Playing the age card in investing

Hong Dijun takes bigger risks because he's young and without commitments, reports SIM PING KHUAN

ONG Dijun is only 20 this year but this young investor currently holds more than $20,000 worth of stocks and other investments. Dijun is no lost child in the world of investment. He has been devoring one investment guide book after another since he was 12. Over the years, he has equipped himself with sound investment principles and knowledge. His dream is to lead a demanding, yet fulfilling, life of an investor.

Although Dijun reads extensively on this subject, he is definitely not a bookish, academic person fascinated only by theories. "I am more of a doer," he says.

All this while, he was hoping that his investment knowledge would one day come to good use. In his second year at junior college, Dijun felt that he was ready to play the real game.

Dijun's big break came when he convinced his parents to let him invest on their behalf. His first investments, which were on stocks, amounted to about $5,000.

Before long, he was reaping profits from his first investment attempt, and reinforced his parents' trust in him. Since then, he has re-invested his profits and has ventured into investment products ranging from insurance products, bonds and unit trusts to higher-risk products like stocks, options and warrants.

After nearly four years of investing, Dijun says he has managed to earn a respectable 40% return, or to start a business. "But I have been re-investing my profits and have followed sound principles. The higher risks I take, the greater the profit I can make."

Prudence & preparation

His willingness to take larger risks does not mean that Dijun is foolhardy when it comes to investing. He believes firmly that prudence and preparation are essential before the actual investment. For example, he spends several months to study the financial fundamentals of a company before he invests in it.

He also believes that the cash flow and knowledge he has accumulated over the years of reading is the best preparation he has.

In addition, Dijun thinks there is much to learn from sagacious senior investors. "They certainly have more experience. When they read the financial data, they place different emphasis on points that young investors usually do not pick up. It's really enlightening, and just talking to them stimulates your own thinking process. There are many valuable lessons to learn from those experienced investors." Today, Dijun is an officer in the Singapore Armed Forces. With the heavy responsibilities on his shoulders, he says he has less time to ponder the shares in the stock market. This is why he has to be quick in every investment decision he makes.

He thinks national service has helped him to mature as an investor. "During my military courses, I was trained to be more critical in my thinking. I believe that I can apply my critical analysis skills in the stock market."

This coming August, Dijun will enrol with the Singapore Management University where he is planning to take a course in business studies. "I am passionate about the course I have applied to study, and I am sure that the university will increase my knowledge of how the financial market works, and sharpen my business acumen."

Dijun plans to start a business of his own in the near future. "I believe that there is much potential in the consumer electronics market in the Middle East. I have been looking at this possibility with some of my partners for several months now. However, my plans are not concrete yet."

Many people tell him he's too young to invest, or to start a business. "But I have been investment-sawy since I was young, and I have a different outlook in life that makes me different from my peers," Dijun says. "I believe that the earlier a person learns to invest and start financial planning, the better his life is going to be in the future."