

# THE STRAITS TIMES

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Me & My Money

## Spreading the word on financial wellness



Financial adviser Bernard Lim with his wife Caron and three children – (from left) Isaac, Rachel and Joshua. Much of Mr Lim's time and resources are spent on his business, Wealth College. Over the next five years, he plans to equip more practitioners to serve the public more effectively in both for-profit and not-for-profit settings. ST PHOTO: SEAH KWANG PENG

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### Bernard Lim set up Wealth College to educate industry professionals and public on managing wealth

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After 23 years with British insurer Prudential, financial adviser Bernard Lim decided that the time was right to take the plunge and run his brainchild, Wealth College, full time.

He set up Wealth College in 2007 to educate both industry professionals and members of the public in what he terms financial wellness.

This involves understanding one's financial situation and managing one's wealth well so as to achieve one's goals.

The college also develops comprehensive financial wellness programmes and trains people to deliver them to companies.

It broke even in 2016 and has a staff of five.

Mr Lim, 55, told The Sunday Times: "People are usually in one of three stages of financial wellness - those who are financially unwell (and need counselling), those who want to be financially well (and need education and planning), and those who are financially well-off (and need legacy planning)."

He believes that a good financial wellness programme should be incorporated as part of a firm's overall programme for its employees as it is a "silent" productivity driver.

## Worst and best bets

**Q** What has been your biggest investing mistake?

**A** It was a company I started in 2002 with a relative, which lasted for about 18 months. The firm provided storage solutions for documents, but the market was not ready and neither did we have a brand for people to trust us.

The firm folded eventually and we had to lick our wounds with a loss of close to a six-figure sum. The lesson I learnt is to avoid building something which is not based on your core competencies. If there is still an opportunity, then extensive research must be made and the cost worked out before investing. Ask the hard questions always!

**Q** And your best investment?

**A** The best investments I have made in my life would be my marriage and my children. These have paid incalculable dividends that I believe will continue through the generations ahead.

I am blessed with an extremely supportive wife and great children. The safe and loving haven I come home to each day has in turn made it possible for me to reap very good returns on my business, which again centres on the themes of faith, family and finance. In financial terms, every dollar I have invested in the business has reaped a return in excess of 30 per cent so far.

In 2013, Wealth College introduced a community services initiative called FinCARE (Financial Counselling, Aid and Resilience Education) that provides financial counselling and education to the needy.

Mr Lim has also set up a support fund under FinCARE for fringe or non-mainstream groups involved in social justice.

"We are creating a sustainable model to involve other people (or groups) as well. We hope to be a 'match-maker' of sorts between benefactors and potential beneficiaries," he adds.

Mr Lim's wife, Caron, is a property agent with Knight Frank. They have three children - Isaac, 27, Rachel, 24, and Joshua, 18.

**Q** What's the next stage of growth for your businesses?

**A** Over the next five years, our plans include equipping more practitioners (financial and non-financial services) to serve the public more effectively in both for-profit and not-for-profit settings. We will like to expand our plethora of courses and solutions to serve the changing market needs. Just like any product or service, one cannot remain stagnant.

Another area is to enlarge our capacity through synergistic collaborations and partnerships. We would also like to engage our audience by leveraging technology and extend our reach by geography and by language.

**Q** What's in your portfolio?

**A** I like to keep things simple. I invest in what I know and understand best. You can say that I am a "boring" investor in the traditional sense of the word. I would rather not add unnecessary stress by introducing volatility to my portfolio. So I will consider myself a low to moderate (managed-risk) investor.

I'm moderately heavy on cash at 40 per cent and precious metals at 10 per cent, as I need liquidity at this stage of the business. I'm moderate to light on stocks (with dividends) and insurance, at 30 per cent (4 per cent to 6 per cent returns).

Much of my time and resources are focused on investing in this business because it is at an expansion stage, accounting for 20 per cent of my portfolio.

My dividend stocks include StarHub and Singtel, which has a stable dividend yield of about 4 per cent and above.

**Q** What are your immediate investment plans?

**A** My business is at the expansion stage, so I'm putting in a lot of my resources and time. I will probably be able to see at least 30 per cent to 50 per cent returns. This will go on for the next three to five years because we are also looking to develop markets outside Singapore.

**Q** How did you get interested in investing?

**A** I can only really talk about investing in the context of business because I am not one of those who will go to a value-investing course and learn how to invest. Instead, I invest a lot of time and resources in studying how to grow the business and invest accurately in it.

**Q** Describe your investing strategy.

A Two quotations may help summarise my approach to investing.

First, Andrew Carnegie (the great industrialist) and Mark Twain (the great novelist) have both been credited with this quotation: "Put all your eggs in one basket and watch that basket."

Second, Warren Buffett took it a little further, saying: "Wide diversification is only required when investors do not understand what they are doing."

I am somewhere in between. I am not widely diversified and I am okay with that because I know what I am doing. I enjoy what I am investing in - my business - so I watch it carefully.

**Q** What else is in your financial plan?

A It includes different aspects. I have a few million in life insurance cover, including a few investment-linked insurance plans, critical illness cover, personal accident and comprehensive hospitalisation cover.

My insurance plans include Prudential Prulink and PruTermVantage plans. I have diversified to include other major insurers mainly for high-coverage term insurance.

I also bought insurance for each of my three children, including critical illness, personal accident and hospitalisation. Once my children start to work, they will take over the payment.

I have done my estate plan for some time already but am in the midst of reviewing my will, lasting power of attorney, and to also create a legacy for the third generation via a testamentary trust.

A wise Biblical proverb says: "A good man leaves an inheritance to his children's children." Although my father was a man of very humble means, he ensured that his grandchildren had something too. He even left a sum of money for his favourite charities. I would like to do the same.

To debunk the saying that "wealth does not last for more than three generations", I recognise that beyond passing on my "valuables" to the next generation - and the one after - I need to be mindful about passing on my values as well, such as being God-fearing, cultivating a good work ethic, valuing family traditions, stewardship, contentment, resilience, prudence, and also to understand what is truly of value which is beyond material things.

**Q** How are you planning for retirement?

A I define retirement as a point in my life where I am able to do what I am good at, what I love, what helps the world and what I can be paid for.

This is why I finally left the (Prudential) practice about four years ago to pursue a business where I can combine all four aspects and I have done that.

So, in that sense I have retired! I can see myself doing what I am doing for the rest of my life. As the vision for the business is much bigger than what I can accomplish in my lifetime, this part of the journey of my life is about leaving a legacy behind long after I am gone.

Financially, I believe in living simply as much as possible and being flexible when necessary.

Once my third child gets through university, I can roll out a succession plan for my business that should be able to generate a consistent flow of income to support my annual budget, whether I work or not, although I am likely to still be very active in it.

**Q** Home is now...

**A** A four-room freehold condominium in Dunearn Road.

**Q** I drive...

**A** A silver Mercedes E250 CGI.

