

THE BUSINESS TIMES

Wealth

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SPOTLIGHT

HUGH YOUNG

The brains of the Asian fund business

+

ROUNDTABLE

Trends vs Noise: How to spot the difference

REAL ESTATE

Trophy assets are still hot

PHILANTHROPY

The private bank route to giving

Managing editor **Alvin Tay**
Editor **Genevieve Cua**
Creative editor **Yvonne Poh**
Art director **Jennifer Chua**
Designer **Elenita Sarah Loyola**

Writers

Julia Abrey
Steve Brice
Chua Yee Hoong
Genevieve Cua
Leonardo Drago
Rahita Elias
Heng Koon How
Debbie Lam
Lim Chew Hwee
Gopalan Raman
Tay Kah Poh
Tara Loader Wilkinson



Spotlight: **Hugh Young**

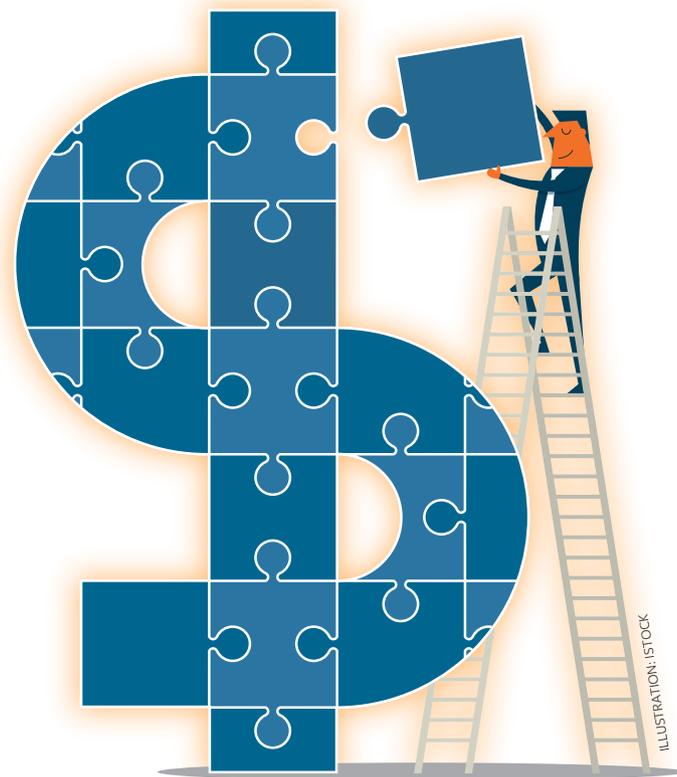
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COVER ARTWORK: JENNIFER CHUA

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Editor's note

FOR someone who did not take to investing naturally, Aberdeen Asset Management Asia's managing director Hugh Young has done enviably well.

He read politics in university and took a job at a London brokerage firm as an analyst, because the UK foreign office "wouldn't have me".

Today Aberdeen's brand name is closely associated with his, so much so that a profile last year in the *Financial Times* was headlined: "Aberdeen would struggle without Hugh (Young)".

Mr Young, who co-founded Aberdeen's Singapore office in 1992, shepherded the firm's growth here from an initial seeding of S\$300 million in assets to a stunning S\$82 billion. Aberdeen Asset Management plc manages a total of about £292.8 billion as at end-March.

One glib explanation of Aberdeen and Mr Young's success is that they were in the right place at the right time. The firm endured the Asian crisis of 1997 and reaped the rewards of the massive re-rating of Asia and the emerging markets over the next two decades.

Today the persistently downbeat sentiment over Asia and the emerging markets has not left Aberdeen unscathed. Last year, the group suffered redemptions to the tune of £34 billion partly due to underperformance. In the six months to March 2016, net outflows have moderated somewhat to £16.7 billion.

Mr Young is sticking to the investment style he is known for – an adherence to value with a keen eye on corporate governance. In this edition, he gives his frank take on Asia and the emerging markets, on the corporate governance landscape in Singapore and the challenges of investing in this persistently low-rate, low-growth world.

As always, we strive to bring you perspectives on investments. In our Roundtable, our expert panel shares their views on what makes an investment trend versus mere noise. Bank of Singapore's Marc Van de Walle lists a number of themes that he thinks will prevail in the second half of the year and beyond. One, for instance, is innovation that has potential to change the way we live. Examples of this include nanotechnology, Big Data and robotics.

On Asian equities, ABN AMRO's Lim Chew Hwee advocates an active investment approach. Asian equities have shown some signs of strength as at mid-May, but ultimately the sustainability of performance will depend on earnings growth. He points out a number of themes that should provide

opportunities, such as tourism and infrastructure development.

On the topic of foreign exchange, Credit Suisse's Heng Koon How tackles the challenges of carry trades, which used to be a sure thing. Currencies that have traditionally served as funding currencies have disappointed investors, he writes. The euro and the yen have rallied against expectations. As for carry currencies, the yuan which was a favourite in Asia has been on a weakening trend.

In the Viewpoint column, Leonardo Drago examines whether the adage "Sell in May and go away" works. Would investors have the discipline and the fortitude to implement such a trading rule? The big puzzle is always when to step back into markets, and in this respect, investors may be undone by their emotions.

Elsewhere in this edition, we look into the ways private banks can help to further their clients' philanthropic goals. Your bank is likely to be able to source for professional expertise to guide you through your philanthropic strategy and implementation. In the In-Depth column, Chua Yee Hoong, Julia Abrey and Gopalan Raman of Withers Khattar Wong give insights into the very important and often thorny issue of mental capacity in the light of the Mental Capacity Act.

In Real Estate, Knight Frank's Tay Kah Poh and Debbie Lam find that based on the firm's 2016 *Wealth Report*, the wealthy's exposure to property as an asset class is likely to grow. They look into the characteristics that make a piece of real estate desirable – super-penthouses, for instance, that hit record prices.

Meanwhile in our Lifestyle feature, writer Rahita Elias looks into global on-demand jet charter services that can tailor your travel experience and even cater for your pets. It's the ultimate in luxury travel.

And, in the Ultra Wealth column, Tara Loader Wilkinson profiles Hong Kong billionaire Lui Che Woo. Last year, he launched the Lui Prize for World Civilisation which will recognise three winners later this year – in the areas of efforts towards sustainability, enhancing the well-being of the human race, and for "positive energy" in the face of adversity.

We hope you enjoy this edition and wish you a rewarding investment and philanthropic journey.

By **Genevieve Cua**