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Early start in investing helped build financial confidence

Co-founder of investment management company is a firm believer in value of compounding



Rosalind Ang

Finance professional Paul Chong got a head start in investing before even stepping into the workforce: His parents gave him \$10,000 to invest during his final year of university, which he put into a portfolio of stocks.

His prudent upbringing shaped his financial values – he was brought up to never spend more than what he had.

Fresh out of school in 2007, he started his investment management career with Fidelity International in Hong Kong, where he was an analyst for five years focusing on fundamental research in the Asia ex-Japan region.

He then worked as a portfolio manager of Eastspring Investment's global emerging markets equity team before moving on to head the firm's Greater China equity strategy.

In mid-2024, Mr Chong, 43, co-founded investment management firm Bonham Investments.

Mr Chong also does portfolio management for the firm, which helps clients preserve and grow their capital over the long term through the funds it offers.

"Our key differentiation is that our founders invest more than 80

per cent of their net worth in the funds that we manage to ensure that we have strong alignment of interest with our clients and significant skin in the game in the funds we manage," he said.

Mr Chong holds a bachelor's degree in business management, majoring in finance, from Singapore Management University.

He is married with two sons, aged eight and four. His wife, 36, is an account manager.

Q Do you invest in anything? If yes, what do you invest in and why?
A Over the past 18 years, I have invested more than 80 per cent of my net worth in a portfolio of 15 to 30 stocks.

I tend to put all my eggs into one basket and watch the basket closely. The volatility is manageable but inevitable. If I had a long runway I believe that volatility is not a risk, but permanent capital loss from picking the wrong stock is.

The portfolio has been compounding at close to 15 per cent per annum over the past 18 years. What was a small portfolio has snowballed into the Bonham Asia Fund that I manage today.

Q What's your biggest or most valuable asset right now?

A My investment in the Bonham Asia Fund is my biggest asset.

Q What's your approach to growing your money?

A I am a firm believer of compounding, largely influenced by the books I read on Warren Buffett. I even visited Omaha in 2024 before starting my own firm Bonham Investments.

Q Did you collect anything when you were younger?

A I have always enjoyed red wine but it was during the Covid-19 pandemic that I started buying red wine in larger quantities, thinking I could sell them if I don't drink them. I bought mostly highly rated red wine at reasonable prices, which is quite similar to my investment style. Unfortunately, I ended up consuming most of them and selling a very limited number of bottles. I have over 100 bottles of wine at home at any one time.

Q What has been your biggest financial mistake?

A I was in the thick of the bull market when I joined Fidelity fresh out of school in 2007. My first assignment as a young analyst was to cover the small capitalisation companies in Asia. Many of the companies I looked at were trading at elevated valuations without much differentiation in the quality of the business.

There was this small cement company that I really liked, and I pitched to a few portfolio managers to invest in it. When the global financial crisis came, the share price of this company corrected 50 per cent within a short period. It was then I was able to fully appreciate what Warren Buffett always says: "Only when the tide goes out do you discover who has been swimming naked."

I believe we lost a few million US dollars for our clients in the funds. I have since learnt the importance of deep fundamental research and investing with a margin of safety to avoid large capital loss

Q What has been your best financial decision?

A I was fortunate to learn from many experienced investors at Fidelity, not just in Asia but also globally. One incident is particularly vivid. In the midst of pessimism during the global financial crisis, an experienced and successful portfolio manager from our London office came to the Hong Kong office to share his experience in handling crisis, and the investment opportunities that could arise in a crisis.

Many of the investors, myself included, went back to the drawing board to pick out high-quality companies with strong balance sheets and competitive advantages that could emerge stronger from a crisis. We eventually made a few hundred million US dollars for our clients on just one stock. It was also then that the contrarian investor in me started to develop

Q Money wise, what were your growing-up years like?

A I grew up in a middle-income family. My parents have always been prudent about finances. My siblings and I were taught from a very young age not to spend more than what we have.

Although I have never run into deficit, I did not have much savings before I started working. A good night out with my buddies or a good meal with my girlfriend could then easily deplete 30 per cent of my savings.

I was able to save substantially more only after I started working. Most of the savings would be channelled into investments as cash does not generate much interest, or even worse, the value could be eroded by inflation.

My family of four live in a freehold three-bedroom apartment in the east, which we bought three years ago.

I drive a Kia Sorento, which is more of a family car. We switched to this car when my younger son was born and just before the COE supply was expected to tighten. I do not have much affiliation with cars, as I see them only as a mode of transport. That said, I did have a dream of driving a convertible when I was younger, which I managed to fulfil when I was working in Hong Kong, where the cost of owning a car is much lower.

Q What was your first job?

A My first job was as a research associate with Fidelity in Hong Kong. I was extremely fortunate because Fidelity only hired two fresh graduates in Asia, and apparently the company received thousands of applications.

Q Did you do any part-time jobs?

A During my army and university days, I worked part-time as a tutor, table tennis coach and umpire to cover some of my expenses.

Mr Paul Chong's investment journey began quite early, when he was in his final year of university and his parents "seeded" him \$10,000, which he put into stocks. He says that over the past 18 years, he has invested more than 80 per cent of his net worth in a portfolio of 15 to 30 stocks.
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