

Our original and proven Investment Philosophy:

“Never Fully Invest at All Times”

Dr. Tan Chong Koay

Pheim Asset Management Sdn Bhd Founder and Chief Strategist (since 1994)
Veteran investment guru with over 44 years’ investment experience. Named ‘Warren Buffett of Asia’ (2017); ‘Second Board King of Malaysia’ (1998); ‘Southeast Asia’s Small-Cap King’ (2006).



How relevant is value investing for Pheim’s investment strategy?

Investors can use different investment strategies/styles to grow their funds and they also need to adjust their investment styles to adapt to the new environment. Crises and opportunities always come differently. At Pheim, we likely to **combine value investing and growth investing** depending on the situations. Pheim prefers to **invest in a company that is undervalued and at the same time growing**. A case in point was how we applied value investing in the lead to the Black Monday when the Dow Jones Industrial Index plunged 508 points, or 22.6% in a single day. We had been gradually selling shares that we believed were overvalued before the Crash, and by the Black Monday, we had raised our cash level to 65%. Very few would sell the shares when the market was rising because the portfolio would underperform. When the market did crash, it brought many shares down sharply, and we started to pick up shares that met our investment criteria.

Our fund ended the year with a huge outperformance over the KLCI Index and we won the Top Manager for the year 1987. That was my first major success practising Value Investing. The key is **to sell shares when they are grossly overvalued**. Through practising value investing and applying Pheim Investment Philosophy of **‘Never Fully Invest At All Times’**, Pheim has established good long term track record from managing Pheim SICAV-SIF ASEAN Emerging Companies Fund, Dana Makmur Pheim (a Balanced Islamic Fund) and managed accounts for sovereign and pension funds, over periods ranging from 14-25 years.

Pheim has been successfully practising Value Investing through Pheim Investment Philosophy for more than 26 years. It should be able to stay relevant for the next many decades. The key is to do research and adapt to new environment.



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