

Investing during difficult times

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PETALING JAYA: Amid a challenging socio-economic and political situation that Malaysia is now facing, iCapital.biz Bhd will be holding its 2015 Investor Day.

The lanky Tan Teng Boo (*pic*), the founder and fund manager of iCapital.biz and a seasoned hand in the fund management industry will on that day give his insights not only on investment strategies but also how Malaysians can do their part for the country in these difficult times during the two-day event beginning from Sept 19.

The 61-year-old chief executive officer of Capital Dynamics Asset Management Sdn Bhd is known for his brutal honest thoughts and gripping insights on what ails Malaysian and the Asian region in terms of the socio-economic space.

iCapital.biz is a closed-end fund listed on the main market of Bursa Malaysia. It is managed by Capital Dynamics.

Among the areas that to be discussed by Tan include, what he would do if he were 25 years old today, what difficulties would he be facing and what he would do to protect his wealth and secure his future considering the current socio-economic and political situation.

Tan said that he wanted to tell participants the Malaysian story and more importantly, where the country is heading.

"The days of Malaysia having leaders such as Tunku Abdul Rahman who gave their all for the betterment of the country is over. No leader, whether in the ruling coalition or opposition is made of such substance today," he said.

For instance, while the media has harped on 1Malaysia Development Bhd (1MDB), it is not the only problem faced by Malaysia.

There are other equally disturbing things



happening in Malaysia, so 1MDB should not be the only news put on headlines, he said.

He cited the example of the perennial traffic jams faced in Kuala Lumpur. A mundane topic for a serious platform as the investment forum, Tan said he wanted to bring this up because he felt it had serious repercussions to the country's GDP.

In June, the World Bank released a report on Malaysia's urban transportation system which revealed that Greater Kuala Lumpur residents spent 250 million hours a year stuck in traffic and travel 29km/h slower on average during morning peak hours, costing 1.1% to 2.2% of the gross domestic product (GDP) in 2014, or RM12.7bil to RM24.7bil in losses.

Said Teng Boo: "Yes we talk about 1MDB and the RM42bil debt. That is bad and I am not belittling the problem. But here we have a problem which is happening every year. This is RM12.7bil to RM24.7bil which is lost per year."

He cites another example.

"Why was Sepang chosen to house the Kuala Lumpur International Airport (KLIA) and not Subang? The KLIA is 80km from Kuala Lumpur. Today the KLIA is the furthest airport from the city centre in the world.

"Right now, KLIA receives some 20 million to 30 million passengers a year. The amount of money that needs to be spent on the taxi fare to the airport is roughly RM70 one way. Let's say some 10 million people use the taxi to and fro the airport. This easily adds up to RM1.4bil. How much subsidies are we subsidising the KLIA?" asked Tan.

"I have said this before. If we were to take a sleeping pill and sleep for 50 years, Malaysia may become Argentina if this continues."

He added that when people ask what was former Singapore's premier Lee Kuan Yew's most successful attribute, for him it wasn't about transforming Singapore to become a first class nation within a generation.

"It is the Singaporean's civic mindedness and their social responsibility. This is Lee Kuan Yew's biggest success," says Tan.

Tan said that while every Malaysian was so against corruption, he claimed nearly everyone still gave bribes to the policeman.

"When the giving stops, the taking stops. Everyone can be better Malaysians if they do their part. If everybody has more integrity, be more socially responsible and have a stronger sense of right and wrong, we will eventually have better leaders," he says.

Tan said that participants who attend his talk will learn what is it they can do to make Malaysia a better place.

He also advised Malaysians not to believe

everything they read, whether its by the ruling coalition or the opposition. "Malaysians need to be more critical and analytical. To do this, we have to read a lot. Not just finance books, but politics, histories, biographies, even face reading!" he says.

On investing, Tan said that participants who attend his talk will understand that investing may not necessarily involve taking unnecessary risk. It will be the beginning of their enlightenment.

"Investing in the market can be rewarding. It does not have to end with tragic stories," he says.

The session on Day 2 of the event aims to teach the public how to become better investors.

A major part of the session will address one's worries and enlighten people on easy-to-understand financial concepts.

Issues to be discussed include:

1. How can one invest safely in the stock market and build their wealth for the future.
2. How can the margin of safety principle safeguard one's investments.
3. How can one benefit from the shrinking ringgit.
4. How can 'mental Gymnastics' help assess risks and opportunities
5. Will interest rates stay low forever

Among speakers during Investor Day are Boustead Holdings Bhd group managing director Tan Sri Lodin Wok Kamaruddin, Suria Capital Bhd acting CEO Mg Kiat Min and Vitrox Corp Bhd executive director Steven Siaw Kok Tong.

Capital Dynamics is Asia's first global fund manager and investment advisor with offices in Kuala Lumpur, Singapore, Sydney, Hong Kong and Shanghai. It is an independent fund manager and investment adviser, not tied to any bank, stockbroker or political organisation. It currently manages over US\$300mil.