Funds Industry in Thailand & Application Process for inbound ARFP Passport Funds

October 2019
THAI MUTUAL FUND INDUSTRY AT A GLANCE

(Jul 31, 2019)

**USD 161 billion**

**23 companies***

**70% bank channel**

**72% individual investors**

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**Mutual Funds Size (NAV)**
- Types of funds
  - Fixed income fund: 54%
  - Alternative investment fund: 17%
  - Mixed fund: 8%
  - Equity fund: 21%

**Asset management companies**
- Market share of top 5 asset management companies
  - Kasikorn AM: 22%
  - SCB AM: 20%
  - BBL AM: 15%
  - TMB AM: 9%
  - Krungthai AM: 9%
  - Others: 25%

**Distribution channels**
- Types of distribution channels
  - Bank: 70%
  - AMC: 21%
  - Broker: 14%
  - Others: 3%

**Investors**
- Types of investors
  - Individual investors: 72%
  - Institutional investors: 28%

Note: *only firms that are operating mutual funds
- Mutual funds have grown drastically with an impressive growth of 13%.
- More than ½ of the funds are Fixed income funds.
Proportion of FIF slightly increased from 28% in 2014 to 30% in July 2019, but FIF size has been growing by 11% per year.

<table>
<thead>
<tr>
<th>Year</th>
<th>NAV (billion USD)</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>94</td>
<td>28%</td>
</tr>
<tr>
<td>2015</td>
<td>104</td>
<td>26%</td>
</tr>
<tr>
<td>2016</td>
<td>119</td>
<td>27%</td>
</tr>
<tr>
<td>2017</td>
<td>134</td>
<td>27%</td>
</tr>
<tr>
<td>2018</td>
<td>129</td>
<td>27%</td>
</tr>
<tr>
<td>July 2019</td>
<td>139</td>
<td>30%</td>
</tr>
</tbody>
</table>

Note: exclude non-retail fund, Property fund (type1), Infrastructure fund, REIT

CAGR = 11%

CAGR = 8%
ASSET MANAGEMENT COMPANIES (AMC)

- 95% of AMC’s market share are from **bank subsidiaries**.
- **Top 5 AMC**, commanding total market share of 75%, **generally offers bond funds** to investors.

### Types of AMC (by AUM)

- **Bank subsidiary**: 95%
- **Securities company subsidiary**: 2%
- **Foreign subsidiary**: 1%
- **Others**: 2%

### Top 5 AMC (by AUM)

- Kasikorn AM: 22%
- SCB AM: 20%
- BBL AM: 15%
- Krungthai AM: 9%
- TMB AM: 9%
- Others: 25%

### Types of funds offered by Top 5 AMC

- **Fixed income fund**: 60%
- **Equity fund**: 18%
- **Mixed fund**: 8%
- **Property fund type 1**: 2%
- **Infrastructure fund**: 8%
- **Alternative investment fund**: 3%

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Note: as of Jul 2019
- More than 2/3 of funds are distributed through bank channel.
- Business models of distributors gradually change from closed architecture to open architecture.

### Types of distribution channels (by sales volume)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank</th>
<th>Broker</th>
<th>AMC</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>83%</td>
<td>8%</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>$94bn</td>
<td>$9bn</td>
<td>$1bn</td>
<td>$105bn</td>
</tr>
<tr>
<td>2015</td>
<td>80%</td>
<td>10%</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>$9bn</td>
<td>$9bn</td>
<td>$1bn</td>
<td>$19bn</td>
</tr>
<tr>
<td>2016</td>
<td>77%</td>
<td>11%</td>
<td>14%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>$9bn</td>
<td>$9bn</td>
<td>$1bn</td>
<td>$21bn</td>
</tr>
<tr>
<td>2017</td>
<td>73%</td>
<td>14%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>$9bn</td>
<td>$19bn</td>
<td>$19bn</td>
<td>$4bn</td>
</tr>
<tr>
<td>2018</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Type D licensed operators including insurance companies and fintech firms.
Majority of mutual fund investors are **individual investors**.
THAILAND’S CURRENT STATUS OF THE ARFP IMPLEMENTATION

The SEC’s relevant regulations on the implementation of the ARFP have come into effect since February 16, 2018.

- **English translation** of the Rules and Regulations is in progress [unofficial translation]

- Please visit our website: [https://www.sec.or.th/EN/Pages/LawandRegulations/CrossborderOfferingofFunds.aspx](https://www.sec.or.th/EN/Pages/LawandRegulations/CrossborderOfferingofFunds.aspx)

- **Asia Region Funds Passport (ARFP)**
  - Regulation Summary
  - Related Manuals/Guidelines
  - Related Rules and Regulation
  - Related Forms
  - List of approved ARFP Passport Funds

List of approved ARFP Passport Funds

- **Asia Region Funds Passport (ARFP)**
- **Foreign Exchange-Traded Fund (Foreign ETF)**
APPLICATION PROCESS FOR INBOUND PASSPORT FUNDS

APPROVAL PROCESS OF ARFP PASSPORT FUNDS

- **Language**: Thai or English

- **Application documents** ("Form 35 - ARFP CIS")

  & **supporting documents** including:

  - "Form 69 – CIS full"
  - Fund Fact Sheet (~ Product Highlight Sheet)
  - Registration Statement, Prospectus

- Proof of approval from Home Reg.

- Evidence on appointment of Local representative / Local Distributors

- **A fee of THB100,000 (+VAT)**

SEC Thailand publishes the name of the Passport Fund on the SEC’s website prior to the offerings in Thailand.

All forms are available on our website, please visit [https://www.sec.or.th/en/pages/lawandregulations/arfprelatedforms.aspx](https://www.sec.or.th/en/pages/lawandregulations/arfprelatedforms.aspx)
Distributors of foreign ARFP Passport Funds

must have license(s):

- **Type A**
  - i.e. Securities/Brokerage Companies

- **Type C**
  - i.e. Asset Management Companies

- **Type D**
  - i.e. Broker/Dealer of Investment Units
  - normally are banks / fintech firms / insurance companies

Lists of the licensed entities could be found on the SEC website. See Appendix for details.
## ON-GOING REQUIREMENTS

### CIS Material Update

**“Form 69 – CIS Material Update”**

- For a **material change** of the information specified in the effective registration statement,
- Report to the SEC within 10 working days

### CIS Annual Update

**“Form 69 – CIS Annual Update”**

- Report the fund’s information annually to the SEC **within one year** since effective date

### Sales Report

**“Form 35 – Sales Report”**

- Report the **sales of fund’s units** to the SEC **within 45 days** from the last date of the calendar year

All forms are available on our website, please visit [https://www.sec.or.th/en/pages/lawandregulations/arfrelatedforms.aspx](https://www.sec.or.th/en/pages/lawandregulations/arfrelatedforms.aspx)
Appendix

- Appendix contains lists of licensed companies (type A and D) and each links to company profile.
- Please visit our website for the most updated information via the link on the upper-right corner of each page.
## Type A: Securities / Brokerage Firms

### List of Securities Brokerage - 1/2

<table>
<thead>
<tr>
<th>AEC SECURITIES PUBLIC CO., LTD.</th>
<th>CGS-CIMB SECURITIES (THAILAND) CO., LTD.</th>
<th>FINANSIA SYRUS SECURITIES PUBLIC CO., LTD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIRA SECURITIES PUBLIC CO., LTD.</td>
<td>CITICORP SECURITIES (THAILAND) LTD.</td>
<td>GLOLEX SECURITIES CO., LTD.</td>
</tr>
<tr>
<td>ASIA PLUS SECURITIES CO., LTD.</td>
<td>CLSA SECURITIES (THAILAND) LTD.</td>
<td>GMO-Z COM SECURITIES (THAILAND) LTD.</td>
</tr>
<tr>
<td>ASIA WEALTH SECURITIES CO., LTD.</td>
<td>COUNTRY GROUP SECURITIES PUBLIC CO., LTD.</td>
<td>IV GLOBAL SECURITIES PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>ASL SECURITIES CO., LTD.</td>
<td>CREDIT SUISSE SECURITIES (THAILAND) CO., LTD.</td>
<td>JPMORGAN SECURITIES (THAILAND) LTD.</td>
</tr>
<tr>
<td>BUALUANG SECURITIES PUBLIC CO., LTD.</td>
<td>DBS VICKERS SECURITIES (THAILAND) CO., LTD.</td>
<td>KASIKORN SECURITIES PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>CAPITAL NOMURA SECURITIES PUBLIC CO., LTD.</td>
<td>FINANSA SECURITIES LTD.</td>
<td>KGI SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
</tr>
</tbody>
</table>

Thai investors invest overseas directly through the **yellow highlighted entities** most (aggregated investment value of its clients > USD 50 Million)

<table>
<thead>
<tr>
<th>KINGSFORD SECURITIES PUBLIC CO., LTD.</th>
<th>MERCHANT PARTNERS SECURITIES PUBLIC CO., LTD.</th>
<th>SEAMICO SECURITIES PUBLIC CO., LTD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRUNGSRRI SECURITIES PUBLIC CO., LTD.</td>
<td>MERRILL LYNCH SECURITIES (THAILAND) LTD.</td>
<td>THANACHART SECURITIES PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>KT ZMICO SECURITIES CO., LTD.</td>
<td>PHATRA SECURITIES PUBLIC CO., LTD.</td>
<td>TISCO SECURITIES CO., LTD.</td>
</tr>
<tr>
<td>KTB SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
<td>PHILLIP SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
<td>TRINITY SECURITIES CO., LTD.</td>
</tr>
<tr>
<td>LAND AND HOUSES SECURITIES PUBLIC CO., LTD.</td>
<td>RHB SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
<td>UBS SECURITIES (THAILAND) LTD.</td>
</tr>
<tr>
<td>LGT SECURITIES (THAILAND) CO., LTD.</td>
<td>SBI THAI ONLINE SECURITIES CO., LTD.</td>
<td>UOB KAY HIAN SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>MACQUARIE SECURITIES (THAILAND) LTD.</td>
<td>SCB SECURITIES CO., LTD.</td>
<td>YUANTA SECURITIES (THAILAND) CO., LTD.</td>
</tr>
<tr>
<td>MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC CO., LTD.</td>
<td>SCB-JULIUS BAER SECURITIES CO., LTD.</td>
<td></td>
</tr>
</tbody>
</table>

Thai investors invest overseas directly through the yellow highlighted entities most (aggregated investment value of its clients > USD 50 Million)
# Type D: Broker of Investment Units (“Limited BDU”)

The Securities and Exchange Commission, Thailand

**List of Brokerage of Investment Units - non-Securities Companies**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
<th>Company Name</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUA SENG HENG GOLD FUTURES CO., LTD.</td>
<td>KRUNGTHAI BANK PUBLIC CO., LTD.</td>
<td>ADVANCE LIFE ASSURANCE PUBLIC CO., LTD.</td>
<td>SCB LIFE ASSURANCE PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>BANGKOK BANK PUBLIC CO., LTD.</td>
<td>LAND AND HOUSES BANK PUBLIC CO., LTD.</td>
<td>AIA CO., LTD.</td>
<td>THAI LIFE INSURANCE PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>BANK OF AYUDHYA PUBLIC CO., LTD.</td>
<td>STANDARD CHARTERED BANK (THAI) PUBLIC CO., LTD.</td>
<td>BANGKOK LIFE ASSURANCE PUBLIC CO., LTD.</td>
<td>GOVERNMENT SAVINGS BANK</td>
</tr>
<tr>
<td>CIMB THAI BANK PUBLIC CO., LTD.</td>
<td>THANACHART BANK PUBLIC CO., LTD.</td>
<td>FWD INSURANCE PUBLIC PUBLIC CO., LTD.</td>
<td>GENERALI LIFE ASSURANCE(THAILAND) PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>CITIBANK</td>
<td>THE SIAM COMMERCIAL BANK PUBLIC CO., LTD.</td>
<td>KRUNGTHAI-AXA LIFE INSURANCE PUBLIC CO., LTD.</td>
<td>ALLIANZ AYUDHYA ASSURANCE PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC CO., LTD.</td>
<td>TISCO BANK PUBLIC CO., LTD.</td>
<td>MANULIFE INSURANCE (THAILAND) PUBLIC CO., LTD.</td>
<td>PHILLIP LIFE ASSURANCE PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>KASIKORNBANK PUBLIC CO., LTD.</td>
<td>TMB BANK PUBLIC CO., LTD.</td>
<td>MUANG THAI LIFE ASSURANCE PUBLIC CO., LTD.</td>
<td>THE THAI CREDIT RETAIL BANK PUBLIC CO., LTD.</td>
</tr>
<tr>
<td>KIATNAKIN BANK PUBLIC CO., LTD.</td>
<td>UNITED OVERSEAS BANK (THAI) PUBLIC CO., LTD.</td>
<td>PRUDENTIAL LIFE ASSURANCE (THAILAND) PUBLIC CO., LTD.</td>
<td></td>
</tr>
</tbody>
</table>

**Mostly Banks & Insurance Companies**

- Mostly Banks & Insurance Companies

**List of 31 companies As of 27th April 2019**

Thai investors invest overseas directly through the yellow highlighted entities mostly (aggregated investment value of its clients > USD 50 Million)
## Type D: Broker of Investment Units ("Limited BDU")

### List of Brokerage of Investment Units - Securities Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Company Name</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEALTH REPUBLIC MUTUAL FUND BROKERAGE SECURITIES CO.,LTD.</td>
<td>BROADGATE MUTUAL FUND BROKERAGE SECURITIES (THAILAND) CO.,LTD.</td>
<td>ROBOWEALTH MUTUAL FUND BROKERAGE SECURITIES CO.,LTD.</td>
</tr>
<tr>
<td>AEK INVESTMENT CO.,LTD.</td>
<td>CENTRAL WEALTH SOLUTION MUTUAL FUND BROKERAGE SECURITIES CO.,LTD.</td>
<td>WEALTH MAGIK MUTUAL FUND BROKERAGE CO.,LTD.</td>
</tr>
<tr>
<td>AMUNDI MUTUAL FUND BROKERAGE SECURITIES (THAILAND) CO.,LTD.</td>
<td>FINNOMENA MUTUAL FUND BROKERAGE SECURITIES CO.,LTD.</td>
<td></td>
</tr>
</tbody>
</table>

Mostly Fintech Companies

8 companies

As of 27th April 2019

# MUTUAL FUND BROKERAGE SECURITIES COMPANY LIMITED

**Head Office:**

**Date of Incorporation:**
- Registered Capital: [ ] Million Baht
- Paid-Up Capital: [ ] Million Baht

### Under the Securities & Exchange Act B.E. 2535

<table>
<thead>
<tr>
<th>Type of License</th>
<th>No.</th>
<th>Effective Date</th>
<th>Securities Business</th>
<th>Commencement Date</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Securities Brokerage; Investment Units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Approved Major Shareholder (more than 10%) As Of 25/09/2017*

<table>
<thead>
<tr>
<th>No.</th>
<th>Names of Shareholders</th>
<th>Percent</th>
</tr>
</thead>
</table>

### Executives

<table>
<thead>
<tr>
<th>No.</th>
<th>Names</th>
<th>Position</th>
<th>Nationality</th>
</tr>
</thead>
</table>

**No. of Analyst / Investor Contact:** [ ]