04%	-0.72%	-0.39%
2017	7.93%	1.05%	7.74%	1.4%	7.15%	1.04%	7.87%	8.04%
2016	3.23%	1.13%	4.17%	1.1%	3.9%	1.12%	4.02%	4.26%
2015	-0.09%	1.37%	0.1%	1.1%	-1.94%	1.38%	-0.55%	-0.45%
2014	6.38%	1.39%	7.15%	0.97%	6.50%	1.40%	5.61%	6.05%
2013	5.68%	1.41%	5.8%	0.97%	8.30%	1.40%	6.35%	4.06%
2012	5.02%	1.4%	5.8%	0.97%	6.17%	1.40%	6.25%	5.06%
2011	-3.95%	1.4%	-3.3%	0.89%	-5.98%	1.32%	-2.97%	-3.66%
2010	1.54%	1.0%	2.11%	0.67%	3.60%	1.07%	3.96%	3.74%
2009	11.84%	1.0%	13.40%	0.66%	19.49%	0.94%	18.21%	1.52%
2008	-6.06%	2.65%	-9.37%	2.28%	-22.33%	2.69%	-16.53%	2.39%
2007	2.43%	2.08%	5.04%	2.08%	4.91%	2.47%	5.78%	--
2006	1.1%	2.16%	5.08%	1.80%	10.93%	2.18%	7.91%	--
2005	1.5%	1.93%	3.00%	1.44%	4.74%	1.81%	3.79%	--

(Source: BLF / Ministry of Finance)

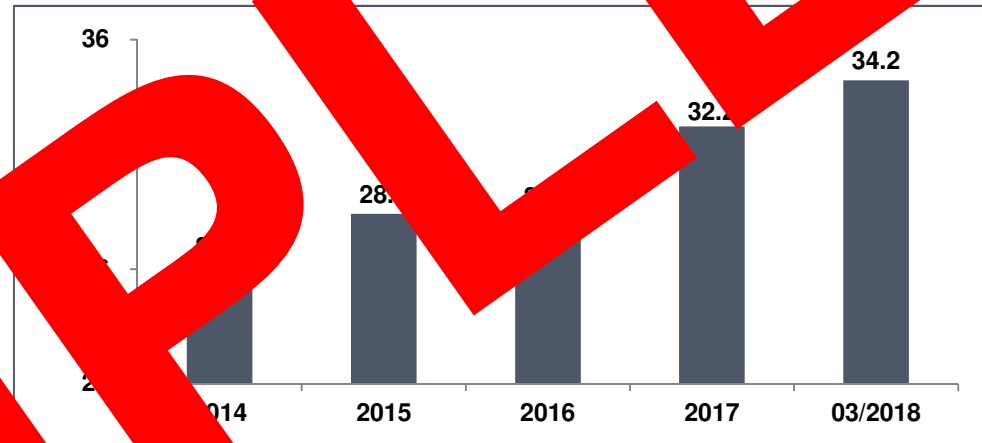
6. Postal & Savings Fund

Brief Profile

2.32a: Postal & Savings Fund - Asset Size



2.32b: Equities / Mutual Funds / Overseas Investments



2.33: Postal & Savings Fund - Asset Allocation (as of 03/2018)

Asset Allocation	Debits & Remittances Fund (US\$bn)	Life Insurance Fund (US\$bn)	Subtotal (US\$bn)	Weight
Current Deposits	8.6	0.2	8.8	3.7%
Time Deposits	65.0	0.0	65.0	27.3%
Fixed-Income (incl. Securitization products)	59.3	8.2	67.5	28.4%
Interbank Loans & Short-Term Bills	60.3	0.1	60.4	25.4%
Equities (incl. Delegated Investments)	4.1	0.8	5.0	2.1%
Overseas Investments (incl. Delegated Investments)	16.8	12.4	29.2	12.3%
Time Deposits Collateral	0.0	0.0	0.0	0.0%
Insurance Policies & Real Estate Collateral Borrowings	0.0	1.7	1.7	0.7%
Real Estate	0.0	0.3	0.3	0.1%
Total	214.2	23.7	237.9	100.0%

(Source: BLF)

III. Taiwan Global Mandate Market

Mandate Changes

- Asset Type:** Of the 152 global mandates, 80 were allocated in equities, vs. 42 in fixed-incomes, 15 in multi-asset, 6 in ETFs, 8 in REITs and 1 in balanced. Equity funds account for 52% of total delegated size, versus 25.6% in fixed-income, 9.1% in multi-asset and 6.2% in ETFs.
- Top-Ups:** A total of US\$500mn top-up including US\$50mn each to the 4 mandate winners of LRF Global ESG Mixed-Index Passive Mandate and US\$100mn each to the 3 mandate winners of PSPF Multi-Asset Mandate.

3.02: Global Mandates by Portfolio Type (03/2018)

Mandate Type	Mandates	Funding		Delegated Size	
		Amount (US\$m)	%	Amount (US\$m)	%
Equity	80	24,650	52.0%	30,633	55.1%
Fixed-Income	42	12,222	25.6%	12,961	23.3%
Multi-Asset	15	4,688	9.1%	4,688	8.4%
REIT	6	3,564	6.2%	3,564	6.4%
Real Estate	8	2,686	5.7%	2,950	5.3%
Balanced	1	684	1.4%	772	1.4%
Total	152	47,399	100.0%	55,568	100.0%

3.03: Top-Up Mandates (1Q/2018)

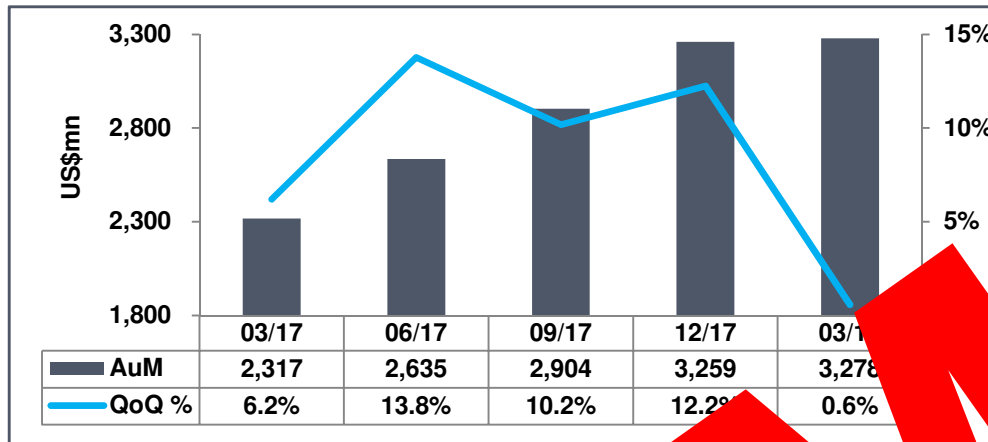
Exercise Month	Client	Mandate Type	Asset Manager	Top-Up Amount Each (US\$m)	Pre-Change (US\$m)	Post-Change (US\$m)
03/2018	LRF (DB)	Global ESG Mixed-Index Passive	BlackRock / DeutscheBank / SSgA / Northern Trust	50	100	150
03/2018	PSPF	Multi-Asset	Schroders / JPMorgan / AllianceBernstein	100	100	200
7 mandates				500		

(Source: BLF)

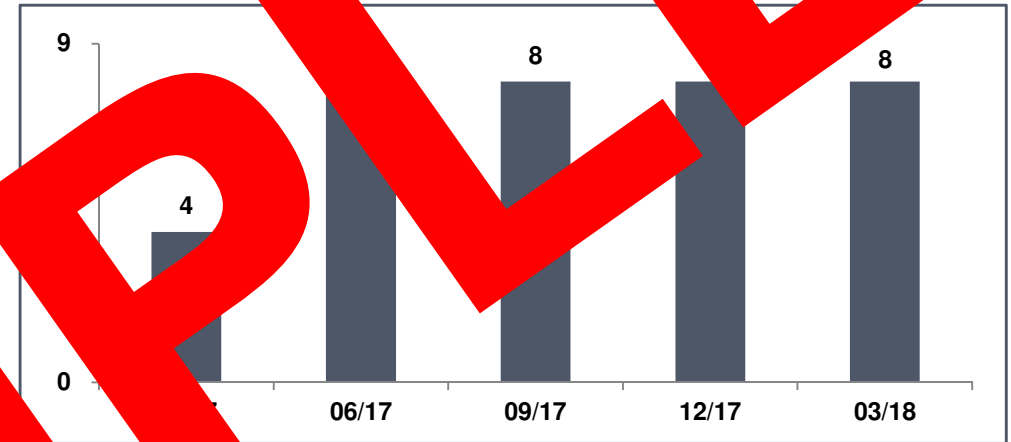
III. Taiwan Global Mandate Market

Key Global Manager 2 - SSgA

3.11a: SSgA – Global Mandate AUM



3.11b: SSgA – Global Mandate Net Assets



3.11c: SSgA – Breakdown of Global Mandate Assets (US\$mn)

Client	Mandate Type	Contract Starting	Contract Expires	Term (years)	Ending Balance (US\$mn)	12/17 (US\$mn)	03/18 (US\$mn)	QoQ Change	Accumulated Return	Accumulated Benchmark Return	Accumulated Alpha
LPF (DC)	Global Low Volatility Equity	07/17/17	04/17/18	5	500	693	690	-0.4%	37.7%	35.6%	2.2%
	Global Conservative Equity	07/17/17	09/21/21	5	662	864	851	-1.5%	33.5%	33.1%	0.4%
LRP (DC)	Global ETF	06/06/17	06/05/22	4	729	743	737	-0.8%	1.1%	1.0%	0.1%
LPF	Global ETF	06/06/17	06/05/22	5	409	473	466	-1.6%	14.0%	13.6%	0.4%
LPF	Global Index	06/06/17	06/05/22	5	250	266	266	0.0%	11.1%	11.4%	-0.3%
LRP (DC)	Global Index	06/06/17	06/05/22	5	150	109	158	44.5%	11.2%	11.4%	-0.2%
LIF	Global Equity	06/22/17	06/21/22	5	50	56	56	0.1%	11.4%	11.4%	0.1%
NPF	Global Equity	06/22/17	06/21/22	5	50	56	56	0.0%	11.3%	11.4%	-0.1%

(Source: BLF / SSgA)



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