

## Bright future seen for mutual fund industry

The Mutual Fund Management Co. of the Philippines Inc. (MFMCPI), an investment management company owned by ATR Kim-Eng Capital Partners Inc. and Clemente Fund Management (Asia) Ltd., is optimistic on the prospects of the mutual fund industry for this year given the improvement in the country's fiscal and economic environment.

MFMCPI is responsible for the advisory, distribution and administration of the Kabuhayan (Balanced) Mutual Fund, the ATR Kim-Eng Opportunity Fund and the ATR Kim Eng Fixed Income Fund.

It also oversees the GSIS Kinabukasan

By ZINNIA B. DELA PEÑA

Fund, which gave investors a year-to-date return of 14.16 percent.

The ATR Kim Eng Equity Opportunity Fund, on the other hand, was the best performing equity fund in the country in 2005, giving a year-to-date return of 21.34 percent.

This return was 39.8 percent higher than the next best performing equity mutual fund (15.26 percent) and 46.4 percent higher than all Philippine index mutual funds (14.57 percent).

The ATR Kim Eng 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.

MFMCPI president and chief executive officer Phillip Hagedorn said: "Currently, we favor equities. 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 treasury bill at just above five percent, equities are an at-

tractive opportunity for the first quarter of this year."

Hagedorn said mutual funds contribute to the development of the capital market by pooling money from a large group of investors who have similar objectives. Mutual funds allow small investors to participate in the capital market, as these call for low initial investment requirement.

"Mutual funds are an important way for ordinary folks to participate in the equities. For only P5,000, a person can join mutual funds," he said.

MFMCPI is precisely targeting the 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 it, from the returns we provide," Hagedorn said.

It also targetting overseas Filipino workers who are looking for an alternative site for investment aside from the traditional bank savings.

"Over four hundred (from Hong Kong) are now shareholders of Kabuhayan fund. And they continue to add to their investments on a regular basis," MFMCPI said.