

4EJournazine

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UNLEASHING THE FORCE OF AI IN FINANCIAL PLANNING

The Power of
Cross-Disciplinary
Collaboration

Crafting
Financial Futures

Fintech and Its
Transformational
Impact on
Financial Planning



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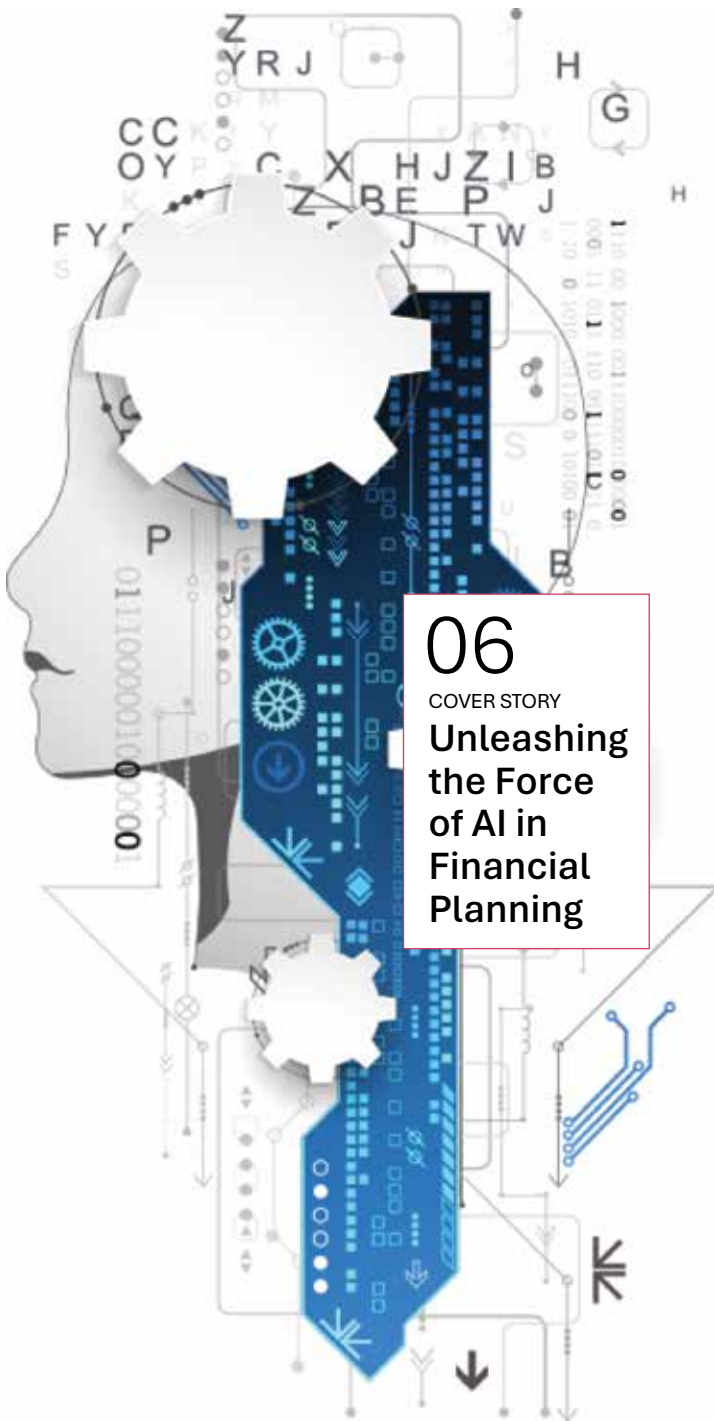


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Dear Members,

As we step into another bustling quarter at the Financial Planning Association of Malaysia (FPAM), I want to take a moment to reflect on our recent successes and outline our path forward.

Over the past few months, we have seen remarkable achievements across various fronts. Thanks to your unwavering support and dedication, our recent Annual Signature Symposium was a resounding success, bringing together professionals from across the industry to share insights and strengthen networks. This event not only showcased the robust expertise within our community but also reinforced FPAM's commitment to advancing the financial planning profession in Malaysia.

The symposium covered a range of critical topics, from the intricacies of combating money laundering to the potential of generative AI to enhance our services. We also delved into how e-invoicing and ESG considerations are shaping our industry, along with strategies to leverage capital markets for client growth and stability. These discussions have equipped us with updated knowledge and skills, reinforcing our resolve to guide our clients through these changing times.

In addition to the insights gained at the symposium, I recently had the opportunity to moderate the Facebook Live Forum titled "Protect Your Money, Secure Your Future", which emphasised the rising concern over financial scams, increasingly prevalent in today's digital landscape. As financial planners, it is critical that we educate our clients about potential financial threats and ways to protect themselves. Staying vigilant and informed about the latest scam tactics is crucial to ensuring the financial safety of our community.

Building upon our commitment to continuous improvement and adaptation, we also launched our Distinguished Speaker Series in the first quarter. This series included four insightful sessions: "Navigating Investor Disputes" by SIDREC, "IP Trademark Talk" by Lawrence Tan, "Ombudsman for Financial Services Talk" and the FPSB Global Webinar on "How to Elevate Your Financial Practice". These sessions have further enhanced our members' professional capacities and broadened their perspectives on diverse financial topics.

The recent restructuring of the Employees Provident Fund (EPF) accounts, notably the introduction of Akaun Fleksibel, presents a significant shift in our financial landscape. This new account structure provides our members with the flexibility to manage short-term financial needs while still focusing on long-term financial security. It's imperative that we, as financial planners, provide the informed guidance needed to help our clients navigate these changes wisely, balancing their immediate financial desires with their long-term goals.

Let's continue to harness the collective expertise within our FPAM community to enhance the financial wellbeing of those we serve. I encourage all members to renew their membership before the end of June to meet their licensing requirements and continue benefiting from our resources and initiatives. Thank you for your unwavering dedication to our profession and to the values that FPAM represents. Together, we are not only advancing our own practices but are also shaping the future of financial planning in Malaysia.

Thank you and best regards,
Alvin Tan Chin Cherng CFP^{CERT}™
President

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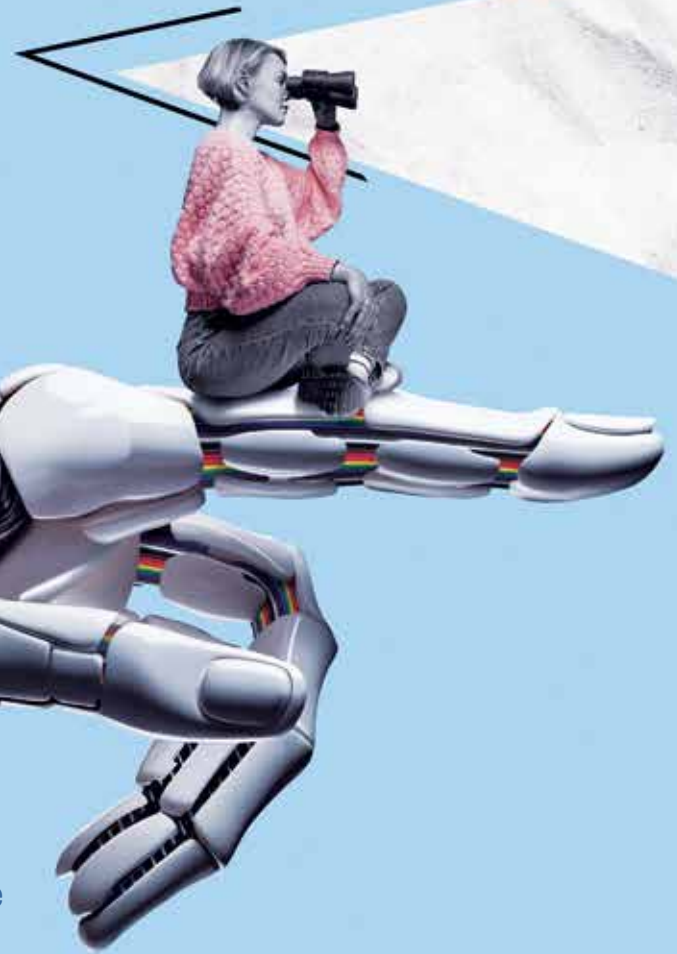
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Unleashing the Force of AI in FINANCIAL PLANNING



From real-time spending analysis to hyper-personalised investment strategies, AI promises to revolutionise how we approach our finances.

Your personal finances are about to get a major upgrade thanks to the rise of conversational artificial intelligence (AI) tools like ChatGPT. Imagine having a digital financial advisor at your fingertips, ready to provide tailored insights and recommendations 24/7. Welcome to the future of personal money management, powered by cutting-edge AI technology.

The rapid advancement of generative AI (GenAI) is poised to completely transform how we interact with and receive financial advice. No longer will managing your money be confined to occasional meetings with an advisor or scouring impersonal online resources.

Intelligent digital assistants like ChatGPT or Gemini are opening new frontiers, empowering individuals to have a knowledgeable, hyper-personalised financial guide at their fingertips 24/7. These cutting-edge technologies allow you to have an always-available companion dedicated to helping optimise your finances based on your unique goals, behaviours and life situation.

“The integration of AI tools like ChatGPT in personal financial planning is revolutionising how individuals manage their finances,” remarks Michael Heaney, a leading AI expert

and Partner at Ernst & Young.

One key advantage? Access to top-notch financial advice anytime, anywhere. AI-powered chatbots can instantly answer queries, crunch numbers and provide data-backed recommendations tailored to your unique money goals and circumstances.

“Imagine an AI that continuously analyses your financial data and provides instant recommendations on saving, investing or even spending,” describes Michael. “It guides you with a real-time, hyper-personalised approach, revolutionising personal finance from reactive to proactive.”

This level of personalisation is a leap beyond generic advice plastered across the web. As Michael elaborates, “AI tools will be able to provide highly personalised financial advice, considering an individual’s financial situation, goals, risk appetite and life circumstances.”



Michael Heaney,
AI expert and Partner
at Ernst & Young



“AI tools can leverage behavioural finance principles to identify an individual’s biases or patterns, analyse spending habits and investment decisions to provide personalised feedback and advice to help improve their financial wellbeing.”

UPPING THE BEHAVIOUR CHANGE GAME

But the disruptive potential of AI in personal finance extends beyond just crunching numbers. According to Michael, predictive behavioural analysis could be a game-changer.

“AI tools can leverage behavioural finance principles to identify an individual’s biases or patterns, analyse spending habits and make investment decisions to provide personalised feedback and advice to help improve their financial wellbeing.”

Let’s bring this capability to life. GenAI could alert you when frenzied online shopping seems emotionally driven rather than intentional. Or it could recommend increasing retirement contributions when detecting a shortfall based on your age and goals. The possibilities of applying predictive analytics to modify our money habits are immense.

INTEGRATING AI SEAMLESSLY

So how can these innovative AI solutions be seamlessly woven into the existing financial planning landscape?

Michael notes that there are synergies in integrating AI tools with current software and processes, though some operational adjustments will be required.

“ChatGPT and AI tools can be integrated with client-facing platforms like websites or mobile apps to provide instant, personalised responses to client inquiries,” he explains. “It can answer common questions, provide account information, explain concepts or guide clients through self-service functions.”

Michael also sees AI playing a backend role, processing large data volumes to extract insights and generate visualisations or reports for human advisors. However, he

cautions that financial planners should be prepared to provide human oversight and intervention to ensure the accuracy and ethical use of AI recommendations.

The path forward involves carefully mapping out AI’s role, training staff accordingly and establishing clear guidelines for when and how human advisors should rely on machine-generated insights.

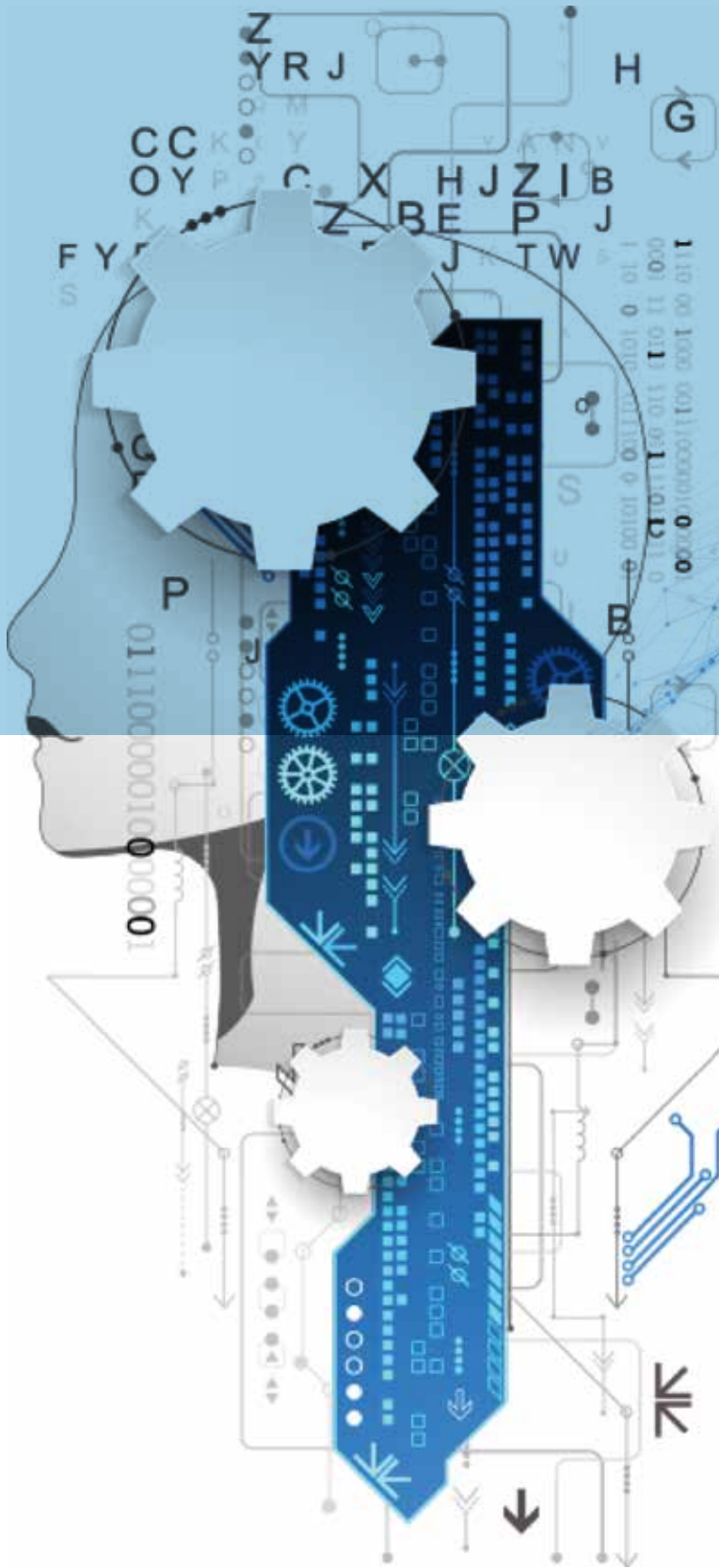
A RISING DIGITAL COACH

Of course, the notion of an AI financial confidant involves a major shift in how we consume money advice. Michael recounts working with a client who redesigned their entire advisory process by using AI to automate the initial client onboarding and data gathering, allowing a focus on strategic decision-making and personal interactions.

This could set a new precedent, where AI handles routine tasks and data processing while human experts elevate their roles as strategic partners guiding the bigger financial picture.

“Financial professionals need to develop skills in data literacy, prompt engineering and understanding

“The path forward involves carefully mapping out AI’s role, training staff accordingly and establishing clear guidelines for when and how human advisors should rely on machine-generated insights.”



“Financial planners must review and cross-reference AI recommendations with established principles before providing advice.”

AI’s core concepts to effectively collaborate with these technologies,” advises Michael. Upskilling will be crucial for advisors to not just survive AI’s proliferation but thrive alongside it.

BUILDING TRUST THROUGH RESPONSIBLE AI

While the possibilities of AI in financial planning are breathtaking, Michael emphasises the need to proactively address concerns around accuracy, bias and ethical implications. A critical first step is ensuring AI models are developed responsibly.

“Accuracy begins with the quality and diversity of the training data used,” Michael states. “It should be sourced from a wide range of scenarios that incorporate relevant regulations and practices and be regularly refreshed.”

Rigorous testing is also vital to catch errors or biases before the AI goes live. As Michael explains, “I have recently worked with financial services firms to ensure the guard rails are put in place focused on risk reduction. We jointly develop a trust-based AI risk management framework that integrates with the overall risk appetite and risk management strategy of the firm. This supports all aspects of a financial planner’s and broader firm’s employees’ interactions with AI.”

Beyond robust model design, continuous monitoring and human oversight are essential safeguards. “Financial planners must review and cross-reference AI recommendations with established principles before providing advice,” Michael advises. “Integrating that human check ensures outputs remain fair and aligned with regulations.”

The AI Revolution is Coming to Financial Planning

As AI capabilities rapidly evolve, financial planners need to prepare for major disruptions in how they deliver services. Three key areas will see exponential changes, according to Michael Heaney:

Hyper-Personalised Advice

AI tools will soon analyse massive datasets to provide unprecedented personalisation of financial advice. No variable—age, income, debt, family status, spending habits, etc.—will go unaccounted for when developing meticulously tailored plans for each client. This allows advisors to craft hyper-relevant strategies aligned with a client's exact needs instead of generic guidance.

Natural Language Interfaces

Conversing with AI will become increasingly natural and intuitive as language models advance. Expect seamless dialogues about financial goals, with context-aware follow-ups and recommendations mirroring human conversations. The clunky experience of today's AI assistants will be revolutionised.

Advisors as Strategic Partners

As AI takes over routine tasks like data processing and report generation, the advisor's role will philosophically shift. Human experts will elevate to strategic partners guiding the overall planning process, interpreting AI insights through a pragmatic lens. Data literacy, prompt engineering and high-level problem-solving abilities will be crucial.

To thrive in this new era of human-AI collaboration, financial planners must rapidly evolve skillsets and mindsets. Developing competencies in areas like data analysis, strategic thinking and working symbiotically with AI will separate future-ready advisors from those left behind. The AI revolution is coming—be prepared to adapt and harness it for elevated, personalised client services.



MAINTAINING TRANSPARENCY

Perhaps one of the biggest obstacles to widespread AI adoption is the “black box” perception—the notorious opaqueness of how these complex models actually work. Demystifying AI will be key to building public confidence.

“Transparent communication in explaining the role of AI tools, their limitations and how they complement the advisor's expertise will build trust with clients and alleviate their concerns,” Michael affirms. “Adopting a hybrid approach where advisors use AI tools to augment their experience, intuition and judgement in financial planning will give clients more comfort.”

Regulatory bodies are already pushing for increased AI transparency and audibility. Michael predicts a future where rigorous testing phases, regular audits for AI recommendations and stricter adherence to standards will become the norm as trusted AI practices emerge.

ALLAYING CONCERNS OVER AI'S ROLE

While enthusiasm around AI's financial wizardry runs high, legitimate concerns persist around accuracy, ethics and regulatory compliance. Michael stresses the importance of careful model design, ongoing monitoring and adherence to ethical standards to ensure the accuracy and ethical use of AI-generated advice.

A hybrid model allowing continuous human oversight could be the balanced path forward. As Michael describes, “Financial planners should use their expertise to review and validate AI recommendations against established regulations and market conditions before providing advice.”



Transparency in how conversational AI operates and what data informs its recommendations will also be paramount to building public trust. “Adopting a hybrid approach where advisors use AI tools to augment their expertise will give clients more comfort,” notes Michael.

THE AI HIGHWAY: ONRAMP AHEAD

When it comes to the future trajectory of AI in personal financial management, Michael’s view is unequivocal: “Five to ten years is too long—it has become the next one to two years. The market has fundamentally shifted in speed to market.”

From hyper-personalisation and behavioural nudges to real-time conversational capabilities, the personal finance world is about to enter an era of rapid AI-driven transformation. Expect to see AI assume more advisory functions traditionally handled by humans.

“Financial professionals should prepare for AI to take on more capacities, potentially transforming the advisor role into strategic oversight and less day-to-day management.”

“Financial professionals should prepare for AI to take on more capacities, potentially transforming the advisor role into strategic oversight and less day-to-day management,” suggests Michael.


PLAYING THE LONG GAME

As these powerful technologies become ubiquitous, mastering human-AI collaboration will be crucial for financial success. Michael’s advice? Don’t fall behind.

“Financial planners need to evolve not just their technology skills but also their risk and business problem-solving skills to ensure they remain relevant, innovative and productive.”

After all, AI may be exceptional at rapidly processing large amounts of data, but human expertise remains vital for interpreting insights, applying personal context and steering AI to produce outputs aligned with an individual’s circumstances and values.

In the era of AI-augmented personal finance, upskilling is survival. Those who become proficient in harnessing human and machine capabilities will be poised to thrive from these technological and service model disruptions.

The future of managing your money is unfolding rapidly, ushered in by innovations like ChatGPT. Will you enlist an AI coach to optimise your personal finances? The opportunity to elevate your financial wellbeing could be just one conversation away. 



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The Power of Cross-Disciplinary Collaboration

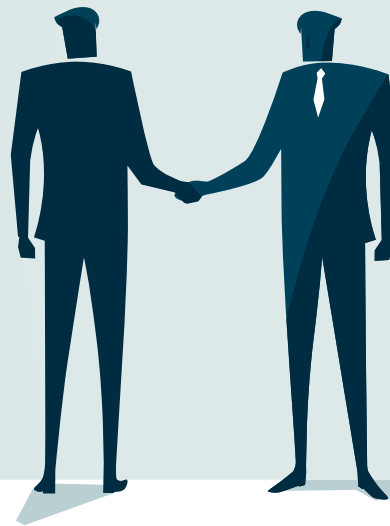
Discover how cross-disciplinary collaboration among tax, finance and audit experts provides integrated strategies for mitigating risks and promoting sustainable growth.

In today's business environment, increasing complexity and numerous compliance requirements expose businesses to greater compliance risks. From adhering to labour laws and environmental regulations to implementing robust anti-money laundering (AML) and know-your-customer (KYC) measures, the regulatory burden can be daunting.

Corporations must also prioritise corporate governance principles, ensuring transparency, accountability and ethical conduct, to retain stakeholder trust. Furthermore, financial reporting standards, such as MFRS (Malaysian Financial Reporting Standards) and MPERS (Malaysian Private Entities Reporting Standard) demand meticulous adherence, while the burgeoning realm of ESG (Environmental, Social and Governance) reporting has become an inescapable reality, particularly with Bursa Malaysia's recent mandate for listed companies.

With the various compliance challenges facing businesses today, it is essential for businesses to have a multidisciplinary team

of professionals collaborating to provide comprehensive solutions. This collaboration is integral to formulating business strategies and decision-making processes. Cross-disciplinary professional collaboration among tax, financial and audit services can significantly benefit businesses in managing the complexities of compliance requirements.



Each member of this collaboration can contribute as follows:

TAX SERVICES

Compliance advisory: Assisting businesses in complying with relevant tax laws and regulations for local and cross-border transactions.

Tax planning: Developing tax-efficient strategies through a thorough understanding of the client's business and collaboration with financial and audit professionals.

Cross-border tax risk management: Navigating international tax laws, transfer pricing regulations and double taxation treaties for businesses operating across borders.

Tax incentives: Identifying and advising on available tax incentives and deductions to maximise tax benefits and promote regulatory compliance.

FINANCIAL SERVICES

Financial reporting: Preparing accurate and transparent financial statements in compliance with accounting standards and regulatory requirements to provide relevant financial information for investors.

Risk management: Identifying and mitigating financial risks and ensuring compliance with financial reporting and regulatory changes.

Capital management: Advising on capital structure management to optimise liquidity and access suitable financing options while considering regulatory constraints.

Financial analysis: Providing insights into financial health and performance, helping stakeholders make informed decisions and complying with disclosure requirements.

AUDIT SERVICES

Independent verification: Providing independent assurance on the accuracy and reliability of financial statements and disclosures to enhance transparency and stakeholder trust.

Internal controls: Strengthening internal control systems to prevent and detect irregularities, fraud and non-compliance issues.

Continuous improvement: Offering audit findings and recommendations that guide clients towards improving operations,

processes and compliance efforts, fostering a culture of accountability and awareness.

Overall, cross-disciplinary collaboration among tax, financial and audit services enables clients to adopt a holistic approach to compliance and risk management. By leveraging the expertise of professionals from different disciplines, businesses can navigate regulatory challenges more effectively and mitigate compliance risks proactively.

THE MULTIDISCIPLINARY ADVANTAGE

Engaging a multidisciplinary professional services firm offers numerous advantages. One key advantage is access to an integrated set of expertise encompassing a wide range of knowledge and resources to comprehensively address even the most complex business needs.

This diverse pool of skills and experience enables multidisciplinary firms to provide total solutions—holistic approaches that carefully consider all aspects of the business, helping clients develop robust strategies and make well-informed decisions.

Additionally, these firms can streamline processes for obtaining and coordinating different services, saving valuable time and effort through enhanced efficiency and coordination. Tailored solutions that are customised to the unique characteristics of the specific business and its industry allow multidisciplinary firms to address specific compliance challenges with precision. Finally, they offer continuous support, providing ongoing guidance to help businesses deftly adapt to evolving regulatory requirements, market conditions and emerging business challenges over time.

As businesses navigate the ever-changing terrain of compliance standards, cross-disciplinary collaboration among professionals from various fields is crucial. Together, they provide thorough solutions, ensuring compliance, managing risks and making strategic decisions. By leveraging their combined expertise, offering customised solutions and providing ongoing support, multidisciplinary firms enable businesses to excel amid regulatory demands, promoting transparency, accountability and sustainable growth.



About the Writer:

Lam Kwai Soon is the Group Chief Operating Officer of Cheng & Co Group of Companies. He is an experienced tax agent, a professional accountant and a qualified financial planner.



Teamwork Makes the Financial Plan Work

We gain insights from two financial planners, Pauline Yong and Desmond Chong, on the practical implementation and benefits of cross-disciplinary collaboration among tax, finance and audit experts.



PAULINE YONG

CEO of Sigma Wealth Sdn Bhd

“Gauging the success of cross-disciplinary collaboration often hinges on clients’ satisfaction levels, which can be measured through various metrics, including surveys, feedback forms, regular check-ins and monitoring client retention rates.”



Clients demand comprehensive and tailored solutions that address their multifaceted financial needs. This is where the synergy of cross-disciplinary collaboration shines, as financial planners orchestrate the expertise of tax advisors, auditors and other financial professionals to deliver holistic strategies that optimise outcomes.

At the heart of this collaboration is the financial planner, who acts as the central coordinator, ensuring that all aspects of the client’s financial situation are considered holistically. Pauline Yong emphasises the importance of understanding the client’s goals, risk tolerance and financial circumstances, then coordinating with tax advisors and auditors to ensure that strategies are aligned and compliant.

“Balancing these perspectives requires effective communication and a deep understanding of each discipline’s impact on the client’s overall financial strategy,” Yong

explains. “This allows the financial planner to create a comprehensive plan that optimises the client’s financial situation.”

The advantages of this integrated approach are numerous. Tax efficiencies and savings are paramount, as financial planners can identify and leverage various tax-advantaged investment options and retirement accounts that align with clients’ goals and circumstances. “By strategically utilising these tax benefits, clients can potentially reduce their current tax burden and enhance their long-term financial security,” Yong notes.

Risk minimisation is another crucial aspect. Tax laws and regulations are constantly evolving, and non-compliance can lead to significant penalties and financial consequences. Integrated financial planners stay updated on tax laws and ensure that their clients remain compliant, reducing the risk of audits or legal issues related to taxes.

Perhaps most importantly, this cross-disciplinary collaboration fosters peace of mind for clients. By aligning financial strategies with tax compliance, clients can have greater confidence in the accuracy and reliability of their financial information. Furthermore, collaboration and communication among professionals lead to more innovative solutions and better outcomes.

However, navigating discrepancies between the recommendations of tax advisors, auditors and financial planners can be challenging. In such situations, Yong emphasises the importance of prioritising the client's best interests above all else.

"Open and transparent discussions are needed to understand the rationale behind each recommendation and evaluate the potential impact on the client's financial goals," she explains. "In some cases, compromise or alternative solutions may be necessary to address conflicting perspectives while still achieving the desired outcomes for the client."

Other challenges include differences in professional language, priorities and methodologies.

Overcoming these barriers requires a commitment to communication, teamwork and ongoing education. Yong highlights the importance of utilising collaborative technology platforms and project management tools to streamline communication and workflow, facilitating smoother collaboration across disciplines.

"Gauging the success of cross-disciplinary collaboration often hinges on clients' satisfaction levels, which can be measured through various metrics, including surveys, feedback forms, regular check-ins and monitoring client retention rates," says Yong. Yong also emphasises the value of tracking key performance indicators pertaining to project timelines, communication effectiveness and team productivity to identify areas for refinement and optimise the collaborative process over time.

As financial planning continues to evolve, cross-disciplinary collaboration will likely become even more essential. Yong anticipates that financial planners will need to develop not only technical expertise but also strong communication, negotiation and leadership skills to thrive in this collaborative environment.

"Embracing a mindset of lifelong learning and adaptation will be crucial for staying ahead in an ever-changing financial landscape," she advises. "Additionally, leveraging emerging technologies such as artificial intelligence and data analytics can enhance the efficiency and effectiveness of cross-disciplinary collaboration, enabling financial planners to deliver more personalised and innovative solutions to their clients."

DESMOND CHONG

Founder of Next Generation Consultancy and financial planner and agency manager at Kenanga Investors Berhad



"In this evolving environment, financial planners should prioritise developing strong communication and negotiation skills, as well as staying updated with the latest financial trends and regulations, to provide relevant and up-to-date financial advice to clients."



In the world of financial planning, Desmond Chong assumes a central responsibility akin to that of a 'CEO' for his clients, overseeing the comprehensive management of their finances. Chong likens it to running a company, where the tax team serves as one department, ensuring that clients leverage tax rules to their advantage, while the audit team acts as internal auditors, ensuring compliance and adherence to regulations.

"In my role, I see it as my responsibility to facilitate effective collaboration among these departments," Chong explains. "We are all integral parts of the same team, working together towards the common aim of securing our clients' financial wellbeing. It is through this collective effort and coordination that we guide our clients towards success."



Feature

The advantages of this integrated approach are manifold, as evidenced by Chong's success story involving a client, Mr. Low, who ran three food and beverage shops and sought to grow his business while keeping a watchful eye on taxes. Through teamwork with tax and audit experts, Chong and his colleagues devised a plan that addressed Mr. Low's concerns, allowing him to focus on his core business operations while benefiting from strong financial support.

"Thanks to our combined efforts, Mr. Low can now focus on what he does best in his business, while we back him up with strong support," Chong shares. "He not only opened another shop but is also taking his business into new areas. This is a great example of how a well-coordinated approach can lead to big wins for a client."

However, navigating discrepancies between the recommendations of tax advisors, auditors and financial planners is an inevitable challenge. Chong likens these situations to a 'company meeting' involving all parties, where various viewpoints and recommendations are analysed within the context of the client's overall financial goals and circumstances.


"As the 'CEO', I will make the final decision following these discussions, always prioritising the client's best interests," he explains. "The aim is to ensure that each team collaborates towards the shared objective of the client's financial success. This approach facilitates the development of a balanced and meticulously crafted financial strategy."

Promoting cross-disciplinary collaboration itself presents challenges, with each team pursuing its objectives and

methods, often leading to disagreements due to their strong convictions about their respective views. Chong emphasises the importance of regular communication and ongoing education, encouraging teams to familiarise themselves with each other's areas of expertise to better understand their perspectives and enable improved teamwork.

Measuring the success of this collaborative approach is crucial, and Chong relies heavily on regular communication with clients, through formal meetings or informal check-ins, to gather invaluable feedback and assess the effectiveness of their strategies.

As financial planning continues to evolve, Chong anticipates that cross-disciplinary collaboration will become even more crucial, with an increased demand for financial planners, both for individuals and corporations. "In this evolving environment, financial planners should prioritise developing strong communication and negotiation skills, as well as staying updated with the latest financial trends and regulations, to provide relevant and up-to-date financial advice to clients."

The future of financial planning lies in this seamless integration of expertise, where financial planners, tax advisors, auditors and other financial professionals harmonise their efforts to deliver comprehensive solutions tailored to each client's unique goals and circumstances. By embracing this collaborative approach and honing the necessary skills, financial planners can position themselves as indispensable orchestrators of financial success, expertly steering clients through the shifting currents of the financial world. 





Fintech and Its Transformational Impact on Financial Planning

Fintech is radically reshaping financial planning through cutting-edge technologies like AI, automation and data analytics—delivering personalised advice, enhancing efficiency and improving accessibility for consumers.



Fintech has reshaped the dynamic landscape of financial services through digital transformation, significantly improving connectivity, computing power and data availability, thus alleviating transaction costs and reducing information asymmetries. This transformational impact on financial planning has made services more accessible, efficient and cost-effective, benefiting consumers previously underserved by traditional banking and insurance institutions.

As fintech continues to evolve, competition within the financial industry is increasing, and new challenges and solutions are being presented for adoption. The future of financial planning is set to be deeply influenced by fintech, promoting efficiency and inclusivity in personal finance management.

THE ROLE OF AI AND AUTOMATION IN FINANCIAL PLANNING

Through the increasing integration of artificial intelligence (AI) and automation, fintech is revolutionising financial planning by making wealth management more efficient, personalised and accessible.

This transformation is largely driven by:

- **AI and Machine Learning:** These technologies are at the forefront, delivering personalised financial recommendations at scale, thereby enhancing the client experience.
- **Data Analytics:** Offers wealth management companies deeper insights into market trends and client behaviours, enabling the provision of tailored investment advice.
- **Real-Time Data Insights:** Clients benefit from managing investments and accessing financial advice anytime, with real-time data aiding in informed decision-making.

Furthermore, AI-driven automation plays a crucial role in:

- 1 **Enhancing Efficiency:** Automating tasks such as data entry, document verification and report generation reduces operational costs and minimises errors.



- **Personalisation through Technology:** Banks and fintech companies leverage technology to enhance client engagement, driven by the demand for a more personalised and tech-driven banking experience. This includes integrating client-facing tools that allow users to visualise their financial progress and receive timely reminders for updates, thereby fostering a more interactive and engaging financial planning experience.
- **Enhanced Accessibility and Transparency:** Fintech is addressing the gaps left by traditional banking institutions by offering more transparency, round-the-clock customer support and streamlined transaction management. This approach improves customer satisfaction and significantly boosts customer retention, revenue and the overall brand image of fintech companies.

Digital platforms are at the forefront of transforming client engagement by offering interactive tools that enable clients to track their financial journeys and investments in real time. These platforms simplify complex financial concepts through intuitive interfaces, making financial planning more accessible and understandable.

Additionally, the advent of open finance allows for the secure sharing of financial data across institutions under client control, providing advisers with a comprehensive view of a client's financial health and enabling real-time, tailored advice. This holistic approach to financial planning underscores the transformational impact of fintech on enhancing client engagement and experience.

2 Improving Investment Strategies: AI algorithms analyse historical data to identify patterns, improving portfolio performance.

3 Fraud Detection: Real-time transaction analysis by AI systems helps flag suspicious activities, ensuring financial security.

AI and automation are not just transforming financial planning processes but are also redefining client engagement and the strategic role of financial advisors, making the future of financial planning more dynamic and client-centric.

CLIENT ENGAGEMENT AND EXPERIENCE

In the rapidly evolving world of financial technology, the emphasis on client engagement and experience has become paramount. With 55% of consumers relying on fintech apps to navigate economic challenges, the average user juggles 3-4 apps, a number expected to rise, underscoring the growing normalisation of fintech solutions.

This surge is evidenced by the projected 178 million US mobile phone users making peer-to-peer (P2P) bank account payments by 2025. Furthermore, innovative payment technologies like P2P and real-time payments are quickly becoming the norm, revolutionising how consumers interact with financial services.

CHALLENGES AND SOLUTIONS IN FINTECH ADOPTION

Fintech adoption, while transformative, requires users to understand several challenges that must be navigated to harness its full potential. Key challenges include:

- **Security Concerns:** The rise in cyber attacks, identity theft and fraud poses significant risks. Implementing robust security measures like encryption and multi-factor authentication is vital for protecting user data and building trust.
- **Regulatory Hurdles:** Fintech companies face complex, fragmented regulations that often lag behind technological advancements. To support the financial advisory industry, they must stay abreast of regulatory changes, engage with policymakers and form partnerships with traditional financial institutions to navigate the regulatory landscape smoothly.

- **User Adoption and Infrastructure:** The generational divide in fintech adoption and infrastructural limitations, like unreliable Internet connectivity, can impede the widespread acceptance of fintech services. Strategies to overcome these challenges include enhancing interoperability through open Application Programming Interfaces (APIs) and investing in user education to demonstrate the value of fintech over traditional banking methods.

In addition, fintech firms need to ensure adherence to regulations regarding Know Your Customer (KYC) and Anti-Money Laundering (AML) practices, while also adjusting their marketing strategies to emphasise the convenience and effectiveness of their fintech solutions. By addressing these challenges head-on, fintech has the potential to revolutionise financial planning, making it more accessible, efficient and secure for users worldwide.

THE FUTURE OF FINANCIAL PLANNING


So, what will advisory services look like as the field is digitised and consumers are more informed? I believe that the future of financial advice will become far less robotic. We will have a renaissance in financial advisory that is less



about investments and more about what's essential in the client's lives.

In addition, AI will significantly reshape the financial planning landscape. AI-powered algorithms can analyse vast amounts of data to provide personalised recommendations and insights to clients. This technology enables financial advisors to focus more on understanding their clients' unique goals and aspirations, creating a more personalised and holistic approach to financial planning. By leveraging AI, financial advisory services can evolve to meet clients' changing needs and expectations in the digital age.

However, advisors need to take a holistic approach to client relationships; newer technologies will allow them to make this more central to their work. Computerised systems can take care of more technical aspects of the job that once took up large parts of an advisor's day. Instead of calculating risk and rates of return on investments, advisors can focus on big-picture questions. What's the best way to divide up wealth between heirs? Does a client have enough life insurance? Where should they live in retirement to maximise their savings?

Excellent financial planners are the ones who are good at having tough conversations directly with their clients. Financial planners who become more vulnerable and understand the clients' non-financial lives will be even more critical for advisors' success in the future. Once we let sound tech systems do the heavy lifting on the least human parts of financial planning—the math, the investment management and the rebalancing—we'll allow financial advisers to become more human and spend more time having the tough conversations that only humans can answer. 



About the Writer:

Donald Soo is the Chief Executive Officer and Founder of KoiZai Limited.

THE FINTECH EFFECT

Q: In what ways is fintech reshaping the finance sector?

A: Fintech is revolutionising the finance sector by improving access to financial services for those traditionally underserved, such as the underbanked and unbanked populations. This is a level of democratisation of access that traditional banking methods have not yet achieved.

Q: How does fintech affect the range and delivery of financial services?

A: Fintech has introduced more competition into the market, lowered the barriers for new entrants and expanded the variety of products and services available to consumers. It has also significantly enhanced financial inclusion by offering financial services to those who previously lacked access.

Q: What is the influence of technology on financial management?

A: Technology has dramatically enhanced financial management by increasing the accuracy of financial data through automation, which reduces the risk of errors and leads to more trustworthy financial statements. Additionally, it has enabled cost savings by automating processes, thus cutting down on labour expenses and operational inefficiencies.

Q: How is digital transformation impacting the finance industry?

A: Digital transformation profoundly impacts the financial advisory industry using automation and artificial intelligence (AI). These technologies make processes more efficient, improve service delivery and help to cut costs. For instance, AI-powered chatbots can now provide customer support, and AI algorithms are being used to detect fraud and manage risks more effectively.



Securing Lifetime FINANCIAL SECURITY

In an insightful interview, Raymond Lew, CEO, President and Country Head of Sun Life Malaysia, unveils the company's purpose-driven approach to financial health, highlighting the importance of insurance literacy and sustainable practices in empowering Malaysians towards a secure financial future.

Ensuring financial security and wellbeing throughout life's journey is a paramount concern for individuals and families alike. In an era marked by economic uncertainties and geopolitical tensions, having a solid financial roadmap backed by comprehensive protection can make all the difference. Sun Life Malaysia, a purpose-driven and sustainable company, has taken a proactive stance in addressing this crucial need, offering personalised solutions and resources to fostering financial literacy to empower Malaysians to achieve sustainable financial security.

EMBRACING DIVERSITY IN FINANCIAL SOLUTIONS

Furthering their commitment to providing comprehensive and inclusive financial solutions, Sun Life Malaysia offers its clients a unique value proposition: a choice of innovative

life insurance products and award-winning Shariah-compliant family takaful products under one roof.

Sun Life Malaysia aims to equip individuals and families with the knowledge and tools necessary to navigate the complexities of financial planning. Through tailored approaches, innovative insurance and takaful solutions and a commitment to embracing diversity in financial offerings, the company seeks to be a trusted partner, guiding its clients through every phase of life's journey.

Raymond Lew, CEO, President and Country Head of Sun Life Malaysia, shares. "We believe that financial protection is essential for long-term financial resilience. While many of us focus on accumulating wealth, it's easy to overlook the importance of protecting it. This protection is a crucial part of legacy planning, ensuring that our

hard-earned wealth is preserved for future generations or our loved ones.”

PERSONALISED PROTECTIONS FOR EVERY MILESTONES IN LIFE

Recognising the diverse needs and circumstances of individuals throughout life’s journey, Sun Life Malaysia offers a range of personalised solutions, tools, resources and support to be a trusted partner in guiding clients on their financial path. “Our advisors are well-trained and equipped to help our clients develop a personalised financial roadmap to take them through all of life’s stages, from starting a family, owning a home and managing their health to planning for retirement.”

“We understand it is not a one-size-fits-all situation,” Lew explains. “Selecting adequate coverage depends on an individual’s needs and requirements at different life stages and, of course, their financial capability.”

SHAPING A FINANCIALLY LITERATE SOCIETY

Findings from Sun Life Malaysia’s recent ‘Insure or Unsure: Sun Life Insurance Literacy Survey’ revealed a concerning trend.

The survey found that nearly one-third (32%) of respondents are not covered by any life insurance or takaful plan, despite 72% agreeing that insurance or takaful is important in providing financial protection.

Recognising the importance of financial literacy, especially insurance and takaful literacy, Sun Life Malaysia has taken proactive steps to elevate financial education through the launch of their year-long InsureLit Campaign.

“In Malaysia, financial literacy has primarily been led by regulators, industry bodies like Bank Negara Malaysia, the Life Insurance Association of Malaysia, Malaysian Takaful Association, insurance companies and more. However, this is not sufficient, as a significant number of Malaysians remain underinsured and unaware of the importance of financial protection,” Lew acknowledges.

That is why at Sun Life Malaysia, we believe widening access to education and resources for finances and insurance/takaful is key,” Lew emphasises. “There is a lot of work to be done to start shaping a financially literate society, hence we double down on efforts to advance financial security through our InsureLit campaign this year.”

INNOVATION FOR THE DIGITAL AGE

Complementing its efforts to advancing financial security is Sun Life Malaysia’s focus on product innovation. Sun Life Malaysia has pioneered innovative and award-winning insurance and takaful solutions tailored for the modern digital age.

This includes industry-first initiatives such as the e-hibah (nomination) feature, Takaful Suria, the first nationwide universal takaful product; Takaful Mulia, a comprehensive plan fulfilling the five pillars of Islam; GoLife and GoTakaful, Malaysia’s first mobile-based microinsurance



Raymond Lew,
CEO, President and
Country Head of
Sun Life Malaysia

“We believe that financial protection is essential for long-term financial resilience. This protection is a crucial part of legacy planning, ensuring that our hard-earned wealth is preserved for future generations or our loved ones.”

products; and Prime Family Critical Care-i, the first multigenerational critical illness plan.

“Sun Life’s product innovation strategy is an extension of our purpose to help clients achieve lifetime financial security and live healthier lives,” Lew states. “We will continue to leverage on digital technologies to deliver seamless, exceptional experiences and provide personalised, relevant solutions to our clients.”

EMBRACING SUSTAINABILITY

Being a part of a globally trusted and responsible financial services company with 159 years of experiences, Sun Life Malaysia has also embraced sustainability as a core principle.

Globally, Sun Life earns recognition as one of the Corporate Knights’ 2024 Global 100 Most Sustainable Corporations for 15 consecutive years.

“Being sustainable means we made sustainability a business priority from the inside out—transforming the way we think, act and operate as a company to create new values for our clients, employees, advisors and communities in the long term,” Lew elaborates.

“Sustainability is essential to Sun Life’s long-term business success,” Lew asserts. “That’s why we strive to embed sustainability in everything we do.”

For more information, visit www.sunlifemalaysia.com



Unlocking CRYPTO for Institutional Investors

Halogen Capital's pioneering approach integrates digital assets with traditional investment strategies, opening new avenues for institutional investors.

Cryptocurrency investment has emerged as a disruptive force, challenging traditional financial paradigms and offering a unique blend of risk and reward that has captured the attention of institutional investors seeking diversification and growth opportunities. As digital assets continue to gain mainstream acceptance and regulatory clarity, the need for innovative investment strategies that seamlessly integrate these novel asset classes with traditional portfolios has become increasingly paramount.

A trailblazer in Malaysia's institutional investment landscape, the firm Halogen Capital has carved a unique path by seamlessly blending cryptocurrency's innovative potential with time-honoured investment strategies. It has emerged as a beacon for sophisticated investors seeking to harness the opportunities presented by this burgeoning asset class. At the

helm of this pioneering endeavour is Hann Liew, Founder and Chief Executive Officer, whose insights shed light on the genesis of Halogen Capital's distinctive approach, the delicate art of balancing risks and rewards in crypto investments and the pivotal role of education in demystifying the digital asset market's complexities.

To gain insights into the pioneering integration of digital assets and traditional investment strategies, *4EJournazine* (4EJ) interviewed Hann Liew of Halogen Capital.



4EJ: Halogen Capital is recognised as a pioneer in integrating digital asset management with traditional investment strategies in Malaysia. Can you tell us about the genesis of this unique investment approach?

Liew: Our journey started with the observation that while retail crypto traders had options, institutional and sophisticated investors lacked viable choices. We realised that for crypto to truly impact people's lives, major institutions needed active involvement. Their participation adds credibility and stability and encourages more people to integrate digital assets into portfolios. So, we created an investment strategy combining traditional structures (e.g., unit trusts) with crypto's innovative potential, providing institutions with the tools to navigate crypto effectively while contributing to the market's growth.

4EJ: Cryptocurrency investments can be volatile. How does Halogen balance risks and opportunities when incorporating crypto into clients' portfolios?

Liew: Crypto's market cap has grown exponentially for a 15-year-old asset class, presenting opportunities akin to the 90s Internet boom. We recommend allocating rather than speculating, starting with a small exposure—say between 2% and 10%—and adjusting it over time based on the realised risk-adjusted return for your overall portfolio. Our approach carefully integrates crypto to complement traditional

“Our approach carefully integrates crypto to complement traditional investments, benefiting from growth while managing volatility.”



Hann Liew, Founder and Chief Executive Officer of Halogen Capital

investments, benefiting from growth while managing volatility.

4EJ: What measures does Halogen take to educate investors on the digital asset market's challenges and complexities?

Liew: Education is key. We provide weekly market insights, monthly webinars with experts, fund performance updates, dedicated fund managers for queries, in-depth research reports and offline events—ensuring investors stay informed and prepared.

4EJ: How do you see Malaysia's regulatory landscape for digital assets evolving, and how does Halogen ensure compliance while innovating?

Liew: Malaysia has proactively established clear regulations since 2019, approving six exchanges and about a dozen coins. In Malaysia, crypto is recognised as a security under the Capital Markets and Services Act (CMSA) 2007, which is similar to stocks and bonds. Additionally, the Shariah Advisory Council has ruled that investment and trading of digital assets that meet these requirements and are traded on Digital Asset Exchanges (DAX) registered with the Securities Commission (SC) are permissible.

We work closely with regulators to shape policies and ensure our innovative strategies align with requirements, creating a secure environment for investors.

4EJ: Could you share insights into digital assets' performance and trends compared to traditional investments over the past year?

Liew: Bitcoin soared 156% in 2023, outperforming major asset classes and marking its best year since 2020, driven by factors like anticipated US spot ETF launches and positive sentiment around the 2024 halving event. In comparison, the S&P 500 and US bonds saw 24% and 5.7% returns, respectively, highlighting crypto's exceptional performance.

4EJ: How does Halogen leverage digital and traditional assets' interplay to optimise portfolios?

Liew: By incorporating digital assets with low correlation to traditional markets, we enhance portfolios' resilience against market fluctuations while capitalising on their growth potential. This balance allows us to boost returns while maintaining stability, creating robust portfolios designed to thrive in various conditions.

4EJ: What role will digital assets play in investment management's future, and how is Halogen positioning itself to lead?

Liew: Digital assets offer advantages like 24/7 global trading, inflation hedging potential and asset tokenisation for transparency and efficient tracking. As regulatory frameworks evolve, they'll likely integrate further into mainstream finance. We're embracing these developments, offering innovative solutions leveraging digital assets' unique advantages while ensuring compliance and aiming to lead in integrating them into comprehensive strategies.



A New Era in Asset Management



Ushering a new phase in asset management with M & A Value Partners Asset Management Malaysia Sdn. Bhd.

M & A Value Partners Asset Management Malaysia Sdn. Bhd. (formerly Value Partners Asset Management Malaysia Sdn. Bhd.) stands as a beacon of institutional excellence and independent management. Now owned by M & A Equity Holdings Berhad and Value Partners Group Limited, this firm has been licensed by the Securities Commission Malaysia to provide regulated fund management services since December 2018.

In March 2024, M & A Equity Holdings Berhad acquired a 75% stake in the firm from Value Partners Group Limited, which retains a 25% share. Value Partners Group Limited, a prestigious asset management firm in Asia, boasts assets totalling approximately US\$5.3 billion as of 13 May 2024. M & A Equity is a pioneer and market leader in fund raising

within the local Malaysian capital market.

This strategic partnership merges the extensive expertise and expansive networks of both institutions and will be an enabler for M & A Value Partners Asset Management Malaysia for asset under management (AUM) growth and enhancing net returns to investors.

CORPORATE MILESTONES AND INNOVATIONS

One of the notable achievements was the launch of the VP-DJ Syariah China A-Shares 100 ETF on Bursa Malaysia, marking the world's first Islamic ETF investing in China A-Shares, providing investment opportunities for investors keen to build up an exposure in China/HK markets while being Shariah compliant.

DIVERSE OFFERINGS FOR VARIED CLIENT NEEDS

M & A VP Asset Management currently offers a range of investment solutions, including private mandates, wholesale funds and exchange-traded funds, catering to both institutional and individual clients. The investment team, with over 50 years of combined experience, employs rigorous analysis and nimble execution to navigate complex transactions and deliver exceptional returns.

OUR UNIQUE APPROACH TO FUND MANAGEMENT

M & A Value Partners Malaysia's strategy involves adapting to evolving market conditions while maintaining a commitment to integrity and transparency. The firm's commitment to corporate governance enhances shareholder value while safeguarding the interests of all stakeholders in the long run.

Our investors are our priority. This is our corporate value and identity. We want the market to take note of this, and as such, our products are structured in a way where fees are only chargeable when you, our investors, have made money via the fund.

IMPRESSIVE IPO PERFORMANCE IN RECENT YEARS

Since September 2020, Bursa Malaysia's IPOs have significantly outperformed the market, with an average positive return of 53% compared to the FBM-KLCI's return of negative 2.2%. This remarkable performance, coupled with an oversubscription rate averaging 37.86x for retail portions of IPOs, reflects an overwhelming demand in this space.

IPO Performance

Items	Descriptions
Number of IPOs since September 2020	59
Average return of IPOs since September 2020--April 2024	53%
FBM-KLCI returns since September 2020--April 2024	(2.2%)
Average oversubscription rate	37.86x

Source: Bloomberg

Top 10 IPOs for the period 2 January 2020-6 June 2024

NO.	Stock Name	Returns
1.	Nationgate Holdings Berhad	416%
2.	Master TEC Group Berhad	259%
3.	Synergy House Berhad	256%
4.	Infomina Berhad	248%
5.	Pappajack Berhad	237%
6.	Autocount Dotcom Berhad	230%
7.	Wellspire Holdings Berhad	196%
8.	LGMS Berhad	188%
9.	SFP Tech Holdings Berhad	178%
10.	Kawan Renergy Berhad	168%

Source: Bloomberg

BENEFITS OF INVESTING IN IPOs

An IPO allows a company to raise capital from the public, which can be used for business expansion and growth. This will eventually benefit the economy in terms of the creation of jobs and the provision of products and services.

For investors, the potential benefits of investing in an IPO include the prospect of capital gain upon listing in the stock market and the opportunity to participate in the growth potential of the company.

It is clear that there is sufficient market interest in selective IPOs, pre-IPOs and post-IPOs and plenty of investment opportunities across diverse sectors. We noticed a gap in this space where access to IPOs and fund-raising deals isn't made available equally to the general investing public.

We believe the level of investment due diligence to be conducted for an investment opportunity at the IPO stage will be the most extensive given the amount of information that is made available from regulatory filings. On top of this, the fair value of a security can be determined with greater accuracy even at the bookbuilding roadshow process, assessing overall general investor demand tension vis-à-vis the offer structure. [4EJ](#)

The First of Its Kind in Malaysia: An IPO-Focused Fund

Given the strong demand for IPOs, as evidenced by high oversubscription rates, the M & A Value Partners IPO Wholesale Equity Fund was launched to meet this demand by subscribing to available IPOs as an institutional fund.

The newly launched M&A Value Partners IPO Equity Fund, the first IPO wholesale fund in the market, is designed for sophisticated investors. The Fund invests primarily in Malaysian companies' equities and equity-related securities at pre-IPO stages, at IPO stages and also at post-IPO stages.

The fund will adopt a concentrated portfolio strategy of not more than 20 stocks at any time to ensure that every single winning investment we deploy has the maximum return contribution impact on the fund.



About the Writer:

Sean Yap is the Chief Executive Officer of M & A Value Partners Asset Managers Malaysia Sdn. Bhd. He has extensive experience in capital markets, having more than 15 years of experience in capital markets, including asset management, equity capital markets and research.



Crafting Financial Futures

In an exclusive interview, Alvin Kwan, Director and Head of Financial Planning at Redvest Wealth & Asset Management, discusses navigating Malaysia’s financial planning landscape, balancing technology and human advisors, and helping Malaysians reach their financial goals.

“Trust, effective communication, understanding client needs, behavioural coaching and shared values—these are the cornerstones of a successful and enduring professional relationship.”

Alvin Kwan, Director and Head of Financial Planning at Redvest Wealth & Asset Management



Alvin Kwan’s journey began with a profound realisation—the power of personal financial management. “It all started 18 years ago when I decided to pursue a Master’s in Financial Planning,” Kwan reflects. “Ever since then, my career has been exploring finance, ultimately leading me to financial planning.” Joining forces with his ally Ahmad Nazmi, Kwan established Redvest, blending asset management with financial planning.

EMBRACING INNOVATION WHILE PRESERVING THE HUMAN TOUCH

In an era where technological advancements are reshaping the financial landscape, Kwan emphasises the importance of striking a balance between innovation and the human touch. “At Redvest, we believe that technology does not replace our role; rather, it enhances our ability to provide Malaysians with better financial clarity,” he asserts.

Among the technological advancements poised to revolutionise the industry, Kwan identifies artificial

intelligence (AI) and machine learning as game-changers. “These technologies can analyse vast amounts of data, identify trends, predict market movements and provide tailored advice,” he notes.

However, Kwan highlights that human experts remain indispensable in bringing these capabilities together in a holistic manner. “At Redvest, we are moving towards leveraging existing fintech platforms to cater to the demands of younger clients while still primarily concentrating on the human side of financial advisory.”

MITIGATING RISKS, MAXIMISING RETURNS

Redvest’s flagship offering, the Redvest Strategic Income Fund 2, exemplifies the firm’s commitment to mitigating risks while delivering competitive returns. “The fund invests in quality private debt and equity-based securities that are often inaccessible or challenging for individual investors to assess,” Kwan elaborates.

Employing a multi-layered approach to risk mitigation, including guarantors and asset collateralisation, Redvest ensures that the fund’s investments are carefully safeguarded, enabling investors to capitalise on undervalued opportunities in the private securities market.

In the face of economic uncertainties, Redvest’s client-centric approach shines through. “Financial products are a means to an end—achieving clients’ goals,” Kwan explains. “Offering solutions like the RedVest Strategic Income Fund 2, which aims for stable returns, empowers clients to plan their futures confidently.”

THE EVOLUTION OF FINANCIAL PLANNING IN MALAYSIA

Kwan’s vision for the future of financial planning in Malaysia is one of continued growth and adaptation. “Clients expect tailored advice and customised financial plans,” he notes. “Financial planners must broaden their offerings to include sustainable and Shariah-compliant investment strategies.”

“Financial planners should closely monitor developments from regulatory bodies like the Securities Commission Malaysia and Bank Negara Malaysia,” Kwan advises. “Initiatives such as the Digital Innovation Fund (DIGID) present opportunities to foster innovation and enhance capital-raising activities.”

One of the greatest challenges, according to Kwan, is the prevalence of financial scams and frauds. “The industry finds itself in a battle to educate the Malaysian public on being

wiser in their decisions on where to invest their hard-earned savings,” he cautions.

Kwan emphasises the importance of seeking advice from licensed and regulated financial planners, as well as exercising caution when considering investment opportunities from foreign entities not approved by the Securities Commission Malaysia.

THE CORNERSTONE OF WEALTH MANAGEMENT

At the core of Kwan’s philosophy on wealth management lies a profound appreciation for the power of personal connections. “Personalities and personal rapport between planners and clients are crucial,” he emphasises. “Trust, effective communication, understanding client needs, behavioural coaching and shared values—these are the cornerstones of a successful and enduring professional relationship.”


Kwan’s approach to financial planning at Redvest is shaped by this belief, underscoring the importance of advisors who genuinely care about their clients’ financial wellbeing beyond short-term gains.

His commitment to the financial planning profession extends beyond his role at Redvest. As a Board of Governors Member for the Financial Planning Association Malaysia (FPAM), he plays a pivotal role in shaping the industry’s future. “FPAM has been a catalyst for numerous opportunities throughout my career,”

Kwan acknowledges. “Being a part of the Board of Governors allows me to contribute insights from both an association and industry perspective, fostering a practical connection between the two.”

PAVING THE WAY FOR FUTURE PLANNERS

For aspiring financial planners, Kwan offers invaluable advice: “Find a firm that aligns with your goals and personality. Seek mentors who can guide and inspire you. The key to a successful career lies in being part of a supportive environment that fosters growth and nurtures your passion for financial planning.”

As the financial planning landscape continues to evolve, Redvest Wealth & Asset Management, under Kwan’s visionary leadership, stands poised to navigate these changes with a steadfast commitment to empowering Malaysians through personalised, innovative and responsible financial solutions. 

Spotlight on Redvest Strategic Income Fund 2

The Redvest Strategic Income Fund 2 is a unique wholesale fund that aims to provide sustainable returns regardless of market volatility. Clients can benefit from investing in assets in prominent real estate entities in Malaysia, backed by secured and locked-in sales with capital and interest guarantees from target issuers. The Fund aims to achieve an estimated return of 9% p.a.; distributions are paid quarterly.

Key Features

- Invests in quality private securities not available to the public.
- Aims for low volatility by investing in assets that do not fluctuate and provide a fixed return regardless of market volatility.
- Provides premium recurring returns that have a pre-agreed return and repayment that have been layered with risk-minimising techniques and strategies.

How Does the Fund Fit into Your Investment Portfolio?

- As a fixed deposit enhancer to boost returns and counter inflation
- As a low-volatility asset to reduce portfolio fluctuation
- As diversification into alternative unlisted asset classes
- As a premium 9% p.a. passive income source
- As a savings vehicle for long-term goals like retirement





Charting a Green Course

Aligning investment strategies with personal values, the Institute of Financial Planners of Hong Kong is leading the charge in integrating environmental, social and governance principles into financial planning services.



As the world grapples with pressing environmental and social issues, the financial sector is recognising the need to align investment strategies with ethical and sustainable practices. At the forefront of this transition is the Institute of Financial Planners of Hong Kong (IFPHK), spearheading the integration of ESG principles into the heart of financial planning services.

One of the organisation's approaches is to weave ESG concepts into the globally recognised six-step financial planning process. This strategic move not only aligns with the growing demand for sustainable investing but also positions IFPHK members as pioneers in delivering holistic, values-driven financial planning services.

THE MULTIFACETED BENEFITS OF ESG INTEGRATION

According to Chris Tse, Chairman of the IFPHK, integrating ESG principles into the financial planning process yields numerous benefits for both clients and advisors. By adopting a client-centric approach that aligns investment strategies with personal values, IFPHK members can enhance client satisfaction and engagement.

Furthermore, the consideration of environmental and social factors promotes long-term sustainability, enabling clients to contribute to a more responsible and equitable future.

"Incorporating ESG factors into investment decisions not only aligns with our clients' values but also enhances risk management and potentially improves investment performance," Tse explains. "This approach positions our members at the forefront of regulatory compliance and differentiates them in an increasingly competitive market."

TAILORING SOLUTIONS TO CLIENT PREFERENCES

One of the key challenges in ESG integration lies in

addressing the varying levels of ESG awareness and preferences among individual clients. The IFPHK's approach involves a comprehensive understanding of each client's unique perspective, beliefs and priorities regarding sustainability.

"Our financial planners are trained to have in-depth conversations with clients, exploring their values, goals and risk tolerance related to ESG factors," Tse says. "This personalised approach ensures that the recommended investment strategies and portfolio allocations align seamlessly with the client's specific ESG preferences."

By fostering open dialogue and utilising specialised assessment tools, IFPHK members can gain valuable insights into their clients' sustainability mindsets. This information then informs the development of tailored financial plans that strike the perfect balance between financial objectives and ESG considerations.

EDUCATING CLIENTS ON THE PATH TO SUSTAINABILITY

While the integration of ESG principles into financial planning presents a significant opportunity, there exists a wide range of awareness levels among individual clients regarding ESG concepts and their practical applications. To address this challenge, the IFPHK has implemented a multifaceted strategy focused on education and client engagement.

"Financial planners can engage clients in discussions about ESG concepts during the initial stages of the planning process," Tse says. "By using clear explanations and providing informational resources, we aim to help clients explore their values and preferences in relation to ESG factors."

The IFPHK has also launched the Professional Certificate in Sustainable Investment Management and ESG Integration,



equipping financial planners with the knowledge and tools to effectively educate clients on ESG investing. Additionally, collaborations with ESG experts and a client-specific approach ensure that educational efforts are tailored to individual needs.

COLLABORATION FOR INDUSTRY LEADERSHIP

Recognising the importance of industry-wide collaboration, the IFPHK is actively engaging with regulatory bodies and stakeholders to position Hong Kong as a leader in sustainable financial practices. The organisation is



Chris Tse, Chairman of the IFPHK


committed to advocacy, policy engagement and the development of industry standards and guidelines.

“By collaborating with regulatory bodies like the Securities and Futures Commission, the Hong Kong Monetary Authority and the Insurance Authority, we can advocate for the integration of ESG principles into the regulatory framework,” Tse explains. “Additionally, our partnerships with industry stakeholders aim to establish common reporting frameworks and share best practices.”

The IFPHK’s dedication to research and thought leadership further contributes to the development of sustainable finance practices in Hong Kong, generating insights and promoting the adoption of ESG principles across the industry.

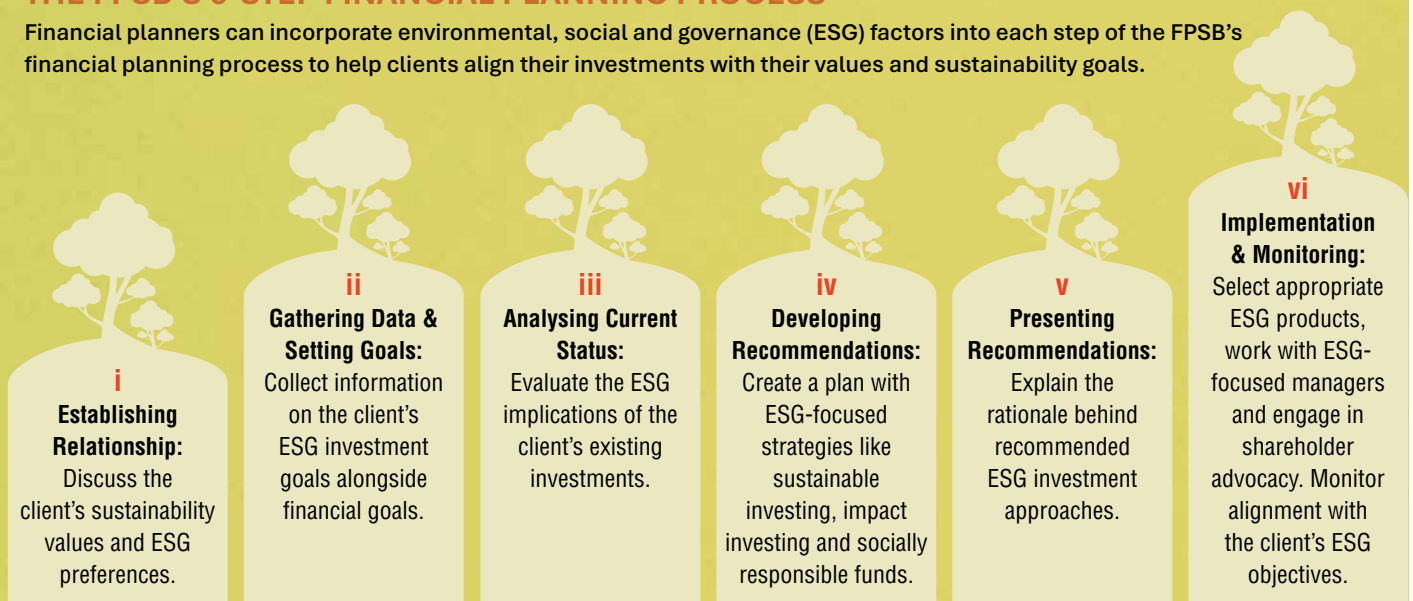
A SUSTAINABLE FUTURE FOR FINANCIAL PLANNING

As the world navigates the complexities of environmental and social challenges, the integration of ESG principles into financial planning has become a crucial step towards a more sustainable and responsible future. The IFPHK’s trailblazing efforts to harmonise ESG concepts with the six-step financial planning process exemplify the industry’s commitment to adapting to evolving client needs and contributing to a more equitable and prosperous society.

Through continued collaboration, education and advocacy, the IFPHK is poised to cement Hong Kong’s position as a leader in sustainable financial practices, empowering financial planners to guide clients towards a future that aligns their financial goals with their values and aspirations for a better world. 

HOW FINANCIAL PLANNERS CAN INTEGRATE ESG INTO THE FPSB’S 6-STEP FINANCIAL PLANNING PROCESS

Financial planners can incorporate environmental, social and governance (ESG) factors into each step of the FPSB’s financial planning process to help clients align their investments with their values and sustainability goals.





Wisdom for Financial Dignity

Raju K Ramasamy, author of *How to Live and Die with Dignity*, shares his personal journey of achieving financial freedom, navigating economic challenges and leaving a legacy through practical financial planning.



As a veteran financial planner with over 40 years of experience, I've witnessed the profound impact that proper financial planning can have on one's life. My journey of advocating for financial dignity was deeply personal, shaped by the struggles of my own family and the lessons learned through triumph and tragedy.

It all started when I lost my father at the tender age of 16. Being the eldest of

five children, I witnessed firsthand the immense challenges my mother faced as she navigated the financial burdens alone. This formative experience instilled in me a deep understanding of the importance of having a solid financial foundation, not just for oneself but for the wellbeing of loved ones.

Years later, when my beloved wife lost her six-year battle with cancer in November 2020, the gravity of our financial preparations became even

more apparent. Despite the emotional turmoil, our carefully crafted financial blueprint allowed us to navigate the considerable medical expenses and challenges with dignity, without the added burden of financial strain.

A MISSION FOR FINANCIAL EMPOWERMENT

These pivotal moments in my life ignited a passion within me to advocate for financial literacy and planning in every Malaysian household. It became my mission to empower individuals, businesses and retirees with the tools and knowledge to live and die with dignity, free from the shackles of debt and financial uncertainty.

In my newly released book, *How to Live and Die with Dignity*, I share the distilled wisdom of my four-decade career, providing a comprehensive roadmap for achieving financial freedom. The book addresses both novice and experienced investors, guiding them through the complex world of risk management, investment strategies and estate planning.

INSIGHTS FOR NOVICE AND EXPERIENCED INVESTORS

For those just starting their financial journey, it's important to set clear investment objectives and avoid the temptation of chasing high returns at the expense of negative cash flow impacts. The book lays a solid foundation with investing basics before progressing to more advanced strategies tailored for short-, medium- and long-term planning.

Even seasoned investors will find value in the book's insights on

diversification and the necessity of regularly reviewing and updating their financial plans with the guidance of licensed professionals. I've included a sample financial plan in the book to serve as a practical reference for readers.

THE KEY TAKEAWAYS

If there's one key takeaway I hope readers will grasp from my book, it is the crucial role of emergency funds and financial preparedness in navigating life's unexpected challenges. The Covid-19 pandemic has been a stark reminder of the fragility of our circumstances and the importance of having a robust financial safety net.

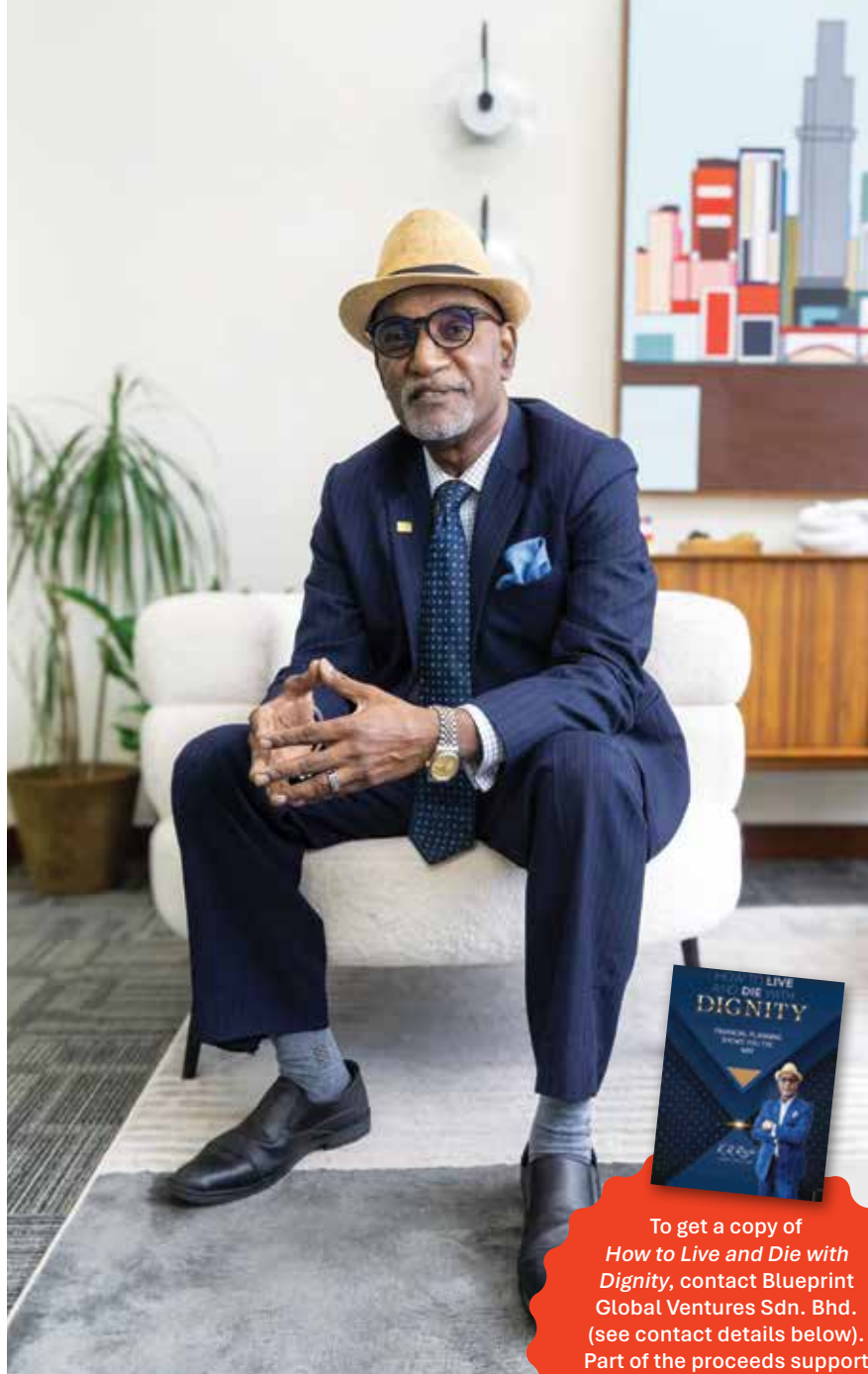
Overcoming excessive debt is also a major obstacle to achieving financial freedom, and I dedicate a significant portion of the book to debt management strategies. I understand the struggles many young individuals face today, grappling with the burdens of credit card debt, personal loans and the potential pitfalls of loan sharks.

One actionable strategy I encourage readers to implement immediately is to engage a competent, licensed financial planner and write their financial plan. This process involves establishing clear financial goals, projecting cash flow statements, evaluating risk appetites and seeking professional guidance to navigate the complexities of their financial journey.

THE FUTURE OF FINANCIAL PLANNING

Looking ahead, the future of financial planning is shaped by factors like the ageing population. In Malaysia, the percentage of people aged 65 and older rose from 7.2% in 2022 to 7.4% in 2023, with 2.5 million now in this category. This trend highlights the importance of retirement planning, managing healthcare expenses and securing regular income. Estate planning is increasingly necessary to ensure wealth is passed down efficiently and tax responsibilities are minimised.

As financial products become more complex and aggressively marketed, the demand for competent advice from licensed financial planners will




To get a copy of *How to Live and Die with Dignity*, contact Blueprint Global Ventures Sdn. Bhd. (see contact details below). Part of the proceeds support B40 breast cancer patients.

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continue to rise. My book serves as a guiding light, equipping readers with the knowledge and strategies to steer their financial course and overcome obstacles, ultimately achieving the freedom and dignity they deserve.

A LASTING LEGACY

Through my personal journey and professional experiences, I've come to understand that financial planning is not just about numbers and strategies; it's about empowering individuals and families to live their lives with purpose, security and a lasting legacy. It is my hope that *How to Live and Die with Dignity* will inspire and guide readers towards a future where financial dignity is within reach for all. 

About the Writer:

K.R. Raju is a veteran in the financial services industry with over 40 years of experience. A Chartered Financial Consultant (ChFC) and Certified Financial Planner (CFP), he established a financial planning practice licenced by the Securities Commission Malaysia. Raju is a highly acclaimed speaker known for inspiring and motivating audiences, as well as mentoring the younger generation. He is the author of *How to Live and Die with Dignity* (2024) and *Winning Strategies in Financial Planning* (2001).

Financial Literacy Gets a Boost in Sabah Through the FPAM-SCC Partnership



In an exciting development for financial empowerment in Sabah, the Financial Planning Association of Malaysia (FPAM) and Sabah Credit Corporation (SCC) have joined forces through a Memorandum of Understanding (MoU) signed on 2 May 2024. This strategic collaboration aims to enhance financial literacy and planning expertise in the state, paving the way for a future of informed financial decision-making.

The MoU was formalised during an event that featured the Bengkel Pendidikan and Financial Planning Seminar sessions, underscoring the commitment of both organisations to equip individuals with the knowledge and skills necessary to navigate the complexities of personal finance. By pooling their resources and collective expertise, FPAM and SCC are poised to elevate professional standards and increase the number of certified financial planners in Sabah.

SCC, a statutory body under the Sabah State Ministry of Finance, has a long-standing focus on regional socio-economic development. This partnership aligns seamlessly with SCC's mission to contribute to the state's growth by facilitating access to financial resources and promoting private investment across various sectors, including agriculture, light industry, housing and public utilities.



As financial products and services become increasingly complex, the need for comprehensive financial education and guidance has never been more pressing. Through this collaborative effort, FPAM and SCC are taking proactive steps to empower the people of Sabah with the tools and knowledge they need to make informed decisions about their finances, ultimately paving the way for a more prosperous and financially secure future.

With a shared vision of fostering financial wellbeing, FPAM and SCC are poised to make a lasting impact on the lives of individuals and communities throughout Sabah. This partnership marks a significant milestone in the state's journey towards financial literacy and responsible money management, setting the stage for a brighter economic future.



EPF Reshapes Member Accounts

In a move to cater to members' life cycle needs, the Employees Provident Fund restructured its account system into three components focused on retirement, wellbeing and flexibility.

The Employees Provident Fund (EPF) announced a restructuring of its members' accounts, effective 11 May 2024, to enhance their income security after retirement while addressing their current life cycle needs. The existing two accounts (Account 1 and Account 2) were restructured into three new accounts: Akaun Persaraan (Account 1), Akaun Sejahtera (Account 2) and Akaun Fleksibel (Account 3).

Akaun Persaraan will accumulate savings that will serve as income during retirement, while Akaun Sejahtera will address lifecycle needs that contribute to wellbeing during retirement. The new Akaun Fleksibel will provide flexibility for short-term financial needs, allowing members to withdraw funds at any time according to their needs.

After 11 May 2024, all new contributions will be allocated as follows: 75% into Akaun Persaraan, 15% into Akaun Sejahtera and 10% into Akaun Fleksibel. Between 11 May and 31 August 2024, members will have a one-time option to transfer part of their Akaun Sejahtera balance as an initial amount to Akaun Fleksibel.

The EPF Account Restructuring initiative aims to empower members in making decisions that balance their future retirement needs with short-term financial needs while increasing retirement savings to ensure sufficient retirement income.

MANAGING THE FLEXIBLE ACCOUNT

Providing guidance on managing the new flexible account, a podcast episode titled *The Nitty Gritty of EPF Account 3* on BFM explored how members of the EPF in Malaysia should manage the new flexible account and when withdrawals from it might be advisable.

Licensed financial planner Angie Ng explained that the new flexible account gives members greater control over their savings, which can be both

beneficial and risky. While it allows withdrawals for emergencies, providing short-term relief, it also risks depleting retirement savings faster.

Ng explained that EPF members should be cautious about frequent withdrawals. The flexible account should ideally serve as an emergency fund for genuine needs. She advised building an emergency fund with 3 to 6 months of living expenses using a budget allocation strategy (e.g., 60% for living expenses, 20% for investments, 10% for asset protection, and 10% for emergency savings).

Members can transfer funds from

Account 2 to Account 3 for specific financial goals, such as buying a house or funding education, but those with stable finances or nearing retirement should reconsider opting into the flexible account.

Ultimately, the decision to use the flexible account depends on individual financial goals and risk tolerance. Members must weigh the pros and cons and assess their financial situation honestly, as Malaysia's overall EPF contribution rate is lower compared to neighbouring countries, and taking EPF savings seriously is crucial for future financial security.



FPAM'S ANNUAL SIGNATURE FINANCIAL PLANNING SYMPOSIUM 2024

The FPAM Annual Signature Financial Planning Symposium 2024 concluded after a full day of sessions and discussions held on 8 May 2024, at the Menara Affin Auditorium in Kuala Lumpur. Nearly 300 financial planners attended the symposium physically, with an additional 385 joining virtually. The day began early at 8:00 a.m. with attendee registration, followed by opening remarks from Alvin Tan, the president of the Financial Planning Association of Malaysia (FPAM), and a keynote speech by Datuk Seri Dr. Awang Adek Hussin, the Chairman of the Securities Commission Malaysia (SC).

In his opening speech, FPAM President Alvin Tan expressed deep appreciation for the unwavering commitment to advancing

education and innovation in financial planning, highlighting the importance of partnership and the transformative power of knowledge. Tan pointed out the symposium's aim to equip attendees with cutting-edge tools and perspectives amidst rapid technological changes and complex market dynamics. He also encouraged active engagement and collaboration to elevate financial planning practices and achieve shared objectives, making financial security accessible to everyone.

Following the president's remarks, SC Chairman Dato' Seri Dr. Awang Adek Hussin highlighted that the Malaysian economy is currently experiencing moderate growth. He noted that baby boomers are stepping back as they approach retirement, passing their wealth to the next generation, who are increasingly focusing on digital and sustainable



Dato' Seri Dr. Awang
Adek Hussin,
SC Chairman

investments. "For the first time, on 7 May 2024, the stock market capitalisation touched RM2 trillion. The market has grown by a healthy 10% this year," he proudly announced.

Overall, the symposium covered essential topics important to the public, such as personal wealth management, risk assessment, and the impact of financial regulations. This information enables individuals to make informed financial decisions and reach their financial objectives.

Engaging Sessions on Critical Financial Topics



(L-R) Husaini Hussin, Anne Leh, Chris Tse, Demi Chan, Dato' Paduka Syed Mashafuddin Syed Badarudin, Calvin Goon, Alvin Tan, ACP Foo Wei Min, Dato' Seri Dr Awang Adek Hussin, Alex Lee, Professor Dato' Dr Chua Hock Hoo, Alvin Kwan, Ranjinath Muniandy, Chan Chee Lim

1 The first session, presented by ACP Foo Wei Min, Assistant Director of Money Laundering Investigation (AMLA), Commercial Crime Investigation Department of the Royal Malaysian Police, focused on the complexities of detecting and combating money laundering.



2 Following a morning break, the symposium resumed with insights into artificial intelligence and natural language processing by Michael Heaney from Ernst & Young Consulting.

3 The next session continued with Lam Kwai Soon, COO and Tax Managing Director of the Cheng & Co Group, who enlightened attendees on the transformative effects of e-invoicing on accounting functions.



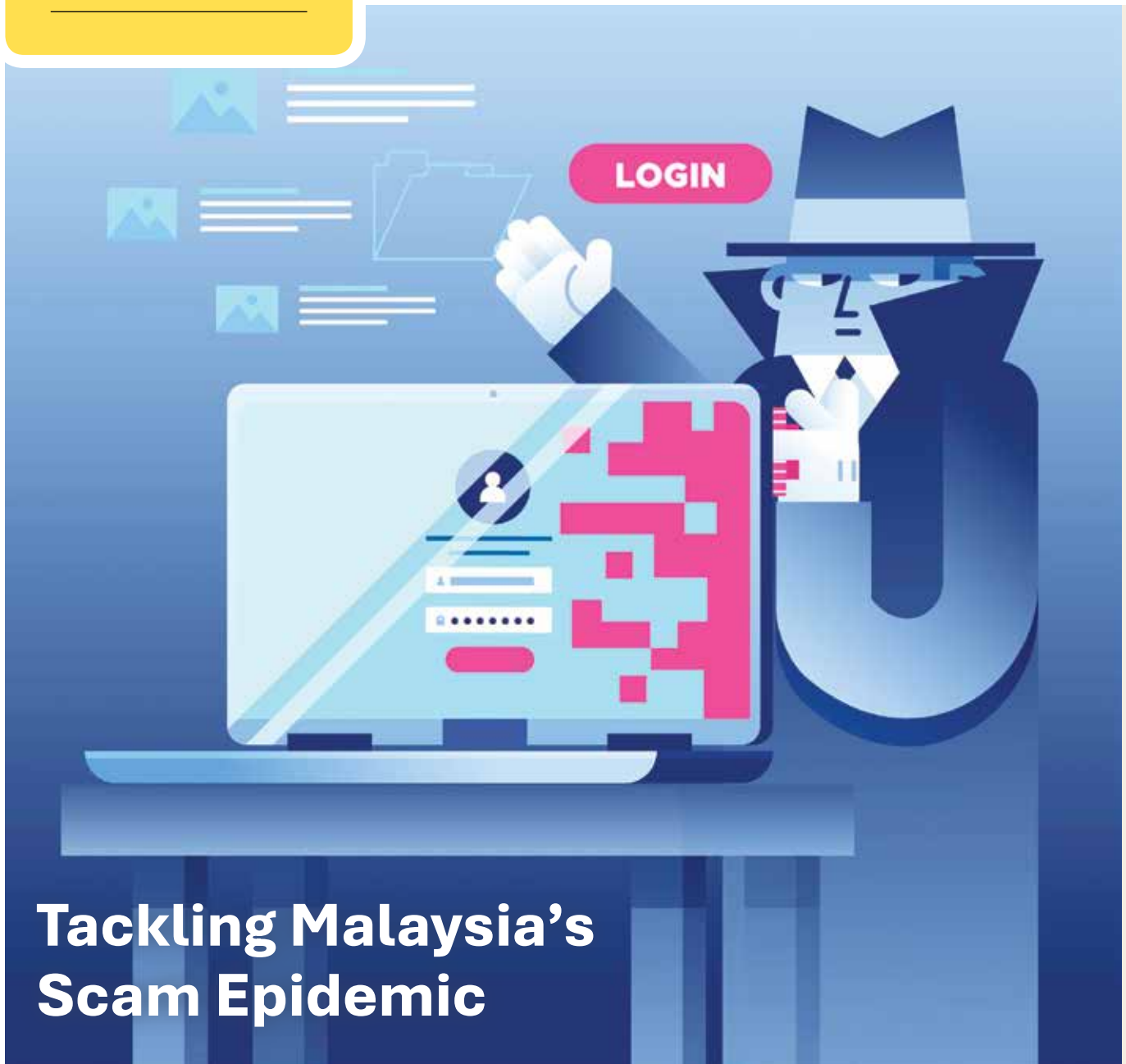
4 After a brief interlude for lunch, participants engaged in a session on ESG and financial planning, emphasising the importance of integrating environmental, social and governance factors into investment strategies, led by Chris Tse, Chairman of the Institute of Financial Planners of Hong Kong.



5 The event moved towards its end with a session on how the capital market can enhance portfolios, presented by Shahrul Amry Malek, Head of Strategic Business Partners and Governance at Affin Hwang Investment Bank Berhad.

The symposium came to a close with final remarks by the CEO of FPAM, Alex Lee, marking the conclusion of a day rich with strategic financial insights and forward-looking discussions. [AFB](#)





Tackling Malaysia's Scam Epidemic

In an eye-opening forum by the Financial Planning Association of Malaysia (FPAM), leading financial experts dissect the rampant rise of scams in Malaysia, exploring solutions and strategies to arm the public with the knowledge and tools needed to protect their money and secure their future against fraud.

The 'Protect Your Money, Secure Your Future' forum convened experts to dissect the surge of financial fraud and scams in Malaysia. The moderator, Alvin Tan, President of FPAM, began by highlighting alarming statistics: over RM5.2 billion was lost to scams in Malaysia over the last two years, with 68% of the cases being online scams. Despite awareness campaigns, scams persist, challenging Malaysians' preparedness to identify and avoid them.

Key takeaways from the discussion include the public's need for proactive self-education on scam tactics via credible resources and exercising caution with personal information online. Panellists from both the banking and insurance sectors emphasised the significance of individual vigilance and the role of financial literacy in combating scams.

The forum also explored the potential of technological advances like centralised digital IDs to improve

online transaction security and streamline verification processes. This innovation holds promise for aiding in scam detection and reducing fraudulent accounts by interconnecting various systems. Fraudulent account creation methods, such as ID theft and alteration, were highlighted, reinforcing the dependency on online banking processes and the necessity of robust cybersecurity.

The panellists endorsed educational initiatives, particularly in rural and underserved regions, to bolster financial literacy and scam awareness. In essence, the session emphasised the importance of due diligence, scepticism and active engagement with licensed financial professionals in safeguarding against financial scams.

EXPERT ROUNDUP



Mohd Radzuan Mohamed
CEO of the Malaysia Takaful Association

Drawing from his background in risk management, Radzuan explained a structured approach to handling risks, which involves identifying, evaluating and controlling risks. He emphasised the importance of vigilance, likening the digital space to a 'cyber jungle' where individuals must be aware of potential dangers.

Radzuan pointed out the common pitfall of believing "it will never happen to me," which leads to lowered defences and increased susceptibility to scams. He advised seeking second opinions on investment opportunities to avoid falling prey to scams and stressed the importance of not exposing oneself too much on social media to avoid becoming a target.

He underscored the necessity of staying vigilant to outsmart these evolving threats and to minimise exposure. He emphasised that having knowledge alone isn't sufficient; one must also act on that knowledge to prevent becoming a victim.



Irene Tan
Chief Compliance Officer of Standard Chartered Bank Malaysia

Tan discussed common financial scams and how social engineering allows scammers to appear legitimate. She highlighted how scammers can exploit social media posts to deceive friends and contacts by pretending to be the victim.

Tan recommended a balanced approach to sharing data and acknowledged the harsh reality that personal data is often compromised and available on the dark web. She advised against widely sharing of personal information, even for routine activities like loyalty programmes, due to potential misuse in scams.

Idi Irwan B. Zainal Abidin

Executive Director of Bill Morrisons Wealth Management

Idi Irwan warned about the common threat of identity theft, explaining that scammers often use information from social media updates and devices to steal identities. He described how brilliant scammers psychoanalyse individuals based on their online behaviour to exploit their weaknesses, such as greed or the desire for money.

Irwan highlighted that scammers use stolen IDs to attract victims, even hacking WhatsApp IDs to lure potential targets. He stressed the importance of not being too trusting, understanding the tactics scammers use and staying vigilant. He also pointed out the role of artificial intelligence in scams, such as creating fake videos for endorsements and advised subscribing to credible sources like Bank Negara Malaysia's social media pages to stay informed on scam tactics.



C T Koo
CEO of A.D. Evoque Financial Sdn Bhd

Koo emphasised the intangible effects of scams, such as eroding interpersonal trust and societal cohesion. He highlighted the role of financial literacy in countering scams and stressed the need to discern the veracity of online information.

He also made the point that mere awareness of scams is not enough; there must be further measures to help people understand the extensive societal risks scams present, beyond the immediate financial losses. He advocates for innovative strategies that extend beyond simple awareness to effectively combat this issue.

Common Types of Scams

Scammers are incredibly creative, employing various tactics to deceive their victims. Common scams include:



These scams promise high returns, often using fake endorsements from celebrities or well-known individuals to appear trustworthy. They may encourage initial small investments that yield returns, which convince victims to invest more and lead them to recruit friends and family.



A Macau/parcel scam is a type of fraud where victims are tricked into paying fees or taxes for receiving a fake prize, package or winnings from an illicit overseas lottery or bogus company.

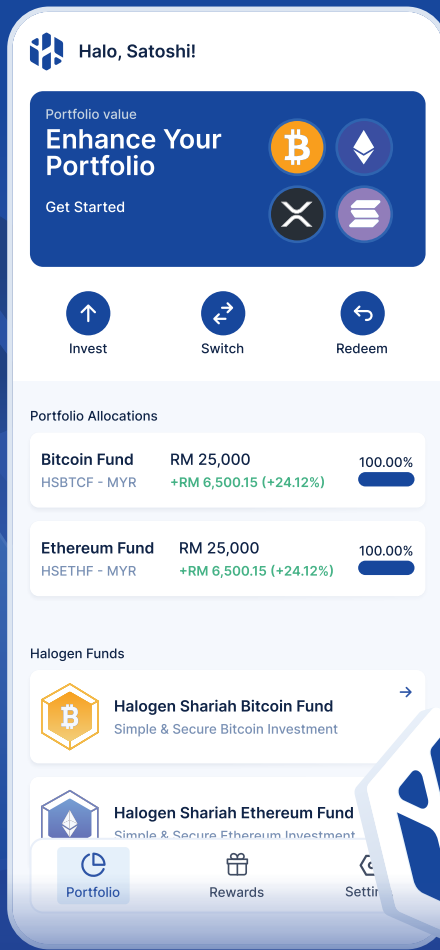


These scams trick individuals into downloading malicious links or making payments that compromise their accounts and passwords.

Summary of Events: July to September 2024

NO	DATE	EVENT	LOCATION	EVENT FROM	PROGRAMME TITLE
JULY 2024					
1	Wednesday, 03 July 2024	CE Workshop	KL/Sel	FPAM	Beyond Will & Trust - How to Integrate Client's Estate Plan to Protect, Preserve & Perpetuate Their Assets
2	Saturday, 13 July 2024	CE Workshop	KL/Sel	FPAM	Introduction to Algorithmic Trading: Building Your Trading Bot
3	Tuesday, 16 July 2024	CE Workshop	KL/Sel	FPAM	Performing Comprehensive Retirement Planning with Microsoft Excel
4	Saturday, 20 July 2024	CE Workshop	Perak	Perak Chapter	Navigating Success: Asian Family Office Strategies in Wealth & Business Succession Planning
5	Tuesday, 23 July 2024	CE Workshop	KL/Sel	FPAM	Successful Investment Strategies in Unit Trust Investments
6	Saturday, 27 July 2024	CE Workshop	KL/Sel	FPAM	Legacy Planning – Mastering the Art of Legacy Creation and Protection
AUGUST 2024					
1	Saturday, 03 August 2024	CE Workshop	KL/Sel	FPAM	Personal Income Tax Planning
2	Tuesday, 06 August 2024	CE Workshop	KL/Sel	FPAM	ESG Investing – Progress and Challenges
3	Monday, 12 August 2024	CE Workshop	KL/Sel	FPAM	Art of Value Investing: Exploring the Dynamics of Your Stock Skills
4	Friday, 23 August 2024	CE Workshop	KL/Sel	FPAM	Risk Management in Personal Financial Planning
5	Monday, August 26, 2024	CE Workshop	KL/Sel	FPAM	How to Manage An Equity Portfolio Using Both Fundamental Analysis (FA) and Technical Analysis (TA) - "FATA"
6	Wednesday, 28 August 2024	CE Workshop	KL/Sel	FPAM	Sales Mastery 2.0 - Unleashing Potential and Closing Deals
SEPTEMBER 2024					
1	Saturday, 07 September 2024	CE Workshop	KL/Sel	FPAM	Investing Your Money The Right Way
2	Tuesday, 17 September 2024	CE Workshop	KL/Sel	FPAM	Islamic Estate Planning
3	Tuesday, 24 September 2024	CE Workshop	KL/Sel	FPAM	Applying Economic Data For Stock Analysis
4	Saturday, 28 September 2024	CE Workshop	KL/Sel	FPAM	Understanding Guaranteed Income in Income Insurance Plans & How To Calculate My Actual Return In Property Investments





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