Investing is not just a game for this undergrad

He’s not only way ahead in SMU investment game, but also has handsome gains from real trading

Leong Chan Teik

LAST week, undergraduate See Yong Sheng became about $335,000 richer.

That is the profit he chalked up as he entered the sixth and final week of an investment competition organized by Singapore Management University’s (SMU) Investment Club. The money was, of course, not real.

The competition provided participants with $300,000 hypothetical capital for investing in Singapore-listed stocks.

As at the middle of last week, Mr See, 25, a final-year business student, was way ahead of the rest of the 400 or so participants.

The game ended on Friday, but the results were not updated on the SMU website as the organizers wanted to reveal the identity of the winner only in a ceremony this week.

Mr See is confident of winning the $1,000 prize money — and that’s real money.

In the real world, he has achieved handsome gains too with his own cold hard cash. He has $37,000 parked in unit trusts and stocks, he says, showing details of his investments during an interview at the SMU campus in Bras Basah Road.

There are far bigger bucks he expects to handle after he graduates summa cum laude next month. He wants to work in the financial industry, perhaps starting as an analyst and then moving on to become, say, a private banker.

Q: How did you get interested in investing?
A: I remember watching a Hong Kong serial on TV years ago about the stock market. It gave me an adrenaline rush to learn how much of money could be made and lost.

When I was studying in Ngee Ann Polytechnic, I bought a computer game, Capitalism, where you are an investor buying and selling stocks, and there’s news affecting stock prices all the time.

When I was in National Service, I read the book Rich Dad, Poor Dad, which was about how to be financially free through investing. I started reading online forums on investing. In SMU, I studied equity analysis and learnt about business fundamentals.

Q: What were your early investing experiences like?
A: I was studying in the polytechnic when I started investing in stocks during the Asian financial crisis in 1997. I bought shares of Malaysia’s Public Bank, held them for five years and sold them for 10 per cent profit.

I began investing in unit trusts in late 2001. I have four unit trusts and my invested capital is $12,000. They are worth $18,000 now.

I also have about $25,000 cash invested in stocks. Their value is now $31,000.

Q: What insights led you to pick the winners?
A: One of my unit trusts is the Aberdeen Pacific Equity fund. I bought it after we did an analysis in a course in SMU, comparing it with the First State Asia Growth fund. It’s been four months since I bought the Aberdeen fund and it’s up 12.4 per cent, compared to 10.4 per cent for the other fund.

In another course, the professor remarked that if anyone had spare money, he should invest in China and India funds because these are exposed to fast-growing economies. At that time in November 2004, I had a China fund. I read up a bit and went out to buy the First State Regional India fund and the Aberdeen India Opportunities fund. The returns have been spectacular — about 90 per cent and 56 per cent, respectively.

Q: What else have you learnt in school?
A: Behavioural finance. I learnt that investors tend to overreact to negative news and underreact to good news. That’s why during the China Aviation Oil incident last year, the market sold down China-related stocks, including those with good fundamentals such as Cosco, a shipping firm. I seized the opportunity to buy Cosco shares. They have gone up about 120 per cent from my purchase price.

Q: How have you come up with the money to invest?
A: I have savings. Every Chinese New Year, most of my hongbao money — it was $2,000 this year — goes into invests. Two years ago, I borrowed $10,000 from my mother. She was reluctant at first, but she had confidence in me. I pay her 0.5 per cent interest a year.

Q: How much pocket money do you get from your parents?
A: Not a lot. In poly, I received $200 a month. Now, it’s $400. My parents are self-employed. They buy properties and rent them out, or sell them — that’s their work.

They are thrifty folks. Once, when I was in secondary school, I spent $250 on a birthday treat for my friends. I got scolded by my father. I said: ‘It’s my money, why can’t I spend it?’ He replied: ‘No, it’s my money, it came from me.’

Q: Your monthly allowance of $400 seems a lot. What do you spend it on?
A: Some of my peers get much more — about $400. Every month, I pay $100 for the premium of an AIA investment-linked policy. Unfortunately, its performance has been lazy — I could have done better on my own. My hobbies are not expensive: cycling at East Coast Park and swimming.

Q: What are your financial dreams?
A: To start a See Foundation for philanthropy. I have been influenced by my parents. They give money and food to old folks at Bukit Ho Swee regularly. I do my bit too. Late at night once, I drove my father’s car — a Toyota Wish — to deliver leftover bread from Delifrance outlets to old folks’ homes, under a scheme called Food From The Heart.