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**Dato' CHEAH Cheng Hye,
Chairman and Co-Chief Investment Officer of Value Partners Group,
shares his view on Brexit**

The British vote to leave shows clearly that the biggest investment risk today is social unrest. All over the world, including in Hong Kong, societies are divided and political unity is breaking down. It is difficult to make investments in this climate of growing uncertainty, which now covers not only the developing countries but also the developed world.

Issues such as the rich-poor gap, unwanted immigration and lack of economic growth are feeding social tensions in many places.

As countries and societies become less willing to cooperate with each other, we can see further pressure on global trade and this will put even more pressure on the global economy.

This will certainly add to the pressure on the Hong Kong economy, which depends heavily on global trade.

Britain is the world's fifth largest economy, contributing 3.7 percent of the global gross domestic product. So what Britain is doing is important, not only in practical terms, but also in sending a clear message to the world that people are anxious and tired.

This is the same message that the unexpected rise of Donald Trump in the U.S. is giving. Should Trump become the next American President, the impact on the investment environment would be even bigger, much bigger, since the U.S. is the world's biggest economy and only superpower.

So we live in an increasingly risky world. There are no simple solutions for investors. I expect investors to put even more emphasis on diversification. Investors need to identify good fund managers who can find the right stocks and bonds, and other assets, providing the right balance between risk and reward, in this difficult situation.

Now that it is clear even the developed countries have so many problems, we need to look more closely at the investment opportunities on the Chinese mainland. Although China too is facing various problems, the country is still able to maintain a decent growth rate while maintaining national unity. Social stability on the Chinese mainland is intact, and the anti-corruption measures and program of reforms should bring further progress.

Yet China-related stocks are very cheap, because so many people have been negative on the Chinese investment environment.

For bargain hunters, China-related stocks and bonds can be very attractive in the current global environment, where there is a surplus of savings and a shortage of good investment opportunities.

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