

# Rating Research Services

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## Media Release:

# Taiwan Ratings Places Its Ratings On 13 Fixed-Income Funds On CreditWatch Positive, And Affirms Its Ratings On 10 Funds Due To The Application Of Revised Criteria; All Ratings Off 'UCO'

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## Rating Action

Taiwan Ratings Corp. said today that it has reviewed its fund ratings that were labeled as "under criteria observation" (uco) after adopting the updated global fund credit quality ratings methodology published on June 26, 2017. As a result of this review, we placed our ratings on 13 fixed-income funds on CreditWatch with positive implication, and affirmed 10 other ratings (see ratings list). The "uco" labels on all funds ratings are removed.

The funds ratings placed on CreditWatch with positive implications primarily reflected the stronger credit quality of respective funds' portfolio exposure under the updated criteria, which suggests higher preliminary fund credit quality ratings. In addition, we assessed the risk management and compliance of the relevant funds as strong because of the stringent regulations on fund investment,

as well as the prevention of conflict of interest, effective compliance and internal control framework, minimum risk management and disaster recovery preparation, and qualification on all related staff of the fund companies. Some fund houses also benefit from strong group support in risk management resource and oversight. These funds also generally have stable management that can maintain the fund's credit quality at a level without much fluctuation. We expect to resolve the CreditWatch status of these fund ratings within 90 days. The rating changes on these funds, if any, will be within two notches, subject to the fund manager's ability and willingness to maintain the fund credit quality in a higher rating level.

We affirmed all the ratings on the remaining funds. These funds have a comparable or slightly weaker credit quality in the portfolio exposure than the current ratings correlate with. However, these funds still demonstrate strong risk management and compliance as mentioned above. Some funds also benefit from stable management or their parent company's support that sustains the fund's credit quality at the level the ratings correlate with.

## Related Criteria

- Fund Credit Quality Ratings Methodology - June 26, 2017
- Understanding Taiwan Ratings' Rating Definitions, [www.taiwanratings.com](http://www.taiwanratings.com) – Nov. 18, 2014

(Unless otherwise stated, these articles are published on [www.standardandpoors.com](http://www.standardandpoors.com), access to which requires a registered account)

## Ratings List

CreditWatch Action	To	From
<b>Capital Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>CTBC Hua Win Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>Eastspring Investments Well Pool Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>FSITC Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>FSITC Taiwan Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>Fuh Hwa Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
<b>Invesco Taiwan Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAA+f/Watch Pos	twAA+f
<b>JP Morgan First Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAA+f/Watch Pos	twAA+f
<b>Nomura Taiwan Money Market Fund</b>		
Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf

**Prudential Financial Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
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**Schroder Taiwan Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
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**TCB Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
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**Yuanta Wan Tai Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf/Watch Pos	twAAf
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Ratings Affirmed

**Allianz Global Investors Taiwan Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**BlackRock TWD Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAAf	
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**Cathay Taiwan Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**Fubon Chi-Hsiang Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**Jih Sun Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**Shin Kong Chi Shin Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**SinoPac TWD Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**UPAMC James Bond Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**Yuanta De-Bao Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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**Yuanta De-Li Money Market Fund**

Fixed-income Fund Credit Quality Rating	twAAf	
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