

Capital Dynamics prove Malaysians really boleh

KUCHING: "The journey from KL to Sydney takes a long time - twenty years". Tan Teng Boo, managing director of the Capital Dynamics group explained that is the time it has taken Capital Dynamics to be a Malaysian and an Asian first.

In a Media Conference to launch its newest member, Capital Dynamics (Australia) Limited, and its retail global fund, i Capital International Value Fund, local investment champion, Tan Teng Boo described Capital Dynamics as a local global fund manager.

Capital Dynamics, the company that started with the 3 "i"s of "Independence, Intelligence and Integrity", has now added its fourth "i" - International. Capital Dynamics (Australia) Limited, part of the reputable Capital Dynamics group, was set up in 2008 and obtained the prestigious Australian Financial Service Licence (AFSL) in December 2008.

Amongst others, its AFSL allows Capital Dynamics (Australia) Limited to provide fund management ser-

vices to retail investors in Australia. The AFSL is issued by the Australian Securities and Investments Commission (ASIC). Based in Sydney, Capital Dynamics (Australia) Limited is now launching the i Capital International Value Fund, a global fund, denominated in Australian dollar (AUD) and available to retail investors.

After 13 years, the asset management companies from China have only expanded to Hong Kong. No Malaysian fund manager has operations in 3 countries. No Hong Kong or Singapore fund house has an AFSL. It is amazing in a time when banking and corporate giants are collapsing that Capital Dynamics is expanding in 3 countries at the same time.

Foolhardy or sensible? When Teng Boo was asked why he is expanding in the current financial crisis, he replied: "To be successful in business, like in investing, one needs a long-term focus. It is a marathon, not a 100-metre dash."

The "eclectic" value investor-cum-businessman

explained that he invests the same way he manages his companies. Crisis, recessions are great times for investing or expansion. "When it is sinful to be bullish, the risks are low, the returns are great," the energetic Teng Boo replied.

The Malaysian-born entrepreneur-fund manager dedicates his global expansion to his son and daughter and all the young Malaysians of that generation. In explaining this unusual dedication, Teng Boo shared his dream for Malaysia: "The younger Malaysians need a role model that aim to succeed globally, based on hard work, long-term focus, discipline, determination and believing in one self". The investment veteran explained that Capital Dynamics has survived and expanded all these years without any borrowings or government assistance of any kind. Capital Dynamics has long-term plans to expand its fund management and investment advisory business to other countries.

When asked for his views on the current global financial crisis, he explained that

"many people have confused the cause-and-effect relationship" and thus attribute the economic contraction to the subprime problem and US housing bust.

Teng Boo maintains that this is incomplete and thus faulty. He said that the independent research of Capital Dynamics showed that the severe economic contraction can be almost totally blamed on the collapse of Lehman Brothers in Sep 2008. Without the policy flip-flop of the previous US administration in not rescuing Lehman Brothers, it would have been pretty much "business as usual" for us. Teng Boo described the current financial crisis as "the Lehman Panic".

Unlike the many doom and gloom forecasts that are hogging the headlines, Teng Boo has consistently maintained that the global economy is on course to a V-shaped synchronised recovery. The global stock markets are on a major bullish reversal.

In his usual matter of fact manner, Teng Boo sees no Great Depression repeating.

China's well-managed economy, through the i Capital Long Boom, is on course to reshape the global economic structure and balance the global economy. This Asian pioneer is also a firm believer in the decoupling theory, led by China.

His long-term stock market outlook is no less optimistic. Teng Boo said that the stock markets bottomed a few months ago. Unlike the typical views held nowadays, he says the current rally is not a bear market rally. Backed by the synchronised V-shaped global economic recovery, the current stock market rally will be sustained by "the institutional lemmings which are still loaded with cash and the banking giants which have too much hoarded liquidity".

Since inception, the funds managed by the Capital Dynamics group have beaten the benchmark indices every single year. The Malaysian funds have beaten the stock market index for 12 straight years. Its global fund has beaten the market index since inception.