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ABOUT ANTHONY SIAU

I am a Malaysian educated in Singapore and the US, after I finished my post graduate degree in 1999, I return to Malaysia due to my mother's passing, even though I had wanted to work in Wall Street. My first job was in fund management and there is no turning back, I am blessed to be able to start my career in an industry that I still enjoy till this day. Fast forward to early 2016, when I was the CEO and Regional Head at RHB Group Asset Management based in Singapore, I felt that it was an opportune time for me to venture out on my own, moving from primarily public market investments to private market investments. As such, I muscled up all my courage and made the pivotal decision to leave my high flying job at RHB Banking Group to start Kairos Capital Group in Singapore ("Kairos" is a Greek word that means "an opportune time"), the humble beginning of my entrepreneurial journey, and I am still enjoying every minute of it, providing my clients and investors with bespoke investment and capital market solutions tailored specifically to their financial needs.





WHAT IS THE MISSION AND VISION OF KAIROS CAPITAL GROUP, AND WHAT DIFFERENTIATES IT FROM OTHER INVESTMENT FIRMS IN ASIA?

Headquartered in Singapore, Kairos Capital Group (“Kairos or KCG”) is a group of companies that provides bespoke multi-family office investment solutions with a comprehensive suite of specially curated products and services for high-net worth individuals, families and institutions, across Asia and beyond, including Southeast Asia, Greater China and Silicon Valley. Through our experience in the capital markets, we provide exceptional advisory ranging from M&A services, IPOs, investment structuring, corporate restructuring to cater to our client's needs and our investors' mandate. We craft specific investment solutions and/or products to generate medium to superior returns for our investors and partners and provide a platform in which investments can be managed to preserve wealth.



HOW DO YOU ASSESS THE CURRENT INVESTMENT LANDSCAPE IN ASIA, AND WHAT OPPORTUNITIES DO YOU SEE FOR GROWTH AND DEVELOPMENT?

The world today is very different from pre Covid-19 days, with multiple uncertainties hovering over us, including the various wars, geopolitical tensions and what not, investors are becoming more risk adverse in terms of their investment decision, in many instances we received investor enquiries on stable and yield generating investments. With that backdrop, coupled with the current enduring landscape, we have identified a few opportunities, including collateralized private credit deals and clean energy infrastructure projects, both of which offer regular consistent cash flow and income stream to investors, as well as asset security.





What are some of the key challenges you have faced as a founder and CEO, and how have you overcome them?

I must admit it was not that smooth sailing when I first started my entrepreneurial journey, in fact very different from what I had expected, I had to do many things on my own without any personal assistants, I had to navigate the complexity of running my own business without a banking group behind me, I had to start worrying about the cashflow of the company, and many more. It takes time, grit, perseverance and determination to overcome all the obstacles and my advice to all aspiring entrepreneurs is – while successful entrepreneurs look admirable and inspiring, they actually worked very hard behind the scene, just like the Chinese saying 一分耕耘, 一分收获.



Can you share some examples of successful investments made by Kairos Capital Group and the strategies behind them?

This is a challenging question as there were too many to count, but on a serious note let me provide 2 very different examples of successful investments based on differing investment objectives:

High Growth – in 2017, we invested in Spotify, back then a technology disruptor to traditional music companies many viewed as a long shot, but it turned out to be one of our best investments with a gross MOIC of 6-7x in less than 2 years after it went public end of 2018, which was in itself another disruptor to the capital market, as Spotify pioneered the “Direct Listing” approach.

High Yield – we worked with prominent families and/or listed companies to understand and create credit opportunities for their short-term (less than 12 months) liquidity requirements, the facilities given to them were collateralized against their hard assets including lands and buildings.





How do you approach risk management and maintain a balanced portfolio in a dynamic and ever changing market?

At Kairos Capital Group, risk management is at the forefront of everything we do, we will never associate ourselves with any investment that cannot pass our risk parameters, even if the investment has the potential to generate huge returns, it is all about risk-reward balance. However, it does not mean that we will not take risky bets, as long as the potential upsides far outweigh the downsides, we will take decisive actions to make a convicted judgment call to invest for the benefits of our investors. Nonetheless, as we are primarily investing in the private market, the risk management strategy is quite different from having to manage the risks of investing in the public market, we tend to be more far-sighted when we assess an investment opportunity, without having to deal with the daily fluctuations of the public market.

What role does innovation play in your investment strategy, and how do you identify emerging trends and disruptive technologies?

While most people try to quantify investment based on pure numbers and trends, I like to look at investment as a form of art that is not quantifiable, I still belong to the diminishing old school approach in assessing whether an investment is good or bad. While we cannot discount the usefulness of data and numbers in assessing an investment, but the art of qualifying will determine if the investment is “great” versus “good” versus “mediocre”, this is where the world of unicorns was discovered, no amount of technology advancement can replace a world of experience.





AS A LEADER, WHAT QUALITIES DO YOU LOOK FOR IN POTENTIAL INVESTMENT PARTNERS OR PORTFOLIO COMPANIES?

KAIROS
C A P I T A L

As an investment professional, in line with the overarching investment thesis of Kairos Capital Group, the first hurdle to cross is the quality of the founder(s) and top leadership team. Many a times, a company can have the best technology or strategy or product, but it will not succeed if the founder(s) / leader(s) have personality flaws or behavioural deficiencies. Once the company passed this leadership criteria, the typical due diligence assessment will determine if the company is investible for potential returns or worth our while to collaborate with.



HOW DO YOU FOSTER A CULTURE OF COLLABORATION AND INNOVATION WITHIN YOUR ORGANIZATION?

To be an effective leader, I try very hard not to be a leader, as such I designed my corporate structure to be as flat as possible so that red tapes can be mitigated naturally and empowerment can be effectively distributed without creating major issues amongst colleagues. Also, I believed in the power of multi-tasking versus specialization, which fosters innovations as they are exposed to a multitude of responsibilities. Last but not least, I like to create a shadow structure whereby there is always someone who will hold you responsible for your actions, which to my surprise develops better collaboration within the organisation.



What strategies do you employ to attract and retain top talent in a competitive market?

While money talks, research has shown that money is not always the main reason people leave their job, more often than not it is the intangible factors such as limited opportunity to learn / grow and lack of proper recognition. Besides the obvious, one of my key human resource retainment strategy, besides remuneration package, is to ensure that they are placed in the right job that will magnify their strength, which in turn will benefit the company. Last but not least, personally I prefer quality over quantity, meaning I would rather maintain a small high performing core team than to manage human resource issues that follow a big pool of employees.

Environmental, Social, Governance

How important is environmental, social, and governance (ESG) criteria in your investment decision making process, and how do you integrate it into your portfolio?

While it is not an explicit criteria in our overall investment thesis, Kairos Capital Group consciously and implicitly recognise ESG as an important element in assessing a potential investment in its effort to “do the right thing”, but we are also cognizant of the fact that there are many instances of green washing by companies as a gimmick to enhance their image, as such we have to strike a balance between our fiduciary responsibility to our investors and the need to integrate ESG into our investment process, it is not an easy balance but we have to move with the times.



Can you share some insights into your approach to sustainable investing and the impact it has had on your investment performance?

Sustainable investing has long been a myth to the Invesment world with the perception that it underperforms the market. However, sustainable investing can deliver similar, if not more returns in some instances, as long as we balance the scale between sustainability and profitability. Personally, if a sustainable business is not able to be self sustainable as a going concern, then it should not be called sustainable even though it belongs to the sustainable space. At Kairos Capital Group, while we support and advocate sustainable investing, one key consideration is still the investment returns, which has to be acceptable and reasonable to investors.

What advice would you give to aspiring entrepreneurs and founders who are looking to establish their own investment firm?

“Be ready to pull up your sleeves and do the dirty job” is the most important advise I will give to them. Having been in corporate job for 17 years, I was pampered by the abundance of resources to help me with virtually anything, I learned the hard way when I started my own business without changing my mindset and I suffered the consequences. Another important realization is that you have that fiduciary responsibility not just to your investors, but also your employees whom you rely upon to run your business, and vice versa as they depend on you to make ends meet.

What are your future plans and goals for Kairos Capital Group? Are there any new initiatives or projects in the pipeline?

True to its motto, Kairos Capital Group will continue to be the preferred bespoke investment firm committed to delivering values for our investors and partners. As a boutique investment firm, we have the flexibility and robustness to adapt to the overall macro environment so that we are able to continue providing relevant products and services to our investors. The current trend or buzz word is “yield” and we have identified “private credit” as the catalyst to fuel this demand for yield, as such we will continue to innovate and structure products in the private credit space, which has doubled and quadrupled over the past 5 and 10 years respectively, and is forecasted to continue its strong growth over the next decade. Over a longer horizon, cell cultured food technology continues to remain one of our key focus and the world is grappling with scarcity of resources and growing concerns on food security and availability especially in third world countries.

How do you stay informed about the latest industry trends and developments, and what sources of information do you rely on to make informed investment decisions?



Having been in the industry for more than 25 years, I enjoy the privilege of having regular information feed from multiple sources including banks and fund houses alike. On top of that, over the years I have developed the habit of reading news early in the morning to keep myself abreast of the latest happenings and developments. I would say “curiosity” and “life-long learning” are key attributes that kept me going through these years in terms of acquiring knowledge and elevating my skillsets.

ASIA CEO COMMUNITY

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Maggie Au Yeung

Edited by