Taking the seminar route

MELISSA LOH and CRYSTAL NEO take a look at what investment seminars are, what to expect from them and what to look out for when deciding on one to attend.

At some point or another, those of us who are interested in investing have come across advertisements for investment seminars. However, what do these investment seminars which often cost thousands of dollars and which sometimes purport to help consumers make tidy sums of money in short periods of time actually teach, and are they worth attending?

This week, we take a look at investment seminars — what they are, what to expect, and get some opinions on what to look out for when choosing one to attend.

If there is one piece of advice to heed when choosing the right investment seminar to attend, it is to make an informed consumer choice.

An investment seminar is a course often conducted over a few days that aims to teach participants strategies, tips or provide insights into various forms of personal investment, such as trading in stocks, options, futures, forex and more. And like how you would take considerable effort to figure out what is the best car or the best computer in the market for your needs, you should do the same with these seminars.

Do not simply assume that just because it is advertised in the newspapers, it is necessarily going to be good and reliable — especially when the course is likely to set you back by a few thousand dollars.

The average cost of an investment seminar in the market is between $3,000 and $5,000. If it takes you weeks of consideration before purchasing a personal digital assistant or a laptop that suits you best, even more effort should be applied to identifying the right seminar for you.

"I think that any course that does not point you in the direction of continual learning is probably not going to be very useful," said Phillip Phan, a visiting professor at the Singapore Management University. "The truth is, good personal investing requires a lot of time and effort. That's precisely why people hire managers to do it — these are the people who have the time, resources and expertise to actually make those kinds of intelligent decisions."

However, companies conducting the courses disagree. Benny Neo, a business development manager from WealthDNA that conducts investment courses, said that hiring investment managers to invest on your behalf means more money spent.

DO YOUR HOMEWORK

To ensure that you get your money's worth, it is important to do your research before signing up with any course.

"Don't believe everything that's on the paper. How long have they conducted (the seminar), who actually teaches these courses, what is the qualification of the people teaching the course? Is the course associated with an organisation that has a good reputation?" said Prof Phan, emphasising the need to ask questions.

"Go ask for references especially if these courses are very expensive," he added.

Companies conducting these seminars may be able to provide contacts of people who previously attended the courses and have agreed to give testimony to the effectiveness or reliability of the course.

It will be good to touch base with these people to find out why they found the seminar worthwhile, taking their comments with a pinch of salt of course. One way to ensure the reliability of the company offering the seminar is to check if it is accredited by CaseTrust, or to ensure that there have been no complaints made against the firm to the Consumers' Association of Singapore (CASE).

However, Prof Phan feels that taking up investment courses with a tertiary institution is a safer bet.

"Local universities have these kinds of courses as well, and they tend to be more reliable simply because they start from the principle of teaching you the tools, skills and basic knowledge as opposed to telling you what to do."

He added: "Look for courses that are associated with an education institution because their mission is different. They're not trying to sell you a product and there's no vested interest."

But if you have already decided on the seminar-style education path, it might be worth your while to equip yourself with rudimentary knowledge of the particular investment tool that you are interested in.

For example, bittopg.com offers a free bite-sized beginner's guide to futures trading and www.forex-investors.co.uk provides an introduction and a demo systems account on futures trading.

THINGS TO LOOK OUT FOR DURING THE SEMINAR PREVIEW

While Mr Neo acknowledges that investment seminars may not have such a good reputation, he feels that not all are unreliable. His advice is to attend the free seminars provided by the companies.

However, it is important to adopt a critical consumer mindset while attending some previews, so as not to be hoodwinked by good marketing and empty promises.

"Some previews try to boost your morale instead of showing you their strategies. And they leave you high and dry when you leave the preview. But the most reliable ones are willing to share more information when you ask a lot of questions, instead of repeatedly enticing you to attend the seminar where they will supposedly reveal all," Mr Neo said.

He offered some points to take note of when attending a seminar preview:

- Is the course suitable even for beginners or those without experience? Are the strategies proven and reliable? Are the strategies simple, uncomplicated and effective?

- Mr Neo also stressed that only a few companies offer comprehensive post-seminar services and these tend to be more reliable. Most companies would establish online forums or conduct monthly discussions for seminar participants, but these are often inadequate measures.

Look for companies which provide an ongoing platform for seminar goers to further their education and experience, for instance, free access to an online library of tools and tips to enhance trading capability.

"These courses are not quick fix and nobody should ever imagine that all of a sudden, their investments are going to look very promising after attending a course," Prof Phan said.