Interview with Dr Tee (Ein55)

- Known as Ein55, Investing Mentor of MasterYourFinance.com

- Creator and Master Trainer of "Secrets to Maximizing Profit in Stocks with Ein55 Styles"

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Mega-Market-Cycle Stocks Investing in 55 Styles - Interview with Dr Tee (Ein55)

Dr Tee is an experienced investor in his own capacity. He is currently an investing mentor with MasterYourFinance.com, who had spent lots of effort sharing his investing knowledge and experience with seminar graduates. This is an exclusive interview with him.

What got you started in investing?

The Asian financial crisis in 1997 caused severe social & financial hardship to the average people. The stark reality of ignorant amateur investors who lost their life savings motivated me to study the market behaviour and utilize this knowledge to fatten my investing wealth.

How did you learn to invest?

My first investing mentor should be my parents. My father taught me about value investing, while my mother shared with me the secrets of winning in stocks all the time: buy when the index is low, sell all when the index is high, which is the simplest form of market cycle investing.

During the first few years of formal investing journey, the cyclic market of bull and bear were my best teachers as I learned, applied and modified various investing techniques from time to time.

I am an open-minded learner, willing to try all types of investing techniques available in the market. However, I will only digest and absorb those useful knowledge which I believe is applicable for my personalized investing style and fine tune it so as to integrate with my strategy. “Ein55 Styles” of investment is the brainchild after a decade of development.

You mentioned about your dad who taught you about value investing and your mum who taught you about cycle investing. What did you take away from them?

My parents are amateur self-taught investors who are not even aware of the existence of Warren Buffett, nor the jargons of value investing and market cycle investing. However, they have been applying these investing techniques unconsciously by building a consistent flow of passive income and significant profits from capital gains over the past decades. Similarly, I came across these investment methodologies when I began attending investing seminars after graduation from university.

Based on my own definition, value investing is to buy an investment (eg. land, property, stock with strong fundamental, etc) when its market price is at a significant discount to its intrinsic value, and requires patience to hold the undervalued investment for as long as the underlying fundamentals remain strong. One will ignore trends in stock prices and other market noises regardless of market condition, and be rewarded with both passive incomes (eg. dividends, rental yields, etc) and gradual appreciation of the investment over time, making money continuously even when one is asleep.

As for market-cycle investing, it is a belief that each investment market has its natural cycle, driven by fear and greed of the market, providing repeated opportunities to buy low and sell high to make profits. Market cycle behaves like ocean waves, there are smaller waves within bigger wave, each has different potential gain or risk with investing periods from months to years.

To what extent did each strategy form your investment style? Are you more cycle- or value investor?

Having experienced different investing approaches of trading, market-cycle investing and value investing over the past 16 years of investing journey enables me to distinguish strengths and flaws in different investing methods.

This propelled me to establish a unique Ein55 Styles, which is a mega-market-cycle investing, integrating both value investing and market-cycle investing.

I would stay invested during a mega bull market (usually between a period of about 2 to 5 years) and sell before the arrival of the mega bear market, which the latter can result in 25% to 50% downfall. Of course, this method involves estimating the upside potential or the peak of the market. Market-cycle investing can achieve higher profit with shorter investing period, which also implies higher annual returns.

I would minimize investment risk by using value investing for entry, i.e. buying at low price with substantial margin of safety, thus enables the investors to have strong holding power to avoid selling low during the mid-term corrections.

Even if we miss selling before the bear market, and are forced to hold till the next market cycle, the mega-market-cycle investing would become value investing, and the only compromise is lower annual rate of return. But we can continue to have a stress-free investing life by ignoring the rise and fall of the market.

What was the most memorable win?

It has to be Guinness Anchor Berhad (listed in Malaysia) that I had acquired and still holding for a decade. The consistent high dividends and capital gains have chalked up return of over 500% to date. I am prepared to hold this stock forever and constitute a legacy to pass to the next generation.

What was the most memorable loss?

It was a technology stock which I invested in 2001 after the dot-com stock market bubbles burst in 2000. Though there is a high margin of safety with a low entry price, however the share price plunged due to deteriorating underlying fundamentals and gloomy economy outlook persisted.

Making mistakes and incurring losses in the early years of investing journey when one has limited capital proved to be an invaluable lesson towards evolving into a smart investor. Early savour of success in investing will result in an over-confident mindset, which may contribute to irrecoverable losses, especially when it was incurred nearly retirement age.

How should a beginner go about learning investing?

Beginners in investing should possess an open-mind by exposing themselves to various investing techniques and commit less capital for initial investment. Before one considers pumping substantial capital into the investment, one has to formulate a personalized investing strategy based on own investing styles and preferences. Although there is no universal law in investing, investors should exercise independent thinking by not blindly following the experts as their method may not work for all the investors. Herd investing may even lead to catastrophic loss, especially when one follows an over-generalized method in an inconsistent way, without adaptation to individual style.

The core of Buffett-style investing is drawn from a combination of the two most successful investors: Benjamin Graham (value investing) and Philip Fisher (growth investing), modifying to suit his investing styles.

Similarly for Ein55 Styles, it is an adaptation of my unique investing techniques and beliefs, with integration of other investing experts whom I believe. Recognizing that every individual investor has his distinct investment style, Ein55 Styles are served as a reference for amateur investors, with the flexibility to modify and develop their unique investment styles over time.

In Ein55 Styles, FTP Analysis with FA (Fundamental Analysis), TA (Technical Analysis) and PA (Political / Psychological / Personal Analysis) are applied in both macro (mega market trend) and micro (individual stocks) analysis, to maximize the profit in stock investment.

Dr Tee is sharing his Ein55 Styles in a stock seminar, aiming at amateur investors who are interested to earn consistent passive incomes and maximize the capital gain in stock market in a relaxed way.

You can read about the course synopsis here. There is an introductory free workshop. Please register below.