

## The Outlook

### Future Tasks

In 2005, the SITEs and SICEs went through several crucial developments, from the passage of master agent regime, reclassification of bond funds, to the allowance of concurrent business between and among various industries and SITE/SICE. All of the above has shown that the more opportunities and challenges shall come out. Responding to the ongoing trend, in addition to Association's service such as enhancing the efficiency of applications review and promote the online registration for members and personnel thereof, the Association will furthermore seek for more business growth. The future plans for the Association are summarized as below:

#### Transform the SITEs and SICEs into asset management business

With the gradual deregulation of the financial market and introduction of new investment vehicles, concurrent business operation is likely to become the prevailing model. In order to successfully transform the SITEs and SICEs into professional asset managers, the Association is going to take actions in the following three domains.

##### 1. Mutual funds- setting up a beneficial environment and making local practice in line with international norm

In 2005, the Rules regarding Offshore Funds distribution officially passed. The investors shall enjoy diversified products and better protection. Meanwhile, it upgrades the internationalization of the mutual fund practice, and the Association will follow this development up with offshore funds review services to pursue better efficiency. Regarding onshore funds, providing the same level of playing field our major task. The Association is going to refer to the UCITS III and the underlying rules including products and management directives, and recommend workable solutions to the authorities to relax regulations and to introduce new type of funds such as hedge fund.

Besides, in order to promote a beneficial environment, the Association will recommend the authorities to pay attention to the problem that illegal players' practice squeeze out our members and then to take actions to deal with it.

The tasks of bond funds reclassification and investment tools open-up are the other things the Association strives to achieve. The following performance valuation review and complete ancillary measures design will determine the attributes of bond and semi-monetary funds and help domestic bond funds be in line with international standards.

##### 2. Discretionary investment management (DIM) business- complete relevant rules and push ahead with the second stage performance evaluation grading

Members' DIM records are important indicators to evaluate their professional asset management ability, and that concern the chance to win government mandates. Therefore, in 2006 the Association will propose DIM model contracts and complete set of rules, and push ahead with the second-stage performance evaluation that shall take benchmarks into consideration, in order to pave the way for more business growth.

##### 3. Pension fund management- push pension system toward individual self-selection mechanism

While the aging population is a global commonality, the preparation of retirement payment is a high priority for every country. In light of the international experiences, pension fund is an important field for asset managers. Thus the Association will take a series of actions, including pension product introduction etc, to push the current pension system toward individual selection or 401(k)-type for more business.

#### Strengthen investors services

To enhance the industry image and enhance the public's confidence in the industry, the Association will take actions to promote the regular saving plans (RSP) investment and improve mutual fund information inquiring function on its website.

##### 1. Promote the RSP investment

Even though the RSP investment has been in practice for several years in Taiwan, the statistic shows that the amount of investors who keep making contributions has declined gradually since 2000. To achieve win-win situation for investors and our members, that means to help individual investors correctly use the RSP concept and to stably increase the AUM of SITEs, the Association will popularize the concept via theme various PR activities and special articles published through different media.

##### 2. Improve information inquiring function

In the meantime of promoting correct the RSP concept, the Association will upgrade the online mutual fund information inquiring function for investors' convenience to get essential information as reference.