

APAC Regional Webinar: Uncertainty: A Life-Long Companion for Investors and Others



SK Shin, CFA

Vice President, Credit Research, Investment
Management, Brown Brothers Harriman

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*Moderated by Lynn Raepsamen, CFA
Chief Financial Officer,
Mason Privatbank Liechtenstein*



CFA Institute

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Lynn Raepsamen, CFA
Chief Financial Officer,
Mason Privatbank Liechtenstein

HOUSEKEEPING

- Today's webinar is scheduled for 60 minutes
- All participants are muted, we welcome questions via the Q&A function on your screen
- Audience can use CHAT to share comments and to see what others are saying
- This webinar will be recorded and be available to view after the presentation concludes
- At the end of the webinar, please take a moment to complete the short survey. Your feedback is valuable to us.

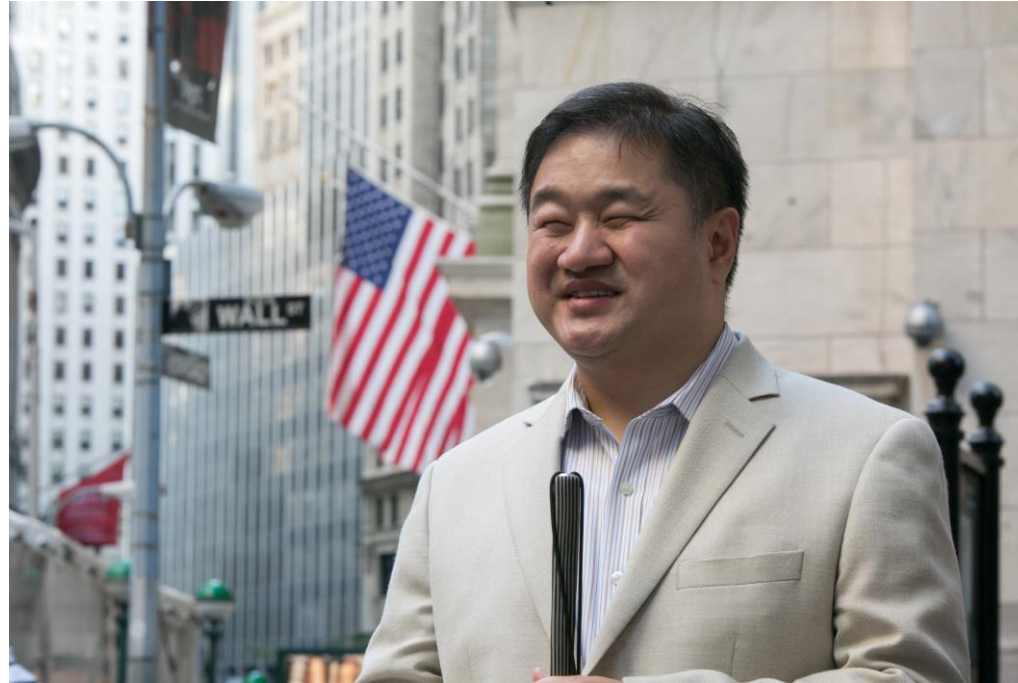
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SPEAKER



SK Shin, CFA

Vice President, Credit Research, Investment Management, Brown
Brothers Harriman

Uncertainty: A Life-Long Companion for Investors and Others

Soonkyu (SK) Shin, CFA

Overview

- Volatility an investor's friend; uncertainty an investor's companion.
- This year, the coronavirus pandemic has dialed up volatility to unprecedented levels.
- The magnitude of volatility may have declined but uncertainties remain, not just in security prices.
- By sharing his experiences and thoughts on how to handle uncertainties in work and life, SK hopes to motivate, inspire, comfort, and encourage you.

Disclaimer

This presentation is for informational purposes only and should not be construed as investment, legal or tax advice, nor should it be considered information sufficient upon which to base an investment decision. All opinions in this presentation are those of the presenter, Soonkyu (SK) Shin, and do not necessarily reflect those of Brown Brothers Harriman & Co. and its subsidiaries and affiliates (“BBH”). SK’s views expressed before, during, and after this presentation are not intended to be for the purpose of marketing BBH’s products and services

A Special Day in March

- A wedding anniversary
- Another reason why the day was special
- Social distancing plan for work
- A very special personal plan, too

Another Memorable Day

- February the 19th, S&P 500 at all-time high
- Investors and their rose-colored glasses
- The news of a spreading virus in China, no matter
- Very few opportunities for value investors
- Ominous news from Korea – Rising cases
- Rose-colored glasses beginning to slip?

Uncertainty on Steroids

- First day of working from home, no long commute
- Unbelievable info displayed on Bloomberg
- All Treasury maturities below 1% yield
- S&P 500 Index Futures limit-down overnight
- Before, less than 10% of corporate bonds attractive value
- Afterward, over 90% attractive; lasted a while

Uncertainties About Seeing

- Diagnosed with Glaucoma on both eyes, before age 100 days
- Detached retina on the right eye at age seven
- Became totally blind at age nine
- NLP means no light perception.
- AIMR wanted numbers, not just letters

Uncertainties about Education and Aspiration

- Blindness the worst disability, at least according to the tax man
- Parental challenges on raising a blind son in the 1970s Korea
- A school for the blind the only educational option
- Mother-selected aspiration for work: a music teacher
- The path leading to an opportunity in America, boosting uncertainties
- Some hard work, positive attitude, people I met, and luck helped to lessen the uncertainties

A Huge Uncertainty: On the Layoff List at JP Morgan

- First job at JP Morgan, started in 1994
- Got married in 1996 – a fair warning about job security
- In February 1998, found out that I was on the layoff list; to remain on the payroll until June 30.
- The green card on the line, too
- An opportunity to learn the true character of my wife
- Hugely encouraged, set out to find a new job
- A numbers game – respond to every job posting with any possible matching characteristics
- A course correction along the way – Disclose blindness

Uncertainties Turning into Blessings

- Encourage yourself; perfectly fine to talk to yourself
- Rejections are okay; you have to be lucky only once
- Lucky twice; received two offers
- Chose the job I hoped for at higher comp; did not even have to change the subway route
- Started new job on June 29; came off JPM payroll on June 30
- Even the lawyer handling green card application stayed the same

No More Uncertainties Since Then, NOT

- To the two sure things in life (death and taxes), uncertainties should be added
- The next major uncertainty: Having children
- Western fertility treatment plus acupuncture, herbal medicine, etc.
- Daily anxieties, uncertain outcomes
- After the fifth miscarriage, we gave up; decided to adopt.
- Found peace and then a miracle happened
- One son and one daughter, one born to us and one sent to us

My Biggest Uncertainty, What I Most Feared

- The most meaningful uncertainty, fear wrapped in sadness
- Living alone without a spouse or children because of my blindness
- Finding a wife for me: Heard family elders talking about an extreme solution
- Without going to such an extreme, was blessed with a family
- The next uncertainty to tackle: Helping my 15-year-old son to prepare for college

Uncertainties: What Makes Life Fun

- “Don’t know what’s one inch ahead of us; but what fun would it be if we knew?”
- Uncertainties you may face today?
 - Work: Career choices, investment decisions
 - Personal life: Family, health, relationships, financial security, etc.?
- Dealing with uncertainties require muscles that require repetition to develop

Uncertainties: What Makes Life Fun

- Supplements include:
 - Strong relationships
 - A can-do positive attitude
 - Flexibility to accept unexpected but inevitable changes
 - Willingness to work hard
 - The grace to extend a helping hand to others who are dealing with uncertainties
- The most important value for life and investing: the long-term perspective