

First Asian-owned AFSL holder opens Sydney office

07 April 2009 Michael Bailey



The first Asian-owned funds manager to be granted an Australian Financial Services Licence has set up a Sydney office, staffed with former Investors Mutual and Challenger executives.

Capital Dynamics Asset Management was established by Malaysian Tan Teng Boo about 20 years ago.

With client bases established in Malaysia and Singapore, the long-only global equities manager is now launching a fund in Australia but is taking an unusual approach: Capital Dynamics will eschew the normal route of getting a wholesale licence and gradually approaching platforms and planners, and instead go straight for mum-and-dad retail investors.

"I've always believed that whether you own 100 million shares of Qantas or 1000 shares of Qantas, you should be treated the same - as an owner of Qantas," Teng Boo said.

This philosophy helps explain why Capital Dynamics charges a flat management fee for all investors, levies no entry or exit charges, and intends to make the Australian-domiciled fund it will set up a one-year closed end vehicle.

"We want to attract investors with a long-term view, we don't want traders arbitraging in and out. It disadvantages loyal shareholders and may cause us to change our investment strategy," Teng Boo said.

The tough job of convincing Australian mums-and-dads to invest directly with a little-known Asian global equities manager will fall to Maria Karmis, general manager of operations in the Sydney office (previously the investment administration manager at Investors Mutual) and Lauren Hoare, head of marketing and business development (previously in the depleting team at Challenger).

Karmis and Teng Boo will be responsible managers of the responsible entity that will run the Australian fund. BNP Paribas Securities Services has been selected as outsourced backoffice and unit registry provider.

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