THE BUSINESS TIMES

ULTRA Wealth

OCTOBER 2016

SPOTLIGHT

SAT PAL KHATTAR

From legal eagle to savvy investor

ROUNDTABLE
Riding the uptrend in Asian markets

REAL ESTATE
Luxurious gems in key global cities

IN-DEPTH
US tax crackdown: Is Singapore next?

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Editor's note

IT would seem that the odds were stacked against Sat Pal Khattar in his youth. His education in his teens was interrupted when he had to help his father in a sporting goods business.

His A level results were "quite bad", as he recounts, and the law faculty of the National University of Singapore was the only one that would accept him. "I was lucky," he says.

Whether or not luck played a part in his success, tenacity, an astute mind and hard work certainly did. In the decades since the 1970s, Mr Khattar built one of the largest law firms in Singapore, KhattarWong, after a distinguished career in the civil service with the Inland Revenue Department. The firm is now called Withers KhattarWong; it entered into an alliance with Withers last year.

Today Mr Khattar is enjoying a third or even fourth wind as he heads the family investment business Khattar Holdings, which he runs with his two sons. Investments by the family span a number of sectors, including real estate, finance, logistics and technology in countries such as India and Ukraine. Among the most successful holdings is a stake in HDFC Bank in India, one of the largest private sector financial institutions.

Through it all, legacy is very much on Mr Khattar's mind. "Wealth is a means, not an end," he says. "You want to leave this place a little better than you found it. And you hope you can inculcate the same values in your children, so they are not too spoilt and they know how to deal with human beings, and have good values for the next generation – to do the right thing at the right time." We hope you enjoy our Spotlight profile.

Our Roundtable in this edition goes into some depth on the near-term outlook for Asian stock markets, a question that is uppermost on investors' minds. Since the Brexit vote in June, Asian markets have rallied and outperformed global markets. But how sustainable is this given signals by the Federal Reserve that a US interest rate hike may be on the cards sooner rather than later? Alexis Calla of Standard Chartered Bank believes that the trends of an improving earnings outlook in Asia ex-Japan and a pick-up in net inflows are sustainable.

Amundi Asset Management's Reginald Tan sounds a note of caution, however. While the Fed may remain restrained in its pace of rate hikes, the easy part – or low-hanging fruit – of the rally may be behind us, and forward gains may be relatively more measured, he says.

In the In-Depth column, Seth Cohen of Withers Worldwide and Joanna Yap of Withers KhattarWong write that in the US' tax crackdown on its taxpayers, attention appears to be pivoting towards Singapore. Given the increase in the US' aggression in this respect and the staggering volume of information it has acquired to date, advisers and wealthy clients should take heed of the latest developments in terms of inter-governmental agreements and the US' voluntary disclosure programme, among others.

Elsewhere, Credit Suisse's Rajesh Manwani highlights fixed maturity investing, a class of assets that has been attracting inflows in Asia. This type of investment tends to bring together positive aspects of direct bond portfolios and active management. Deutsche Asset Management's Matthias Meyer writes about global Reits which are attracting institutional appetite, and listed infrastructure which serves as a portfolio diversifier.

For the ultra wealthy, Knight Frank's Tay Kah Poh and Debbie Lam give a bird's eye view of some super prime penthouses in global cities such as Singapore, New York and London. These homes' rarity factor, in particular their prime locations, make them a valuable addition to the wealthy's real estate portfolio.

Meanwhile on a lighter note, our Lifestyle feature is on yachting, a relatively new phenomenon in Singapore and Asia. A yacht definitely qualifies as a passion acquisition. In Singapore there is already a waitlist for berthing facilities at yacht clubs.

And, in the Ultra Wealth column, Tara Loader Wilkinson casts the limelight on Tswalu, South Africa's largest private game reserve in the Kalahari. It is owned by billionaire Nicky Oppenheimer, former chairman of De Beers, who acquired it from the estate of the late British entrepreneur Stephen Boler. Since acquiring the reserve in 1998, Mr Oppenheimer has transformed it from a hunting ground into a conservation area and he tackles the most challenging issue of poaching head-on. The reserve offers luxury accommodation amid breathtaking surroundings. Those who visit are unlikely to regret it.

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

*By **Genevieve Cua***

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