

Terry Tran 0:00

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Narrator 0:24

Welcome to the Unfair Advantage Project. Unique perspectives practical insights and unexpected discoveries directly focused on giving you the unfair advantage. Introducing your hosts Nadia Hughes and Terence Toh.

Terence Toh 0:43

Welcome to the Unfair Advantage Project. I'm Terence Toh from StrategiQ Corporation. I have my co host.

Nadia Hughes 0:50

My name is Nadia Hughes and I'm from Unfair Advantage Accounting.

Terence Toh 0:54

How are you today, Nadia? Cutting off well.

Nadia Hughes 1:00

Yes, I am really good. Thank you.

Terence Toh 1:02

Really good?

Nadia Hughes 1:03

I am sitting in front of Terry and I think it's going to be really good banter.

Terence Toh 1:09

Okay, awesome. So today, we're joined by friend of mine, Terry Tran. He's an investment and trading mentor and he's from the Freedom Trader. Terry, welcome. Thanks for joining us.

Terry Tran 1:23

And thank you for having me.

Terence Toh 1:24

Yeah, this is gonna be fun. So we had a little bit of pre conversation before the podcast and our

Nadia Hughes 1:29

And I'm just straight away going to attack him.

Terence Toh 1:32

Go.

Nadia Hughes 1:33

Freedom trader? The slavery, as far as I know, has been abolished long time ago. So you trading freedom. To whom are you trading freedom to?

Terry Tran 1:41

I believe in freedom. I think you know the word when I say the word freedom, right? It applies to not just freedom of a lot of people think freedom is just financial and money. But for me, when I say I'm a trader investor, there's really one purpose. For me trading, investing is just a vehicle to allow you to have freedom of not just freedom of money. Is money yes, that's very important so its freedom of money. Then secondly, freedom of time, because you have been have time for your kids, for your family, even fun time for yourself, just do something you know, for yourself. And then they are especially also the last freedom I believe is extremely important is freedom of experiences. Because I think life should be full of experiences and full of adventure. And if you don't have all three, I think life is still unfulfilled. But if you have all three life just hums along and you actually, you know, really enjoy life and extremely happy about it.

Nadia Hughes 2:30

You know? So yeah, we'll just pick on you. It's nice it in now. Your background, you are Vietnamese. Sorry, you are from Vietnam, but you are Chinese really?

Terry Tran 2:41

Correct.

Nadia Hughes 2:42

Please explain it to me.

Terry Tran 2:43

Yes. Yeah. So I was born in Vietnam but my background is Chinese because my grandfather was from China who escaped the Japanese war, back in his time, and then he ran over to Vietnam. So my family in a way has been sort of escaping war after war and after the Vietnam War, when the communism took everything, our family were basically we're starving. So we had to escape and with my father who owned a fleet of trucks as a business, he is pretty much all the trucks were taken away from the by the communists. And we had no money left, except for the one truck which he sold into gold bars. And then that gold bar, I guess another sandbar was an exchange for a ticket for our family to escape by boat from Vietnam back in the late 70's.

Nadia Hughes 3:24

And it was quite tragic story, what happened to the boat and you just very lucky to be left. So would you like to continue because we just suddenly gone into your story?

Terry Tran 3:35

Yeah, I mean, we escaped in the middle of night, just avoid being caught. Because if you work what you would get into a quite a fair bit of trouble. But our boat, unlucky, we were actually lost out to sea for about three days. So we were just floating around the ocean not knowing exactly where we're going. But then what the bad thing was because it was an 18 meter tug and with 300 plus people, it was just too heavy and the boat slowly sinking and also run out of there was actually no food is just water, because of the weight. And slowly as will take on board water, it was very thankful that a cargo ship that spotted us ended up saving us and without that cargo ship. The truth is I probably would not be here today, we would have sunk and the cargo ship in took us to a nearby refugee camp off the coast of Malaysia. And then from there, we were processed and waiting for a country like Australia, Canada or the United States at that time, they'll open up the doors to accept refugees like ourselves. But then what ended up happening was on one night, it was actually Christmas Eve and because we were in, in basically living in sort of makeshift shelters, there was not a proper roof, a storm hit and a tree came down on are shorter and crushed my father when he was sleeping next, my mom, and then my mom became a widow at the age of 22. Now, of course having to look after me as well as a two year old.

Nadia Hughes 4:47

It's an absolutely tragic story. Full of despair and 300 people getting to suddenly rescue them, then your father loses his life. It's you don't remember in your, do you?

Terry Tran 5:01

I know my mom has always told me the story. And then funny enough how things work out about 20 actually met 15 years ago, there was someone who somehow knew my mother from United States and we got a phone call out of the blue. Saying that we had all these basically a bunch of about 20 30 photos of our boat and the saving of us and also photos of us on the island. And it was this person who was basically taking photos on the cargo ship and somehow got in contact my mother and sent us a package and they all the images of what I was always told about suddenly came real became real because I saw the images of our boat saw my father in the water swimming across because most of the men had to swim across with that with a rope and the children in cargo nets transported just like human cargo onto the ship. So that's how I sort of saw even though I don't remember it being told and then seeing the photos every news came to life.

Nadia Hughes 5:54

And then having this beautiful life in Australia this hardworking, you Vietnamese people are known for very work ethics, you're very hard workers. I had, I was fortunate enough to be working in the office early days when I was a graduate from unit with the guild from Vietnam and after finishing full day of work, she would go back to spring well to help your uncle around the store. It was amazing.

Terry Tran 6:23

Right?

Nadia Hughes 6:24

Weekends everything she was just working and that's how I.

Terry Tran 6:29

And your story actually reminds me of my mom because when she came over with not pretty much nothing but the the money that we basically the clothing that we had on. And she I saw her, this is when I know I do remember just seeing her, you know go to work in the factory middle factory in the morning, learning English in between and then having to wash dishes at Indian restaurant, in Parramatta in Sydney, at nighttime. And I was basically following along I was total on everywhere she went I went because of course, back then pretty much we couldn't afford child, she couldn't afford childcare and even at times, I clearly remember most during the time before I was old enough to go to school in kindergarten. I spent a lot of my time in the female the entrance near the female toilet inside the female toilet because the factory is actually very hot in summer. And there's this cool area where I'd been the female toilet and I'd be playing Lego and drawing coloring books for a number of hours until she finished work every single day. So that's how I actually started my life. You know, people say, you know, you weren't born in a rich and a wealthy environment, a sort of thing. But when I look back, I realized, you know, the life I had back then was definitely way worse than a lot of people actually have in when they were born.

Nadia Hughes 7:38

And do you remember much of your mom? Because she was working so hard? What was it like to be brought up by such a busy mom?

Terry Tran 7:46

Yeah, definitely. Because I spent even though she was extremely busy. I always felt the love and there was never a lack of love and that's why

Nadia Hughes 7:53

How did you feel the love? How did she express her love?

Terry Tran 7:57

Because I were always be with her and then even we couldn't afford it, she had always buy me a cornetto, which at that time was like a, I think 80 cents or \$1. And back \$1 back. You know, almost 40 years ago, was extremely expensive. And when she took me to work, even though she only made I think \$18 for the night on washing dishes for like four hours. So she's still afford to buy me my favorite at a time McDonald's, every single night every time we're there. So literally, when I'm looking at a massive, I guess fraction of her income literally went to me just you know, keeping me happy as well. So I never thought that lack of attention or lack of love at all, even though we didn't come from a you know, a good background, financially, so, but then that made me who I guess who I am. Because my first goal was always to look after my mom. So once I grew up and inside getting a job, I my main focus was being financially free to getting my mom out of, I guess the way I call it the rock and never having never to allow her to go through that sort of life again.

Terence Toh 9:01

And I think you know, you mentioned that what you do now is kind of, you know, somehow related to you to the story. You know, the story for you in the early days. Can you just want to just expand on that really quickly?

Terry Tran 9:12

Yeah, yeah, I mean, one thing I didn't I didn't mention is while we were on the island, after my father passed, unfortunately passed away, a very kind hearted gentleman, which at that time, we didn't know, he saw my mom's situation and, and offered to actually help. In other words, he helped to arrange it pay for my father's funeral. Because if not, he would be in a cardboard box. And from there, we always thought that he was a very wealthy businessman who could afford these type of things. So he did it, even gave my mother I think it was 100 US dollars back in the late 70's. And my mother, you want to take it, they said you do need it because you're going to a foreign place and you need some form of money, and gave him under 100 US dollars. So Australia, of course, the beautiful country, they accepted our family after the circumstances. So I always realize, you know, along the way, when I look at throughout life, there's a lot of people you know, people say I'm self made, I'm definitely not, there's been a lot of people that have helped me that I've seen firsthand that have helped my family, my mother. And then over time, as I've grown to who I am today, through, you know, through successful investing, a lot of fun managers that have taken me on board as mentor, as you know, as my mentor, and taught me all my all that I know. So therefore, now I see it as my way of giving back. I've received the help now I'll actually want to also be one of the few that give back the help. And you know that that person I was talking about that we thought was very wealthy. Once I got my first job, I went back in search of him and I found him after 20 years and I all I had was a I guess an address because they kept in contact with just annual Christmas, New Year letters and New Year cards. And that with that address I crossed the border which is Singapore cross the border into Malaysia three and a half hour drive through basically dirt road and with that address I ended up finding him. And the next year I of course he was a much older man now and I my first thing was I said you know what I was looking for a big like a nice, good, a factory of some form, of views of business, a wealthy businessman in my mind. But I end up finding out that he was his business he laughed. And his business was nothing but a school canteen. So in natural fact he came from humble bee, with without anything but that was able to at that time still helped my mother out and I never forget that.

Terence Toh 11:18

Nice.

Nadia Hughes 11:18

That's a wonderful story and of human kindness.

Terry Tran 11:22

Yes.

Nadia Hughes 11:23

Asian community very well well known for having Tiger moms. What's your mom was like when you were growing up and trying to get an education? Was she really driving you or you will? Didn't need this push?

Terry Tran 11:37

I think I probably say half half. Would I say she was a totally Tiger mom, probably not. She definitely was quite strict in terms of making sure that I was on the right path, I didn't go astray. Because where I grew up, there was back then because I lived in and grew up in in a suburb called Cabramatta. And for those who know Cabramatta back in the, in the 80s and 90s. It was one of the it was classified the drug capital of Australia. And back then there was a lot of heroin, there's a lot of narcotics and being passed around and being sold. And even myself and being surrounded by in the narcotics and even friends and in school friends of mine that were going on to drugs as well as selling drugs as well. So I always knew that, to make sure that I was on the right path, I never touched that type of thing. So party was self knowing that I had this goal of looking after my mum and partly also my mother keeping me on the right track. So it was a bit of both.

Terence Toh 12:30

Cool, I'd love to fast forward a little bit to what you're doing today and you know what the freedom trader is all about? Can you for someone listening, who probably never heard of you before?

Terry Tran 12:41

Sure.

Terence Toh 12:42

Can you give us a quick you know, a bit of insight into exactly what it is that you're doing now.

Terry Tran 12:47

Yup, freedom trader was born about three and a half years ago, as I started teaching, I realized I wanted to know go out and help the the average person off the street. Initially that we employ, basically, most of them were corporate life where because I went through corporate life myself. And I never felt freedom as in being able to just quit my job if I wanted to, or, you know, find another job because I was worried that if I lose my job here, I wouldn't have enough money to basically pay my bills type thing. So I initially wanted to help and I did actually help a lot of employees. And then over time I ended up also now with some of them becoming, you know, also helping business owners, I realized a lot of business owners also if there's in silent mode, that's fine, because you know, they should always concentrate on getting their their business up and running first. But once they're up and running, and then now they have surplus cash, but a lot of these business and entrepreneurs had no idea of what to do with the money. So a lot of them, just sitting the bank earn one or 2% interest and all they believe that they needed a lot of funds to either, you know, invest, save it, put a deposit, invest in property, which is I see it in my mind very liquid. And also, you know, it's more longer term, which is fine. But then on the other hand, they thought that they always needed this big amount of capital to start their journey of investing in, for example, like

stocks. But National Bank, stocks is one where away, you don't need that much capital, you just need a desire to want to do it and if you know if you get the right knowledge, you can actually be start from where they are right now and by teaching these business owners how to start investing properly and safely. What I found is a couple of benefits. One is that they do risk from their business, because most business owners that I see is that they put all the effort in their business, which is great. But when something goes wrong, you because everything's been in the business, and they've just plowed their time, their energy, pretty much their family into the business. If something goes wrong, that's all they have. So I see it as more that the risk and strategy to take that capital build a portfolio on the side. So no matter what happens, themselves and their family are always safe. So that's my number one priority for them. And then on the other hand, once they start investing how I see there's another benefit is that most businesses owner, sometimes they feel the fear of expanding or they feel that they can't take a risk, because I think that everything they do is technically risky in a business. But if they've got something on a side that now is powerful enough to also support them in times of need that portfolio it changes their mindset because then going forward, no matter what happens, they believe that they can now potentially take higher risk in their in their business because financially they're always safe. So it's got a dual benefit one is the risking initially but then on the outside allowing themselves to freely grow their business without the fear of losing everything.

Nadia Hughes 15:23

It's a great strategy, you spot on with business owners because this is our main marketers as well. Terence an I we help business owners to grow their business.

Terry Tran 15:32

Yeah.

Nadia Hughes 15:33

The risking, agree with you not really suitable for startups try to where you do take huge risk when you're starting a business. Yes, if you like it to survive, you do have to diversify. So this is a basically, I like the idea of having something on the side which help you to take those at risk.

Terry Tran 15:54

Yeah, and and this this, Nadia is where I found the most help, you know, farmers themselves. For example, there, I've got about 200 farming students in our program. And farmers, of course, they entrepreneurs, their business people just like you know, a lot of your audience. And in the end, they even have even higher risk because they also deal with the weather, they deal with commodity prices, they deal with it, especially they supplying the retailers like the the waters or the coals, there was a squeezed be pricing so they've got risk all over the place. And now seeing them succeeding doing portfolios outside their farm, which is really outside their business. It just makes me extremely happy because I see that already happening in the farming community in a big way.

Terence Toh 16:33

So you said that you don't really need I mean, this is a strategy where you don't need much to start with.

Terry Tran 16:38

Yes.

Terence Toh 16:39

Can you give us an idea of what that looks like? I mean, you know, I mean, I'm not asking you to give us an exact dollar amount. But what

Terry Tran 16:46

I initially I could give you a dollar amount because one of our younger students when I got off stage in Perth, and she came to talk to me, she was only 17. She's I think she's 19 ish now. It was a couple of years ago and she asked me could she start in she was basically working at KFC at the time. But as you know, you living at home, she says I am but our goal is hasty sort of part time money is while I'm studying University, and what do I do with it? It's like \$100 a week and it wasn't much. But yet that \$100 has allowed us to start building a portfolio because every single time she gets paid with KFC, she then goes in search for a great stock, just like a business, she's finding a business to buy. But because the business is listed, like as a stock, she can afford to buy these shares of this, this company and just slowly build a portfolio that way. So literally, she only about 150 per week or per fortnight, and she's now building into a massive portfolio. But then on the other hand, she's created this mindset that once she graduates when real money comes along, when she gets her corporate job, or whatever she does, then she now has the mindset of knowing she's got a life skill going forward, that she can literally just start investing in a big way, because she started small, because that's how really everybody starts. That's how I started. I never started with, you know, multi level followers, I started very small. And over time, as you build confidence, you realize, wow, this is not just building a portfolio, it's building, it's a lifestyle, because you get into the habit of investing consistently. Every time there's surplus cash flow, you take that amount, and then at certain times in the month, certain companies, certain sectors, certain industries get sold down, just through you know, demand supply, people don't want that want to be involved in that business. And the stock market allows you to therefore, take advantage of that when certain sectors and certain industry their price, their stock price drop, and you your net, you've now got this surface cash and you ask the question, you know, what do I do with these couple hundred dollars or couple of thousand dollars I've got this month? Where do I see the best opportunity and there's always some way somehow around the world, there's always stocks that are listed, and that have dropped in price during that month, and you can take advantage of that.

Nadia Hughes 18:41

Okay, now, Terry come to a point when I would like to ask you to give our listeners Crash Course on investing. Imagine that in front of you sitting going absolutely fresh. There's some never done that in stock, all they done is just heard about it. This is a just wondering, what about shares people investing shares? Or how do I do with stock? What is it? I have no idea. So if you can take this person and educate them in probably a very short period of time, what would you say to them?

Terry Tran 19:14

Yep. Firstly, I think the biggest mindset shift that I can give them is, is when they hear about the word shares or stocks is is not viewed as, as like a ticker symbol. Like, you know, you see the stock codes like words is w o w, for example, or the national straight bank is NIB. So a lot of people just see these shares as just close, you know, on a screen and they see it on the news. But if they were to switch their mindset into the same thing, the stocks as I guess, as businesses, because they are real businesses that are all these is just a real business that is listed on a stock exchange. And if they view that, as a business, when they are now approaching that investment, and they want to buy a stock, what they're doing is they're buying a share of the business. So all the rules apply to be exactly the same as you when you're going to either buy or invest in a private business is except that this business is now listed. So all the all the numbers that apply to a you know, when you're buying a business literally applies to buying shares, there is no difference. So that is firstly, number one. And number two is a lot of people's investments sometimes or you know, I call it investments, but sometimes they get stock tips or stock or stock advice, so to speak from their friends and family and I'd say don't listen to that. And even if you do get a stock tip, the most important is to run their stock tip and run it through a process or a filtering system to know whether even whether that tip or that idea is worthwhile. And most times, in actual fact, it's actually not worthwhile to even go forward with it, you know, the numbers just don't stack up, you let it go. So our job as a stock investing trader is, is we want to focus on the very best, which is about really about 1% of the list of stocks out there in the market. And 99% are actually rubbish, and they just don't apply. They might apply down a track, but they don't apply and should not be your portfolio right now. So that's from that point of view.

Nadia Hughes 21:00

Where do they start? Okay, I've got, let's say, \$500. What would be my next step?

Terry Tran 21:07

One thing they could they could do is download our free checklist that's on our website at the freedomtrader.com and there's a checklist there that literally will give them the 10 step guide or 10 step numbers that will help them choose the best stock. You know how I talked earlier about getting a stock tip and what do you do with it? That checklist, well if you just follow that checklist, literally step by step, those rules are there and if the numbers on a financial report, and these days is so much easier, because everything's online now. And if you go in and you find a financial report of that company that you've been given as a stock tip, and you go through those numbers, the bulk of that were actually not pass. But if it passes that sort of step number one, and you realize, Oh, well, this is a an idea that may actually work. So that would eliminate 99% of the rubbish and you're now realizing that well, if it passes, it's now the 1% that actually passed that criteria checklist. So that's step number one. And then step number two is a I find it that all that this is something that I could to jump onto our free webinar that I hold every single month, because that I run a 90 minute basic training, free training that I run through examples after example, and I even have them do it online, and I show them you know, what constitutes a good investment, what and what constitutes a bad investment and when they see that it sort of opens their eyes to investment opportunities around the world.

Nadia Hughes 22:25

And we had in our brief discussion, we have a few examples, when you said chatting south of because what normally investors used to do they would go to and have a look at a performance opposite stock in its comparative data. You say that it's can be totally irrelevant. Please explain.

Terry Tran 22:42

Yep, the most important thing is is not looking at the stock price. Because sometimes the stock is keeps on going up, it's actually potentially it's actually overvalued. What I get excited about is when I hear a bad news, or sometimes they a company or a Mrs. A earnings, for example. And all of a sudden that the stock price drops dramatically. And all sometimes even potential bad news from left field like Facebook had their privacy issue, you know, a number of months ago, or Apple iPhone number 10 didn't sell as well and then obviously, the price started dropping dramatically as well. So when I hear that baggy there actually gets me excited, because that's those type of stocks I actually like and I always say to another tip that you know, only invest in companies that you're comfortable with, and that you you potentially know about this. A lot of people come and come to me and they say I'll tell you, I don't have any ideas what you know, what type of investment should I be investing in? And my number one thing is I say, open up the fridge, open up your your pantry, open up your your drawer and find out you know what, what products are you using? When you turn on the computer? What are you using your mic probably using Microsoft Windows, maybe look at Microsoft, when you on the computer going to social media, what social media platform they're using Facebook, most people are Instagram, which is owned by Facebook. And now you go okay then that's an investment idea. Then you open up your fridge and you and you you realize well craft or Heinz using using Heinz ketchup, or you open up your drawer and your medicine cabinet has has a Johnson and Johnson products for example. So they are straight away, you know for for a fact that when you understand that you've used their products, and they're good, that's why you bought the products. They are investment ideas, because those companies are actually listed. They might not be listed locally but they listed internationally in the US. So and I always say yeah, break out of the mold of trying to always invest in Australia because we are very small market have that idea that you can invest globally, Australia, especially the US market is it opens up a myriad of investment opportunities.

Nadia Hughes 24:35

And now there's a crisis to Franklin credits looming crisis and Franklin credits. What's your view on it? Because it's a big political agenda at the moment?

Terry Tran 24:45

Yeah, personally, I myself I I'm of the opinion that is it's definitely a mistake from the Labour government, would just trying to introduce it. And I think what they believe in is that they can call back, because in the end, it's all about budgeting, they want to call back a lot of the refunds that go out on the Franklin credits. But by doing that what they forget on the other side of the equation is that in isolation, if Australia was the only place on earth that you could invest in, it will probably work. But in actual fact, Australia is less than 2% of the world and

investment opportunities. So if I had a choice, and I had a choice of investing in Australian companies, which I liked it because primary because also the Franklin credits, nowhere around the world has the United States does not have it, they've got double taxation on dividends. However, now they've taken that away on from, for example, in my super fund, where would my money now go? You'll go to the United States, so I will now even not even look at the straight I'll just go overseas. So therefore, the tax refund that they probably thought they'll they've budgeted for and that they'll receive. I probably won't go there anyway. They won't get it anyway because people have just moved their money from Australia to probably overseas.

Nadia Hughes 25:51

And what it does it brings economy down Australian economy down because the valuation of this company's goes down,

Terry Tran 25:58

Oh definitely yeah, because a lot of for example, people love our banks, but lovely Australian companies primary because of of our taxation system of the Franklin credits. Now you remove that what happens? You remove that now that investment doesn't look as great anymore, because most of our companies that are list in Australia that didn't grow as much that didn't grow. I mean, if I if I asked the question, you know, how many companies do we think that listening Australia actual global, have gone overseas, and they've succeeded? Probably five, less than five, you have a Cs sales, the cockle years, a lot of our companies tried a Navy tried, they went over to UK failed, came back, lost billions of dollars. ANZ went to Asia. And the max meet the previous CEO lost many billions of dollars came back. Telstra went over to Asia, Hong Kong, China lost a couple of billion and came back. So there's a lot of Australian companies still try to go overseas, they come back and with a lot of losses. So from that point of view, our companies don't do so they seem to do so well. But yet, if you go overseas, a lot of the products that we use these days, they're actually overseas companies and they seem to keep on they seem to have that knack of growing time and time again, especially United States companies, they just grow and grow and all of a sudden, even though we live in across 15 hours across the across the ocean by plane, why are we using their products? We're using the product because they've introduced it to us. And if you go to the United States, how many Australian products actually using United States, hardly anything?

Terence Toh 27:22

Exactly. Alright, so a question for you, for someone listening to this has never met you before. One thing I would want to know is where you'd like your where you would look to actually invest, like how that all came about how that worked for you.

Terry Tran 27:37

Yep, a number of years ago, I wrote to my hero, Warren Buffett, because I read a lot of his Berkshire Hathaway, annual letters. And they themselves those annual letters, hard read. But those annual letters are an extremely great lesson. A lot of lessons along a lot of principles, as well, as you know, you, you learn how to read financials in from from his own Warren Buffett's financial report of Berkshire Hathaway. And then I ended up writing to

Warren Buffett himself and thankfully, surprisingly, he actually also responded and replied back. But at the same time, I also learned from many fund managers around basically around our country and Australia, as well as around the world. And a lot of them, I did get a lot of rejections, by the way. But however, quite a few a few of them agreed to have coffee with me to agree to have lunch. And because of my, I guess, my interest and and it wasn't just a very shallow questions or more deeper questions, they found interesting mean, you know, knowing that I wanted, I had this deep desire to learn as much as I could and they kept in contact with me. And I learned a lot of these lessons, not only from books, but also from, from seeing real fund managers out on the field, investing millions, and many cases, actually, billions of dollars. And that's how under the craft,

Nadia Hughes 28:44

And what would be the acceptable return on investment for you in percentage form, let's say

Terry Tran 28:50

Acceptable? You know, some people have this overall expectation that you should be doubling your money or doing 50% returns. And yes, you could do that on particularly investments, but as a whole report for if I'm able to generate year on year compound, at 15% per annum year, on year some use I get it, some use, I get 30 plus. I don't get that every single years, some years, I need basically the 20s sometimes I even you don't get the low, single digits and even some years, I go negative, you know, negative five, negative 10. It's okay. But if I can compounding look back in time and compounded that between that 15 and 20% per annum. In actual fact, most people will become quite rich, if they can compound at that type of rate.

Nadia Hughes 29:28

Well, it's very, very good return. Now the superfans who return you 10% just a heroes, a lot of investments promise is 6% and this is called very lucrative. So what's happening increase this elite investment so to speak, if you have clients came on board and they integrate and of note investing there is there would be some scheme going on and they it's only certain amount of people can you can invest up to up to certain thresholds. And you can have to obviously have a quite a big amount of money, very lucrative. Can you just shines a light for me on this type of investments? What's happening?

Terry Tran 30:10

Just to clarify, are you talking about the investment sort of for sophisticated investors, which has a lot of money, so to speak? Yeah, I mean, some of them, a lot of these are potentially even private equity, where you're either investing in listed businesses, or companies, or their potential funds that invest in unlisted companies. So what I probably say is, you really have to look at the record of, of a fund manager who's running it and if they've got a great track record, potentially, definitely look into it, because I never say no to any opportunities, I look at it and go, okay, what's their track record of equity, they've got a great track record. Yeah, potentially, you know, it's definitely more trusting compared to someone who's just starting out, and they really don't have much track record. So these type of bigger sophisticated investments, and they do work, but definitely be more careful, because of course, they are now investing in much larger chunks of money of your, you know, your family's wealth into it

and if it goes wrong, or goes goes belly shape, then you'll be in a lot of trouble. And a lot of these that straight away what alerts me whether they're sort of real or or sort of not not true to their word is, depending on what they say, in their marketing materials. I mean, the ones that set that promise, you know, 30 40 50%, top returns, every year, I take that with a grain of salt straight away, because when something is too good to be true, it usually is. And you know, you just have to look back at the record. And I say Warren Buffett over 5060 period of he's investing he's now generating on compounded, he's right track record is now about nine just over 19% per annum over time. And one of the best traders on the planet, Gene Simmons of Renaissance capital, they run multi billion dollar portfolios, and their track record over 30 period is 30% per annum, but they are the best on the planet. So the ones who, who promise and sort of, you know, sort of speak back and do 30 40 50% per annum they're probably killing themselves, because you just got to look at the best on the planet and what they're doing. Put any perspective, and then you realize all you sort of, you know, real or not real?

Terence Toh 32:01

Yeah. Yeah, definitely. If it sounds too good to be true.

Terry Tran 32:05

Yeah,

Terence Toh 32:06

Probably.

Terry Tran 32:06

It probably is. Yeah. And a lot of people you know, they were making, especially when I get off stage, and some people go are so what's your yeah, what you just said, you asked me earlier, what's expected return I said, if I can help you achieve that 10 15 20% per annum I'm doing my job properly. And I love them today is at all because someone the other seminar I went to last week. Promised me that they can teach me forex trading, they can make 50% per annum, I said I'd be very careful, because that's not achievable ongoing. They might strike a lucky and do it one year. But then the next year, they lose everything they have because through leverage and the only way they can achieve that type of return is because they've leveraged themselves up and all it takes is just a little one little market downturn. Example in December, when December last year, when there was a market downturn and pull back of 15% overall. A lot of people because they were leverage, they basically lost all their account. And then they come back to me and said, oh Terry, this is my story now. So they ended up losing 50 hundred thousand dollars and they end up coming back and realize, oh, it's actually not true after all. So, you know, I always say, you know, if someone's broke something as of that nature, be very careful. I think, rather thinking about the the upside, I always try to show people to think about the downside first, because it takes so much money. You know, there's this thing that where people say, I can afford to risk my 5000 or \$10,000 and I always asked him, what do you mean, you can afford to risk this? Because I asked him that, how long did it take them to save that five or \$10,000? And some of the things that will talk to me months, half a year? And I said in why why do you think it took you that long to save that money? Why do you think that you can afford to risk that

money because you should not be risking it, because that's that is seed capital for the next million and if you lose that, you've got to go back to square one and start saving comes from scratch again, and and you should never be risking that money just to make some money, you should be able to invest that safely and have that sleep at night factor and be able to sleep soundly at night.

Nadia Hughes 33:58

And talking about promising the world. What do you think about crypto currencies and what's going basically everybody still relies on them heavily thinking it's our future?

Terry Tran 34:09

Yes. I'm probably not the renowned expert on crypto, a lot of a couple of I know some of my, the people around me have done it in the past. I know one particular person who ended up losing by 300,000 on crypto when he bought it at the \$20,000 mark and then within one year, lost his whole mortgage again. In terms of the actual blockchain, I think that technology is valid, it's going to be it's definitely future technology that even the Australian stock exchange or the exchanges around the world, they're going to use blockchain banks around the world that technology, in terms of security wise is one of probably is our future. But what people must understand is that to separate cryptocurrency from blockchain, people tend to sort of put it together that cryptocurrency is blockchain, it is not. Cryptocurrencies is a digital token that is in fact it uses blockchain technology, but is not blockchain. So my preference, if I was interested in cryptocurrency and blockchain in particular. I'd look at the companies which develop and run blockchain, the tools and shovels behind it, not necessarily going to the that the actual token themselves, which technically don't really have what I call fundamental intrinsic value, because it doesn't pay a dividend, it doesn't make it it's not a business that makes money every year, it doesn't produce goods and service that people use. So therefore, what they're doing is you're they're they're betting on a a token or digital token that may go up in value. So it's just all for me, I call it the thing and what is underlying the price, there's really nothing it's what's underlying the price is demand versus supply and if someone's willing to pay you a high price, and then once that they lose that that person who is willing to pay a high price, then that value of course drops that that's why I dropped from 20,000 and then went all the way down to what 3000 a 90% wipe out. So therefore, most of those cryptocurrencies which have now gone, you know, go belly up, is because they were they did not have any fundamental value beyond the underneath.

Nadia Hughes 36:05

But what they did shows a value hysteria around a topic. And quite often stock how many times have we seen the public hysteria opinion and journalists would be driving stock up or down and its popularity, which triggers supply demand and this is what's happening. What I did hear from you you actually staying away from hysteria and you're looking at bad bad events as you advantage you seeing opportunity and then your downfall and interesting to that's what I like about you. Another I'm really interested, you're a very smart man, I really interested to hear your opinion on barefoot investor.

Terry Tran 36:48

Yeah,

Nadia Hughes 36:48

It's a beyond popular person who just giving basically bottles up common sense and investments strategies. That's what I and sells it very well.

Terry Tran 36:59

Yeah, I respect as what people have barefoot investor a lot. It's one of the few books that I believe is a real deal, and has really simple yet effective strategies for the long term investor. Of course, it's not specific on how to invest, you know, in like myself when I'm showing different criteria of selecting a stock. But on the overall big picture point of view, I think it's a the barefoot in this days is definitely should be on people's bookshelves or if they're, if they don't have it, go get it have a good read and then it just shows them opens up their mind to you know, what is actually possible, of saving money, retirement savings, how to sort of not get ripped off, and how to sort of avoid common mistakes that most people actually make by not in in basically investing a bit of time and a bit of money on a book like that.

Nadia Hughes 37:41

I have hear the very funny comment recently from a new immigrant she arrived in the country not for long ago. And first thing she grabbed this his book. And then she goes to me and she he's not real. I said, What do you mean, he's not real? Everybody just worships him here. Goes, yeah, he says, just take you to sell center and do this and this take you first 2000 he talks like this 2000s are lying on the ground. That's he understands there are people out there who doesn't have \$2,000 and it's just really brought it back home. Because it's brought me back ways. It was a time when I had to clean toilets. In my living, and for my children as well. It's just really \$2,000 was a lot of money. It was just a dream.

Terry Tran 38:29

Yes. Yes. And again, that's that's coming back to what I say, you know, people say, Oh, I just started the strategy and I can risk my I've got \$5,000 to risk on this particular strategy. And I say What do you mean, you got? You got? You can you should risk that? Like, the question is, how long did it take you to save that 5000. And if they they're only on, you know, a couple hundred thousand dollar sorry, the 5000 not much, then that's fine. For most people, 5000 is a lot of money, which took months to actually save that amount, after all the expenses and living expenses, right and mortgage payments and get that once they talk about I can risk that that means that the what they're doing is that they're they're willing to lose, lose the entire 5000. But get that 5000 was literally VC capital to produce the next million through compound interest over time.

Nadia Hughes 39:10

So what you advice would be for this friend of mine who can't imagine having \$2,000 but she can manage on \$20 a week, what would you be doing to this money,

Terry Tran 39:23

I would say if you're mention on \$20 in return, and this is provided, she's got no I guess immediate plans of you know, wanting to buy a car or, or use of that they've got that I think that is a great worthwhile goal, and then need a car and they need you know, to get to get to

work, for example, definitely that \$20 should be in a savings plan and saving properly and safely and getting to that goal and achieve that goal. But then if they actually do not need anything else, then that's \$20 saving to, you know, say 100 or 200. And then start literally on a fortnightly or monthly basis put into a savings plan and now finding great stocks at bargain prices and find wholesale broker and I'm told the wholesale, which you know, want basically when I say wholesales, it's extremely cheap brokerage have you know, a couple of dollars of trade of trade brokerage, then they can start investing it that way. So, therefore, it doesn't take a lot to start. But you do need to start because compounding doesn't wait for anyone, it's time that is the best friend for compounding. And, you know, the later you wait, what you end up doing is, the longer you wait, you end up having to take more risk, because you've had lost time. But if you start early, in on a small amount, one, you build confidence and build skill, because you're doing it regularly and it becomes a habit. And then that that habit becomes it gives you the confidence and once you gain that confidence, then you can what I call scale up. Because when you see a working what happens to psychology, when it happens, you then scale up by knowing route well, because it works. I'm now very comfortable to everything I have, I'm happy to because the strategy and the process works everything that I make an earn. I'm now happy to invest in it because I I feel very confident and safe about it. I can sleep well at night,

Nadia Hughes 40:55

what's the best attributes of good investor?

Terry Tran 40:58

Couple of things. One is patients, most people don't have it at all, especially, you know, I live in a city. And most people do live in the city. And I say, you know, farmers in actual fact that one of the best investors, because they've got patients, they plant the seed and they watch their crops grow, we in actual fact should be like farmers when we're investing, we should plant the seed, and then watch and give it time for it to grow. And when I say time, it doesn't mean years, you can mean a couple of months, you make the profit you sell up, that's a strategy, but sort of day trading, buy and sell, buy sell, that's just a lot of stress and a lot of transaction costs, which is doesn't do you well. The other one is definitely persistence. Because from time to time, things don't go well, investments that you've made either I do not have 100% strike rate, we're sitting between 80 just over just under 90% strike rate. So what that means is, every 10 investments we make for ourselves, about almost nine of them are correct, which means that we've got a 90% strict success rate our blueprint students, and actually, the bulk of them have about 85 to 90% success rate as well. And it's because the other attributes they've got a process is important that you you know your process and you stick to it, not have the process but yet don't action it. So therefore, I call it the in a way that the three P's the patience persistence process, and if you haven't got those three, you'll do quite well.

Terence Toh 42:18

Awesome. Alright, so I know that we've been through a lot, and I want to be respectful of your time. But I've got a couple of quick questions for you before we wrap this up.

Terry Tran 42:27

Sure.

Terence Toh 42:28

The first one is that, you know, a lot of listeners to these podcasts are going to be entrepreneurs and business owners people. You know, running their own business and quite possibly in the day to day, you know, hey, you know, I need to make my business better. And maybe thinking this, you know, how is investing going to help me to improve my business in any way. And we chatted OFF AIR about this briefly. So I'm cheating. But I want to explain that concept. Because I think it's a really powerful concept and you alluded to it before by saying yes, you are actually investing in other businesses. But I want you to expand on that.

Terry Tran 43:07

Yep. This is actually not coming from me, this is Warren Buffett, my hero and my mentor is that he actually says that he himself is one of the greatest investors that's ever lived because he himself is a great businessman. And on the other hand, he's also a great businessman, because he's one of the greatest is become a great investor. So what that means is they actually correlate because like I said earlier alluded to earlier, when we buy into a stock, we're not buying into a stock, we're buying into a real business, a real company that is just listed that's obviously much bigger than ours, they're multinationals potentially, and all the criteria that is used to select these stocks or these businesses that we buy on that are listed, they basically relate to your business. So example return on equity return an asset free cash flow, well I call it the debt to equity, the amount of debt the business or the company has all those ratios also apply to your own business. So if you understand the ratios to now find investments you then therefore, because you're aware of those all those criteria when you're running your business, you're extremely now aware of all the so these criteria now implement into your own business. And at the same time, if you know very well off by hand, almost second nature that you need to run your business with these type of criteria you also now as an investor on the other hand, when you look for investments you will look for a business that is run efficiently and profitably just like your business as well the same thing so therefore they both correlate with each other and you become better at both.

Nadia Hughes 44:30

Terence it's actually ideally in a nice segway to what you doing you are building businesses to sell who would buy business with bad ratios. And this is where it's all coming came suddenly over to gives us all of us because Terence is very strong gone building asset building a building your businesses as an asset you to imagine on your this asset is ready for sale. In other words, for bigger companies, they become listed which are available for sale by multiple buyers. And in order to be to fulfill this project you have to be very sellable. And these ratios are attributes of scalability. So you have to be very healthy liquid and you will depending on what type of buyers your tricks and your business has to be tailored.

Terry Tran 45:20

Yes.

Nadia Hughes 45:21

Requirements. I think so. It just almost makes me think that our business owners should learn from listed companies and it's a common sense of you probably laugh at me haha moment. However, it's just really really brought this point home because I do love it I shows I do like watching them and I look at my clients businesses I straight away can tell what the problem is by just simply looking at the balance sheet.

Terry Tran 45:50

Yes, even my sofa you know, running, you know, my funds running this business of education as well. I'm also I've been investing for so long. When I analyze the business of my own I realized you know, am I reaching these type of the criteria is am I reaching these thresholds? Or have I basically reached the criteria of if I was a listed business with someone who actually liked the business that I'm running or that I built as well exactly the same thing so my mind even though I'm not going to sell in this I just love what I do so but in my mind a great business that allows me to reach even reach more more people. So therefore, hence why you know, I've got so much free resources the free checklist the free the webinars or the free trainings is because it allows me to therefore be have the freedom to do not only travel a lot around the world but to now give back and do it in a big way that's what

Nadia Hughes 46:41

We are just very excited both of us instantaneously

Terence Toh 46:47

Yeah know a great mentor of mine said that the business that you can sell is also the business that you'd like to keep right hmm you know like it just because you're building a saleable asset does not mean you have to sell it you know, it can also be a great asset just for you to keep and to retain the benefit of as well

Terry Tran 47:07

Yeah, correct.

Nadia Hughes 47:08

As close as yesterday we had a seminar in on this seminar was very good attempt by Trent whom I invited also to come to our podcast which they explained very clearly to us what are we actually looking in business for business doesn't exist he said it's a business is nothing it's just the word what you're looking at its assets you assets and ability and skill acumen to squeeze the juice out of this asset. He didn't use this words but for me I written it down because I said I am person of metaphors. So you you take it asset and your skill tunes this asset convert this asset into cash.

Terry Tran 47:52

Yes

Nadia Hughes 47:52

only skill that's what you effectively buying out there on the on the market be lots of people utilize asset.

Terry Tran 48:02
Yeah,

Nadia Hughes 48:02

It was very interesting and he was able in to many space of two minutes explain the all three statements, which is balance sheet, profit and loss and cash flow. He tied it up so nicely. So he, he got my word. That's, and you are now telling what makes me think that all smart people read the same book. I have to find this one because it's this congruent common sense that you all guys come to common denominator.

Terence Toh 48:32

Smart people, probably read lots of book.

Terry Tran 48:35

Yeah, actually, you probably noticed in my background, all the books. So they are actually, when I look back, they're actually all investment books and all business and finance books, every single one of them.

Nadia Hughes 48:45

So apart from Warren Buffett, to who who else is your hero,

Terry Tran 48:49

I always say my mom straight away is my mother, you're just watching, you know, sharing me, you know, when I talk about patience and persistence, my mother has had that in spades where she's took a literally a whole 10 years through hard work double two jobs, learning English and then then the end to have the patience to wait for the time to finally integrate the entire family from from Vietnam. So she you know, when I talk about those skills, in actual fact, a lot of those traits and abilities because I I saw her do it, and her actions allowed me to learn it through seeing her do it. So that's my mom is definitely my other hero.

Nadia Hughes 49:23

Amazing, biggest cities in the entire project to bring someone from overseas.

Terence Toh 49:27

Right. So Terry, thanks a lot. Good. I'm gonna have to let you go now, because

Terry Tran 49:31

No worries.

Terence Toh 49:32

I always appreciate and respect the time that you spent with us today going through all this stuff. But thanks for sharing everything and the last thing really is how can our listener connect with you?

Terry Tran 49:42

Yeah, the best way I think, is my website, basically. If they want to know more about the freedom center, so it's www.thefreedomtrader.com, all one word dot com. So they can download that free checklist we were talking about that will straight away help them a lot, because it's got the 10 criteria of how to choose an investment and talking about the other side where you said, you know how to business owners now assess their own business, you they ran through that checklist, it also applies to their own businesses at the same time. So that checklist will help them as

Nadia Hughes 50:13

It's what I'm doing now, i'm going on your website and downloading this checklist

Terry Tran 50:18

Yeah, download the checklist and as an accountant, you probably know, you look at they go, Oh my God, this, this is just common sense but natural fact. You know, common knowledge of choosing the best stocks. So that checklist is there and then the same time if they want to know about a bit more about my history, there's also terrytran.com and that's got my personal story and a lot of the I guess, I guess, students that I've helped as well. So there's a lot of interviews there as well and they can see that as well.

Narrator 50:27

Hang in a moment, but Terry remember common sense is not that common?

Terry Tran 50:47

Yeah, true.

Terence Toh 50:49

Okay, that's amazing. Well, thanks again for coming on. I'm sure that if we get an opportunity we'd love to have you on again. And that but yeah, thanks a lot for your time and everything you bought this podcast really pretty yet it and I think Nadia.

Nadia Hughes 51:01

I'm very excited. It's just meeting somebody like you that is great.

Terence Toh 51:06

Alright. Thanks, Terry.

Terry Tran 51:07

Yeah, thanks. Bye, guys.

Narrator 51:11

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