

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).



### Given on the ongoing pandemic situation, is this a good time for investor to practise value investment on stocks that are currently undervalued?

The pandemic has hit the economy badly. Many shares of such companies like tourism related sector, including hotels, airport operators, airlines and casinos have fallen to depressed levels. These shares will bounce back when their businesses recover and the companies are able to overcome the operating and financial challenges. It is uncertain when the situation will return to normal. Hence, investors should only invest if they have long term funds. **Investors should look for companies with experience management, low gearing, and strong balance sheet**, whose revenue which has been temporarily affected by Covid-19 outbreak but whose long-term revenue trajectory is expected to remain intact, and which is selling at discounted prices.

Investors must assess their portfolio risk and objective before going into dividend yield stocks especially in a pandemic time. Investors should be aware of the impact that the pandemic will have on companies, and that the companies may temporarily forgo or reduce dividend payment to preserve cash if the business downturn becomes prolonged. However, a pandemic such as this does bring about opportunities to invest in good companies that have good management and track record and the ability to recover from the crisis, and whose share prices have fallen to very attractive levels. For investors who invest with a longer-term horizon, there is a good chance that they will reap decent rewards when the world economy recovers.

You may not be able to get the prices at the lowest point. Very few, if not none, knows the lowest point. **Buying near the lows is the best you can do.** I advise you to take a longer-term view during crisis period.



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