

She keeps separate account for investment

- Yew Han Hui, 23
- Studying accountancy at the Singapore Management University
- Member of OCBC Bank's Young Investors Pack (YIP) programme

Q: What are your fears and concerns as an investor who has not started working?

My greatest fear would be unemployment as maintaining cash flow is really important.

As I invest only what I can afford to lose, ending up with nothing is not a huge concern for me. And if I believe in the stocks that I invest in, then it won't be a huge concern, unless the company goes bankrupt.

Q: What prompted you to start investing at 20?

I invest to create more wealth for the present and the future. I believe in the quote: "Never work for money, but let money work for you".

In 2010, I was introduced to investing by a friend and that's when I realised that I could do more with money than let it sit in the bank. I also joined the OCBC Young Investors Pack that year.

All members are given an investment book to learn more about investment strategies. We also get a monthly e-newsletter written by OCBC's investment research analysts which gives an overview of markets targeted at young investors.

Q: Why do you invest only in stocks?

The yield and risk level are suitable for my risk appetite, and stocks are also more liquid than



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bonds or fixed deposits.

Q: How much money do you set aside for investments every month?

I have a separate account for investment purposes and do not withdraw money from it for personal use. Any earnings will remain in it and can be used for reinvestment.

I invest about 65 per cent of my allowance and money earned.

In the last three years, I've invested about \$10,000.

Q: Who would you approach for financial advice?

I usually seek advice from friends, investment blogs, forums, news reports and articles.

Ultimately, I'll crunch all this information down and still do my own analysis.

Q: What is your best and worst investment to date?

In general, I'd say the worst thing to do is pure speculation without



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knowing what is going on and having a lack of discipline to monitor your stocks.

I once contra-ed a stock which had gone ex-dividend without my even realising it. (Contra trading involves buying a stock and then selling it without having received the share. The investor gets the difference if it is a profit or has to settle with the broker, if it is a loss.)

It was hilarious when the company I had invested in sent me a dividend, which surprisingly turned out to be more than the amount I lost, so it was all good.

Q: Some think that investing in financial products is akin to

gambling. How about you?

If I have only \$1 and invest it in 4D, Toto or horse-racing, it is quite likely that I won't win and would be left with nothing.

However, if I invest that same dollar in a good stock, it'll still be there tomorrow and in time to come may even grow to \$2 or more. Moreover, it is likely to give me dividends quarterly, semi-annually or at least once a year so long as I'm a shareholder.

Q: What more can be done to encourage more youth to invest?

I think what they need is education and guidance on the basics of investing.

I've many friends who are interested but do not know where to start and are often overwhelmed by the amount of information out there.

Others have misconceptions that investing is highly risky, which may not necessarily be true.

Rachel Scully