Publication: The Business Times, p 12
Date: 4 April 2011
Headline: 'Discipline key" to success in trade

'Discipline key' to success in trade

SMU undergrad, 24, tells **JERMAINE NG** about his portfolio and gives investing tips to budding investors

WONG Jian-Hui is no stranger to investing: The 24-year-old had his first taste at 18 while assisting his father. The undergraduate, who is pursuing a Bachelor of Business Management at Singapore Management University (SMU), currently juggles between school, managing his own six-figure portfolio and the SMU E.y.E. Investment Club where he holds the floor as president.

He currently sees trading as a hobby due to school commitments, but intends to pursue a career in sales and trading in an investment bank upon graduation.

Q: How and when did you start investing?

A: The interest started in 2005, when I was 18. While completing my national service, I decided to research on investing, and started this journey by advising my parents on their portfolio. Over time, they became comfortable with what I was doing. When I turned 21, they spun off some of their investment dollars to me and allowed me to start my own trading account.

Q: Describe your current portfolio.

A: My portfolio is rather diversified. Most of my money is parked in the Singapore equity markets. For one thing, I invest in Reits because they are defensive in nature. I also invest in blue-chip counters, such as CapitaLand, and some small-cap counters because they usually perform well. About 15-20 per cent of my total portfolio is in US equities, and about 10 per cent in a few forex currency pairings. Of course, I do hold some cash to be cautious. This also allows me to make the next investment quickly if the opportunity arises.

I don't have any money in fixed deposits because I see them as lose-lose situations, especially given the extremely low interest rates and high inflation rates these days.

ARTHUR LEE

'The financial crisis was a humbling experience because I lost a significant amount of my portfolio. . . However . . . I managed to recoup my losses and make a slight profit.'

– Mr Wong

Q: Do you have a high or low-risk appetite? Why?

A: My risk appetite is generally larger than most people's, given that my portfolio is heavy on equities which offer no capital protection. One reason for this is that I'm young. Even if things may go wrong, I still have time to restart. Further, I know what I'm doing and I'm comfortable with my risk tolerance.

To me, taking risks is one thing – but knowing what you are doing and what to do after is more crucial.

Q: What is your investing philosophy?

A: Discipline is key to a successful trader. It is important to set your cut loss levels and stick to it.

Q: What is your best investment to date?

A: SGX. I bought it in early 2007 at around $5. The counter was on a perpetual uptrend – less than a year later, Tokyo Stock Exchange announced that it was acquiring slightly under 5 per cent stake in SGX and that sent the stock to record high at about $17. I cashed out at around $15

Q: What is your worst investment to date?

A: Hotel Properties Limited. I bought in anticipation that they would secure the contract to bring the F1 Grand Prix to Singapore, since this would become a major money spinner and provide huge boost to tourism receipts. Although that did happen, it did not translate to gains in the share price. Part of the reason why it has not done well is also due to the financial crisis, which sent all stocks plunging.

Q: How adversely were you affected during the financial crisis?

A: The financial crisis was a humbling experience because I lost a significant amount of my portfolio. When it first struck, I was in denial and believed it to be a temporary correction. However, after two months, I had to rethink my strategies and cut my losses. In fact, I managed to recoup my losses and make a slight profit.

Q: Are you a spender or saver?

A: I would say that I'm more of a saver. I don't buy luxury goods – my family doesn't have a habit of doing that, we're very frugal.

Q: How do you balance school and investing?

A: I've always believed that if you enjoy doing something, you will be able to prioritise time for it. I look forward to trading every day because the market is so dynamic. It's a constant growth process and I enjoy it.

Q: What are your long-term investing goals?

A: I hope this can translate into a career next time. It definitely will not be easy, but I hope my experience can put me in a better position to enter this industry. The investment world is huge – there are a lot of things to learn. Everyday I learn something new.

Q: What are three investing tips that you would dispense to a budding investor?

A: First, do your homework, say from financial websites such as Bloomberg. It's important to stay current because you have to know what it entails, rather than adopting a herd mentality and follow the crowd blindly.

Second, talk to many people, especially those in the industry or those who have the relevant experience in investing. It is always good to have the perspective of someone who is more experienced, because they know what's happening on the ground and that will put you in a better position.

Finally, don't be greedy: It's important to manage your own expectations. Many people start investing because they are lured by the monetary rewards that can be derived, but it's important not to look at it from that angle. Instead, it should be something that you find meaning in doing – if it works out, it'll be more fruitful.