



# Coffeebreak

03/2022

Money and Me: Breaking the Bias of Women and Money

How You Should Hope in 2022

Why I Choose To Take My Job On The Road



Providend

# Dear Valued Client,

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I hope all of you had a great start to the year! After 2 years of the pandemic, I am hopeful that things can only get better. Coming out from what has been a fantastic year for us at Providend, we are looking forward to an even more exciting year for our clients as well as all of us working at Providend.

Our focus for 2022 is "People". For our clients, that means enhancing their experience with us. So in this new year, we are focusing our efforts on diversification of platforms as well as financial instruments. Currently, we manage client's investments via iFAST platform as well as HSBC Private Bank. In the new year, we will be able to access more investment instruments for clients through Saxo Markets as well as DBS Private Bank. In addition, in order to give our clients a more reliable stream of income, we have enhanced our proprietary tool "RetireWell" bucketing system (developed in 2012) to give clients a more robust spending plan in retirement regardless of how markets behave. Finally, 2022 will see us launching our first Providend Client Portal/App. While we are all about holding personal deep value-based lifelong conversations with our clients to really

understand their life goals before arranging their financial affairs to meet these goals, using technology to enable these conversations can be extremely effective and efficient. We will be holding a client event closer to launch date to share more.

Closer back home, we are also focusing on our own people at Providend whom we fondly call "Bearies". Since our firm's purpose involves enabling the life goals of our clients, we are asking ourselves how as a firm we can enable our staff to achieve their life goals too. We have started the process of improving our total rewards system as well as creating an environment where there is no dichotomy between work and life, where work supports their life aspirations and their life purpose can be expressed through the work that they do. One of such initiatives include permanent hybrid work from anywhere arrangement even when this pandemic is over.

We are looking forward to another fantastic year for our clients and us and we wish you the very best of life and health in 2022!

Warmest regards,  
CEO of Providend

**Christopher Tan**





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# 01

## Money and Me: Breaking the Bias of Women and Money

Interview with Michelle Martin on 89.3 FM







# 02

## *How You Should Hope in 2022*

Christopher Tan, CEO of Providend

On 15th December 2021, local Chinese newspaper Lianhe Zaobao (LHZB) reported that the word “盼” (translated to “hope” in English) was voted by their readers as the Chinese word of 2021. We can understand why this word was chosen. During the pandemic which started in the late 2019, we hoped for a vaccine to come quickly and lockdowns to be over sooner. We hoped that we can dine in with more people and we can start traveling again. Some hoped that their industry will do better and that they can get a job again. The pandemic has greatly disrupted our lives and it is no surprise that we hoped for a better 2022.

According to Collins dictionary, “hope” as an uncountable noun is a feeling of desire and expectation that things will go well in the future. But as a verb, if you hope that something is true, or if you hope for something, you want it to be true or to happen, and you usually believe that it is possible or likely. Most times, when we use “hope” (its noun), we really mean it as a wish. We don’t have a lot of confidence that it will happen. How then should we hope in 2022?

When the S&P 500 came down about 30% in March 2020, market watchers sounded the alarm bells to ask investors to get out of equities. They said that the bubble has burst, and the bull run is finally over. But if we have heeded their calls, sold off our positions or stayed at the sidelines, we would have missed the recovery to get about

16% returns from the S&P 500 in 2020 and another 27% in 2021. Even the MSCI All Country World Index (which includes other developed and emerging markets) gave about 18% last year. This is a lot of returns to miss and no wonder some of the people I met shared that they regretted being out of the markets and wished they had participated. As we enter 2022, analysts are warning us about the risks of the markets again. In my view, I will say that three of the biggest risks in 2022 are inflation, the Omicron variant, and the crash of China's real estate.

While Omicron is more infectious than the Delta variant, it seems to be less deadly. But the World Health Organisation has warned us not to jump to that conclusion yet. If Omicron turns out to be bad, or another new variant that may come out becomes deadly, it could trigger more lockdowns, cripple the supply chain, and put the economy into a tailspin and cause markets to react negatively.

Inflation is another cause of concern. Over the past 2 years, governments around the world have been pumping money into the system to support the economy. And with interest rates so low, consumers and businesses borrowed to spend and caused inflation to creep up. The US Federal Reserve (Fed) has signalled that they will increase interest rate to curb spending and bring down inflation. According to Bloomberg Economics, if the Fed hikes interest rates three times this year and signals that they may continue to do so even after that, the US may be heading into a recession at the start of 2023. This will not be good for the equities markets. Furthermore, with geopolitical tensions happening between Russia and Ukraine, it may also cause gas supply disruptions and send prices higher. The global economy in 2022 could face stagflation – rising price in a time of low economic growth and this will also negatively impact markets.

China's property development industry probably accounts for about a quarter to a third of its economy. According to Reuters, as the Chinese government continues to cool down this sector, it is expected to keep slowing into the first half of 2022. This may cause a slowdown in the commodities markets.

I am sure I sounded intelligent with the above outlook. But if we read carefully, I have used words such as "if", "may", "could" and that means I can be wrong because these are just my guesses based on the reports I have read everywhere. Therefore, please treat whatever I have shared or anyone who will share with us these kind of views with a pinch of salt. There is more than enough evidence to show that most fund managers who made investment decisions based on such predictions failed to do better than the index most of the time. And for those who managed to do better for a few years, they don't do it consistently in the long run. And since evidence shows that by investing into and staying invested in low-cost, broadly diversified index funds/ETFs will yield enough returns for your goals in the long-term, why take the risk based on other people's guesses and pay them for it? Am I saying then that these economic and market outlooks are useless?



## Observation, Conclusion and Response

Economic and market outlooks are important observations. But they are not useful for making conclusions on how markets will respond. In 2021, it was expected that inflation will start creeping up (a correct observation). The recommendation then was to invest in precious metals as a hedge against inflation (seemingly a correct conclusion). How did markets respond? Palladium was down 22.4%, silver was down 11.5%, platinum was down 10.5% and gold was down 3.4% in 2021. Therefore, a better use of economic and market outlooks is to help us make short-term life and financial planning decisions. For example, if we have not repriced our mortgage, this may be a good time to do so before interest rates start to go up. We may want to increase our emergency fund and spend more prudently just in case the forecast is right and the economy slows down further, and we lose our job. We may want to review our insurance program to see how our family and we can still be fully covered while at the same time lower our premiums outlay. And in the meantime, since we are unsure how markets will behave this year, don't stay at the sidelines, continue to invest and if it makes us feel better, do it in tranches over the months. And if the markets crash, we will be buying in slowly when prices are down. If the markets are fine, we will not miss the returns.

How will 2022 be for you? Don't just wish that it will end well, rather "hope" (using its verb). That means being intentional to have an action plan based on concrete evidence and steps, not just in your personal wealth, but also in all areas of your life, such as having better health and family relationships. And because even when you make the correct observations and conclusions, you may still not respond correctly due to fears and a lack of discipline. You may want a community to hold you accountable for your decisions. They can be your spouse, a long-time friend, or a trusted wealth adviser. If you do these things, you can have more confidence that your hopes will likely materialise.

Have a blessed 2022!





# 03

## *Why I Choose To Take My Job On The Road*

Nataly Ong, Brand Management Lead

For a long time, I thought it was unlikely I would have children.

Not because I felt strongly that I didn't want to but because I am not sure if I want to give myself so completely to others that I lose sight of my own well-being. Or rather if I am even capable of doing so.

Growing up, my mum has always tended to everyone else in the family before herself. Because of us, she never thought twice about putting aside her own dreams and loves and fears to be the mum that was always there and always had a solution. Somehow, choosing motherhood relinquished the woman she was before. While not all mothers find themselves in the same predicament, those who do seem to live in a reality dictated by everyone else's needs.

Even then, my mum never doubted she wanted to be a mum and started a family young. She did as her mother had done, and what most of her friends were doing at the time. "I never really pre-thought it. It was a normal thing," she says.

But, as a millennial who grew up in an age where we are empowered and encouraged to seek answers, I often wonder - Should we have children? Why should we have



children? What rights do children who are going to be brought into the world have? Are we really doing them a favour by bringing them the 'joy of existence'? Is it selfish to want to bring another human being to this world simply because we want to experience what parenthood is like? Especially when the world is suffering from a climate crisis and holding dystopian views of where it will go in the future. There could be wars over limited resources, collapsing civilisation, failing agriculture, rising seas, melting glaciers - all within the range of possibilities, if not necessarily the most likely outcome.

So while I love children and have absolutely no qualms babysitting my two nephews, my concerns about a warming, divisive world and the need to step away from a lifestyle I enjoy always bring me to a 50/50 stalemate. Not to mention the defiant instincts against well-meaning but careless remarks like 'You will regret not having kids when you're old.' that occasionally turn it into a 60/40.

With these thoughts lingering at the back of my mind through the years of early adulthood, I was reminded that the gift of making hard choices is that they can be self-reinforcing when I chanced upon this **TED talk video on 'How to make hard choices?'** by Ruth Chang, a lawyer turned philosopher whose academic research revolves around choice and decision making, on a routine LinkedIn scroll.

Essentially, Ruth's advice on making hard decisions boils down to a simple principle: When it comes to big life decisions, choices are often hard because neither option is better than the other. But we have the power to make an option better and more appealing for ourselves.

The key is to just go for a choice and commit to it. By doing so, it becomes the better choice because we work hard to instil it with value. By committing, we can make something the right choice for us.

In her exact words, she said, *"This response in hard choices is a rational response, but it's not dictated by reasons given to us. Rather, it's supported by reasons created by us. When we create reasons for ourselves to become this kind of person rather than that, we wholeheartedly become the people that we are. You might say that we become the authors of our own lives."*

Ruth's speech probed me to think beyond the "should I or shouldn't I" question and changed my perspective from having to make the right choice to just deciding and making it right.

With that, I started looking deeper into other areas that can better help me commit to a decision, my decision to have children. For instance, where and when do I want children, what do I need to get done first, what kind of mum do I want to be and how I can minimise my ecological footprint to play a part in protecting the environment – all so that I can perhaps reconcile my concerns with having children eventually.

Shortly after, I found myself speaking to my partner, my family and Chris (my direct supervisor at work) about an elaborate travel plan, something I have been meaning to do and further fortified as part of my 'pre-preconception game plan'. Besides the desire to experience the pure joy of adventure, I was in search for a larger sense of freedom. My rationale is that I need an opportunity to spend money and time thinking only for myself, to fully immerse in quiet, free time and spontaneous travel with pockets of non-obligation. It is a time where I can still afford to make selfish decisions without it being a bad thing. After all, it would no longer just be about me once I become a mum.

Before I know it, I have been remote working in Melbourne for a month now. For the past month, I could walk the city's streets for hours and hide in galleries all day. I could have breakfast at 3pm and eat Coco Pops for dinner. I could wake up on a Thursday morning and decide to rent a car over the weekend for a day trip out because I saw a beautifully taken picture of the Werribee Gorge (probably heavily photoshopped) on Melbourne's TimeOut. I could take all the time I want snapping pictures of llamas grazing the grass by the country road. I could work by the beach with sand between my toes and pick seashells when I need a break.

Once in a while, I do feel a pang of guilt for leaving my newlywed husband back in Singapore to take a professional exam and my 22 month old nephew who would still occasionally open my room door to check if I am back before he heads to school. But to borrow an overused old adage, absence made my heart grow fonder and even more grateful.

Embarking on this trip has definitely not been all smiles and gerberas, something I hope to share more in my next article, but I already know it would be worth it because it mentally prepares me for the potential insecurities I know I would have of my life choices if this trip did not happen.







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## See You Latte!



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