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EXCITING JOURNEY AHEAD FOR AHAM CAPITAL

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An interview with Dato' Teng Chee Wai, the man at the helm.

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COVER STORY |

AHAM CAPITAL'S AMBITIOUS PLANS TO CONQUER THE REGION

With a new brand identity, AHAM Capital is positioning itself for the next growth phase of its journey. Find out from the man who started it all.

By Eza Ezamie

“I feel joy in successfully building up a business in a very competitive market space, where we’ve seen players come and go,” said Dato’ Teng Chee Wai in a resplendent maroon tie.

For over 20 years, Dato’ Teng has headed Affin Hwang Asset Management as the Managing Director where he steered the company through different economic and market cycles. Under his leadership, the company has since grown leaps and bounds becoming the fastest growing asset manager in Malaysia.

But Dato’ Teng says the company’s journey is far from over as it positions itself for its

next growth phase through a new brand identity – AHAM Asset Management (AHAM Capital).

Smart Investor sat down with Dato’ Teng to find out more about the company’s new journey including future growth plans as well as life lessons on leadership and wealth.

A NEW CHAPTER

With the completion of the company’s acquisition by CVC Capital Partners (CVC) on the 29 July 2022, the company sought to rebrand itself to augment its brand positioning as a trusted wealth partner as well as carve its own distinct identity as an independently managed asset and wealth management firm.





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The simplified brand name builds upon the positive brand equity of the company’s asset management capabilities as well as its people that has distinguished it over the years.”

The rebrand included a name change and a new corporate logo that is reflective of the company’s new growth ambitions, while also affirming its commitment to clients in building trust.

“Our new brand identity AHAM Capital marks the start of a new and exciting journey for us and our clients. As a name that is already widely used and familiar amongst clients and business partners, the simplified brand name builds upon the positive brand equity of the company’s asset management capabilities as well as its people that has distinguished it over the years,” Dato’ Teng said.

In January 2001, Affin Hwang Asset Management Berhad started operations with just RM20 million in clients’ assets. Today, its total assets under administration (AUA) have grown to over RM75 billion as at 31 October 2022 – a true feat unto itself.

According to Dato’ Teng, this would not have been achievable without three important stakeholders who have been



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instrumental to the success of the company: its clients, employees and shareholders.

With the trust of its clients, AHAM Capital has grown exponentially by nurturing and deepening relationships with its clients especially handholding them through volatile market cycles.

“One thing that always sets us apart is how we are also invested alongside our clients. The total staff investments into AHAM

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CVC Capital Partners brings a breadth of synergy that AHAM Capital can tap upon.”

Capital’s own funds surpassed RM150 million this year demonstrating our own belief and confidence in our solutions,” remarked Dato’ Teng.

As for the employees who keep things running at AHAM Capital, they are the backbone of the company and integral contributors to the business. This is important as good talent is hard to come by and retain according to him.

Finally, it is also important to have shareholders that understand the business and are very supportive. Dato’ Teng and his team have been able to run the business in an independent manner and manage to keep the company’s culture intact.

REALISING SYNERGIES

With CVC Capital Partners (CVC) coming onboard, AHAM Capital is looking to take their business

to greater heights by embarking on three strategic growth pillars: wealth management, innovation and regionalisation.

Collectively these three strategic thrusts would help transform AHAM Capital into becoming a leading independent wealth and asset management company in Southeast Asia.

This begins with looking to investing in greater human capital and distribution networks to offer more investment solutions to the public.

“CVC Capital Partners brings a breadth of synergy that AHAM Capital can tap upon. These include CVC’s wide connections in the marketplace that can help produce a ‘network effect’ to grow our business particularly in terms of alternatives and private market offerings. On top of that, CVC Capital Partners brings with them the discipline and expertise which allows for information sharing for us to learn from them directly.”

“Learning from their financial metrics as well as how they manage a lot of their portfolio companies will enable us to understand how to manage the business and risks involved as we go to regional markets,” said Dato’ Teng.

LEVELLING UP WITH INNOVATION

Innovation and entrepreneurship are also very much key ingredients in the success of AHAM Capital and embedded in its corporate DNA. The company’s innovation journey started back in 2018 with the set-up of the Innovation Lab Department.

“Whether it is for transactions, internal processes, making things more efficient, or offering solutions via





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Whether it is for transactions, internal processes, making things more efficient, or offering solutions via different platforms and wallets – digitalisation is the way forward.”

different platforms and wallets – digitalisation is the way forward.”

“Though it may be expensive, the pandemic really showed us that digitalisation was the right move to make,” explained Dato’ Teng.

AHAM Capital also recently made waves in the digital space through its partnership with Versa to launch a digital cash management solution.

“Our partnership with Versa which simplifies access to money market funds (MMFs) has been a stepping stone in our innovation journey. By doing away with the cumbersome registration and lock-in period that comes with fixed deposits (FDs), our collaboration with Versa has allowed more Malaysians to start saving from as low as RM1 in a MMF which is traditionally only used by corporates and high-net worth individuals.”

“We are also looking at other alternative investments like cryptocurrency. The younger generation has experience in it and believes in its potential. Although I have yet to start investing in Bitcoin personally,



we need to find solutions to address this growing demand to appeal to a new generation of investors,” claimed Dato’ Teng.

GROWTH AMBITIONS: PRIVATE WEALTH AND REGIONALISATION

From a single location, AHAM Capital has broadened its reach across the country with branches covering East and West Malaysia serving over 200,000 investors.

But AHAM Capital is setting its sights abroad and looking to expand into new markets

like Indonesia, Philippines, and Vietnam which are ripe for opportunities.

“These countries have a young population base with a growing middle class that offers plenty of potential. Rising affluence and deep pockets of liquidity will drive the propensity to invest as more segments of the population look to earn higher returns and build wealth,” he stated.

A critical factor in AHAM Capital’s regionalisation strategy is to adopt a localisation approach in each market as they



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are all unique in terms of culture and investing behaviour.

“Finding entrepreneurs and people in the industry to replicate the success is crucial. By being more agile, a local team would be able to grow the business faster than us who may not be as familiar with the different local nuances. Having the right team will help in penetrating these markets.

“The reason we have been successful in Malaysia is because of our localisation,” remarked Dato’ Teng, adding: “We intend to do the same thing in these markets.”

TALENT IS KEY

It is often said that the greatest asset of any investment firm is its people. This holds true for AHAM Capital too which has cultivated a strong corporate culture to nurture and reward talent by empowering them.

“We’ve spent two decades building the right culture that is now the soul of the company. In

AHAM Capital, no individual is greater or above the rest of us. It’s a team and everyone needs to come together towards a collective goal,” he added.

Another important aspect of growing talent is to be patient. It usually takes many years to nourish talent and groom them, but the talent itself must be worth their salt and be excellent at what they do.

“Everyone needs to be given a chance to shine, but you must be able to grab the opportunity when it comes. Give yourself three years in a job to learn something meaningful, but if after that you need to move on for whatever reason – then go ahead,” advised Dato’ Teng

According to Dato Teng, he is not fixated on being number one. Instead, he wants to see growth, an increase in productivity, and use it to reward the team at AHAM

Capital. As the company grows, those who keep the company going would be well-rewarded for their contributions.

ON ESG INITIATIVES

“ESG is a journey. It is not just a destination to arrive at; it is a continuous process about improving ourselves. We have set our own targets to achieve in the next few years and ultimately, we would like to achieve net zero emissions,” mentions Dato’ Teng.

“Most of our investments today have an ESG rating. We are encouraging companies which have not reached their ideal ESG level to transition towards it,” quipped Dato’ Teng.

On the corporate level, AHAM Capital will continue to play its role in championing financial literacy and education to help uplift communities. Dato’ Teng believes education

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is key to break the cycle of poverty by opening up doors to acquiring new skillsets and acquiring jobs.

Over the years, AHAM Capital has worked with several organisations including HELP University and Yayasan Tunku Abdul Rahman, by sponsoring students through university, and offering them opportunities to join the company as interns so they can learn about the industry.

STAYING THE COURSE

Moving on to what is in store for investors, Dato' Teng opined that the market has been very difficult in 2022. The challenges have been relentless with the Russia-Ukraine conflict, rising inflation, and disruption of global supply chains.

"The ongoing interest rate hikes, that we have not seen in the last 20 years, will impact the economy and it will be felt in early 2023," shared Dato' Teng.

Higher interest rates have also caused the US Dollar to surge which has battered emerging markets. Eventually, the impact of tighter monetary policy will also be felt by businesses in the form of higher borrowing costs.

"In 2023, we will face an earnings downgrade. As operating environments become tougher, companies will have lower earnings, and we could see another round of pressure on stock prices.

"We are seeing tentative signs of inflation of peaking, but its decline has been slow, partly because of the stubbornness of the rental market and pressure on wages. That being said, eventually, things are expected to normalise in 2023.

"China's economy has been



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on the decline for the past 18 months, no thanks to its own strict zero-Covid policy. The disruption to its economy is real and severe. But at some point, China will have to ease its policy, slowly but surely.

"With China's growth hovering at 3% in 2022, more needs to be done to ramp it up. We could be looking at a growth of 5% to 6% in China for the next five years. When there is solid growth, investors will start looking at China again," said Dato' Teng.

DON'T JUST DO IT FOR THE MONEY

On a personal note, Dato' Teng also shared some tips for budding entrepreneurs out there, and why they should just go out and enjoy doing the things they love.

"When you are successful, money will follow. You will be rewarded with financial gains

once you are very good at what you are doing," advised Dato' Teng.

He added on by saying, "Do it for the passion, do it because you enjoy it, and do it for the challenge. Every business is different, each with their own strengths and weaknesses. By putting in your heart and soul, you will gain the necessary knowledge and build the business."

"I'm very passionate about this business as I've found what I like to do in my life. It can get tiring to manage a business that is very volatile. But it is only with passion that we can ride through a tough market environment," quipped Dato' Teng.

Dato' Teng also said it is important that business owners take the time to talk to others and engage with all stakeholders, be it employees, clients, prospects or the public at large.

"You would be able to gain more perspectives and learn more about the business by avoiding any blind spots. It is also interesting to learn something new when you speak to someone else that is from a different industry.

On his own personal philosophy on wealth, Dato' Teng said that the pursuit of riches or money should not be an end in itself.

"Wealth is not just about being rich. It is about values and the connections we make along this short journey that we all have in this world.

"Wealth is the ability to share and not to hoard," he concluded.

Let's wish Dato' Teng Chee Wai and the team at AHAM Capital all the very best in their new and exciting journey ahead. 🙌



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SUMMARIES

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