



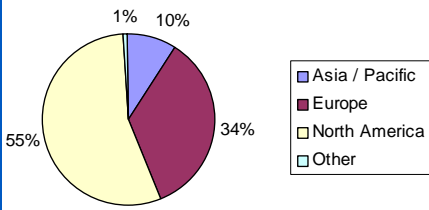
# SWIFT's Role in the Investment Funds Industry

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## The Investment Funds Industry

**Global Assets of Investment Funds**




Region	Percentage
North America	55%
Europe	34%
Asia / Pacific	10%
Other	1%

Expected growth: > 10% per annum for next 5 years

- Total market size: > 13Tn EUR
  - Europe: 4.7 Tn EUR
  - Asia: 1.3 Tn EUR
  - US: 6 to 8 Tn EUR
- North American markets are standardized & automated
- Europe and Asia are still very manual

***The growth of Assets Under Management and volumes require an automated and standardised solution***

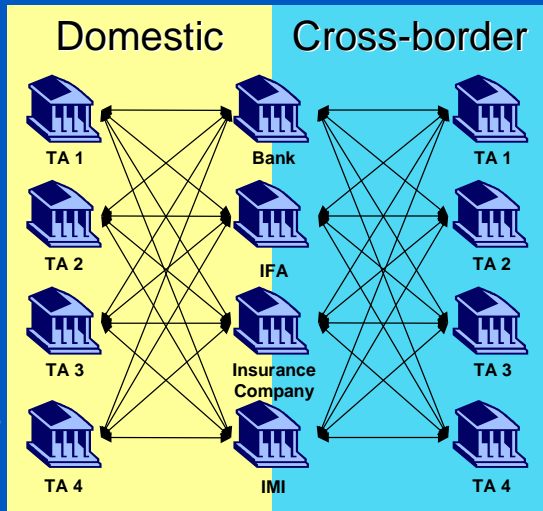


- 2 -

## Manual Market Environment: Europe & Asia

### Industry Issues

- ! Multiple counterparties
- ! Multiple manual methods of communication
  - Fax
  - Phone
  - E-mail
  - Proprietary lines
- ! Different cross-border & domestic processes
- ! No common standards

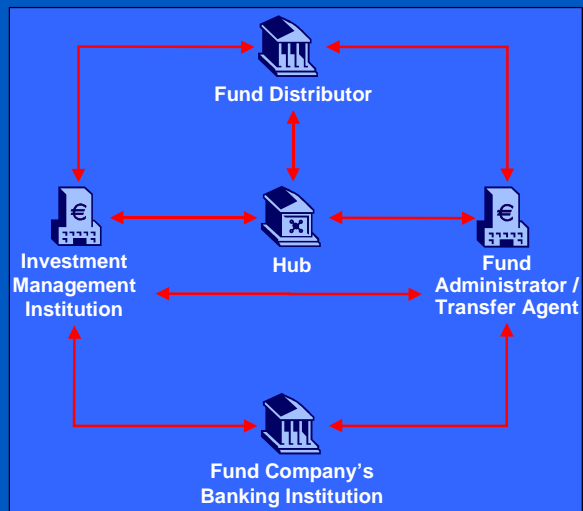


- 3 -

## Ideal Environment

### Solution

- ! Single method of communication covering all counterparties
- ! Industry agreed standards
- ! Single process for cross-border & domestic
- ! Automation



- 4 -

## Working Together Standards working groups

**Canada**  
FundServ

**US**  
DTCC

**UK**  
ISITC

**France**  
SWIFT user group

**Spain**  
Bank association working group

**Italy**  
SWIFT user group

**Europe: FEFSI working group**

**Luxembourg:** SWIFT user group + ALFI working group /TA Forum

**Germany:** SWIFT user group (incl. BVI)

**Industry groups**  
Singapore  
Hong-Kong  
Taiwan

**swimEC**  
Australia

**UNIFI (ISO 2002) standards:  
the basis for global standardization**

- 5 -

## SWIFT Solution SWIFTNet Funds

- Many to many environment
- Messages
  - UNIFI (ISO 2002)
  - Cross-border & domestic
  - Store & forward
  - Non-repudiation
  - Validation
- Phased approach
  - 1. Orders / NAV / Reports
  - 2. Transfers / Statements
  - 3. Account Management
  - 4. Commissions / Static Data

**Live since October 2004**

- 6 -

## What has happened over the past year?

- | SWIFTNet Funds launched
- | Fefsi/EFAMA issues best practice recommendations
- | Fefsi/EFAMA recommends ISO 20022 as single standard for cross-border and domestic funds business
- | Singapore market confirms ISO 20022 as the single standard for cross-border and domestic funds business
- | Germany, France, UK and Singapore work on domestic market practice for ISO 20022 fund standards
- | > 80 players register to implement SWIFTNet Funds in 2005



- 7 -

## Next Steps for SWIFT and the Industry



### Investment Funds Industry



- Deliver all relevant ISO standards
- Facilitate market practice initiatives
- Promote best practice & STP in key markets
- Extend reach towards smaller players
- Work with Partners
- Help build STP business case
- Harmonize domestic & cross-border flows
- Market leaders to promote STP business case
- STP sponsors to start implementing now
- Develop services for smaller players
- Engage in standardisation activities

- 8 -