

# Target Asset Management Pte Ltd

*Relentless Pursuit of Higher Return and Lower Risk*

## *Who We Are*

- We are a ‘long’ only fund manager investing in Asia Ex-Japan markets.
- Established in April 1996, based in Singapore.
- Founded by Mr Teng Ngiek Lian, a former Managing Director of Morgan Grenfell Investment Management Asia and Managing Director of UBS Asset Management, Singapore. **Mr Teng has more than 40 years of industrial and investment experience in Asia.**
- A shareholder managed company :
  - Management 92.5%
  - Value Partners, Hong Kong 7.5%

# *Why We Are Different*

- **Highly Focused**
  - We are a **one product company**.
    - We focused on ‘Asia’, ‘Value’ investment philosophy and ‘Bottom Up’ stock picking.
- **Highly Disciplined**
  - **Concentrated portfolio**
  - High level of conviction
  - **‘Careful and Bold’** approach
- **Contrarian Style**
  - The markets are now dominated by hedge funds, momentum, indexed and disguised value funds (index huggers) who tend to move quickly in unison to seek instant gratification. As we cannot out run them, we choose a contrarian path. **We prefer out of favour sectors, fallen angels and emerging companies.**
- **A Unique Stock Picker**
  - Mr Teng Ngiek Lian, the founder and CIO, has **43 years working experiences** which include, **17 years in business operations** and **26 years in investment management**. Understanding of business operations is an important advantage in ‘value’ investment.
  - Extensive local network and in-depth knowledge of local environment help to identify opportunities and avoid making big mistakes.

# *Investment Philosophy & Approach*

- **Investment Philosophy is Value**
  - Price relative to intrinsic value of asset, earnings and cash flow
- **Investment Goal**
  - **We aim to achieve : - High Average Return and Low Average Loss**
  - **Capital protection** is a major consideration
- **Investment Approach**
  - Bottom up; Portfolio built on stock by stock selection basis
  - **Favour :**
    - Early growth industries at reasonable valuation
    - Fallen angels
    - Out of favour sectors
  - **Avoid :**
    - Over owned stocks
    - Unfavourable persistent capex/operating cash flow ratio
    - Unpredictable earnings e.g. commodities
    - Unethical and socially undesirable industries e.g. tobacco, hard liquor and environment destruction.

# *Investment Philosophy & Approach*

- **Portfolio Profile**

- **Non-index tracking. Total return concept over 3 years period.**
- **May not be fully invested all the time.**
- **Concentrated Portfolio :**
  - About 35 stocks. Top 10 stocks account for about 50% of holdings

- **Investment Style**

- A bit early. A bit contrarian
- Medium term investment horizon (1 to 3 years consideration)

# *Investment Philosophy and Approach*

- **Buy Considerations**
  - Satisfy 5 Rs requirement :
    - Right Business
    - Right Management
    - Right Financial & Valuation
    - Right Risk/Reward Ratio
    - Reasonable Liquidity
- **Sell Considerations**
  - Over valued
  - Investment fundamental deteriorated
  - Better investment alternative
  - Mistakes made

# *Investment Team*

## **Mr Teng Ngiek Lian, Chief Investment Officer, Age: 61**

- A Chartered Certified Accountant (UK) and Chartered Secretary (UK)
- **Combination of over 43 years of industrial and investment experience in Asia.**
- **Had held many senior positions including :**
  - Managing Director of Morgan Grenfell Investment Management Asia, Singapore
  - Managing Director of UBS Asset Management (East Asia) Ltd
  - Joint Chief Operating Officer and Chief Financial Officer of WBL Corporation
  - Founder and a Director of The China Fund, The Pakistan Fund, The Greater Korea Trust and The Batavia Fund at Morgan Grenfell
  - A Council Member of Singapore Society of Financial Analysts, an affiliate of AIMR for 10 years (1992 to 2002)
- **Currently :**
  - A Non-Executive Director of Fullerton Fund Management Company Limited, a subsidiary of Temasek Holdings (Private) Limited
  - An Advisor of EDB Investment, a subsidiary of Economic Development Board of Singapore

# *Investment Team*

- **Mr Teng Ngiek Lian** (Chief Investment Officer) - Founder of Target Asset Management. Details on page 7.
- **Ms Khristine Amurao** (Investment Director) – Formerly a Research Analyst with Jardine Fleming Capital Securities, Philippines. Khristine holds a Bachelor of Arts, major in Management Economics from Ateneo de Manila, Philippines. Joined Target in 1999.
- **Mr Tan Seng Boon** (Investment Director) – 9 years of industrial experience. Started work as a Product Consultant in a software house and later started a software service business. He holds a Bachelor of Engineering in Electrical and Electronic Engineering from Nanyang Technological University, Singapore. Joined Target in 2006.
- **Mr Matthew Teng** (Research Manager) – Graduated from The University of Melbourne and holds a Bachelor of Commerce degree. Had internship with Citic Provident, Shanghai and Wearnes Walden, Singapore (both are private equity firms). Joined Target in 2002.
- **Miss Alycia Gooi** (Analyst) – Graduated from University of Strathclyde with Masters in Investment and Finance (distinction). She also holds a Bachelor of Arts (Honours) in Chemical Engineering Management. Joined Target in 2011.