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Editor's note

WHEN it comes to personal wealth, ARA Asset Management group chief executive John Lim has his head and his heart where it matters.

His uppermost concern is his legacy: How might he ensure that future generations of his family become good stewards of the wealth? And, of equal importance – how can he and his family make a meaningful contribution to society through philanthropy that can generate multiple benefits to beneficiaries, their families and society?

Mr Lim, whose wealth is estimated at over US\$500 million by *Forbes*, has been mulling these issues over the past few years. In 2008, he set up the Lim Hoon Foundation, a charitable trust dedicated to supporting the education of needy recipients, particularly those who fall through the cracks and are unable to attain government and private sector scholarships. The foundation is named after his deceased father who was an educator.

In 2011, he took a major step towards cementing his legacy. He set up the JL Family Office to look after his personal assets, which largely comprise shares in ARA, and to undertake philanthropy through the Lim Hoon Foundation. He says making money is no longer his objective. "The wealth is self-generating. To make another million makes no difference to my wealth. But how can we make sure that younger generations are imparted the right values?"

The wealth planning he has done so far is timely. ARA is on the threshold of bigger things and that certainly bodes well for Mr Lim's personal wealth. The group was delisted in April in a privatisation exercise where he takes on new partners – private equity firm Warburg Pincus and China-based trust manager Avic Trust. Going private, he says, will give the firm access to long-term, stable capital that is essential if the group is to rise to the next threshold of S\$100 billion in assets under management. On the horizon is expansion into new real estate markets for ARA – including expansion in Europe and possibly the



US. We hope you enjoy this month's Spotlight.

Elsewhere in this edition, our investment roundtable focuses on the outlook for emerging markets equities and bonds. Emerging markets (EM) have been much unloved for the past three to four years, and have only began to outperform last year.

Our expert panel are almost unanimous in their view that the rebound since last year is sustainable. Steve Brice of Standard Chartered Private Bank cites a number of macro drivers – higher commodities prices which should be supportive of growth in Russia and Brazil; a stable US dollar; and stronger fundamentals in Asia ex-Japan.

Cesar Perez Ruiz of Pictet Wealth Management says the rally in EM stocks may have further to run as forward valuations remain cheaper than developed markets. But he sounds a note of caution. There are more US rate hikes in the pipeline and commodity prices have stalled. He believes EM will need to show new growth drivers, such as stronger domestic growth, for the region to fully regain its attractiveness.

Meanwhile, UBS Wealth Management's Tan Min Lan urges investors to focus on fundamentals rather than fret about political concerns. Worry over the cohesion of the European Union, for instance, is ongoing, yet European equities are expected to build on their 10 per cent returns this year thanks to stronger earnings. Political infighting in the US may also be of concern, yet corporates in the S&P 500 are expected to show earnings growth of 12 per cent, the strongest in six years.

On EM fixed income, Marc Van de Walle of Bank of Singapore is optimistic. Defaults have been virtually non-existent, but spreads recently widened by 15 to 20 basis points. This, he says, is a timely reminder that returns may well be more modest in the remaining months of the year.

On philanthropy, SymAsia Foundation chief executive Young Jin Yee shares just how the foundation, set up by Credit Suisse, eases clients' foray into philanthropy by providing an end-to-end service.

On real estate, Erin van Tuil of Knight Frank turns her attention to Melbourne, which is firmly in the sights of the wealthy as an investment destination. Based on Knight Frank research, US\$1 million will buy just 17 square metres (sq m) in Monaco; 30 sq m in London; 43 sq m in Singapore and as much as 110 sq m in Melbourne.

In Lifestyle, Rahita Elias explores a "togethering" holiday for the well heeled – that is, vacationing with the extended family or a group of friends with the uncommon luxury of the entire resort at your beck and call.

We wish you a rewarding investment journey.

By **Genevieve Cua**