

# Target Asset Management Pte Ltd

*Careful Yet Bold* 心细胆大

## *Who We Are*

- We are a multi-cap ‘value’ fund manager.
- We invest in small, mid and large caps 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 49 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**
  - ‘**Careful and Bold**’ approach
  - **Concentrated portfolio (Around 20 stocks)**
  - High level of conviction
- **Private Equity Investment Style in Public Markets**
  - Detailed business, operational and financial analysis, including physical and channel checks where necessary.
- **Searching for Deep Value In Mispriced Situations**
  - Active search in out of favor sectors, temporary mishaps (fallen angels), re-structuring situations and undiscovered, emerging businesses.
- **A Unique Stock Picker**
  - Mr Teng Ngiek Lian, the founder and CIO, has **49 years working experiences** which include, **17 years in business operations** and **32 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 avoid making big mistakes.

# *Investment Philosophy & Approach*

- **Investment Philosophy is Value**
  - Price relative to intrinsic value of asset, earnings and cash flow.
- **Capital Protection**
  - **Close monitoring of investee companies.**
  - **Hedge to protect profit and capital.**
- **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
- **Portfolio Profile**
  - **Non-index tracking.**
  - **May not be fully invested all the time.**

# *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 – Senior Manager*

## **Mr Teng Ngiek Lian, Chief Investment Officer**

- A Chartered Certified Accountant (UK), Chartered Secretary (UK), and a member of the Institute of Singapore Chartered Accountants
- **Combination of over 49 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 EDB Investment, a subsidiary of Economic Development Board of Singapore

# *Investment Team*

## **Senior Investment Team Members**

- **Mr Teng Ngiek Lian** (Chief Investment Officer; since May 1996) - Founder of Target Asset Management. Details on page 6.
- **Ms Khristine Amurao** (Investment Director; since September 1999) – 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.
- **Mr Tan Seng Boon** (Investment Director; since September 2006) – 8 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.
- **Mr Matthew Teng** (Investment Manager, since January 2002) – 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). He is Mr Teng Ngiek Lian's son.