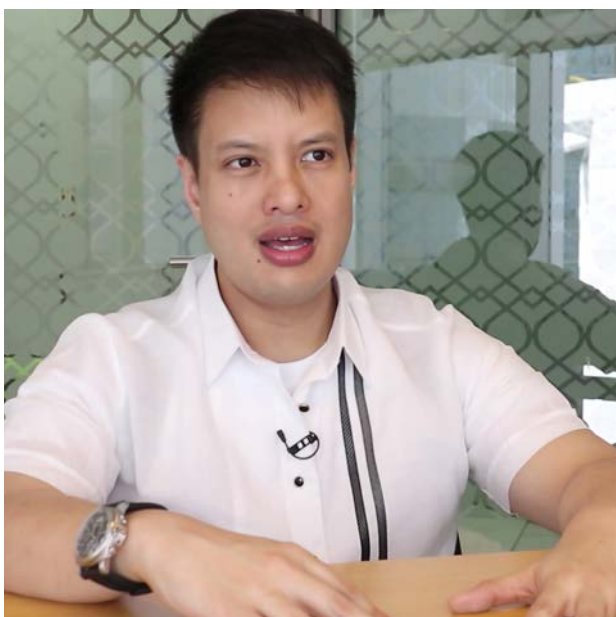


Frustrating slow growth for Philippines' mutual fund industry

The mutual fund industry in Philippines needs to get the small guys to invest to unlock its true potential, according to Dr. Robert B. Ramos, Senior Vice President, Trust Officer, and CIO, East West Bank.



DR. ROBERT B. RAMOS
East West Bank

PHILIPPINES' MUTUAL FUND INDUSTRY needs to focus further on client education if it has to evolve for the future, according to Ramos.

“Going digital is one way,” he says. “Even if you have a lot of branches, there is a limit to what the salespeople can do.” But if the industry offers digital access, it can sell more of these funds and educate its clients, even more, he stresses.

According to Ramos, Philippines is a country based on the idea of family—where relatives take care of relatives. Taking that into consideration, the industry, he says should focus on questions such as: “What happens to you if you don’t save? Who will take care of you in your old age? Who will pay for education?”

Ramos says that the industry needs to reinforce the message that just savings and deposits are not going to cut it when answering those questions. “You have to diversify,” he says of the message the industry should deliver. “You have to buy bond funds, balanced funds, equity funds.”

Ramos stresses that there is no time to waste for the industry and that client education needs to start now. “We have to educate them now,” he says. “And educating them now means convincing them that there is no time like the present to start saving and investing.”

As far as Ramos is concerned, the industry does not do that right now. “I don’t think we do it as consistently as we should.”

“There should be more outreach programs,” he says. “And again, sure, we serve the high net worth market, but it’s all about inclusion as well, and we have to get the small guys to invest.” ■