

# Pheim wins mixed-asset awards for seven consecutive years

BY MALEEN BALQISH SALLEH

**B**y staying true to its investment philosophy of never being fully invested at all times, Pheim Asset Management Sdn Bhd bagged four awards at the Refinitiv Lipper Fund Awards 2022.

Dana Makmur Pheim took home the awards for Mixed Asset MYR Balanced (Islamic and Provident) in the 10-year category for the seventh consecutive year, while Pheim Asia ex-Japan (PAXJ) bagged the Equity Asia Pacific ex-Japan awards in the three-year and five-year categories for the second year running.

A 45-year veteran in the fund management industry, Pheim founder and chief strategist Dr Tan Chong Koay attributes the firm's success to the fine-tuning of its investment strategy.

"We look for fundamentally healthy companies with a low valuation, low leverage, high growth, robust management and strong track record. And we seek to trim equity exposure near market peaks to preserve capital and be more fully invested near market troughs."

Two other significant factors that contributed to the success of PAXJ are the firm's decision to underweight the Hong Kong/China markets last year and its solid stock picks from 2019 to 2021.

Tan points out that 2021 was a painful year for investors who put money in China's stock markets due to the regulatory crackdown by the Chinese government that impacted various industries, including education, technology, gaming and internet platforms.

"As early as late 2020 until the third quarter of 2021, we reduced PAXJ's equity exposure in Hong Kong/China. The exposure was reduced from 41.27% on Nov 30, 2020, to 22.87% on Sept 30, 2021," he says.



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"Many investors questioned our decision to cut exposure in the Hong Kong/China markets as they were still bullish on China. However, thanks to our sound investment decision, the fund managed to avoid the worst decline in the market last year."

There is no denying that last year was a very uncertain one due to the ongoing Covid-19 pandemic and extreme measures by governments to control the spread of the virus. All this adversely impacted the valuation of Pheim's funds and triggered investor redemptions.

The solution was, first, investor education and communication, says Tan. "It is about having investors who understand and subscribe to Pheim's investment strategy and philosophy, so that they are able and willing to take a long-term view of their investments in our fund."

"Second, it is the continuous training provided to our investment team. This is done through enhancing their ability to identify significant triggering factors that cause stock prices to rise or fall, as well as practising our investment philosophy of never being fully invested at all times."

In 2022, Tan believes investors need to be more cautious on the back of the ongoing pandemic, the resurfacing of the US-China trade war and escalating geopolitical tensions between Russia and Ukraine, as well as concerns about inflation and interest rate hikes.

However, there are still value stocks trading below their intrinsic value, says

<b>FUND</b>	Pheim Asia Ex-Japan Fund		
<b>AWARD</b>	Equity Asia Pacific ex-Japan (Malaysia) (3 and 5 years)		
<b>FUND SIZE</b>	RM 10.39 million		
<b>FUND MANAGER</b>	Pheim Asset Management Sdn Bhd		
<b>RETURN FOR PERIODS ENDED DEC 31, 2021 (%)</b>	Year	Return	Benchmark
	1 year	1.82	7.00
	3 year	45.36	21.00
	5 year	47.47	35.00
	10 year	84.46	70.00

<b>FUND</b>	Dana Makmur Pheim		
<b>AWARD</b>	Mixed Asset MYR Balanced - Malaysia (Islamic) (10 years), Mixed Asset MYR Balanced - Malaysia (Provident) (10 years)		
<b>FUND SIZE</b>	RM 264.24 million		
<b>FUND MANAGER</b>	Pheim Asset Management Sdn Bhd		
<b>RETURN FOR PERIODS ENDED DEC 31, 2021 (%)</b>	Year	Return	Benchmark
	1 year	-0.38	-3.77
	3 year	38.03	7.95
	5 year	50.85	8.43
	10 year	138.09	27.85

Tan. "With valuations in Greater China and Asean being selectively more attractive, Pheim will begin to place more focus on these two regions. This is in line with our investment strategy of increasing investment exposure when the market is low."

"We are intensifying our in-house research and plan to continue seeking out relatively cheap stocks, with expectation that their prices will rise at some point to more accurately reflect their true worth. We seek companies that have focused management, low gearing and enjoy high margins and earnings growth. We also favour those with shares trading at low price-earnings or price-to-book ratios."

"At times, we may apply a combination of value and growth strategies, or put a greater focus on growth stocks to take advantage of market and business cycles."