Going Beyond Investing

Money-making is almost always on top of the priority of many young people starting out their career life. Two experts weigh in on the questions of how best to avoid some of the common mistakes among young investors. By Tony Goh

The need to invest is absolutely undeniable. But one of the biggest reasons for not delving into investments for many are the stories of failures and losses associated with doomed investments.

So what are the biggest mistakes that often lead to failures, and what should budding investors and those seeking wealth accumulations understand before jumping on the investment backwagen? Smart investor talked to two renowned personalities to find out more.

Independent Financial Advisor Yap Ming Hui, a bestselling author, TV personality, columnist and coach on money optimisation and Alvin Yong, creator of the EquitiesTracker.com Research Portal and the EquitiesPortfolioManager Portal.

Yap and Alvin advocate different approaches to investments, but both come to the same conclusion, i.e. learn and identify the right values.
FEATURE

Yap Ming Hiu, Founder and Managing Director of Wyman Independent Advisers Sdn Bhd, Yap helms a leading independent financial advisory firm in Malaysia licensed by Bank Negara Malaysia and Securities Commission. Yap and his team of advisers have helped many people to optimise their wealth and achieve financial freedom since 2006. His clients include some of the major owners of public-listed companies (PLCs) on Bursa Malaysia, CEOs of multinational corporations (MNCs) and successful small and medium enterprise (SME) companies.

Smart Investor (SI): What are your stock selection criteria, what are the main conditions that your viewpoint fulfills “smart investments” that will meet long-term objectives?

Yap Ming Hiu (YMH): We don’t advocate any particular stock or sector in making long-term investment decisions. It is also important to understand that there is no such thing as a truly risk-free investment - different investments carry different types and levels of risk. However, what is important is the investment has to be resilient, meaning, it can and should have the ability to rebound even after suffering short-term corrections or downturns. The key factors that determine if an investment is resilient is to look at indicators such as quality of underlying assets, solid business model and strong management team with proven track records.

On the other hand, particularly risky investments are businesses that have high risks even such as certain hedge funds, small cap stocks such as IT or tech companies, highly leveraged companies or businesses with poor management track records.

SI: Are there any particular sectors or industries that you would consider offering good value for investment?

YMH: All our clients are value investors, making money and growing wealth involve taking care of two main pillars, money making and money optimization.

SI: What are the main or most common misconceptions or wrong strategies practiced by investors, in particular, the younger generation of investors? What will be their main message to those who aspire to invest in equity or other wealth-generating assets?

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SI: What is your advice for the new platform?

Wee Voong (AV): The new platform was founded in 1976 with the aspiration to provide quality investment analysis and research data to retail and institutional investors.

SI: What is the current volatile market condition in the region, how has it affected the region's economic growth?

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