

GRADUATION CEREMONY- Wednesday 18 NOVEMBER 2020

FACULTY OF SCIENCE & MAURITIUS INSTITUTE OF EDUCATION

Guest Speaker- Mr I Ramtohul
Aon Hewitt Ltd | Senior Investment Consultant

Chancellor, Dr Louis Jean Claude Autrey

Vice-Chancellor Professor Dhanjay Jhurry

Pro-Vice Chancellors

Members of the Congregation

Distinguished academics

Distinguished guests

Graduands

Ladies and Gentlemen

Good Morning,

I am delighted to be with you at this graduation ceremony today. I am particularly humbled by the honour bestowed upon me to say something, and share this amazing day with you.

Let me start by congratulating the graduates. Indeed, your hard work has culminated in this momentous occasion. Today marks an important day in your lives – yet, it is a beginning of a journey. The personal competencies that you have developed, namely passion and commitment will be important throughout your lives. Please nurture them.

It is a great honour for me, to share a few thoughts with you on a topic that is close to my heart, namely financial planning. As some of you may be aware, I have been working in the financial industry for 21 years and I currently advise various institutions on investment matters.

Outside work, people regularly ask me where they should invest their hard-earned money. Mind you: You get all types. Some even want to get rich quickly, without paying attention to the risks!

Unfortunately, life is not that easy.

Today, my focus is not on where to invest. I will rather elaborate on some good financial planning or behavioural techniques which might prove helpful to you, as you progress in your careers.

To start with, everybody would like to get rich. This is not bad by itself as it can encourage hard work. However, it starts getting dangerous when the desire to have more increases ambition faster than satisfaction. You should be prepared to accept that you already have enough wealth at some point, even it means having less than those around you.

Various things are not worth risking in order to gain more. Here, I have in mind reputation, freedom, family and friends and happiness.

*I draw your attention to the quote of Warren Buffett (who is one of the richest investors in the world): **"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."***

So, my advice to you, dear graduates, is to acknowledge when you have enough! Always be ethical and act with integrity. Do not take unnecessary risks which could end up ruining your reputation.

*I will next elaborate on **COMPOUNDING**, which, in simple terms, implies saving over the long run and reinvesting any investment income earned.*

*Many amongst you might have heard that **COMPOUNDING** is considered to be the 8th wonder of the world!*

*What makes it so special? Well, if you save continuously, you are likely to earn attractive investment returns in the long run. The magic of **COMPOUNDING** steps in and your money grows!*

*Let us go back to Warren Buffett, who is 90 years old today. **His net worth is estimated to be around USD 86 billion! But do you know that USD 81.5 billion of his wealth came after age 65?** Much is again due to compounding.*

Think of what has happened this year: the COVID 19 pandemic caused the global stock markets to fall sharply during March. They have since picked up remarkably and the S&P 500, which is a well-known US equity index, actually reached a record level on Monday.

*Well, many of you must be asking what this has to do with compounding. My advice here is not to panic and save for the **long term**.*

I would also draw your attention to the fact that getting money is one thing. Keeping it is actually another matter!

Be HUMBLE and acknowledge that you can lose your money quickly as well. Do not also hesitate to surround yourself with smart people. Accept that you can make mistakes from time to time and be prepared to learn from others.

Many rich people want to earn respect and admiration from others and they often spend highly on expensive or fancy items.

Assume that you buy a unique luxury car. Are you sure that people will notice you? Or will they only notice the car?

*Having other characteristics such as **humility and kindness** may better get people to notice you.*

SAVING for the future remains very important. Debt should also be used in moderation.

According to CFA Institute, one should “Spend 50% on necessities, 30% on enjoying the present, and save 20% for the future”.

“Whenever possible, do not use debt to buy things. With the exception of homes, cars (that are reasonably priced and truly necessary) and education, using debt is almost always a bad investment.”

*A high savings rate implies having lower expenses than you otherwise could. **Whenever possible, do not live beyond your means.***

*Next, bear in mind that the best investment you can actually make **is an investment in yourself.** I hereby quote Benjamin Franklin: “An investment in knowledge pays the best interest.”*

Lifelong learning is very important for long term success. Reading a lot helps in this process. Knowledge builds up, just like compounding which I had highlighted earlier.

Note that Warren Buffett still spends 5-6 hours of his day reading, even after becoming so successful.

*As you know it well, practice makes perfect. Many researchers believe that at least 10,000 hours are needed to develop expertise. **So dear graduates, please take note and do not hesitate to engage in continuous learning.***

I wish you the best– Do embrace the challenges and get ahead of the change. Find your purpose and take your share in shaping the new world.

You can definitely do it and my best wishes are with you.

I thank you for listening to me.