

THE BUSINESS TIMES

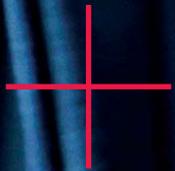
# Wealth

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SPOTLIGHT

## SURYA JHUNJHNUWALA

Reaching for S\$1 billion in assets



ROUNDTABLE

Top calls for asset allocation for 2016

PHILANTHROPY

Giving the Epic way

REAL ESTATE

Value deals in Singapore  
high-end homes



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## Editor's note

**T**HE early years of the family businesses that eventually morphed into the Hind Group were not without struggle.

The Jhunjnuwala family, whose business smarts were rooted in the textiles trade, twice had to flee Myanmar – then called Burma – and suffer losses: First in the 1940s during World War II and the second in the 1960s during military dictator Ne Win's regime.

Those trials have seared the virtues of diversification – both in terms of business and geography – into Hind Group managing director Surya Jhunjnuwala. Today the group comprises hotel operations in Singapore, Hong Kong, Australia and New Zealand under the banner of Naumi Hospitality. Surya's brother Girish heads the Ovolo Hotels in Hong Kong and Australia. There is also the iconic Rang Mahal restaurants with three locations in Singapore. And there is Shalimar Paints with three manufacturing plants and 54 depots and branches in India.

"We were very concentrated in Burma," he says of the family's early years. "Since Burma we learned a strong lesson that we should not put everything in one business, no matter how good the business is."

Today Mr Jhunjnuwala is mulling a fresh phase of expansion to take his family group's assets – currently at more than S\$700 million – to the next threshold of between S\$1 billion and S\$1.5 billion. "How do I grow bigger without losing my soul, the brand and vision I created? That's challenging yet I think we can find a way to do that," he says. He shares the challenges and steps he has taken to ensure that family ties continue to bind and wealth is sustainable through generations – issues that are of concern to many wealthy families.

Meanwhile, the year has started with a slew of uncertainties. Markets as at press time have been buffeted by sharp volatility and downdrafts; oil has fallen below US\$30 and worries over China appear to be at fever pitch. Just the first two weeks of January wiped an estimated US\$5 trillion off global equities, as Bloomberg has reported. In the current year to Jan 18, developed markets indices based on the MSCI are down by nearly 10 per cent or more. Emerging markets have fallen more steeply by double digit.

In this edition, we offer investment insights for 2016. In Asian equities, Arthur Kwong of BNP Paribas Investment Partners believes turbulent markets have created buying opportunities. Valuations in Asia, he says, are now attractive at 11 times forward

PE, compared to the US (15.6x forward PE and Europe at 13.9 times).

In fixed income, Raymond Lim of Amundi believes the global economy should be on firmer footing in 2016 and that should help stabilise the emerging markets. Global bond yields are set to remain low, he says, as the Federal Reserve is so far the only major central bank that has raised rates. He likes high grade Asian corporate bonds and emerging market local currency bonds.

In our Roundtable, Steve Brice of Standard Chartered Bank has a preference for euro area and Japan equities. Valuations in Japan equities are still below long-term averages, he says. Hou Wey Fook of Bank of Singapore sees higher volatility in 2016 for US equities and consequently the rest of the world. 2016, he says, will be the year when "alpha" or ideas-specific returns will be more important than "beta" or general market performance.

Leonardo Drago, co-founder of AL Wealth Partners, lists some strong consensus views that bear some reconsideration. US dollar strength is one example, and US equities as the favoured investment destination. He points out some scenarios that could upend these assumptions and could well have a major impact on portfolios.

Elsewhere in this issue, Alice Tan of Knight Frank highlights some potential bright spots in Singapore's high-end residential market. The latter, she says, is beginning to present a rising value proposition to the wealthy, compared to other global cities such as Hong Kong. New supply of prime residential properties is also expected to be significantly reduced from 2019, a supportive backdrop for emerging value.

And, in the Ultra Wealth column, Tara Loader Wilkinson casts the spotlight on the picturesque Loire Valley in France, where a hunting estate is being transformed into a luxury gated development. The plans include a luxe hotel and residences and even condominiums.

2016 may have started out on an inauspicious note, but we hope we have helped you in your investment journey.

**By Genevieve Cua**



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