

He's 34 and 'semi-retired'

Savvy investor makes sure he has the means to pursue meaningful purpose in life



Rachel Scully

He calls himself an ex-civil servant on a mission but Mr Douglas Chow first dreamt of starting a business when he was eight years old.

The seed was planted when his father, then a shipyard supervisor, was retrenched in the 1985 recession.

The elder Chow sold encyclopedias and roast duck for about two years before he secured a full-time job in the insurance industry.

"I would sometimes take orders for the roast duck from my teachers," he recalls.

Mr Chow, 34, knew that he had much to learn about business fundamentals before he could become an entrepreneur.

In 2004, he graduated with a degree in real estate but went on to join the finance industry.

"People thought I was a job-hopper, but I moved every time I wanted to learn something new and challenge myself," he says.

"I learnt about SME banking, initial public offerings, mergers and acquisitions, valuation as well as financial modelling from my former employers."

He then went on to obtain his masters in applied finance and spent three years in the Ministry of Trade and Industry.

Mr Chow left the ministry in April and has taken on that description of being an ex-civil servant on a mission.

"My friend lost \$50,000 he put into a so-called wine investment

firm – Premium Liquid Assets – and is one of many victims who fell prey to financial products sold here," says Mr Chow.

Other recent scams include The Gold Guarantee, Profitable Plots and the Sunshine Empire ponzi scheme.

"I don't think that Singaporeans should be losing their hard-earned money so easily because of a 'too good to be true' or unregulated investment," he adds.

"Maybe if they were equipped with some financial knowledge and skills – there would be less of such occurrences, especially for retirees."

This led to Mr Chow becoming a personal financial coach at his firm Empower Advisory.

In class sizes of fewer than 10 people, he explains to his students what company financial fundamentals and stock indicators are important to look out for before they invest in a stock.

Empower Advisory is not profit-driven although Mr Chow does charge, to cover overhead costs, he said. He also runs a retail business selling foldable and portable lifestyle products.

"I hope that more people can do their own 'homework' on a firm to make better informed choices," he said.

"That will serve as one layer of checks rather than relying solely on a product marketer or agent's word that this investment is a good deal."

Q: Are you a spender or a saver?

A mix of both. I spend on supplements to improve my health and well-being and things which can help me make things happen. Other than that, I consider myself a low maintenance person.

Q: How much do you charge to your credit cards every month?

On average, I charge about \$3,000 a month. The bulk of my spending is charged to two cards.

I make sure I pay my bills on time and use the accumulated points to redeem free gifts.



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Mr Douglas Chow, now a personal finance coach, had previously worked in the finance industry as well as in the Ministry of Trade and Industry.

Q: What financial planning have you done for yourself?

I have health and life insurance policies as well as a savings endowment plan which can be cashed out when I hit 45. I also have investments in the local and United States stock market.

I look out for stocks of companies which have a sound business model, as well as those which are led by a strong personality.

For example, Las Vegas Sands is in the gambling industry – which is stable and sound when it comes to its business – and is led by billionaire Sheldon Adelson. During the recent crisis, he reached into his pock-

ets to put up US\$1 billion to restore confidence in the stock.

Q: Moneywise, what were your growing-up years like?

I grew up in a four-room HDB flat with eight people, including my parents, grandparents and relatives.

Money was tight at times but my parents never made us feel that we had to live from hand to mouth. Family trips would be to Malaysia and Thailand.

In my undergraduate days, I supplemented my allowance by conducting creative writing essay classes at a community centre.

WORST & BEST BETS

Q: What is your worst investment to date?

It happened some time early on in my investment journey and I learnt it the painful way.

On paper, I lost about \$10,000 investing in speculative stocks like Digiland and S-chips such as China Paper and ChinaNTown.

I still hold on to these shares to remind myself of my earlier investment folly whenever I am tempted to buy into a volatile stock or S-chip.

Q: And your best?

Numbers wise, it could be the condo I bought with a business associate and sold after making a capital gain of 27 per cent.

I consider it a good call

because we sold it before the slew of property cooling measures which might have curbed demand for private homes.

But my memorable stock investments would be the US stocks I picked up just after the global financial crisis, including Las Vegas Sands, Ford and Santarus.

A rough guide I use to determine when to sell my stocks is when it gains a value of about 10 per cent.

But one must also be mindful of the market movements, stock price indicators and the fundamentals of the underlying company to decide whether to take profit or allow the stock price to continue its course.

Q: How did you get interested in investing?

I felt that investing was something I had to try out first before setting up my own business. It's a way of looking at other people's books – through annual reports and company results – and determining if that is a good call.

I remember the first stock I bought was SMRT back in 2004. I put in about \$3,000 when its shares were about \$1.15.

I saw it as a value investment because its business model was sound – it was a public transport operator and people use its services all the time.

Q: What property do you own?

I don't have one now. But I bought a condo unit at Eastpoint Green with a business associate in 2010 and rented it out before we sold it last year.

Q: What is your retirement plan?

I consider myself to be retired or

semi-retired. As I am financially savvy and don't have much debt or commitments, I'm able to pursue meaningful ventures and live life on my own terms.

To me, retirement is not about slowing down in your sunset years and do what you couldn't when you were younger. It should be about pursuing a meaningful purpose in life.

Q: Home is now...

A four-room HDB flat in Ang Mo Kio where I live with my parents and elder brother.

Q: I drive...

A second-hand E200 Mercedes as well as a Citroen van which can be used for deliveries as I explore the option of going into a retail business.

I also have an electric foldable bicycle which can be conveniently rolled into the train.

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