

# Philippines Wealth Management Forum 2018

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**At the Hubbis Philippines Wealth Management Forum 2018 in Manila on May 24th, we interviewed leading industry experts.**

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**Christian Senn**

**Credit Suisse Private Banking**

We just opened our rep office which has been prominently announced which is our first step into the country. Credit Suisse we are very committed to the Philippines. We believe that this country is of strategic importance and the representative office is only the first step of bigger footprint that we envision in the future.

Well, like many other markets in Asia, also in the Philippines, you have a lot of buzz around entrepreneurs. We look at ourselves as the bank for entrepreneurs. It is a very good moment when the country is growing as fast as it does, to be here and to be as close to clients as possible.

**Michael Ferrer**

**ATR Asset Management**

Well, there is a lot of positive developments in the market today. Obviously, the growing wealth is spurring a lot of demand for new products, new asset classes, offshore diversification and I think as an industry the asset and wealth management industry is really growing and able to deliver and bring new products to the market. Obviously, there are lot of challenges as well, but I think the opportunities in this market certainly outweigh a lot of the challenges and the risks that we are facing today.

**Stella Cabalatangan**

**BDO Private Bank**

A lot of positive things in the Philippines happening. There is exponential growth of the emerging wealthy and I think there are lot of opportunities for private banks to offer their products and services. Opportunities also for employment for relationship managers. You will see

a growth of customers really becoming more sophisticated, becoming more open to different services and I see this is the way to go for the Philippines market. We are veering away from just traditional deposits and our customers are learning to really take advantage of true wealth management services. To improve the platform we really have to provide more access to our customers, we will work very closely and more aggressively with potential partners to get access to our customers and to be able to compete with the offshore private banks as well. So, we want to be at par. We will work on that. It is a continuing struggle but we believe we can achieve that.

**Dominic Volek**

**Henley & Partners**

We are here in the Philippines today because there is obviously like the rest of Southeast Asia there is a growing wealth management industry that is coming in and of course we work a lot with these intermediaries. So, there is a certain need for our services in terms of residence and citizenship planning here. Actually, more so here than anywhere else in the region and we find these events incredibly useful to connect with all of these intermediaries, always new faces coming in, rekindling relationships with others and of course from our perspective a lot of our clients intro-



duced to us from these financial players here in the Philippines.

**Dhawal Kamath**  
**Miles Software Solutions**

I work for Miles Software Solutions as Senior Vice President, Products. As part of our focus as far as Philippines is concerned the biggest portion we are looking for is on the KYC, automation of KYC. Also making sure that the other part of what BSP requires is how do we make sure your compliance is okay. The compliance part is the biggest focus area for BSP right now, and our systems help us do that where you are getting configurable rules, anything which you can do. The rule engine of our application is supported by what we have implemented for UCITS in Europe. So, it is a very powerful engine which is do it yourself compliance. This is where we feel the focus for digital will be in Philippines.

**Albert S. Yeo**  
**BDO Private Bank**

The field is getting bigger. We have Credit Suisse coming to town, other people expanding, the local banks even the mid-sized banks are opening their private wealth type of divisions or units. The other day the real estate people said the number of high net worth people are growing exponentially in the Philippines. So, it is very exciting. We try to bring Philippines up to par with the world and make Filipino wealth people or high net worth people be more globally focused instead of just locally. They should be also try to fish in the bigger ponds. They have made it. They have arrived and they deserve more. That's what I would say.

**Vincent Magnat**  
**Lombard Odier**

So, as you can see I am very pleased to be here in the Philippines in this growing market. Very im-

portant for Lombard Odier and we have been in strategic partnership with Union Bank with the idea to develop onshore solutions for clients here in the Philippines with our traditional holistic approach focusing on family services and investment solution for our clients. Pleasure to be here and happy always to come to the Philippines.

One of the major challenge that the families and the ultra high net worth are facing here is really this move of generation, first, second, to third generation and this need really to put in place a family governance, business governance, to have a strategic approach on their investment solutions and obviously the wealth planning will be the key challenge in the coming years in the Philippines.

**Anthony J. Harper**  
**Axial Partners**

Delighted to be here today in the Philippines at the Hubbis wealth management forum. It is such a great community of asset, wealth manager, and product practitioners. An opportunity to share ideas about market insights and new practices in wealth management and interesting solutions that could be available and are in place today in the Philippines.

We are here as Axial Partners offering our managed account platform, taking global money management and delivering it into a local wealth management market and creating the potential for tailored solutions in investment management for Philippines investors.

One key element is helping Philippines investors realise the opportunity to diversify their investments across asset classes, across asset managers and create a tailored portfolio whether on thematic or multi-asset basis. This is a differentiated





experience for them shifting from a mutual fund type experience to managed account experience. I think one that meets the increasing demand of the innovative and sophisticated investor in the Philippines.

**Sebastien Hayoz**  
**Asiaciti Trust**

What we see and what I see personally in the Philippines and in Manila is really this next generation coming now. Manila has seen a lot of immigrants a couple of years and years ago now and they have built up really empire and it is coming now time of them thinking about what they are going to do with this wealth, what are they going to do with their company.

The second generation is very very educated. They have studied abroad, in Australia, in the US, in the UK, or anywhere else in the world and they are very familiar with potential options they have.

So, there is really this discussion on the transition, on the succession, on where it is going and who is going to operate what. Also, the fact that Philippines is really intensively looking at the tax system on the individual as well or in particular might create other opportunities because there is really a strong opportunity here where you can do something for your family with a relatively friendly tax environment.

**Juan Lizares**  
**BDO Private Bank**

Well actually it is very challenging. It has been a challenging year since the start of the year. You know very well we have been advising our clients in different options whether they are onshore/offshore, but markets have gone down so there is a lot of mark to market. I am supposed to grow my portfolio, it is going down, but I think the appetite is still there from our investors, our clients. We are just giving them a lot of

options whether it is bonds, equities, and other strategies. We want to grow the business, we want to deepen the relationship. We have to be ready to provide these advices to our clients. That's our responsibility to give them that option.

If you go through the high net worth individuals they already know what they want, so it is just giving them the structure and the opportunity to get that and execute for them.

**Thomas Tse**  
**Finantix**

Around the region in Philippines a lot of customers that we talk to they really are looking for a solution like Finantix to help them with their RM and their client engagement process and what we can do there with a lot of them is provide them with the tools to help them engage with the customers, for example, on their onboarding process we can actually help them deal with a lot of

KYC and AML checks and as well as we can give them integrated solution to integrate into their backend systems or their core systems to ensure that they have a seamless experience going through the new digital journey.

**Angel Marie L. Pacis**  
**KnowledgeLinks Wealth Solutions**

What are the things that are happening now, a lot of wealthy families are finding that enforcement and reporting has changed a lot. So, at the point of transaction they are actually forced to report things that were previously unreported and they are actually discovering that a lot of the solutions that they have used in the past actually subject them to higher taxes at this point. So, a lot of issues and some of the consulting now actually revolve around how to rework previous solutions.

**Roberto Vergara**

For the Philippines right now I think one of the more important things is the fact that there is going to be a planning session, roadmap between the industry representatives, trust, including private banking and wealth management, where our roadmap and points of agreement are going to be discussed and resolved.

The more important thing here I think is the fact that number one, there is what is known as a personal managed trust which was promulgated in a series of regulations. Now, there are some unwieldy provisions there and including redocumentation issues as well as proof of where some of the withdrawals are going to be used and proof of that all the way to receipts. I think that maybe result in that dialogue.

And another important development really is the BSP being asked to allow investment management agency agreements. These are not trusts, they are principal agent relationships, but nevertheless asset or portfolio management type of engagements to be allowed to invest abroad, in investments offshore and that I think is an important development as well because it now allows a broader investment array of choices for trust as well as private banking and wealth management clients.

**Michael Gerard D. Enriquez**  
**Sun Life Financial**

Well, wealth management in the Philippines has been picking up ever since five years ago. We are quite excited on the prospects wealth management new products we have been seeing in the markets right now.

Definitely we have been getting a lot of these offshore funds as well coming into the Philippines. Definitely looking at the potential of the country in terms of distribution of their funds and likewise as a domestic player in the market definitely we have been seeing our portfolios grow based on our AUM growth because a lot of our clients have been really amassing a lot of wealth and those wealth are trickling down to some of our funds. So, I am quite excited on the prospects.

We have been getting a lot of interest in our offshore funds. We run several fund of funds platforms and mandates and we have been getting more subscriptions in these kinds of funds and I think it is in recognition of the fact that most of our clients are heavily invested in Peso, I think it is time to look at other asset classes in other currencies as well. So definitely something that it is that area that we are developing at the moment, looking for newer products, newer and exciting products for the growing need of this diverse and sophisticated market.

**Carlos Jalandoni**  
**BPI Asset Management & Trust**

Well, I see a couple of things actually. First and foremost is that





because of there is more volatility in Peso assets people have tended to be a bit more open about investing overseas. So, this could be as simple as a Dollar money market fund or equities perhaps in emerging markets or even as simple as a private equity fund which tended to have a longer holding period. People realise that diversification is probably more effective as an asset management strategy given the volatility that is seen in the Philippines in the last two to three years.

Now the other thing obviously is that people have also been a bit more patient with regards to returns, whereas previously people have tended to be a little bit more short sighted or short term focused in their investment horizon, I think the success of investments in the last 5 to 10 years have made them more appreciative of holding a little bit longer and taking on a little bit more strategic view rather than a tactical view in their asset allocation.

So, hence you now see the rise of unit linked assets products and I think that is indicative of people having a slightly more longer-term investment horizon that they have

relative to what they have had in the past. I think that is a positive development.

**Caroline Tinio**  
**Philam Asset Management**

We are very excited especially now that we are getting deeper into the demographic sweet spot and the Philippines is inching closer to upper middle class.

We see a lot of clients really getting more into wealth management, being more aware of investment products and looking at more sophisticated investment instruments with that. We are looking to expand our retail distribution through digital wealth management.

We do this through partnerships with third party providers and we are also looking at deepening our own digital platforms as well. New products, maybe not necessarily new investment funds but more of tailored solutions for clients who are looking into more specialised investment solutions specific for retirement, for health, for specific financial goals, more customer engagement and basically more seamless and delightful customer experience.



**Joshua Rotbart**

**J. Rotbart & Co.**

I am here today to speak about physical gold, how to buy and why it is important for Filipino clients to diversify their portfolio and investment in physical metal and store it in one of the offshore locations such as Hong Kong, Singapore, or Switzerland. The reason is wealth protection. So physical gold is a very good way to protect your wealth for the long term. So, the way for local Filipino clients to buy gold is to actually to come to us J. Rotbart & Co, open account, the process is very simple, make it very easy for the client to purchase, we arrange for the storage, the transportation, insurance coverage, and everything they need to know and down the road we can help them liquidate it and wire the funds back to their bank account.



**Deanno J. Basas**

**ATRAM Trust**

What are the positives right? Things are moving along. I think if you look at the regulatory environment it is moving along, the regulators are getting open, they are listening to the market and they are slowly changing their rules.



On the market side I think people are also trying to push their envelope, introduce new products, a lot of plans to develop, of course the question of whether the market is ready, is it going to take off is the perennial question, but I think the signs are there, so a lot of things happening. Obviously with the amount of information available everyone is asking global dollar diversified, what's different. So, we are starting to see a lot more interest from clients. Now rules, regulations have to sort of adjust. They are at varying speeds depending on who we talk to, but we are seeing some headway there. ■

