

New APS CEO aims to recapture firm's former glories

Upbeat about prospects of western pension funds raising allocations to Asia

Lim Meng Tat, the newly appointed chief executive officer of APS Asset Management, is looking forward to taking the 15-year old boutique firm to another level. "We have certain aspirations and I think given our track record and reputation, we can raise our game significantly," says Mr. Lim in an interview with *Asia Asset Management* last month. Mr. Lim brings more than 23 years' of experience to APS; his most recent appointment was with Russell Investments. He has also worked for four other organisations, including a stint at the Monetary Authority of Singapore.

In his new role, Mr. Lim has oversight of all non-investment related activities of the group, including its fixed income unit, APS Komaba Asset Management. Mr. Lim reports to the firm's chairman and chief investment officer, Wong Kok Hoi, who founded the firm back in 1995. One key aspect of his mandate is to increase the firm's marketing profile. "We definitely need to do more in marketing both in the region and outside of Asia as well," he explains.

Currently, some two-thirds of the firm's institutional clients are drawn from outside of Asia, pension funds and endowments being among the firm's main investors. Of the remaining third of client assets in Asia, family offices account for a sizeable share as well as pension funds. Still, with US\$1.7 billion under management, including the assets managed at its fixed income unit, the firm's AUM numbers are a long way off from its peak of more than US\$4 billion; can the firm regain its former glory?



Lim Meng Tat

"I think we can as we certainly have the resources and the capacity to do more. We also see more allocations to Asia, in particular, Greater China, from institutional investors in the west and with our coverage and track record, we are well-placed to tap into these flows," he says.

"I think what Kok Hoi has done is amazing for a home grown boutique firm that has been able to hold its own against some of the giants in the business. And now, with my presence in the company, I want to be able to make a difference here," notes Mr. Lim.

On its equity platform, the investment team has 25 people and the research team has offices in China (Beijing, Shanghai and Shenzhen), Japan and its home base in Singapore. The fixed income subsidiary, formed in 2005, has five portfolio managers, led by Lim Heong Chye, an industry veteran

and a former portfolio manager with the Government Investment Corporation of Singapore.

For APS, 2009 was certainly a banner year after a lean spell in 2008 and the year before. With performance on the uptick, things are once again looking up. In its bailiwick in Singapore, Mr. Lim wants to raise the firm's profile and activities in the retail market. A new bond fund is in the works with the launch planned in the third quarter of this year.

There are also plans to re-launch an absolute return fund (APS Alpha Fund) for the retail market locally. The fund, rolled out in 2003, was a novelty at that time as it charges no annual management fee. But it has struggled yearly to produce a return of above six per cent (its target before a performance fee of 25% kicks in).

Last year, the fund produced a return of 98.3% after dropping almost 50% in 2008 and posting a flat return in 2007. The APS Alpha Fund reported assets under management of about S\$59 million (US\$42.1 million) at the end of April.

In Japan, APS is currently evaluating its options. "It is not an easy market to address by any means but if there is an opportunity, we think that a good way is to work with a local insurance company," he adds.

APS maintains a marketing office in New York which also doubles up to cover Europe. Mr. Lim says pension funds in the west are expected to raise their allocations to Asia in the years ahead given the growth prospects in the region. "We are upbeat about this which is why we also see good opportunities to cross-sell our fixed income products to these investors," he adds. ■