



Subscribe to receive the Speech

thesundaytimes

Welcome!

Freddieheng

|Edit| |Logout|

THE STRAITS TIMES

WEB RADIO

Feb 12, 2008

• Evening Update

Invest

SUBSCRIBE TODAY

Print Edition | Online

February 3, 2008 Sunday

Home > Invest > Story

Feb 3, 2008



ME & MY MONEY

Financial planner saves half his annual income

GE manager builds foundation with fixed income products such as endowment plans

By Lorna Tan, Finance Correspondent

WHEN Mr Harold Ng, 46, joined the insurance sector in 1990, one of his main goals was to achieve financial independence fast - so that he could have more time to do church work.

In fact, Mr Ng harboured thoughts of becoming a pastor.

The decision to switch from an engineering job at Hewlett-Packard (HP) to insurance was an easy one. His sales commissions as a part-time agent at Great Eastern Life (GE) exceeded his salary at HP.



MR NG AND HIS WIFE, DAPHNE, HAVE NO QUALMS about spending on enrichment activities, ranging from sports to the arts, for their daughters - (from left) Rachel, 10, Ruth, 14 and Esther, 15. The whole family is also well-insured, with annual premiums for the five of them exceeding \$50,000. -- ST PHOTO: DESMOND WEE

So after four years as a part-time agent, he took the plunge and became a full-time GE agent in 1995. His first five months were stressful as he did not sell a single policy. But his sales soon picked up and he has not looked back since.

In his first year as a full-time agent, Mr Ng qualified for the million-dollar round table. His sales commissions were double his salary at HP.

In 2002, he took up his current post as a GE group manager. He was based in Indonesia for 18 months from 2006 as the chief executive of GE Life Indonesia, where he grew the unit's business volume by more than 10 times and improved its industry ranking from 32nd position to 21st.

LIFELONG INVESTMENT

MR HAROLD Ng believes in investing in good courses and programmes to continually equip and improve himself.

'I believe that learning and self-improvement does not stop at any age. As long as the interest and the curiosity are there, one can learn and grow,' he says.

[... more](#)

Together with a few of his agents, Mr Ng came up with a software program - Financialist Methodology - in 1999, which comprises five steps of financial planning. They are:

- Liquidity study;
- Insurance planning;
- Accumulation planning;
- Investment planning; and
- Estate planning.

To this day, he still uses the software to plan his own finances as well as those of his clients.

In terms of personal investments, the mechanical engineering graduate from the National University of Singapore uses mainly endowment policies to conserve his finances. He invests the surplus.

Home
Latest News
Free Stories
Print Edition
News
Invest
Think
Sweat
Click
Gen Y
Talk
Lifestyle
Podcast
Video
Columnists
Saturday
Special Report
Most Read Stories
Discussion Board

Jobs
Cars
Property
Shops

Mind Your Body
Digital Life
Urban
Correspondents

News In Pictures
Photo Essays

Increase font

Other Invest Stories

- Don't lose your head (or your shirt) in market turmoil
- Confessions of a former stock-market speculator
- Don't trade commodities blindly - have a plan
- US stocks put on best weekly showing in five years
- Financial planner saves half his annual income
- Where can mum park funds until home market cools?
- Prices unlikely to fall yet even if launches have been stalled
- A shiny, modern loft with a view
- Looking for a job that entails meeting people

'One good thing about endowment plans is the waiver of premiums rider, which is not available in other financial instruments. This means the insurer waives the premiums if the insured dies or if he suffers from total or permanent disability or critical illness.

'The returns are also better than that of a bank's fixed deposit and I can leverage on a higher sum assured,' says Mr Ng.

'With the foundation in place, I can invest the rest of my money having peace of mind,' he adds.

Although he did not become a pastor, he has been active in his church since he was 22, where he served as a deacon for eight years and as an elder for another 12 years.

His wife, Madam Daphne Low, 48, retired as a director at the Inland Revenue Authority of Singapore in 2006. They have three daughters, Esther, 15, Ruth, 14 and Rachel, 10.

Q Any tips for consumers buying insurance products?

A Insurance is very much driven by one's basic needs, the need for a child's education, and so on.

It is therefore imperative for a person to understand his insurance needs instead of just shopping for insurance products.

In the case of singles, for example, there is a need to protect their hard-earned funds because that is income from a sole contributor - themselves.

They should look at buying some risk-free products and creating multiple sources of retirement cash flow.

Consumers may also wish to look at the possibility of having to retire early, and plan for sufficient funds to give them financial independence.

Q What are your money habits?

A My family upbringing and Christian beliefs have largely shaped my perspectives in life, including my money habits.

I am a practical person. I go for things that are functional. I spend on my family and on myself. For my children, I spend on their many enrichment activities, which range from sports to the arts. My wife and I spend on our wardrobe and on a good mode of transportation.

I am very fortunate in being able to save more than half of my annual income through financial planning and prudence. That also explains why I am in this business, to help others achieve the same goal.

Q What financial planning have you done for yourself?

A I built a foundation first, through fixed income products, before I ventured into equities and stocks. The average returns of my investments have been above 6 per cent.

When selecting stocks, I look at their performance, the timing and the companies' fundamentals, and I go for business models that I understand.

I don't believe in buying and holding stocks but trading them actively by buying low and selling high.

Q What about insurance planning?

A I have covered myself comprehensively with term plans and critical illnesses cash value plans. I'm insured for more than \$2 million on my life and I have \$600,000 of critical illness cover.

I also use endowment policies to enhance the return of my portfolio. My largest endowment plan has a sum assured of \$500,000 with an annual premium of \$35,000.

My annual premiums for the entire family exceed \$50,000.

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

A My father, who was a school teacher, has always taught me to be safe and prudent financially but also to enjoy life. My mother was a secretary.

We were taught to be thrifty and it was a luxury for us to eat out. I was lucky to have had positive influences from those around me who share the same values. Basically, be prudent yet not tight-fisted.

Despite that, my parents invested in music lessons for us and I learnt to play the piano, violin, viola as well as some brass instruments.

Q How did you get interested in investing?

A I dabbled in stocks when I was fresh out of school. It was a very positive start for me.

I remember earning money from stocks every other week so I got very interested. I started small but I read and learnt lots of things regarding investment

I even did my own technical charts on the stocks and learnt about financial fundamentals.

Q What has been a bad investment?

A In 1986, without any knowledge on investing in the United States stock market, I was deceived through a scam advertised in a regional newspaper.

I later learnt I had invested in the stock of a non-existent firm. It was not a huge sum - about US\$10,000 (S\$14,200), but it was a big lesson. I realised then that I had to do my homework before investing.

Q Your best investment to date?

A My best investment has been in myself and in my team. I have and will continue to take the time and effort to upgrade myself. I have been investing in myself so that I can grow my business and in turn help others to grow theirs. The returns have been manifold.

Q What's your retirement plan?

A I see myself as retired, by choice, in the sense that I have not had to work for money since 2005. However, I still spend many hours in my profession because I enjoy what I do.

I used to hold leadership positions in various committees but naturally, my peers and I have had to step down to make way for new leaders. I look forward to helping these young people be the next generation of leaders.

Q And your home now is...?

A I live in a three-storey 2,700 sq ft house in Thomson. It was purchased in 1995 for \$1.35 million.

Q And your car is...?

A A black Mercedes-Benz E230 for business and an MPV for the family.

lorna@sph.com.sg

Ads by Google

[How to buy low sell high?](#)

We have trained more than 1000 pax Technical Analysis on S'pore Stocks
www.terraseeds.com

[Time Out Singapore](#)

Singapore expat or just moved here? All you need to know to go out.
www.TimeOut.com/sg/en/

[A New Home Loan from UOB](#)

Private properties home loan with low-interest overdraft feature.
www.UOBgroup.com

[Singapore Property](#)

Houses, condos, flats, HDB/HUDC Post free ads with 7 pictures now!
www.yello.com.sg

[Immigration & Relocation](#)

permanent residency for Australia, Canada, NZ, UK and US
www.ocscglobal.com