

# Exciting opportunities as Thai fund distribution grows

*Michael Reed, Chief Executive Officer, Manulife Asset Management (Thailand) tells Hubbis about the evolution of the fund management business in Thailand.*

**T**HE FUND MANAGEMENT BUSINESS IS EVOLVING RAPIDLY in Thailand, creating new growth opportunities for global players like Manulife, according to Reed. “We’re seeing the banks

going more open architecture,” Reed says. He explains that banks in Thailand realise that their own in-house affiliated asset management company can’t always have the right ideas all the time. “And so, they’re reaching out more and more to other global players here and us to provide them with skillsets and products they can’t manage or manufacture in-house.”

On the flip side, more and more of the global houses now coming into the market, which they once perceived to be very small, Reed points out. “They’re now seeing the potential [here in Thailand] as the population grows and becomes wealthier.”

Reed says that the dramatic growth in fund sales to retail and high net worth clients in Thailand is expected to continue. “As the market matures, we’re looking for the banks to take more and more of the money that’s sitting in deposits, and not doing very much for their clients, to be invested in funds and products,” he explains.

Over the next year or so, Reed expects there to be more significant diversity in terms of the funds and products that are being sold to clients in Thailand.

“Over the last three years, we’ve seen banks that have been setting up different feeder funds, feeding into the same fund and multiple banks setting up feeder funds, feeding into the same offshore fund,” he says. “That represents a very bad concentration risk, and so, these banks have realised that they’ve got to have a wider and more diverse range of funds that their clients can invest in.” ■



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