

Growth and diversification drive Thai asset management

Win Phromphaet, Chief Investment Officer, CIMB-Principal Asset Management, talks to Hubbis about the future of Thailand's asset management industry.

THAILAND'S LOCAL ASSET MANAGEMENT INDUSTRY has taken long strides over the last decade, and more growth is coming, according to Phromphaet. "Investors are becoming more sophisticated," he explains. "It used to be that Thai investors are

only investing in fixed income funds, but in the past ten years, they are going beyond fixed income to equity, offshore, real estate, commodities, and so on."

At our CIMB-Principal Asset, Phromphaet sees a massive demand from investors for overseas investments, and the firm has responded to that demand.

According to Phromphaet, investors in Thailand, given the low-interest rates here, are aware that the returns you get on global funds are much higher than Thai bonds or Thai deposit rates. "Investors are learning that they should diversify their portfolio to overseas so that when Thai market is not doing well, they get good returns from elsewhere," he explains.

Phromphaet believes that Thai investors are very receptive to new investment ideas, and previously loved the concept of thematic funds healthcare, robotic, infrastructure. "They are now looking for something that goes beyond Thai equity."

On the topic of local capital markets, Phromphaet says that while the Thai bond market has developed quite a lot for the past ten years, there is still not enough liquidity in the market. Phromphaet, on the regulatory side of things, says that he wishes the regulators could do a bit more about the governance of smaller companies. "I want to see a higher standard of governance and better disclosure practices at the small companies in Thailand."

Going forward, he believes that the local fund industry will continue to grow. "I think investors are getting more knowledgeable about investments and they understand risk management more," he explains, adding that the coming of the Provident Fund for employees will boost growth in this space. ■



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