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Making a positive impact while investing

Robin Pho seeks investments that can improve society, environment

Lorna Tan
Invest Editor

It's no surprise that businessman Robin Pho is doing what he knows best, given that he grew up in a family of entrepreneurs.

Mr Pho set up Right People Renewable Energy (RPRE) in 2017 after completing an Insead global executive MBA programme.

The start-up helps commercial and industrial clients in Indonesia switch from dirty fossil fuels to clean renewable solar energy, focusing primarily on off-grid locations. It has offices here and in Indonesia.

"Insead truly believes businesses can be a force for good. The seed funding was provided by our family office and (was) mainly derived from the earnings of our current and previous businesses," said Mr Pho, who is RPRE's chief executive and chairman of the RP group.

He added that RPRE is still quite young and has not reached break-even point, although it hopes to do so by the end of the year.

It recently signed a deal worth around US\$500,000 (S\$693,700) to build an off-grid solar and battery system for a dive resort in Manado, Indonesia.

Mr Pho, 39, recalls that his Indonesian father — who died in 2014 — was a "true blue" entrepreneur who dabbled in many businesses in Indonesia, from timber, fishing and trading to manpower services for the oil and gas industry.

His father started a manpower business called Ponce in 1972 and his uncle Simon, who is based in Jakarta, runs it now. The family sold its publishing business to Media Group Singapore in July last year.

Mr Pho, who became a Singapore citizen in 2013, was part of the pioneer batch who joined Singapore Management University (SMU) in 2000, graduating with a Bachelor of Business Management with double majors in marketing and law in 2004.

He obtained a postgraduate Executive Diploma in 2014 from the Singapore Institute of Directors and graduated from Insead in December 2017.

In 2004, he joined ABN Amro, initially in retail banking before moving to its private banking business. He was then headhunted to join UBS as its regional product manager.

In 2008, just before the global financial crisis, his father had to undergo an emergency heart-vep operation and he joined him in his business.

Mr Pho is married to assistant professor Diana Lin, 38, a children's emergency doctor at the department of paediatrics at Na-



Mr Robin Pho, founder and CEO of Right People Renewable Energy, with his wife, Dr Diana Lin, and their 25-month-old twin boys Reuben (shorter hair) and Declan. ST PHOTO: JASMINE CHONG

tional University Hospital. The couple have twin boys, Reuben and Declan, aged two.

Q What's in your portfolio?
A Things have become a bit more complicated after my twin boys were born, and I have to manage finances for more people. I believe in basic principles in financial planning. We bank primarily with UBS and strongly believe in its ethos and company values.

I start with knowing how much our expenses are and have cash/liquid reserves that you can tap during emergencies. Personal health and hospitalisation insurance should also be sought to mitigate any health and accident risks.

My dad died from colon cancer in 2014 and, fortunately, our Hupa insurance covered all the local and overseas medical expenses, which amounted to hundreds of thousands of dollars. Having insurance is not an excuse to ignore good, healthy habits and I'm trying my best to eat healthily and exercise regularly.

Our investments are well balanced between direct bonds and equities, though the majority is in discretionary funds. I do not have the time to monitor financial markets. Thus, I allow the fund managers to

do the stock picking for me. Though I accept that the fees are higher, I value my time more and would rather spend it with my family and friends, and growing my business.

In recent years, we have been transitioning our investments to socially responsible ESG (environmental, social and governance) investments that focus on positive impact. Sin funds such as gambling/tobacco investments may yield good short-term returns, but one must question if it is right to make profit at the expense of the planet and people's health.

In the alternative asset class, like most Asian families, we do have some residential and commercial property holdings both locally and overseas, but the high transaction costs and illiquidity frustrate me.

Interest rates for property are creeping up and the cost to leverage may not cover the rental yields in coming years. It's nice to be debt-free, but we believe it's also useful to have some cheap debt to make your money work harder for you.

We bought a two-bedroom, 2,017 sq ft apartment in zone 1 London in 2017 for €370,000 when my brother was studying there, and it grew in market value to £500,000. But the pound weakened tremendously over the years (£1 was worth

more than S\$3 in 2007, compared with S\$1.60/S\$1.70 now) and the gains were almost completely negated by the foreign-exchange losses when calculated in Singapore dollars.

Some interesting investments include buying local and overseas art such as works by Soh Eshau and Kathleen Petyarre.

Q How did you get interested in investing?
A Though I graduated from SMU with double majors in marketing and law, my first job was in finance with ABN Amro Bank and subsequently with UBS Private Bank in wealth management, where I had the chance to meet many high-net-worth individuals.

A common pattern I saw was that those who had acquired "new wealth" were usually the ones requesting five-star hotels and fancy dinners. However, the happiest clients were those families who bonded together to actively discuss, participate and get involved with their investments. This resulted in both financial gains, and also harmonious and loving relationships. This is the power of investing collectively as a family.

Q Describe your investing strategy.
I believe the lessons learnt and friendships formed will last a lifetime. The programme was instrumental in helping to reinvent our family business to launch our solar renewable ventures in 2017 and increase revenues.

In 1997, during my time in Scots College, a boarding school in Sydney, I had a unique reforestation co-curricular activity where I was

responsible for planting thousands of seeds in a nursery, nurturing them into saplings and eventually transplanting them in the wild Australian forest.

The knowledge that my time invested in a small, quiet activity has had such a huge impact two decades later reinforces the saying that the best time to plant trees was — yesterday.

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Q When one makes an investment, it means that he trusts and believes in the company, in its cause, its purpose, its vision and the people running the company. Recently, I have been interested in making more impact investments.

Through a company called Fundedhere, I invested in a start-up called Avice in 2017. It helps to diagnose and treat asthma and other respiratory illnesses through a digital stethoscope that a child can wear to sleep. The thought of being able to help millions of children fight asthma is in itself a great reward.

Q What are your immediate investment plans?

A I am looking at participating in a series B fund-raising of a company called Kaefic, which provides affordable broadband Internet via satellite to remote areas across Asia. The positive impact it has brought is tremendous and it has literally saved lives through telemedicine.

This investment also has strategic benefits to my renewable energy business, which similarly serves remote off-grid locations. I am very excited about seeing Kaefic's US\$200 million satellite being launched on the SpaceX Falcon on Oct 9 this year.

Q How are you planning for retirement?

A Ideally, I would like to work because I want to, and not because I need to. I'm not really sure what retiring means, because I see myself as being constantly busy and always occupied. I guess in my later years, I hope to be the master of my time and be able to prioritise my relationships with my family and friends.

I hope to have a full portfolio of solar-power purchase agreements, where we will get regular monthly income for up to 25 years. Knowing that my retirement is funded by providing clean solar energy to the world makes going to work more enjoyable too.

My wife studied medicine at the National University of Singapore and her undergraduate tuition fees alone were already six figures. We plan to set aside at least half a million dollars for our children's education in 2015.

We have a regular savings plan for our twin boys and we put money in socially responsible investing funds via our friend and financial adviser Yi Lee.

Right from birth, we want our children to be raised on the right principles, and knowing their education fund is based on ESG values helps me sleep better at night. The investment horizon for this is long term over two decades.

Q Home is now...

A Home was a five-bedroom condo penthouse unit measuring 5,400 sq ft spread across three floors. Despite being 99-year leasehold, we like the size and the proximity to the Bukit Timah Nature Reserve. The air here is really clean and fresh.

Another benefit of having a penthouse unit is that we are able to install solar panels onto our roof terrace to enjoy clean solar energy. My mum, brother, sister and her Japanese husband live there now.

To be close to them, my wife and I recently purchased another unit (a three-bedroom, 1,600 sq ft apartment on the ground floor) in the very same block and moved in late last year.

Q I drive...

A If possible, I actually like to commute using public transport. Being on a bus or train allows me to do other things such as answer messages and e-mails and, more importantly, take a much-needed power nap (I get very little sleep with twin boys).

However, our family still owns two cars and, being in the same condo, we get to easily share resources. We own a blue Lexus Hybrid and a black Toyota Harrier SUV (since we need the space for the twin boys).

I am waiting for the Tesla Model 3 to arrive in Singapore.

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Worst and best bets

Q What has been your biggest investing mistake?

A One of my biggest financial mistakes was not buying business insurance to cover the possibility of clients going bankrupt.

In 2017, I failed to keep pulse on clients' payments in our manpower business. Noshore Drilling suddenly went bankrupt and owed us over US\$250,000 (S\$347,000)

in unpaid invoices and interest.

Even though maritime law allowed us to arrest the vessel to claim the unpaid debt, the law did dictate that my company had to wait in line and we just hope to receive pennies on the dollar.

Meanwhile, we had already paid our workers punctually and in full, so "no seamen were harmed".

This episode enlightened me on the dishonesty of the people working on this project and taught me a

life-lesson. Warren Buffett once said: "Honesty is a very expensive gift. Don't expect it from cheap people."

Q And your best investment?

A My best investments are in the time I spend creating and building good relationships with friends and family. Back in 2016, I was contemplating investing in an executive MBA from Insead and thought the fees were high at €114,000 (S\$175,000).

I'm forever grateful that my friend Chris Angkas teased me and said: "People don't hesitate to take a car loan to buy a car, but yet hesitate when it comes to education. Which is more valuable and more long-lasting?"

It was because of his advice that I was immediately convinced to apply for Insead.

I was very fortunate and grateful to be awarded the Insead Scholarship of Excellence, which helped

defray €30,000 of the tuition fees. I believe the lessons learnt and friendships formed will last a lifetime.

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