

## Mutual funds firm sees growth in retail

THE Mutual Fund Management Company of the Philippines, Inc. (MFMCP), an investment management company owned by ATR KimEng Capital Partners, Inc.

(ATRKE Capital) and Clemente Fund Management (Asia) Ltd., an affiliate of New York-based Clemente Capital, Inc., continues to make significant in-roads and sees a growing retail market for mutual funds.

MFMCP is responsible for the advisory, distribution, and administration of the Kabuhayan (Balanced) Mutual Fund, the ATR KimEng Equity Opportunity

Fund, and the ATR KimEng Fixed Income Fund. MFMCP is also responsible for the administration of the GSIS Kinabukasan Fund.

The Kabuhayan Mutual Fund was among the best performing balanced mutual funds (50 percent equity-50 percent fixed-income) giving investors a year-to-date return of 14.16 per-

cent. This compares favorably with the performance of the Philippine Stock Exchange index (PHISIX), which was up 14.85 percent in 2005.

The ATR KimEng Equity Opportunity Fund, meanwhile, was the best performing equity mutual fund in the country in 2005. Its year-to-date return was 21.34 percent. This return was 39.80 percent higher than the next best performing equity mutual fund (15.26 percent) and 46.40 percent higher than all-Philippine index mutual funds (14.57 percent). The ATR KimEng Fixed Income Fund was also the fifth best performing fixed income mutual fund with year-to-date return to investors of 7.38 percent.

The company has successfully grown its business despite being new in the industry. In 2003, its assets under management totaled around P300 million. It now manages funds totaling over half a billion pesos.

MFMCP is looking forward another good year of performance for the mutual funds market.

"Currently, we favor equities," said MFMCP president and chief executive officer Phillip Hagedorn. "There are some good values in the stock market. The Peso has strengthened, the business environment is getting more stable and with the 91 Day T-Bill at just above 5 percent, equities are an attractive opportunity for the first quarter of this year."

"Participation in the stock market from the retail point of view is very low. And mutual funds are an important way for ordinary folks to participate in this equity market," explained Hagedorn. He said that for only P5,000, a person can join their funds. MFMCP is precisely targeting this retail market. "We focus on providing returns to our clients. It does not matter whether you have P5,000 or P5,000,000 invested with us, all our clients benefit equally, relative to the amount they invested and fund they invest in, from the returns we provide."