

Sold on earning her own keep from a young age

SMU student picked up investing in school and puts her money in US equities and ETFs



Rachael Boon

Earning her keep has always been high on Ms Felicia Phan's agenda – even when she was in primary school. Back then, her parents told her she was too young to work and to focus on her studies instead, but not much holds her back now.

Ms Phan, 21, says: "In primary school, I did consider working, to have that experience of earning money. I told my parents I wanted to work, they objected, so I had to find other ways to earn extra allowance."

She sold knick-knacks to friends, buying cheap and selling at an attractive price.

That sparked her interest in business and led Ms Phan to take up business studies at Singapore Management University (SMU), where she is a third-year student.

Along the way, she discovered investing and joined SMU's student-run EYE investment club last year.

As its research director, Ms Phan focuses on identifying patterns in a share's price or trading volume, a method known as technical analysis.

Her first forays into the market involve trading United States equities.

"You need not put in so much capital for US equities because you can buy an odd number of shares, but in the Singapore stock market you have to buy one lot

of 1,000 shares," she says.

Ms Phan hopes to infect more female students with her enthusiasm for investing.

"Most of my female friends don't know about investing, so I try to share what I've learnt. Hopefully I can interest them."

"There are 15 people in the club's executive committee, only three are girls. I think more females should join us."

Q: Are you a spender or saver?

A saver. Every month, I divide my allowance into five portions: investment, entertainment, self-development, living expenses and networking, which is the most important.

I go out and meet people from different fields. It's about investing in people.

These include those I've worked with during my internship or industry professionals, as I want to find out more about the industry.



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I think working adults in the corporate world have a different perspective from students. I'm learning more about different industries so that I can find my interest.

Tentatively, it's the investment field – it could be financial planning or investment banking, for example.

Q: How much do you charge to your credit cards every month?
Less than \$100. I don't really use cards that often. I spend about \$300 each month.

I don't shop often, only window shopping. I usually buy clothes once a year, during Chinese New Year. If there's no sale, I don't buy.

My mum cultivated a habit in me, that I've to record how much I spend on what every day.

I still keep track of my expenses and have downloaded an app for that.

Q: What financial planning have you done for yourself?

I have a savings plan under insurance, so I get protection as well as savings.

With what I earn from part-time jobs, I channel the income into investments and savings.

I invest in US equities and exchange-traded funds (ETFs), and will not use more than 20 per cent of my investment funds on a single stock.

My recent transactions include Goldman Sachs and the Diamonds ETF, which tracks the Dow Jones.

I've a very fast-moving portfolio, half is long term, and the other half I use to trade. I only trade quite aggressively during the holidays.

Q: Moneywise, what were your growing-up years like?

I had just enough allowance for transport and food. I've always liked to collect stationery, but didn't have enough money to buy it, so I tried to earn extra money.

The allowance was weekly, and by the end of the week, I had to return whatever was left to my parents to save.

If I bought anything new, they'd know. My dad does sales and my mum is a financial planner.

I learnt how to spot trends and opportunities, to buy and sell things.

During my primary school days, there was a bookshop that would promote different things every day.

When there was a five stones (traditional children's game) craze, I learnt how to get cheaper goods from outside to sell to my friends.

I also tried to make my own, using unwanted cloth from bedsheets and green beans, and my grandmother's expertise to put things together to sell the stones.

Another craze was playing with "slime", which I made using corn starch and different colours, to offer more variety. My friends would see that it was much cheaper than buying from the bookshop.

Q: How did you get interested in investing?

Last year, I overheard my mum on the phone telling a client about growing one's money. I wanted to know what it meant.

My mum gave me a lot of stuff to read about investments, and my dad, who manages his cashflow quite well, also told me about his investment portfolio.

I suddenly felt like I should do something about my money. I read up and signed up for talks by SMU. I then joined the EYE investment club.

My seniors there helped me a lot with technical analysis, where it's about learning the tools and then applying them. They recommended all sorts of resources.

I prefer technical analysis to fundamental analysis, because it's about the most up-to-date information that you can just view from the charts, rather than having to spend a lot of time researching a stock and

SMU student Felicia Phan allocates her allowance into different categories and keeps track of what she spends on every day.

eventually find out it's not worth buying. That's done more easily with a team of people.

Q: What property do you own?
None. In the future, I hope to have a portfolio of properties and stocks to have a passive income.

Q: What's the most extravagant thing you have bought?

An Apple iPad Air. I bought it because I wanted to read wherever I can, and also to monitor and hunt for new stocks, especially on the MRT, so I don't waste time.

The latest book is *The Intelligent Investor* by Benjamin Graham. I just started on it, and want to find out his perspective on investing.

Q: What's your retirement plan?

I think many in my generation want to aim to retire before 50. I've even heard of people who want to retire at 45.

When I retire, it would be nice to have passive income and set up my own business.

Q: Home is now....

A landed property in the north with my parents and grandparents.

Q: I drive....

I know how to drive but rarely use the family car.

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WORST & BEST BETS

Q: What is your worst investment?

Apple stock. I made a 5.5 per cent loss last December, exiting after four days.

I looked mainly at the news, which said Apple was going to come out with a new product, so I bought.

It was a really foolish act. The technical analysis seemed OK at that time, and the stock looked like it was going to reverse. The next day, it went down, and I exited soon after.

And 5.5 per cent is beyond my threshold, which is usually a 3 per cent to 4 per cent loss.

Q: What is your best investment?

The ticker symbol is ATVI (Activision Blizzard); it makes games.

I held it for two months and made a 13 per cent gain.

Sometimes, I don't even know the company's full name, just its ticker symbol (laughs).

I usually use a stock screener to check the stocks, which shows only the ticker symbols, so that is why I am more familiar with them than names.

If the stock fulfils what I want, I will buy it. I will use the stock screener to check the moving average, and one of my strategies is the moving average crossover (when the price moves from one side of a moving average to another).

For example, if I want to "short" a stock (hope for the stock price to fall), then I will check for a bearish crossover.

If they don't pass the basic criteria, I will not buy them.