

Work for money? Forget it

Entrepreneur makes money work for him by teaching others how to earn additional income



Lorna Tan
Finance Correspondent

Mr Aaron Sim, a qualified certified public accountant (CPA), set up financial education firm Wealth Mentors in 1993 after having worked in two companies.

At Wealth Mentors, participants learn how to create additional income sources via options trading, forex trading and Internet marketing.

Set up with a capital of \$10,000, the firm now generates revenue of more than \$6 million a year and has 15 employees. It operates in Singapore, Malaysia, Hong Kong, Indonesia, Brunei and the United States.

Born in Malaysia and now a Singapore permanent resident, Mr Sim, 49, obtained his CPA qualification in 1987. At that time, he was working in accounting firm Ernst & Young.

Before setting up his own firm, he was finance director at Unisys for seven years, based in Singapore and Sydney. He is married to Tracy Wong, 52, a director at his firm. They have a daughter, Yiwen, who is 18.

Q: Are you a spender or saver?

My personal and family expenses are relatively small as I have paid off my properties and cars. Also, I don't have expensive tastes in food or clothing.

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

I have six credit cards but use just



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Mr Aaron Sim, founder of Wealth Mentors, with his wife Tracy Wong and their daughter Yiwen. They live in a 1,270 sq ft condominium in the Science Park area.

three. I use one for my business; one for personal use in Singapore; and the third in Malaysia to avoid exchange risks as I travel across the Causeway often.

My personal credit card charges are less than \$3,000 a month and I make sure I pay them on time each month to avoid late charges. I also ensure that I don't pay annual fees for all my cards. I withdraw \$1,000 each time from the ATM, twice a month.

Q: What financial planning have you done for yourself?

My portfolio comprises private businesses, investments in options and property investments.

Depending on opportunities available, currently 65 per cent of my funds are in bank deposits, 20 per cent for trading options and the

balance of 15 per cent for charitable contributions. I have a combination of whole life insurance and term totalling \$900,000. The premiums are \$3,000 a year. I regard insurance as a form of protection, not an investment.

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

I grew up in Ipoh, Malaysia. I come from a family of five. I am the eldest child. We lived in a rented terrace house with three rooms. My father was a sewing machine salesman who stopped working due to health reasons when I was nine. My mum became the sole breadwinner, selling cookies and clothes from home.

When I was a teenager, I worked as my mum's cashier during the weekends and earned pocket money. This is where I might have

picked up my mum's entrepreneurship spirit. She was frugal but liked to splurge on her kids from time to time by buying us clothes. When I was 13, I obtained a scholarship so I didn't have to pay school fees.

Q: How did you get interested in investing?

After reading the book Rich Dad Poor Dad by Robert Kiyosaki over one weekend in October 1999, I decided I no longer wanted to "work for money". Instead, I would focus on building my own business so that money could work for me. The problem was I didn't know how. At that time, I was still working in Unisys, based in Sydney.

I started to attend investing training courses in Australia because Mr Kiyosaki recommended investing in property, options, and building businesses.

Unisys offered me an Employees Stock Purchase Plan where I got a 15 per cent discount if I bought its shares. The amount payable was deducted from my monthly salary. That was how I got interested in checking not only Unisys' share price but also those of IBM, Cisco and Sun Microsystems. I used an online broker and, for the first time, it allowed me to experience trading in the US market.

Q: What properties do you own?

In 2002, I bought an 8,000 sq ft freehold bungalow in the Gold Coast in Australia for A\$300,000 (S\$306,000). The value has gone up by 67 per cent and it is generating a rental return of 4.1 per cent a year.

In 2006, I bought a freehold 1,600 sq ft condominium in West Coast Park for \$900,000. It was just completed in December last year and is available for renting.

The following year, I bought a freehold four-storey building in Malaysia for RM3.4 million (S\$1.4 million). Its rental return is 5.8 per cent.

Q: What's the most extravagant thing you have bought?

It is a food and beverage franchise that I bought in December last year. I put in RM600,000 to set up a fast-food vegan restaurant in Malaysia called the Loving Hut. Every month, we give charity meals to needy folks from non-profit organisations. I aim to break even in 1½ years.

Q: What's your retirement plan?
I do not plan to retire as I am looking to live to 125.

I feel it is fun and fulfilling to

BEST AND WORST BETS

Q: What's been your worst investment to date?

In 1993, I got a call from a United States company based in Manila which convinced me to buy US penny stocks. I was greedy and I invested about \$20,000 despite the fact that I did not know where to check the stock prices. It turned out to be a scam and I lost all my money within a few months.

From that experience, I realised financial education is important and I promised myself I would not be conned again.

Q: Your best investment?

My best investment is investing in my own education. It was funded from the sale of my house.

In 1993, I bought a corner double-storey freehold house in Petaling Jaya, Malaysia, for less than RM185,000. It generated rental income until 2001, when I sold it for over RM400,000 or more than 116 per cent profit.

I invested the bulk of the money in my financial education, attending personal development courses that involved travels to Australia, Fiji and the US. They gave me the prerequisite skills and helped build my confidence so that I could start my own training business.

work actively in what I enjoy most. Life needs purpose and direction.

I achieved financial independence in 2005. I would need about \$5,000 a month for my wife and myself in our golden years.

Q: Home is now...

My wife, daughter and I live in a 1,270 sq ft condo in the Science Park area. I bought it for \$650,000 in 1997.

Q: I drive...

I drive a gold metallic Nissan Cefiro JM 230 and a silver metallic Toyota Camry 2.0.

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