

RECENTLY I celebrated my birthday with some friends and was asked what I would consider a perfect birthday gift. My reply was simple: Financial security.

Money certainly does not buy happiness but having enough money gives you the freedom to make choices that can bring satisfaction - whether that means buying your dream home, giving to charity or escaping the 9-to-5 grind.

Finding financial security is not hard but it needs to start as soon as you are gainfully getting an income. I started a habit of accumulating savings from my scholarship funds as a postgraduate student. When I started working, having a low living expense was my monthly goal because the lower it got, the higher my savings. Whenever the savings go beyond my emergency buffer, I would put them into an investment plan.

You may want to know that some of my earlier investment plans did not work out well because I was immature in managing my investments. Although I lost some of my money in speculative investments, I am glad I started early as an investor. It helped me become serious about money and learn precious lessons in managing investments and investor emotions.

The other important factor in finding financial security is this: understanding how much my lifestyle is costing me. I tracked most of what I spent on as well as how much more expensive they got each year. That provided me with important

# The best gift of all



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Finding financial security is a great gift to give yourself, but you have to start as early as possible and understand how much your lifestyle is costing you.

indications of how much more my portfolio should be growing to hedge against my personal lifestyle inflation rate.

Over time, I became "obsessed" in tracking my net worth statement, ensuring that it would sustain a longer retirement income need as accumulation continues year after year. Being net worth orientated allows me to check on my good and bad assets as well as good and bad debts. I also set targets on improving my net worth and think about what other calculated risks I can take to meet the goal.

Give yourself the best gift of all. Finding financial security takes the worry out of life and adds colour into whatever you do. Believe me.

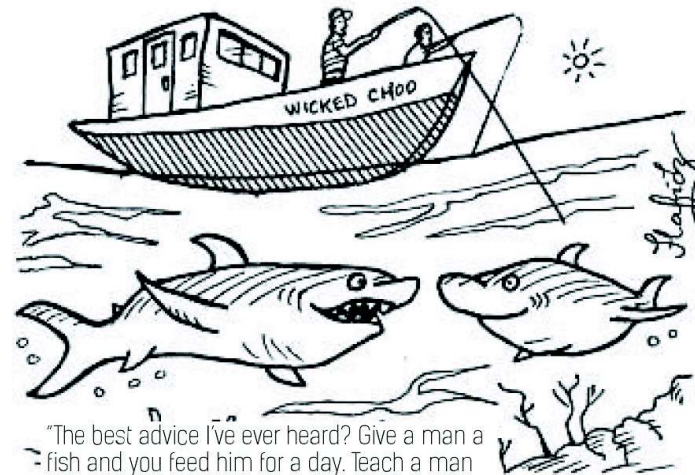


Illustration by HAFIDZ MAHPAR

"The best advice I've ever heard? Give a man a fish and you feed him for a day. Teach a man how to fish and you feed US for a lifetime!"