

# Students learn to become the next investing powerhouse

Young people are forming their own networks that explore the art of investment

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## Singapore

TIFFANY Liu had no clue what a hedge fund was till she interviewed for an investor relations role at a Hong Kong-based investment firm 6 years ago, fresh out of university.

She didn't even like mathematics and had never analysed a stock. But today, Liu runs an international club that lets youth try their hand at investing with a pool of real cash. The club even has prominent institutions such as the CFA Institute backing an environmental, social and governance (ESG) programme it recently launched.

"My family doesn't really talk about money. So even though my parents manage their own wealth, it's something I've never picked up," said Liu, an international relations graduate who now works as a senior associate at a multi-family office.

At a time of intense market volatility and mounting interest in alternative assets, some young people in Singapore are banding together to learn how to become the next Warren Buffett. Frustrated with a lack of early financial education, these youngsters are launching investment networks that

touch everything from public markets to angel investing.

"I'd always thought that you have to be good with numbers, but my ex-manager helped me realise that that's not the case," said Liu. "It's actually more about the people, understanding the management and business model, and also having that long-term mindset and judgement to see how far a business can go."

Like Liu, entrepreneur Chen Pinzhang saw a gap in the investment landscape during his time as president of the National University of Singapore (NUS) Entrepreneurship Society. Despite South-east Asia's tech boom, young founders still lacked access to crucial angel investors.

Together with 12 other co-founders, Chen, whose full-time job is running his gaming keyboard company, started NUS Alumni Ventures (NAV) in 2020 and modelled it after Stanford's alumni-led angel investment network. Over 100 university students and young alumni have joined the programme to date.

All members are trained to evaluate startup startups. Those that join the analyst team vet about 100 deals each quarter before referring them to a network of over 80 angels. Others work on mentorship programmes and investor relations.

NAV thought about starting a fund, but regulations made it tricky, said Chen. Other options are still on the table, including a spe-

cial purpose vehicle for pooled investments.

Startup investing has been gaining ground in Singapore, sparking interest from those beyond the realm of finance. Student-run venture fund Protege Ventures has trained over 200 people majoring in a range of fields such as computer science, liberal arts and engineering.

Some are aspiring venture capitalists (VCs), while others are budding entrepreneurs wanting to get into the minds of VCs, said managing partner Benedict Chong, who got hooked on the mechanics of the tech ecosystem after watching reality TV series *Shark Tank*. Chong graduated from the Singapore Management University in January and now works at US tech unicorn Carta.

Angel investing, too, has gained a glittering allure due to its potential for outsized returns. NAV's young members have been tempted to put nominal sums of their own in startups, but Chen has cautioned against hasty investments in the risky asset class.

"I have a responsibility to make sure that they come out of it learning more, rather than come out of it burning themselves," he said.

At Gen Z Group, the club founded in 2018 by Liu and Japanese businessman Shinya Deguchi, students invest in public equities out of a S\$200,000 fund sponsored by Deguchi's family, which runs a pharmaceutical business in Japan.



Gen Z Group members visited several asset managers during a 2019 trip to Hong Kong, including Chartwell Capital's chief investment officer Ronald Chan.

PHOTO: GEN Z GROUP

Deguchi is also the founder of Star Magnolia Capital, the multifamily office Liu works at.

Liu and Deguchi were connected by a love of manga, or Japanese comics. Much like how hit series *Slam Dunk* inspired a new generation's love of basketball, the duo are hoping Gen Z's original manga – featuring real-life investors – will inspire and teach youth to invest.

About 80 students spanning countries such as Malaysia, Morocco and Israel have joined Gen Z Group to date. They split themselves into groups covering different investment themes; one of them wanted to focus only on investments that benefit women, for instance.

Gen Z's fund, which has invested in airline stocks to Chinese tech, is up 17.2 per cent since its July 2019 inception, lower than the MSCI World Index's 33.3 per cent. "Luckily or unluckily for them, our

students have gone through many ups and downs. For the past few years, the market has been really crazy," said Liu.

The pandemic has created fertile ground for learning, Liu added. It's also pushed a new generation of bored and cooped-up youth to start investing for the first time. Banks, brokerages and wealth advisers in Singapore saw a jump in account openings by 18 to 24-year-olds in 2020.

It's a good sign for financial institutions, which for years have grappled with the stubborn issue of financial literacy. A survey released last year by Franklin Templeton found that young Singaporeans, while eager to invest, are anxious about making investment decisions.

Startup founder Devi Sahny believes that teaching children and teenagers about investments not only gives them a headstart in life,

but also gives them the confidence to form their own opinions.

Together with companies such as Goldman Sachs and Accenture, Sahny's startup Ascend Now crafted a stock portfolio course for 9 to 15-year-olds.

It begins with a virtual portfolio of S\$100,000 and ends with students getting S\$2,000 of real money, either from their parents or Ascend, to invest with.

Students pick a sector they would like to focus on – gaming or tech being the most popular – and are introduced to concepts such as valuation models, peer comparison and industry analysis.

While some have taken the course and decided that finance is not for them, others have emerged with a newfound passion for investing.

"They like things that are moving and stimulating, and they like to understand the analytics behind that," said Sahny.