Pheim's Outstanding Long Term Track Record

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Building a Long Term Track Record Based on Pheim Investment Philosophy

导 言

Pheim Asset Management Sdn Bhd ("Pheim" or "Pheim Malaysia") was founded on 4th January 1994 by the founding chairman Dr. Tan Chong Koay ("Dr. Tan"),who has been also the Chief Strategist of Pheim. Coincidentally, the starting date was the highest point of the MSCI Malaysia Index at 465.67.

That remained the highest point until 2007,some 13 years later.Knowing that it would be extremely difficult to make money for clients when the market was at such high
levels, Pheim decided to adhere to value investing and not to invest during the early days when the market was near to the historical high.Sure enough,in December 1994,the Kuala Lumpur Composite Index (KLCI)had dropped 32% from the peak.Pheim believes that a true value investor must not buy when the market is grossly overvalued.

Subsequently, Pheim Asset Management (Asia) Pte Ltd（“Pheim Singapore”）was founded in 1995 by Dr. Tan. To enlarge the retail client base in Malaysia, Pheim Unit Trusts Berhad（“Pheim Unit Trusts”）was incorporated in 2001. It has since launched 5 retail funds.

Dr. Tan has more than 40 years of investment experience.Pheim started with the simple goal of managing funds for those who have neither time nor the professional resources to take care of their financial wealth.As an equity specialist,Pheim targets clients who have long term funds.Pheim has been managing funds for high networth individuals,corporations,pension funds,sovereign funds,as well as the retail investors.Some of its clients are still with Pheim since the inception.

Pheim Malaysia and Pheim Singapore combined managed US$311 million as at December 2015.

Despite being in a business that is filled with uncertainties,Pheim has been profitable from its first year of operations for 22 consecutive years.Pheim attributes the success mainly to the investment team’ s careful stock selection and strategic asset allocation that has steadfastly adhered to Pheim’ s investment philosophy of not being fully invested at all times.

For two decades, Pheim has built an outstanding long-term track record by practicing its investment philosophy, but it did not come without challenges. Pheim managed to weather through several major crises,including the Asian Financial Crisis (1997/98),Tech bubble (2000),US September 11 (2001),SAR(2003),Global Financial Crisis (2008/09) and ASEAN Crisis (2013).Thanks to its loyal clients who remained invested with Pheim during the

difficult times,Pheim’ s investment team managed to go in and buy undervalued stocks while the market was in panic sell-down.

Pheim’ s Outstanding Long Term Track Record

Pheim SICAV-SIF - ASEAN Emerging Companies Fund (“Pheim ASEAN Fund”) is
Pheim's first offshore flagship Fund which was launched on February 3,1995.It is now one of the oldest Asean Equity Fund. It was comforting that on the fund's
20th anniversary on February 3,2015,according to Lipper's calculation, the Pheim ASEAN Fund took the Top position for all the 1- to 20-year periods among all Equity ASEAN of Lipper Global Classification under International Offshore Universe in terms of total return in US Dollar term.From 1995/2/3 to 2015/2/3,for the 20-year period since the fund's launch,it recorded a return of 497.37%,outperforming FTSE AW ASEAN Index's 44.56% by 452.81% and its Top rival's record of 94.52% by 402.85%.

Pheim ASEAN Fund won the 2015 Best of Best Awards of Asia Asset Management
for the 3-, 10- and 20-year period in the ASEAN Equity category. The Awards ceremony was held on March 15, 2016 at Four Seasons Hotel, Hong Kong organised
by Asia Asset Management.

Dana Makmur Pheim, a balanced Malaysia Islamic fund of Pheim Unit Trusts, has
won The Edge Lipper Fund Awards for 3-, 5- and 10-year periods ending December
2015 in the Mixed Asset MYR Balanced Islamic category. Pheim Malaysia also took
home the award of the Best Mixed Asset Group.

Dana Makmur Pheim (Malaysia Balanced Islamic Fund)

	1-Year 01/01/2015 31/12/2015	3-Year 01/01/2013 31/12/2015	5-Year 01/01/2011 31/12/2015	10-Year 01/01/2006 31/12/2015
	%	%	%	%
Dana Makmur Pheim	12.09	49.27	60.73	164.89
Benchmark	2.89	11.26	24.11	88.82
Pheim Outperformance Against Benchm	**9.20**	**38.01**	**36.62**	**76.07**
Top Comparable Peer	9.78	24.41	41.76	127.68
Pheim Outperformance Against Peer	**2.31**	**24.86**	**18.97**	**37.21**

Source: Lipper

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Past record has no indication of future performance.

Pheim has been managing a Malaysia mandate for the largest government pension

fund in Malaysia since April 1997. The fund registered more than 438% return vs.its benchmark return of 73%,outperforming by 365% since inception.Pheim recently received two awards from the said government pension fund,which include the Best Domestic Equity Portfolio Manager Year 2015 and Best 3-Year Return On Investment (ROI) Domestic Equity Portfolio Manager Year 2015,during the annual awards dinner on April 7, 2016.

Pheim Investment Philosophy and Challenges

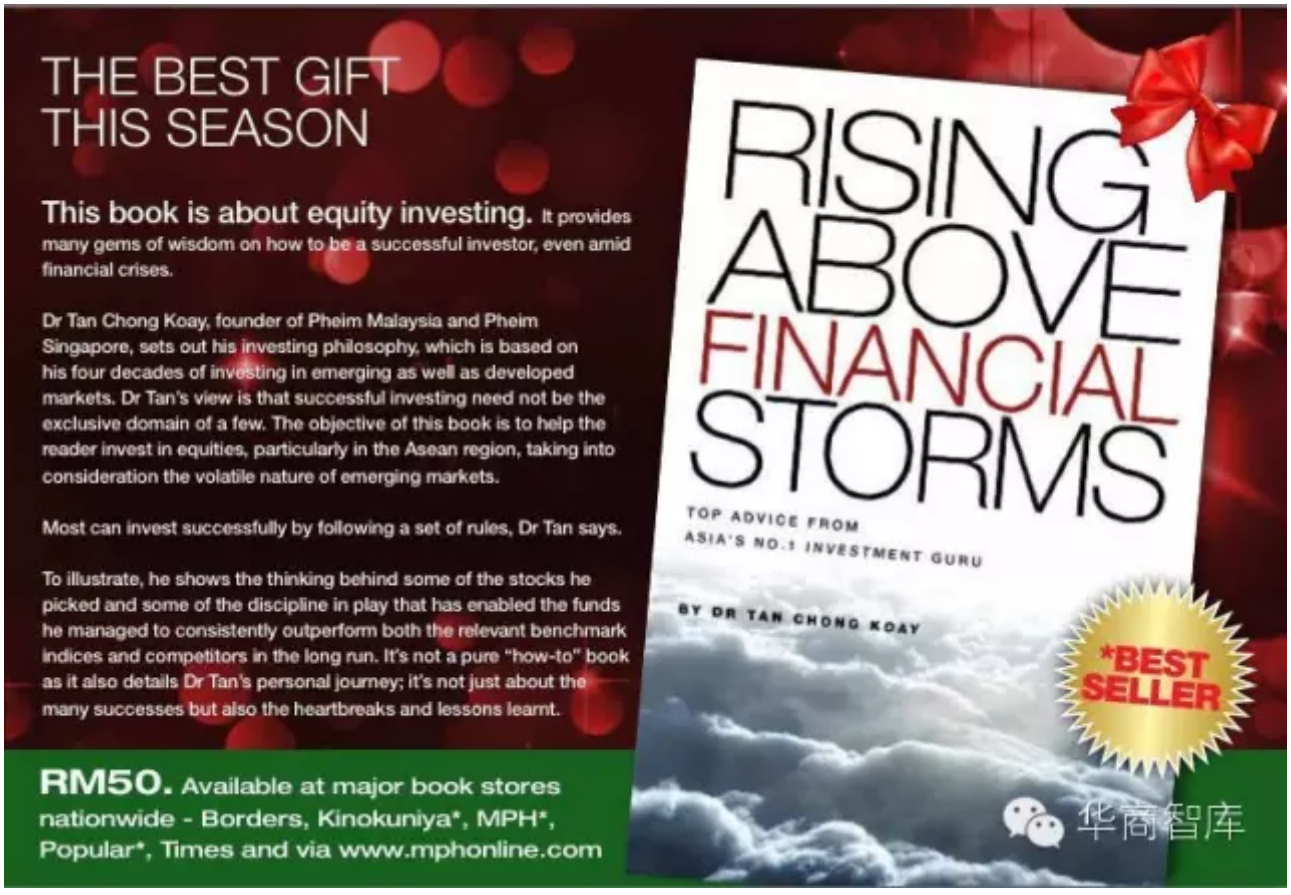
Throughout the course of building the long-term track record,there have been some occasions when Pheim underperformed the market temporarily.According to Dr. Tan, there is no pure ‘how to’ formula.Pheim consistently adheres to its investment philosophy of not being fully invested at all time.The investment team has been always willing to go against the tide during the market downturns by investing in companies that have growing earnings,low debt position,capable management team and attractive valuation.Pheim investment philosophy has yielded superior performance for Pheim in the long run.

The macro economic outlook remains uncertain in near term.Pheim sees market
volatility will persist through much of 2016 as the major economies muddle their way through slumping commodity prices,deflation and divergent economic policies,tossing capital around that is in search of safe harbors.That being the case,Pheim sees tremendous opportunities in the Asia Pacific ex-Japan markets over the long term.Investors are able to diversify across currencies and economies.Opportunities are seen in ASEAN’s big pool of young population,gathering urbanisation and infrastructure needs for the movement of its people and the goods they produce and need.Valuations will become more compelling as the current sell-down exhausts itself and

currencies stop depreciating after
finding their level of competitiveness.

As a value investor,Pheim is well positioned for such times and will keep a look out for undervalued companies with good management and strong fundamentals.
It is not easy to swim against the tide. With a good team supported by a proven investment philosophy, the chances are better.

Dr. Tan’ s Bestselling Book



In 2015, after a rigorous edit by The Edge Media Group and named Dr.Tan as Top Asia’ s No.1 Investment Guru,Dr. Tan published his bestselling book, “Rising
Above Financial Storms”,detailing his investment philosophy based on his 40-year experience in fund management.Dr.Tan hopes to share his investing knowledge with others, including those just coming into the industry and the laymen who have interest in stocks investing. Dr. Tan believes that based on his long years of observation and research,Pheim’ s investment philosophy of not being fully invested at all times is an effective strategy in the volatile Asian

environment.The book is available in most bookstores in Malaysia and Singapore and all profits from the sales are to be donated to charity.It is also available in Kindle eBook version.

来源：Pheim Asset Management

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