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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/2017)

SAMPLE

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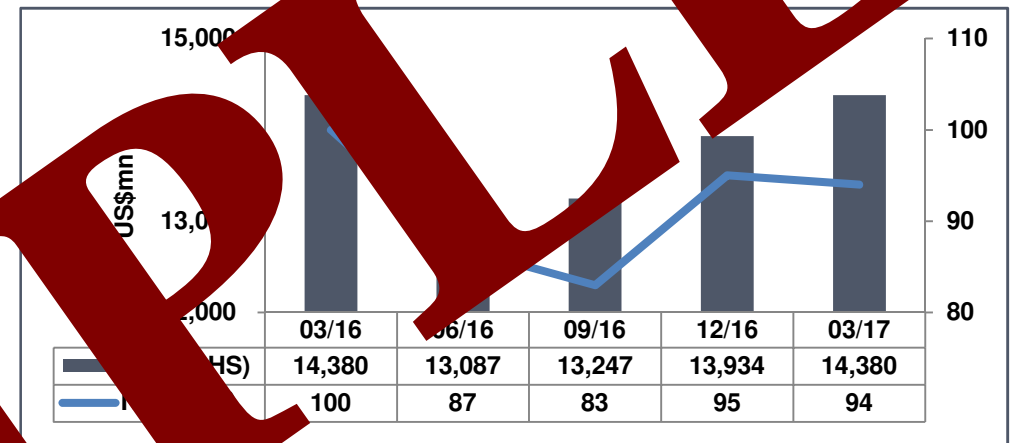
I. Taiwan Delegate Mandate Market

Onshore Mandate Size and Mandate Number by Type of Investors

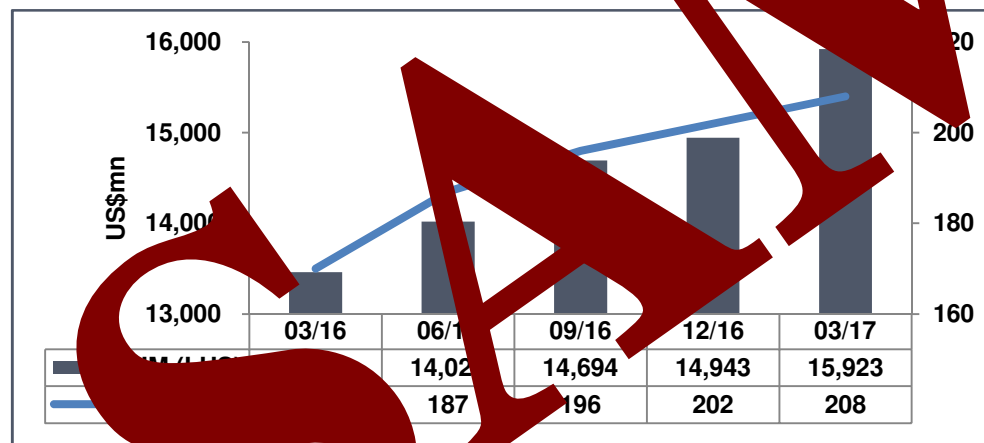
1.07: Concurrent SICE & Trust Mandate Breakdown (03/17)

Type of Investor	Concurrent SICE		Trust	
	No. of Contracts	Funding Size (US\$mn)	No. of Contracts	Funding Size (US\$mn)
Foreign Institutions	196	236	153	73
Domestic Individuals	22	34	280	22
Domestic Institutions	1	13	53	2
Collective Investment Accounts	0		11	
Total	219	283	497	6

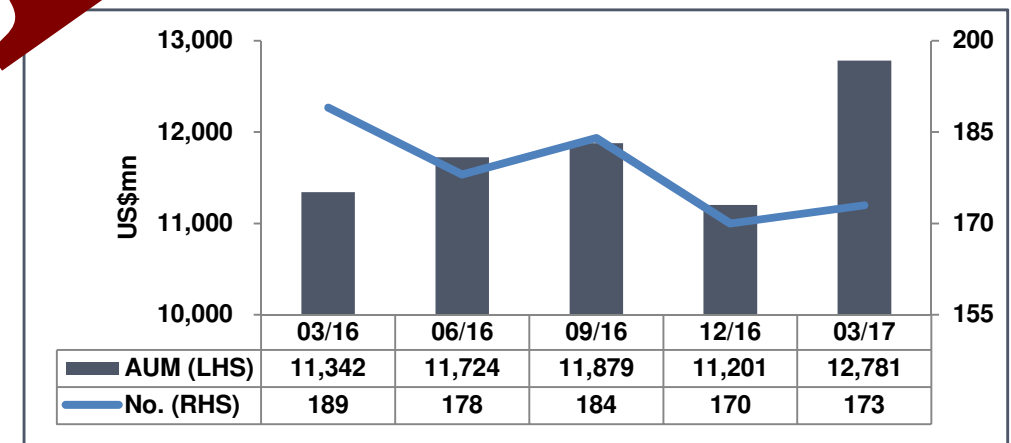
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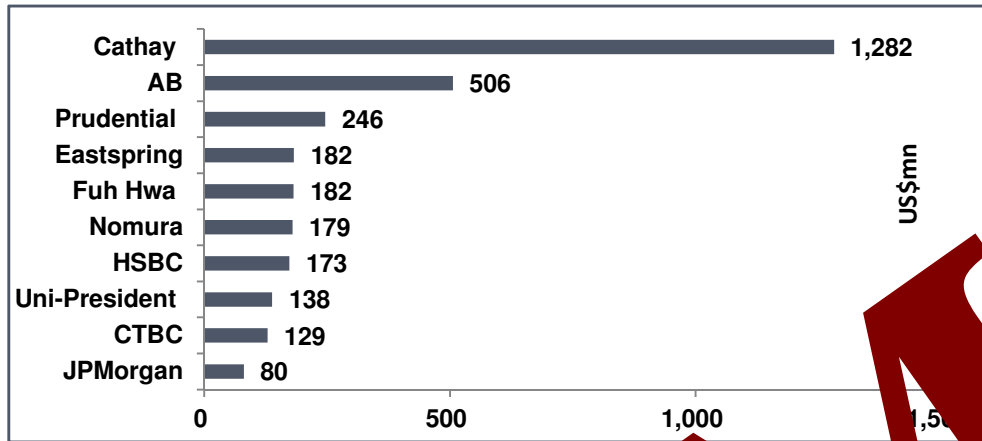


(Source: SITCA)

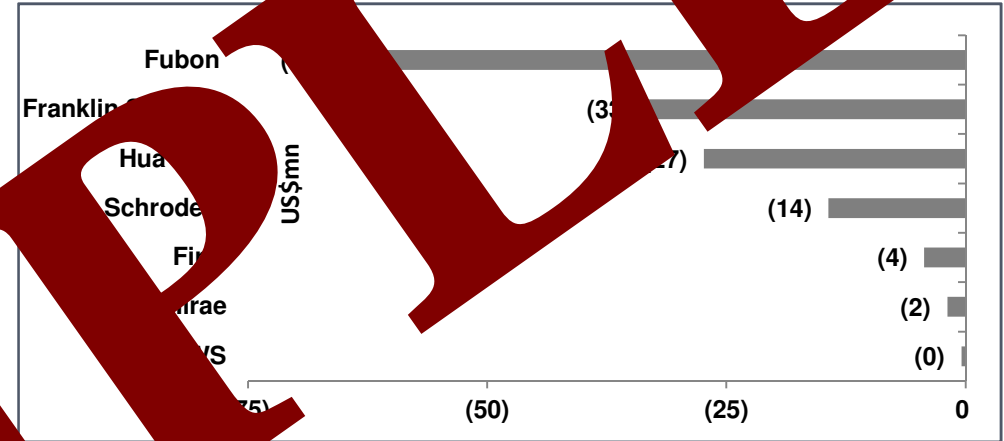
I. Taiwan Delegate Mandate Market

SITE Players in Onshore Delegated Mandate Market

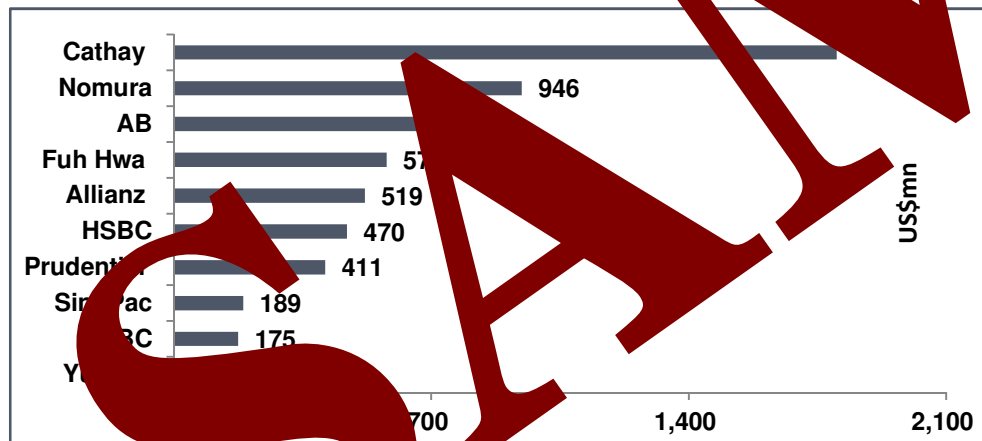
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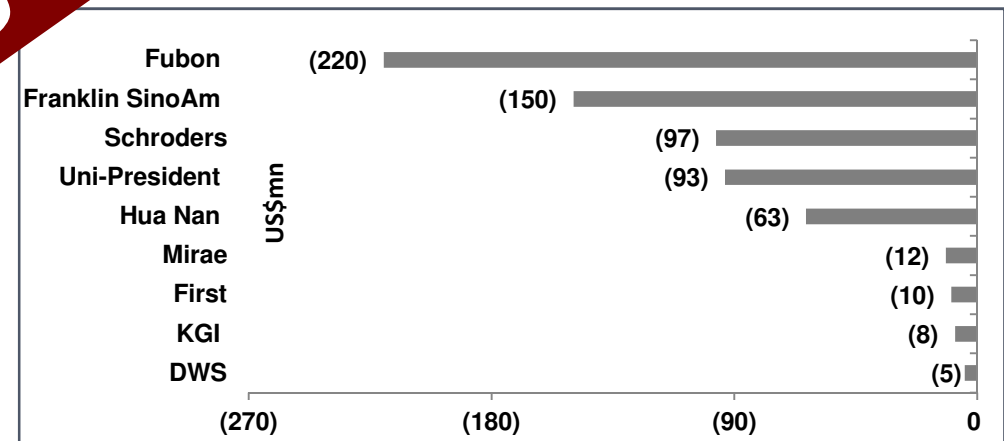
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1.12b: YoY AUM Growth - Top 10 Managers



1.12d: YoY AUM Drop – Top 10 Managers



(Source: SITCA)

II. Taiwan Government Pension Funds

Fund Yields versus Guaranteed Rates

- In the 1st quarter of 2017, National Pension Fund outperformed the other government pension funds and had a fund yield of +1.16%, followed by Life Insurance Fund's +1.04%, Public Service Pension Fund's +0.83%, Labor Retirement Fund's +0.59% and Labor Pension Fund's +0.54%.

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

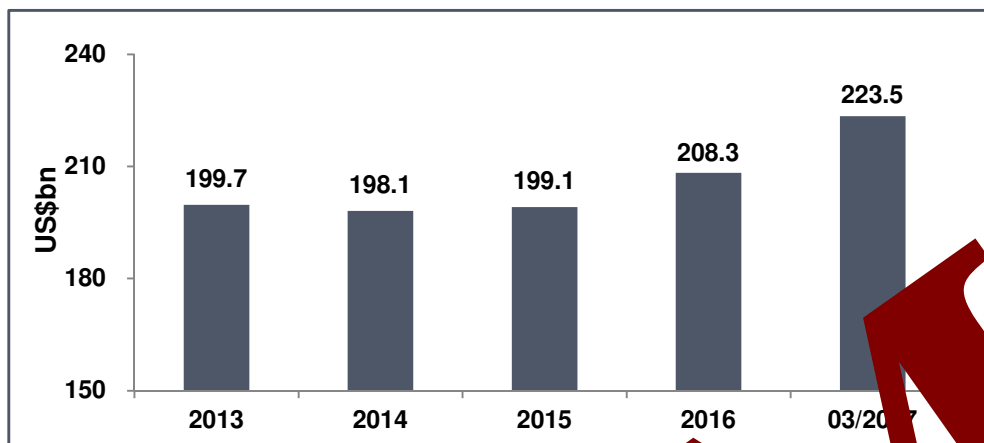
Year / Fund	LPF (DC)		LRF (DB)		PSPF		LIF	NPF
	Fund Yield	Guaranteed Rate	Fund Yield	Guaranteed Rate	Fund Yield	Guaranteed Rate	Fund Yield	Fund Yield
03/2017	0.54%	1.05%	0.59%	0.64%	0.83%	1.04%	1.04%	1.16%
2016	3.23%	1.13%	4.17%	1.71%	1.99%	1.12%	4.02%	4.26%
2015	-0.09%	1.37%	-0.58%	1.5%	1.94%	1.38%	-0.55%	-0.45%
2014	6.38%	1.39%	1.19%	1.4%	6.50%	1.40%	5.61%	6.05%
2013	5.68%	1.41%	0.9%	1.4%	8.30%	1.40%	6.35%	4.06%
2012	5.02%	1.39%	4.5%	1.97%	6.17%	1.40%	6.25%	5.06%
2011	-3.95%	1.31%	-3.53%	0.89%	-5.98%	1.32%	-2.97%	-3.66%
2010	1.54%	1.05%	0.11%	0.67%	3.60%	1.07%	3.96%	3.74%
2009	11.84%	1.4%	1.40%	0.66%	19.49%	0.94%	18.21%	1.52%
2008	-6.06%	2.43%	-9.37%	2.28%	-22.33%	2.69%	-16.53%	2.39%
2007	0.42%	2.43%	5.04%	2.08%	4.91%	2.47%	5.78%	--
2006	1.62%	2.16%	5.08%	1.80%	10.93%	2.18%	7.91%	--
2005	1.2%	1.93%	3.00%	1.44%	4.74%	1.81%	3.79%	--

(Source: BLE / PSPF)

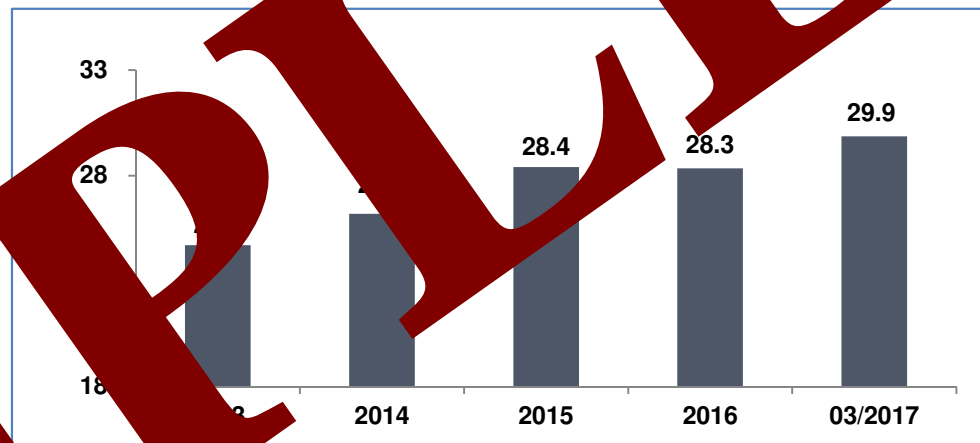
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Brief Profile

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2.32b: Equities/Mutual Funds/Overseas Investments / Total



2.33: Postal & Savings Fund - Asset Allocation Breakdown (03/2017)

Asset Allocation	Savings Remittances Fund (US\$bn)	Life Insurance Fund (US\$bn)	Subtotal (US\$bn)	Weight
Current Deposits	8.1	0.2	8.3	3.7%
Time Deposits	60.5	0.0	60.5	27.1%
Fixed-Income (incl. Securitization)	58.1	7.7	65.8	29.5%
Interbank Loans and Short-Term Bills	56.1	1.2	57.3	25.6%
Equities & Mutual Funds (incl. Delegated Mandates)	3.5	0.8	4.3	1.9%
Overseas Investments (incl. Delegated Mandates)	15.5	10.0	25.6	11.4%
Time Deposits Collateral	0.0	0.0	0.0	0.0%
Insurance Policy Collaterals and Real Estate Collateral Borrowings	0.0	1.6	1.6	0.7%
Real Estate	0.0	0.1	0.1	0.1%
Total	201.9	21.6	223.5	100.0%

(Source: BLF)

III. Taiwan Global Mandate Market

Mandate Changes – 6 Expiry

3.04: Expiry of Global Mandates (1Q/2017)

Pension Fund	Mandate Type	Total Mandate Size (US\$m)	Funding Size (US\$m)	Start Date	Tenor	Manager
LRF (DB)	Global Enhanced Fixed Income	1,615	1,615	01/06/11	4	PIMCO / iShares
LRF (DB)	Global Enhanced Equity	696	712	05/13	4	BlackRock
LRF (DB)	Global ETF	1,551	200	06/12		BlackRock / Nomura / SSgA / UBS
LPF (DC)	Global Enhanced Fixed Income	1,075	1,075	01/07/13		Goldman Sachs / PIMCO
LPF (DC)	Global Enhanced Equity			02/05/13	4	BlackRock / JPMorgan
LPF (DC)	Global REITs			03/06/12	5	Cohen & Steers / Invesco
Total		5,947	7,504			

3.05: List of Mandates to be Expired in 2017

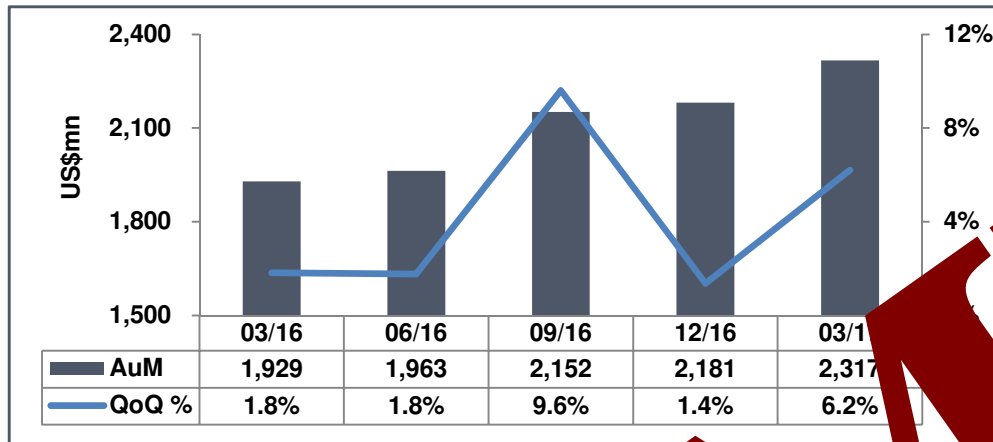
Contract Expiry Date	Pension Fund	Mandate Type	Funding Size (US\$m)	Managers
04/17/17	LPF (DC)	Global Low Volatility	1,000	BlackRock / SSgA
06/03/17	PSPF	Global EM Fixed Income	600	Ashmore / BlueBay / Stone Harbour
06/12/17	LRF (DB)	Global Low Volatility Equity	500	BlackRock
07/30/17	LPF (DC)	Global EM Fixed Income	1,200	Ashmore / BlueBay / Pictet / Stone Harbour
09/13/17	PSPF	Global Equity	381	Allianz
09/30/17	LIF	Global EM Equity	310	Vontobel
09/30/17	LIF	Global Fixed Income	150	Stone Harbour
10/31/17	LIF	Global Fixed Income	300	BlueBay / Templeton
11/16/17	LRF (DB)	Regional APAC Enhanced Equity	362	Invesco
11/17/17	LPF (DC)	Regional APAC (Ex. JP) Equity	572	Invesco
12/31/17	LPF (DC)	Global Passive Equity	949	BlackRock / SSgA
Total			6,324	

(Source: BLE / PSPF)

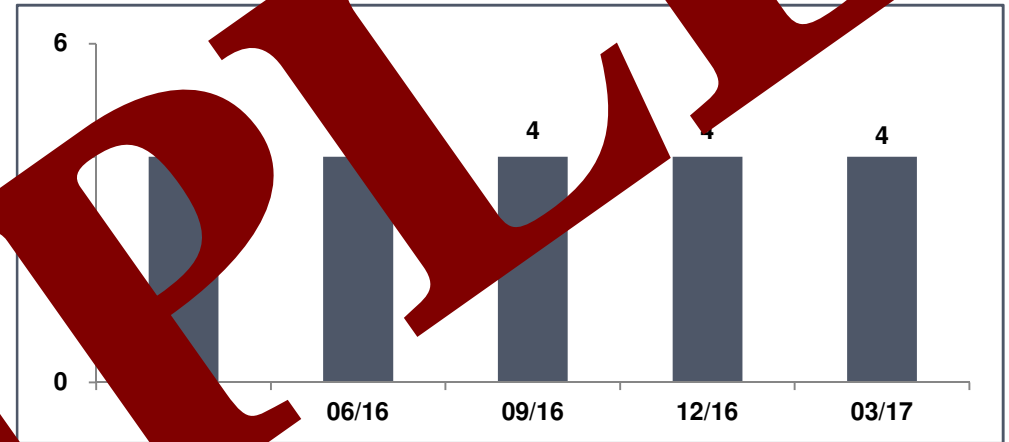
III. Taiwan Global Mandate Market

Key Global Manager 4 - SSgA

3.13a: SSgA – Global Mandate AUM



3.13b: SSgA – Global Mandate Number



3.13c: SSgA – Breakdown of Global Mandates (as of 03/17)

Client	Mandate Type	Contract Starting	Contract Expiry	Number of Mandates	Funding Size (US\$mn)	12/16 (US\$mn)	03/17 (US\$mn)	QoQ Change	Accumulated Return	Accumulated Benchmark Return	Accumulated Alpha
LRF (DB)	Global ETF	06/17	06/05	5	409	0	410	0.4%	0.4%	0.4%	0.0%
LPF (DC)	ETF		06/30/21	5	562	627	661	5.5%	17.6%	17.7%	0.0%
LPF (DC)	Global Passive Equity	12/02/13	12/01/17	4	550	598	640	6.9%	20.1%	19.3%	0.8%
LPF (DC)	Global Low Volatility	04/18/13	04/17/17	4	500	567	605	6.8%	20.8%	19.4%	1.4%

(Source: BLF / PSPF)



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