



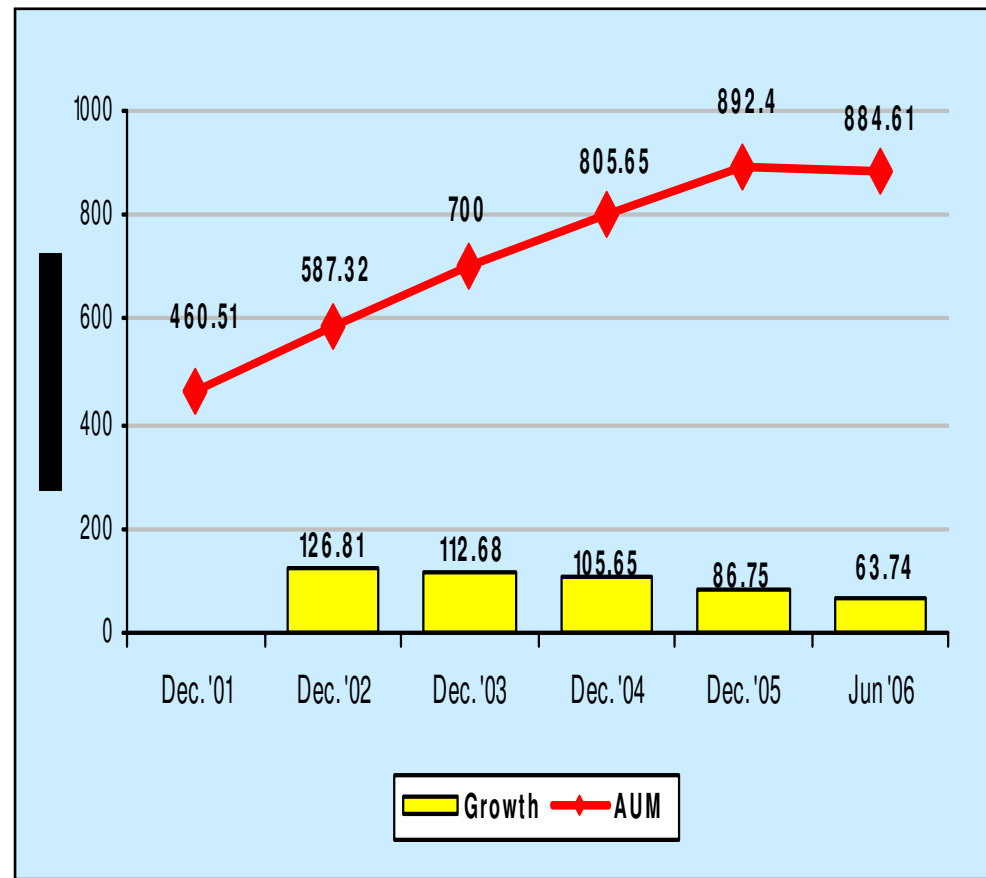
Fund Management Market in the Philippines

Rafael G. Ayuste, Jr.
Senior Vice President – Metrobank Trust Banking
Chairman – UITF Council



The Philippine Trust (Asset Management and Fiduciary) Industry

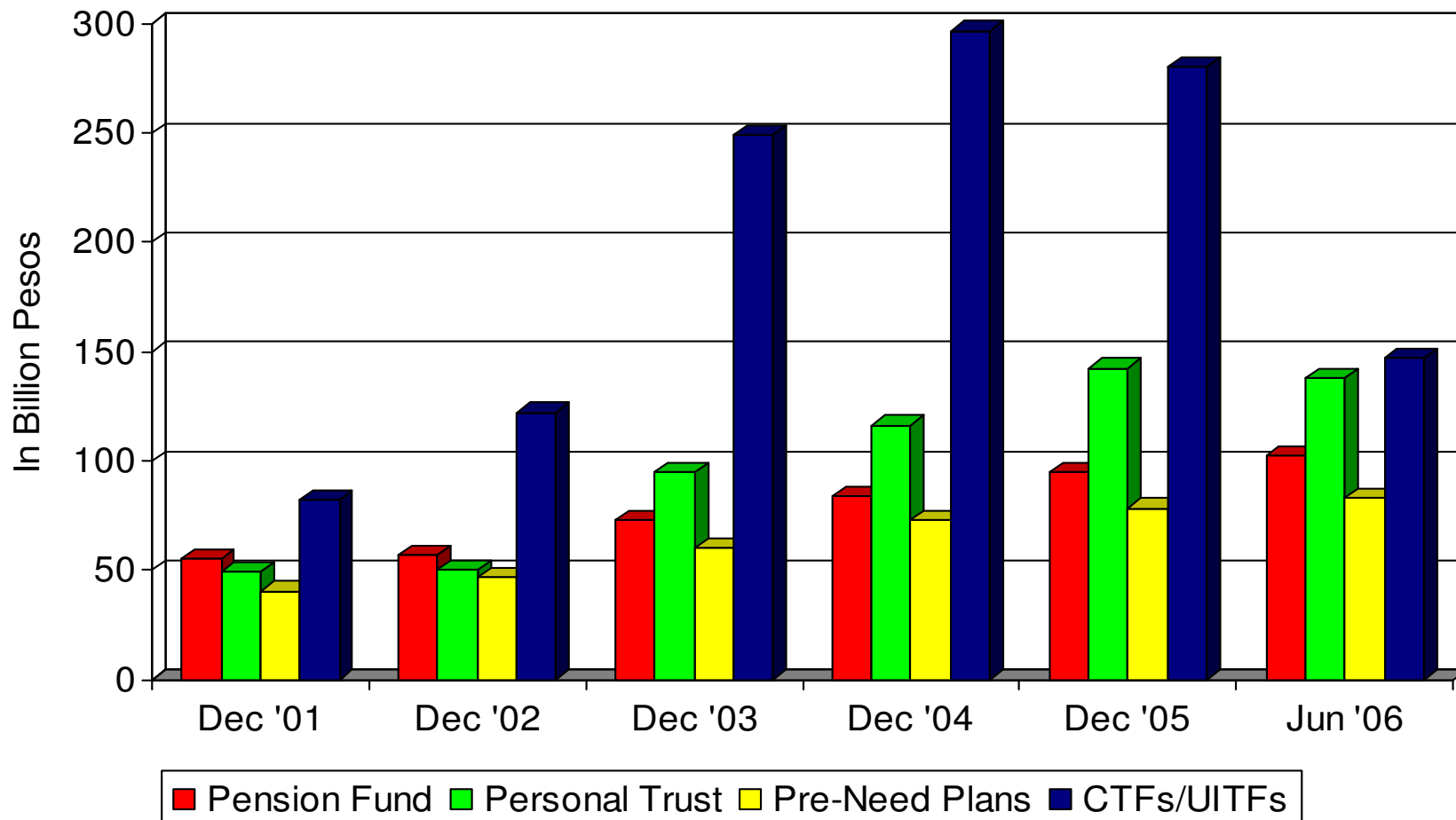
- Total Asset Under Management as of June 2006 amounted to **P884.61 Billion**
- Almost doubled the growth in less than 5 years from **P460.5Bn** in 2001 to **P884.61Bn** in June 2006
- Highest growth experienced in the year 2002 with **P126.81Bn** or **28%**



The Philippine Trust (Asset Management and Fiduciary) Industry

VOLUME

Major Products & Services



The Unit Investment Trust Fund

- Registered and approved by the Bangko Sentral ng Pilipinas
- Operated and administered within the fund charter (Declaration of Trust)
- Operated separately from the other assets managed by the Trust
- Assets of the funds are under custody of a third party custodian
- Mark-to-market valuation by the fund administrator and the custodian



The Unit Investment Trust Fund

- Global Standard Product
 - Mark-to-market; best execution, securities and tradable instruments
- Standards on fund classification, valuation basis, performance presentation, etc. provided by the UITF Council
- Replaced the Common Trust Fund (Accrual Method)



Current Status

- No standard investment performance measurement
- No standard on investment performance presentation
- Numbers can be manipulated to produce flawed results
- No standard valuation basis
- Lack of dynamic benchmarks
- Ineffective communication on performance data interpretation, analysis and attribution
- Small players may be marginalized due to their size



Motivation

- To better serve the clients of the Trust industry by providing uniform and accurate performance data as well as provide asset managers with the tools to optimize management of portfolios.
- GIPS to provide:
 - Standardized investment performance measurement
 - Standardized investment performance presentation
 - Impetus to drive the development of dynamic fixed income benchmarks



Motivation

GIPS to provide (cont.):

- Education to clients (investors)
- Effective communication of performance data interpretation, analysis and attribution
- Encourage a robust and dynamic market participated by players of varying sizes where GIPS is the great equalizer and performance becomes the key motivation for clients to appoint fund managers





Thank You!

