Gearing Up for a Big Change

Upping the Ante for Fee-for-Service Financial Advisory

Building Trust for Lifetime Clients

Just Short of the Required Majority

Of Education and Public Awareness

Raymond Tang
CEO
Eastspring Investments Bhd
Managing change is a tough job and Raymond Tang knows exactly what the task is all about since coming on board as the new CEO of Eastspring Investments Bhd. He is in charge of the growth strategy of the company’s business in Malaysia as well as overseeing local investment performance. And as if the unenviable task of managing the performance of local investments is not demanding enough, Tang also shoulders the responsibility of putting the company on a strategic pathway to capture future business.
Dear Members,

The month of May 2016 saw the successful launch of the inaugural Annual Financial Planning Signature Conference (AFPSC). It was a historic event and a milestone for the industry. It was also an overwhelming feat. The reason: all four financial planning associations collaborated and organised it. The AFPSC 2016 had over 360 participants and was well supported by both regulators – the Securities Commission and Bank Negara Malaysia – who recognised the joint efforts of the four associations to bring the financial planning profession to the next level.

I used the word overwhelming because we had to, with a very heavy heart, turn down many late comers because of space constraint. I promise we will look for a bigger venue next year to accommodate everyone.

On the Association front, there are several exciting developments. Firstly, our revived Johor Bahru Chapter has been renamed the Johor Chapter. The protem committee is a dynamic and enthusiastic group and I would like to take this opportunity to encourage Johor members to participate in all upcoming activities of the chapter to keep abreast with the latest industry developments and at the same time accumulate your continuing education points for licence and membership renewal with the Securities Commission (SC) and the Federation of Investment Managers (FiMM) respectively. Secondly, the Malaysian Financial Planner of the Year Awards have yielded a winner, Kevin Neoh and second runner-up Jennifer Chuah. Congratulations to both of them.

Next is our recognition of the Islamic Financial Planner® (IFP) certificants. Usage of the IFP credential, which is a professional qualification, requires an on-going membership with Financial Planning Association of Malaysia (FPAM) as the certification programme is jointly-owned by FPAM and IBFIM (Islamic Banking and Finance Institute Malaysia).

Those who have completed their IFP certification, please remember to renew your Associate Membership. The plus point is that those who are already our Certified Members through their CFP certification are required to hold only one membership for the two credentials and pay only one membership fee of RM400. The names of these members will then be listed on the FPAM and IBFIM websites.

Please take note, a candidate will only be allowed to take up the IFP certification if they are members of FPAM. Those who have completed and passed the exam and do not take up membership by December 2016 will be required to be recertified by going through the IFP certification again. Once again, I urge all IFP certificants to quickly take action on your membership to validate your qualification for which you have invested time and effort to obtain.

Last, but not least, I would like to wish all our Muslim members Selamat Berpuasa for the remaining period of Ramadhan and Selamat Hari Raya Aidifitri. Sharifatul Hanizah Said Ali, CFP CERT™
President
president@fpam.org.my
One common question often asked of the Malaysian financial advisory services community is this: Are clients really willing to pay fees for advisory services provided by qualified and licenced financial advisers?

Since the introduction of financial planning in Malaysia in year 2000, the fee-based advisory business model has been touted as a game changer for the various stakeholders in this sunrise industry. Truth be told, few financial services professional today would be able to proudly claim that the bulk of their clientele are fee-paying advisory clients.

So is fee-for-service financial advisory a myth or reality in Malaysia?

What is fee-for-service?

First, let’s get on the same page on what fee-for-service is all about. Fee-for-service is a business model where a financial adviser charges professional fees for his advisory services. After which, he may or may not earn commissions from the implementation of the financial advice or strategies proposed. By doing so, he is properly compensated for his time cost in providing the advisory service and will have no need to push products to earn commissions to cover his cost. Earnings from commissions, if any, are a bonus rather than a “bread and butter” source of income for him. This model is no different from what is practised by medical doctors and most other professionals.

Fee-for-Service – Myth or Reality?

This brings us to the big question: is fee-for-service financial advisory a myth in Malaysia?

One could argue that the answer is both YES and NO.

It is a myth if financial services professionals are asking clients to pay a fee for the plain vanilla financial plan. It is NOT a myth if financial advisers are able to extract the essence of the comprehensive financial planning process and repackage it into a unique value proposition – a value proposition which is not only a need but a want that is illogical for the client to refuse.
The reality is that for the Malaysian middle class, at the top of their priority list is the need to grow every single cent of their hard-earned money. They need to constantly be on the lookout for the best way to enhance their wealth. However, this may not materialise if they do not embark on this journey with the support of a comprehensive financial plan.

Most fee-for-service advocates would admit from experience that Malaysian consumers are not exactly excited to pay for something like having a comprehensive financial plan – which is important, but not urgent or attractive to them. This is evident where most Malaysian consumers will opt for the value-added form of financial planning services (a.k.a. “free”) that comes packaged with commission-based services.

Although commission-based services have their own niche, the crux is that the requirement for comprehensive financial planning services offered by fee-for-service proponents is fast becoming a necessity rather than a luxury.

Incubating for more fee-for-service professionals in Malaysia

It is envisaged that the need for fee-for-service advisory will grow as consumers become more discerning and their requirement for financial advisory services become more complex and the need for more holistic financial advice becomes more evident.

The financial advisory industry is currently dominated by commission-led activities, with industry players mainly focusing on selling multiple products in return for commissions instead of commanding a professional fee. This has resulted in a situation where practitioners lack the experience and confidence to offer holistic independent financial advisory services to fee paying clients.

One of the biggest challenges faced by CFP CERT™ professionals is identifying successful business models to emulate in order to launch their fee-for-service careers.

It is now paramount to incubate more fee-for-service professionals to provide comprehensive financial advisory services. The fiduciary responsibility of fee-based advisory practitioners will provide a natural move away from product-based advisory services which could have limitations in providing consumers with comprehensive solutions. It would also eliminate concerns of the consumer about the products that are recommended by a commission-based adviser.

There is a need for financial planning associations representing the profession to realise this and work with the industry to support initiatives that provide mentoring programmes to nurture more professionals towards the fee-for-service path.

This will only augur well for both the profession and the Malaysian consumer.

“Are clients really willing to pay fees for advisory services provided by qualified and licenced financial advisers?”

Footnote

The Financial Planning Association of Malaysia (FPAM) recently came out in full support of the launch of an industry-led initiative by Whitman Independent Advisors. Whitman’s Fee-for-Service Financial Advisory Mentoring programme is the first structured fee-for-service mentoring programme offered by a financial advisory firm in Malaysia.

“The facilitation of a mentoring programme for aspiring financial advisers is an industry game changer,” Linnet Lee, CEO of FPAM said. “It addresses present industry gaps such as the need for practical hands-on training and knowledge transfer which is crucial to their professional development and progression.

Such issues have prevented many of our Certified Members from providing comprehensive fee-for-service financial advice.”

Under the mentoring programme, certified financial planning professionals such as Certified Financial Planners® (CFP CERT™) will be given the opportunity to be exclusively mentored by a team of senior Independent Financial Advisers (IFA) from Whitman Independent Advisors for a six-month duration. During the six-month mentoring period, CFP professionals would be exposed to the experience of working with fee-paying clients. They will gain comprehensive hands-on training designed to equip them with the necessary exposure, skills and expertise to advance in their fee-for-service financial advisory profession.

To kick-off the Fee-for-Service Financial Advisory Mentoring Programme, Whitman Independent Advisors will be organising the 2016 Money Optimisation Summit at Sime Darby Convention Centre on July 30, 2016. The one-day industry-driven conference aims to share the best and proven practices from leading players in Southeast Asia, offer solutions on how financial services professionals can reframe the way they address the challenging demands of the Malaysian middle class, and ultimately transform and grow their businesses to the next level. For more information about the Summit, please visit: www.whitman.com.my
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Building Trust for Lifetime Clients
The Inaugural Annual Financial Planning Signature Conference 2016

History was made on May 26, 2016. The nascent financial planning industry, for the first time since coming on stream in 1999, witnessed four industry associations – the Financial Planning Association of Malaysia (FPAM), the Malaysian Financial Planning Council (MFPC), the Malaysian Financial Advisers and Planners Association (MFPA) and the Association of Financial Advisers (AFA) – collaborating to put together an industry conference – the Annual Financial Planning Signature Conference (AFPSC).

Its keynote address was delivered by Zainal Izlan Zainal Abidin, the Securities Commission (SC)’s executive director of Islamic Capital Market & Market Development. Izlan said the AFPSC 2016’s theme “Building Trust for Lifetime Clients” was apt and timely given the series of events that have taken place over the past few years globally that have raised some broad questions on the motivation and behaviour of professionals in the financial services industry that relate to issues of mis-selling, inadequate disclosure and short-term key performances indexes (KPIs) and incentives, among others – actions of a few that have tarnished to some extent the reputation of the industry as a whole.

“In developing the Code of Conduct, emphasis of our expectation for good behaviour will be on a top down approach. The first driver of positive culture must be the board and senior management,” Izlan said matter-of-factly. “They remain responsible for creating a culture where everyone in the firm is aware of their roles and responsibilities to act appropriately, holding themselves to a higher standard.”

“Izlan delivered the keynote address.”

In recognising the importance of having a sound compliance culture within firms, the SC is currently in the midst of finalising a Code of Conduct that will apply to all capital market intermediaries including financial planning firms.

“History also resonates closely with one of the SC’s ultimate responsibilities of protecting investors,” Izlan added. “The hallmark of effective regulation is the ability to instil a deep level of confidence towards capital market intermediaries and their representatives, as well as in the regulatory arrangements that underpin them.”

Hanizah highlighted the aim of the conference.

In developing the Code of Conduct, emphasis of our expectation for good behaviour will be on a top down approach. The first driver of positive culture must be the board and senior management,” Izlan said matter-of-factly. “They remain responsible for creating a culture where everyone in the firm is aware of their roles and responsibilities to act appropriately, holding themselves to a higher standard.”
and to ensure clients’ best interests are maintained at all times. The board should set the values and principles of a firm’s culture and these values must then flow through to its representatives. Translating the firm’s core values into business practices is important because it ensures that there are no gaps between the firm’s desired values and actual conduct.”

Meanwhile, the idea of a collaboration among regulator-recognised, non-profit organisations in the financial planning and financial advice space, according to FPAM’s president Sharifatul Hanizah Said Ali, was mooted during the SC’s Industry Dialogue session in 2015. “A series of signature conference was agreed upon as one of the many initiatives and the aim of such a conference was to address current issues confronting the profession and strengthen the professional standards of our members to instil trust in the public and attract them to use the services of licensed financial planners,” Hanizah told the 4E Journal. “Hence the conference’s theme: Building Trust for Lifetime Clients.”

The president of MFPC, Md Adnan Md Zain added, “We consider trust to be extremely important in this line of work, since it is the cornerstone of the work of a financial planner. And I am certain it is also the belief of the four associations and their members. The regulators, meanwhile, also play a big role in making sure there is an environment for trust to thrive because investors and consumers constantly look to them to ensure all stakeholders in the industry play by the rules with guidelines that look after everyone’s best interest.”

Adnan’s sentiments were echoed by Alfred Sek, the president of AFA. As Sek put it, “We cannot stress enough the importance of strict regulatory enforcement to protect the financial well-being of consumers and the industry.”

The conference’s speaker line-up did not disappoint. Suhaimi Ali, Bank Negara Malaysia’s director of Consumer & Market Conduct spoke on ensuring fair treatment of consumers in financial advisory and Sujatha Sekhar Naik, CEO of Securities Industry Dispute Resolution Centre (SIDREC) presented a paper on dispute resolution. Also speaking on the platform were subject matter experts – Mohammad Ridzuan Abdul Aziz, director of RHT Compliance Solution Sdn Bhd who spoke on good practices and Noel Maye, CEO of the Financial Planning Standards Board who presented a paper on global practice standards.

There was a lively panel discussion on establishing a strong foundation in financial planning services with experienced and key financial planning practitioners at the end of the conference. The session was moderated by Dinesh Virik, the managing director of Novagni Analytics & Advisory Sdn Bhd.
The Financial Planning Association of Malaysia (FPAM)’s 16th Annual General Meeting (AGM) was recently held on June 25, 2016 at the Bukit Kiara Equestrian & Country. In conjunction with AGM, the Annual Excellence & Merit Awards (AEMA) ceremony was also held where the newly-minted CFP professionals were also recognised.

FPAM deputy president, Ismitz Matthew De Alwis addressed and congratulated all the new certificants for their effort, dedication and commitment towards obtaining the gold standard in financial planning – the CFP certification – and encouraged them to utilise the knowledge and proficiency acquired from the course in the following key areas: comprehensive financial planning for licensed financial planners, consultative selling for bank wealth managers and financial advisory companies’ financial advisers, need-based selling for tied-agents and financial literacy programmes for those in training, learning and development with financial institutions.

“As we continue to do our part to establish, uphold and promote worldwide professional standards in financial planning in Malaysia, we are proud that all of you here would also carry the acronyms of the three letters after your name and impact the industry with us,” De Alwis said. “It is no small responsibility, but as you go forward in your businesses and practices respectively, I trust that each of you will do so in accordance to the Code of Ethics by following the Rules of Conduct and Practise Standards.

As CFP professionals, De Alwis said new certificants must always remember to place the client’s interests first, provide professional services with integrity, objectivity, fairness, professionalism and competency, protect the confidentiality of clients’ information and provide professional services diligently.

There is an increasing need for more licensed and qualified CFP professionals in Malaysia. The reason: a growing aging population together with studies that show that Malaysians are increasingly unprepared for retirement. Also, the
small number of licensed financial planners in Malaysia against the total population is reflective of the low penetration rate of financial planners in Malaysia. Clearly, opportunities abound for CFP professionals.

And to further lend support to the profession and increase its level of professionalism and expertise, FPAM led the establishment of an industry-wide professional accolade called the Malaysian Financial Planner of the Year Award (MFPPYA) which was supported by all regulator-recognised financial planning associations (see accompanying sidebar).

“As an Association, it is essential that we continue to do our part to uphold that standard of excellence, given the changes and challenges that both our domestic and global financial services sectors are facing now and in the future,” De Alwis added. “As the tied-agency model and banking industry have, over the years, developed their system and sales force, the current focus will now be more on due diligence and integrity when dealing with customers to build their trust for sustained business.”

Moving forward, the Association will continue to increase its engagement with key stakeholders through participation in dialogue sessions with the Securities Commission with regard to increasing the number of licensed financial planners.

In addition, De Alwis said FPAM would also continue working together with the regulators and other stakeholders to raise the standards of competency, ethical practice and excellence in the financial planning profession and financial industry in Malaysia.

After the AEMA ceremony, the 16th FPAM AGM was convened. The deputy president and Board of Governors presented the activities of the Association for the year ending December 31, 2015, the audited accounts for the same year and the reappointment of Baker Tilly Monteiro Heng as the auditors of the Association.

There were also eight resolutions pertaining to the recognition of the Islamic Financial Planner (IFP) as a separate class of FPAM membership and the re-election of retiring members of the Board of Governors on the agenda of the AGM to be voted on:

Resolution 4.1
That there shall be six categories of members for FPAM: Certified Member, iCertified Member, Associate Member, Trade Member, Corporate Member and Charter Member.

Resolution 4.2
That the annual subscription fee payable be: Certified Member (RM250), iCertified Member (RM200), Associate Member (RM150), Trade Member (RM50), Corporate Member (RM1,000) and Charter Member (RM2,000).

Resolution 4.3
That FPAM's Constitution be altered to amend Clause 7.4 to:

iCertified Members are allocated two iCertified seats on the Board. Members with dual certification (CFP and IFP) may choose to hold office under the Certified or iCertified allocation.

Resolution 4.4
That FPAM’s Constitution be altered whereby the former Clause 7.4 is now Clause 7.5:

Representatives of the public (who need not be Certified Members of the Association) may be invited by the Board of Governors to be members of the Board of Governors. All members of the public so invited shall be on the Board of Governors until the immediate next election of members of the Board of Governors at an AGM but may be reappointed if so selected by the Board of Governors. A representative of the public shall be an observer and does not have the right to vote at any AGM of the Association or at any meeting of the Board of Governors.
Resolution 4.5
That FPAM’s Constitution be altered to include iCertified members in the composition of the Board of Governors.

Resolution 4.6
That FPAM’s Constitution be altered whereby the president and the deputy president must be held by Certified Members or those with both the CFP and IFP designations due to FPAM being an affiliate member of the Financial Planning Standards Board (FPSB).

Resolution 4.7
That FPAM’s Constitution be altered whereby members who retire pursuant thereto may offer themselves for re-election at the next election year.

Resolution 4.8
That all clauses incorporating Certified Members to also include iCertified Members as they appear throughout the Constitution.

As each resolution requires more than 75 percent of total votes cast for the FPAM Constitution to be amended, only Resolution 4.7 was passed (see accompany chart below).

Summary of Voting

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MFPYA 2016 Honours First-Time Winners

The Financial Planning Association of Malaysia (FPAM), the principal organiser of the Malaysian Financial Planner of the Year Award (MFPYA) announced the winners in early June and held a ceremony on June 25, 2016 to present the prizes and awards to the winner Kevin Neoh Kean Ming and the first runner-up, Jennifer Chua Nei Nei, who submitted an existing client’s financial plan, explained the rationale for the recommendation and indicated how it has helped the client in areas of their personal finances.

Neoh received RM3,000 in prize money and a plaque sponsored by Kenanga Investors Bhd, the platinum sponsor while Chua received RM2,000 in prize money and a plaque sponsored by RHB Asset Management Sdn Bhd, the gold sponsor. Both Neoh and Chua automatically advanced to the PlanPlus Global Financial Planning Awards (PPGFPA) 2016 for Asia region, as MFPYA is the passport to PPGFPA.

Neoh in his acceptance speech underlined the significance of the award. “There are many awards to recognise the contributions and achievements of a financial product salesperson. But there is no award to recognise the ethical work of those licensed financial planners who really place their clients’ interest above everything else until the inception of the MFPYA.” Chua also echoed the same in her testimony. As she succinctly put it, “One thing that is glaring from the judges’ comments is the level of professionalism and how tight the compliance they required for my entry. They wanted to see how thorough this piece of document is and how I, as a financial planner would impact my client’s life and transformed my client’s financial landscape.”

Malaysia is the first country in the world to run a national Financial Planner of the Year Award in collaboration with PPGFPA, who are the independent adjudicator of MFPYA. This is the second year that the MFPYA is being organised. This year, Singapore, Germany and Canada have joined in to organise their own national competition.

FPAM also held a ‘Showcase Your Financial Plan’ (SYFP) campaign, in conjunction with MFPYA competition to encourage Certified Members who have done their personal financial plans to participate. “This is to encourage financial planning for oneself amongst our Certified Members,” FPAM deputy president Matthew De Alwis said.

Demi Chan, general manager of Platform Services Malaysia of iFAST Capital Sdn Bhd presented the prizes to the qualified entries at the close of the submission period. The SYFP campaign’s first qualified entry is Lee Chin Yee and the second qualified entry Hong Fan Chong.
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In my first article in the previous issue of the 4E Journal, I ended with a question: are our students and graduates properly and systematically exposed to the true form of financial and wealth planning practices which could help resolve the personal finance issues and challenges of the Muslim community? My contention was that the economic development of the Muslim community is greatly handicapped and hindered because of the lack of professional advisory resources and talent in the industry.

I reiterated that Islamic financial and wealth planning is not taught in school. And, even though in several universities, the diploma and bachelor degree programmes in financial planning are being offered to fill this chasm in the financial services industry, a big gap still exists when it comes to developing the professional advisory resources and talent to address issues and challenges faced by the Muslim community (be it in the context of personal finance or business finance).

Financial literacy and financial education is very close to my heart. This is because of my own personal experience of running and managing my family business (I was in charge of the financial management of the investment holding company and its subsidiaries) right after I graduated from the International Islamic University Malaysia (IIUM) with an honours degree in economics. I was thankful my father insisted that I pursue a Master of Business Administration (MBA) degree because the Asian financial crisis in 1997 caused many businesses to go bust. With the MBA, I was able to find employment at a private university to teach economics and subsequently I became a subject matter expert and specialist in entrepreneurship education.

My PhD study was related to entrepreneurship and my research interest is on entrepreneurship and more specifically on family business, strategy and finance. I have personally trained and mentored more than 800 novice and nascent entrepreneurs and advised a handful of small and
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medium-sized enterprises (SMEs) and large business owners on business and strategic planning and management.

With the training I received from the CFP course in 2014, interactions and discussions with fellow peers in the financial services industry and being involved in setting up my own Single Family Office as well as advising and providing family business owners with services and solutions related to their financial needs and goals for the past six years, I was able to integrate the knowledge of personal finance and business finance as well as financial and wealth management, I was able to advise my clients accordingly.

What I am trying to highlight here is – it takes many years of trial and error, ups and downs, for an individual to develop the aptitude, competency, maturity, professionalism and ethics to give clients value advice and propositions. A good and competent professional financial adviser just does not happen overnight. Hence, what are we doing, individually and collectively, in ensuring that our future generation is provided with the correct path in developing their careers in this field which is still short of qualified advisers? The right talent and the right mind set, it would appear, is in short supply or is it because we have been doing the wrong things in the last 15 years? The situation is even more challenging and worrying in the case of developing Islamic financial planners and wealth advisers.

It worries me a great deal when universities and colleges do not engage the industry and related associations in developing their course syllabi. That said, I am disappointed that we – the industry practitioners, particularly practising and experienced financial planners – are too are busy with our work, clients and businesses, that we do not have time to engage and communicate with the millennials on the importance and value of financial and wealth planning.

Who should initiate this engagement and communication? This issue cannot be overcome as long as we point fingers on others. The solution is within us, fellow Islamic financial and wealth planners and advisers. What is the reason that we did not see many academicians and students from the Malaysian higher education sector at the recently concluded Inaugural Annual Financial Planning Signature Conference 2016? Did we forget to invite them?

Let me share the comments and feedback that I received from undergraduates who are specialising in Islamic financial planning at a private university. They perceived the role of financial planners as doing sales and selling products. And, they also thought that it is very difficult to get a Muslim individual to want to do an Islamic financial plan. As a result, many students and graduates do not want to be an Islamic financial planner.

“I do hope that the thought leaders and leading practitioners in the field of Islamic financial and wealth planning would work together to address these issues and challenges in developing the professional talent in this niche area of personal finance and wealth management.”

“There is also the other group of Shariah students and graduates who have started to embark on Islamic estate planning. They may be strong and competent in the knowledge of Shariah and estate planning, but how do we harness the advisory aptitude in these millennials? How do we ensure that when the Islamic financial and wealth planning students undertake their internship and practical training, they are exposed to the advisory and planning skills and processes?

I do hope that the thought leaders and leading practitioners in the field of Islamic financial and wealth planning would work together to address these issues and challenges in developing the professional talent in this niche area of personal finance and wealth management. Perhaps, one of the alternative solutions is to encourage more Muslim students and graduates to enrol and undertake a professional Islamic financial planning certification. To do this, our associations need to be proactive and formulate a strategic communication plan to implement activities and initiatives as well as set a high target of enrolment for professional Islamic financial planning certification. Another possible solution is for professional and experienced Islamic financial and wealth planners and advisers to offer themselves as mentors and coaches to guide the millennials in their journey and career development. In a nutshell, it is clear that one person cannot change the industry’s status quo. It requires a collective effort. And, it starts with finding the passion within us and the heart to do the right thing for our community and nation.”

The writer is the head of the Family Office and Islamic Financial Planning Unit of Blueprint Planning Sdn Bhd.
Managing change is a tough job and Raymond Tang knows exactly what the task is all about since coming on board as the new CEO of Eastspring Investments Bhd. He is in charge of the growth strategy of the company’s business in Malaysia as well as overseeing local investment performance.

And as if the unenviable task of managing the performance of local investments is not demanding enough, Tang also shoulders the responsibility of putting the company on a strategic pathway to capture future business. For this assignment, heavy does not even begin to adequately describe the load. “With investors getting more educated and knowledgeable about financial matters, doing business the conventional way just pushing products just does not cut it anymore,” Tang told the 4E Journal. “Investors today want to be more involved in various decision-making processes and this inevitably requires financial products sales people to be more knowledgeable, not just in the products they sell, but also the bigger picture.”

Enter financial advice.

“Incorporating financial advice into our existing processes, though a challenge, is definitely a major step forward in the way we do business,” Tang said matter-of-factly. “We are seriously looking into it because it is the industry’s next wave. And no one wants to be left behind in this when this wave comes.” But getting the company in order and the people ready to catch this big, all-important wave is something else.

There are many things that need to be done as Tang pointed out. For starters, many existing consultants would need to be licensed and the company needs a different licence from the relevant authorities as well. “This new approach to business (via financial advice) could be an impediment to some of the consultants because they will have to study and prepare themselves to take exams again,” Tang said. “The new approach may be a wave of the future, but the present needs to be addressed first as the requirements of this new wave may be a deterrent to many of these people moving forward. A serious change of mindset has to happen first.

“Offering financial advice is very different from selling product,” Tang added. “Unless you have been long in the business, financial planning is still very vague to many in the industry. Hence raising the standards and organising a new way to do business are very challenging. The natural tendency for people is always to take the easy way out. But this time around, taking Easy Street may not yield the desired results.

Steven K C Poh, the managing editor of the 4E Journal met up with Tang recently to talk about the business of investments and the plans he has put in place to bring Eastspring Investments to the next level. The following are excerpts of the candid discourse.
In your interaction with prospective clients and existing clients, what are some of the common concerns (about investing) often brought up by them and how do you and your colleagues deal with them?

People still have unrealistic expectations of unit trusts – to want high returns without comprehending the corresponding risks. It is all good when the fund is performing, but when the market turns volatile (as it inevitably will at some point), we often get knee jerk reactions and people want to cash out and demand explanations. We have to do a lot of hand holding during this period – remind them of their long-term objectives and manage their expectations. People still think investing in unit trusts is exactly like investing in shares or securities, but it is not.

How would you typically approach a prospective investor – from the retirement planning or purely long-term investment perspective? And why?

I would approach clients from a long-term investment perspective. Retirement planning is long-term so it is the same. I would do this because a typical unit trust, when managed properly, is able to potentially provide reasonable to good returns over the long-term period despite financial crises and market corrections because that is where fund managers find value. There is an adage that says, “the best time (to invest) is when uncertainty is the highest,” and from my experience I find that to be a correct observation.

You do not necessarily see how good the fund is over a six-month or even a year’s performance – there will be volatility (in respect of equity funds) and a lot of market ‘noise’ that gets in the way of rationale thinking.

With the rapidly changing landscape of the financial services industry both domestically and internationally, how is Eastspring evolving with the changes in terms of tailoring its products and services to the increasingly demanding marketplace?

Well, I must say that when I joined Eastspring, one of the key advantages I was impressed with was the fact that we were able to leverage the group’s synergies and that helped us to adapt to the dynamic changes of the Malaysian market. For instance, when the industry liberalised the offshore investment limit (10 percent of total asset under management (AUM) was allowed to be invested offshore), Eastspring was one of the first few fund managers to start offering Asia Pacific funds because we had the resources and the expertise from our regional investment team. When structured funds were in vogue, we tapped on our Korean investment and product teams who had the experience in those type of funds and helped jumpstart our learning curve. More recently, we tapped on our regional team’s expertise in managing Japan equities and Asian bond funds and brought these products to Malaysian shores in the form of wholesale funds.

How do you view the development of financial planning as a profession in Malaysia? Is it promising, in terms of progress?

I believe that it is progressing quite well, with the mushrooming of quite a few financial planning associations. However, I feel that as it is an industry still in its nascent stage, the industry
Financial planning in Malaysia is still pretty much in the product pushing mode as opposed to advisory. There are industry legacy issues that have caused this. How do you propose that this mindset be changed to more advisory work at the practice and industry levels? How is Eastspring handling this considering it is in the business of fund management and the sale of unit trust funds?

Yes, I think this happens because practitioners are still focused on one core product. More often than not, annual sales targets and the need to put food on the table ends up taking precedence over taking a more holistic approach to financial planning.

How are you advising your investors right now from retirement planning and purely investment perspectives to invest their money/savings in view of the still volatile crude oil prices and prevailing global uncertainties? And why?

Whilst crude oil prices do play a significant role to the performance of the economies worldwide, it does not necessarily mean it will impact all types of investments across the investible universe.

Those are all different activities with different objectives, I do not believe that one can time retirement planning; it just needs to be done. In times where more opportunities arise, one just invests more. Even from a pure investment perspective, market timing is an elusive tool that does not present lots of opportunities every year. The last huge opportunity to market time investing was in 2008.

Do you see crude oil prices bottoming out soon? And until such a time, what are some of the safe places to park their investments? Stocks? Unit trusts? Properties? Why?

Global crude oil prices have rebounded from a low of US$29/barrel in January 2016 to above US$40/barrel, despite the disappointing Organisation of the Petroleum Exporting Countries (OPEC) meeting held early April 2016, where Iran declined to attend on the back of their intention to ramp up their production to where it was before the sanctions were imposed. Without any evidence indicating a significant change to the supply outlook for crude oil globally, this recent price rally may not last, but we may have seen the bottom already.

Effectively, there are two key points to investments:

- Diversified portfolio – local and regional equity funds, target income-type of funds and dynamic asset allocation funds. Investors need to invest according to their risk profile.
- Invest for medium- to long-term (three to five years). For retail investors, we recommend the dollar cost averaging strategy.

We believe there are selective investment opportunities for the following sectors: fast-moving consumer goods or FMCG (there is still decent demand for certain brands/
products – we look for companies that can effectively capture this wallet share), manufacturing (selective but many have good business models that help them ride out down turns), and perhaps on a relative basis, plantation companies should do better with lower supply growth as a result of El Nino. There are also pockets of opportunities within the construction sector, having benefited from positive news flow in terms of contract awards and rollout.

As part of our investment philosophy, we believe there are always opportunities in the market, and having done the work in identifying the stocks with good potential, value is often created by accumulating these stocks on market weakness.

What are some of Eastspring’s favourite asset classes when investing for clients? And why?

We do not have a favourite asset class as we offer products that are consistent with the investor’s risk tolerance and we don’t push asset classes to investors. However, based on our records, we do see that equity makes up most of our AUM breakdown, and as such we can say that equities seem to be the more popular asset class.

What is Eastspring’s USP (unique selling proposition) taking into account the stiff competition in the marketplace for clients’ money?

Well, as I have mentioned, being part of the Eastspring group allows us to take advantage of the group’s resources, expertise and best practices. But at the end of the day, what matters is the ability to provide products and the service the investors demand.

In investment planning, the focus of corporate unit trust advisors were on high net worth individuals — the low hanging fruits so to speak. What is Eastspring’s target market? Do your potential clients need to have a certain amount of investable funds before you would take them as clients?

Eastspring’s target is basically the masses. The good thing about unit trust is that it is affordable. We have the initial investment of RM1,000 as with all other funds in the industry, but subsequent investments can be as low as RM100. So, anyone can invest. The only exception is wholesale funds. Wholesale funds are only offered to sophisticated investors – which include individuals with personal or joint assets exceeding RM3 million or gross annual income exceeding RM300,000 or their equivalent in foreign currencies.

What are some of the challenges doing business in Malaysia (please cite and elaborate on a few) and in particular the challenges dealing with prospective and existing clients? How do you effectively deal with these challenges?

One of the challenges I find is that many investors still do not understand the concept of unit trust and equate it to investing directly in shares. They expect unit trusts to perform like shares and they track the daily net asset value

“I do not believe that one can time retirement planning; it just needs to be done.”

Tang: One of the challenges I find is that many investors still do not understand the concept of unit trust and equate it to investing directly in shares.
(NAV) of the unit trust like they track the price of a stock. They get upset when the market turns volatile and lament that they got ‘burnt’ in unit trusts. We manage that by educating our distributors on how to re-educate their clients. There is a lot of handholding involved.

In that respect, managing investors’ expectations is also a challenge – most will want maximum returns without taking the risks – that is human nature, I suppose, but not very realistic. So it is important when you approach a prospective client, you manage their expectations accordingly. There were times when investors have come to us to complain that they were told the fund would provide x percent returns and when it did not, they want to sue or file a complaint with the regulators. That is why I lauded the regulators when they implemented the Suitability Assessment requirement a couple years back. It forces distributors and investors alike to ensure that they are aware of the risks and take responsibility for their actions. This way, all parties are protected.

Why or why not?

On a macro level for Malaysia, we remain relatively cautious as we continue to expect a challenging environment for the Malaysian economy in 2016. The strength in the Malaysian Ringgit may continue in the short-term, but may not be as sustainable with the abundant oil supply, which cap further upside on oil price; and the U.S. is likely to hike rates in the second half of 2016. The continued negative international media coverage on Malaysia and 1MDB, together with the public dispute between 1Malaysia Development Bhd (1MDB) and International Petroleum Investment Co. (IPIC) will affect investors’ sentiment. Malaysian corporate result reporting is underway and looks likely to disappoint again, with more downgrades.

What must investors do then?

Despite the potential headwinds and lack of macro catalysts, we see the market correction as an opportunity to accumulate fundamentally strong stocks on price weakness.

To answer your question on whether Malaysia would still be a good place for investors to place their money, I would still say yes. Firstly, Malaysia has sound fundamentals and despite the turbulence going around it currently, our market has proven resilient historically. It has survived several financial crises and people have made money from it. And because unit trust investment is a long-term venture, these volatilities or “noises,” would fade out over the longer term.

With uncertainties still aplenty, if one’s investment horizon is short- to medium-term, an income oriented or perhaps defensive high yielding equity strategy is more appropriate. That said, all investors should assess their own risk appetite, the returns they need or desire and their investment horizon.

The fundamentals for Malaysia remain pretty much intact, but what do you think needs to happen soon for foreign investors’ confidence to

“All investors should assess their own risk appetite, the returns they need or desire and their investment horizon.”
return to Malaysian shores?

The Malaysian equity market has historically been “expensive” relative to our regional peers, but this premium has been accepted since Malaysia is seen as a low beta – defensive market – with plenty of domestic liquidity providing support to the market. However, since November 2014, the sharp correction in crude oil prices had a big negative impact on Malaysia, as the country was deemed a net oil exporting nation, although this is not entirely true.

Malaysia is actually a net LNG (liquid natural gas) exporting nation, but a net oil importer. Nevertheless, this coupled with the uncertainty surrounding the timing of the U.S. rate hikes, 1MDB related negative news flow, weak China economy and the devaluation of the Chinese Yuan, resulted in the overall underweight (or zero weight) stance most foreign investors took.

For Malaysia to regain foreign interest, we need to be more attractive as an investment destination when compared to our peers in the region. This would require transparent and credible policies set by the government to drive the economy forward. Investors tend to shy away when there is uncertainty.

From an investment planning perspective, how would you advise someone who is new to this whole idea of meticulously planning their retirement for the future? How or where should they start? What are some of the asset classes to consider for a newbie from an asset accumulation standpoint?

The basic rule of thumb is to have an idea of what the newbie’s financial goals are. Like, how much would you need for your retirement? Is there anything else you need to consider, like your children’s education? Or do you want a shorter term goal like a new house or a new car. Once you have the end in mind, it’s a lot easier to determine how to get there. I find that is the biggest hurdle – most people do not really know what they want and end up setting unrealistic goals. For instance, you might ask a newbie, “How much do you need to retire?” and they throw in a big number like “RM5 million.” But is that achievable? Or, is that what you really need? That’s where the financial planners come in. They help you determine how much you need by talking to you about your expectations. Once they have a realistic goal, they would then know to advise you accordingly on how to get there.

When you talk about asset classes for newbie in financial planning, it really depends on at what point the newbie is coming into the world of investment and how much risks is he/she willing to take. A newbie who is 25 years old, with no dependents, would have a longer earning capacity to build a sizable portfolio of investments and would be able to take higher risks and enter mostly into equities, as opposed to an individual who is coming in at 40, with children still in school and a hefty mortgage. So it really depends on where the starting point is.

Well, the incentive provided by the government (for example, tax relief) is a good start, but I feel that more marketing should be done. We have seen the news about EPF telling people that many contributors do not have enough in their EPF savings or it will all be used up in less than five years. In a way, creating fear is the right approach, especially for those who have been working for a number of years. In this case, fear is the right persuasion method to employ. That approach, however, would probably fall on deaf ears to the Gen-Y or Gen-Z – as they are still starting out and they think the world is their oyster. We need to make investing early “hip.”

Eastspring Investments, as part of Prudential Corporation Asia, is Prudential’s asset management business in Asia. Do you cross sell to your insurance customers?

Indirectly, yes we do cross sell to our insurance clients through our retail agency force recruited from Prudential Assurance’s agents. We have about 1,800 Prudential Assurance Malaysia Bhd (PAMB) agents who are also licensed unit trust consultants. This allows agents to provide clients a total financial plan.
Do you have a monetary claim regarding shares, unit trusts, derivatives or other investment products or services offered by various financial/investment intermediaries?

The Securities Industry Dispute Resolution Centre (SIDREC) may be able to help you. If you have claimed against a financial/investment intermediary but are not satisfied with the results, you may want to check out what SIDREC has to offer. “We will mediate between the investor and our member (financial/investment intermediaries) to try and come to a fair and unbiased outcome,” said the CEO of SIDREC, Sujatha Sekhar Naik.

“SIDREC’s independence and impartiality emanates from the basis of our establishment, under the Capital Markets and Services Act 2007 and the Capital Markets and Services (Dispute Resolution) Regulations 2010 (Regulations) that govern us – to provide an independent and impartial dispute resolution avenue for disputes involving capital market products or services with licensed intermediaries. This is our raison d’être,” she told the 4E Journal.

Whilst SIDREC’s members are market intermediaries, it is a company limited by guarantee established for the sole purpose of providing a dispute resolution avenue for disputes involving the capital market intermediaries. Its establishment forms part of the regulator’s investor protection mandate, to ensure that investors have access to redress and are not denied help on trying to resolve a dispute with their intermediary due to the lack of sophistication and financial resources, especially for the retail investor.

“Our existence, operations and dispute resolution process are not dictated by the market; rather it is governed by the Capital Markets and Services Act 2007 – the regulations,” Sujatha pointed out. “The oversight checks and balances by the Securities Commission (SC) are set out in the regulations, not least of which is the fact that the board and CEO of SIDREC may only be appointed with the prior approval of the SC. These are the safeguards to our independence.”

Sujatha recently took time out from her very busy schedule to meet up with Steven K C Poh, the managing editor of the 4E Journal, to talk about how investors and financial/investment intermediaries can make use of SIDREC’s services to amicably resolve their disputes without costing them anything – yes, no charge. Below are excerpts of the interview for Part I of this discourse conducted on one grey and wet Wednesday afternoon in Kuala Lumpur. Part II will be published in the third quarter issue of the 4E Journal.
SIDREC is an independent corporate body, under the Capital Markets and Services (Dispute Resolution) Regulations 2010, set up for the specific settlement of disputes between investors and capital market intermediaries. If it is independent, why are its members made up only of corporations that hold capital markets services licenses for dealing in securities, dealing in derivatives and fund management and not also individual investors or clients of these member corporations?

A short answer to this is that it is important that the relevant market intermediaries are our members as they are the ones that need to participate in the process and be bound by our decisions. Without this, there is no point in claiming to be an avenue for investors to seek redress or help in resolving their disputes as we would have no purview to require the intermediaries to participate in the process or comply with decisions issued by SIDREC, where a matter proceeds to adjudication. As our members, the licensed market intermediaries are bound by the regulations and our rules, which include our “Terms of Reference.” Investors can be confident when accessing our services that the intermediary will participate in the process.

The objective is to provide investors with an additional option in the available avenues to resolve their dispute. As such, they would only seek us out when the need is there. They have this access without needing to become our member.

I would add that SIDREC is an example of a successful collaboration between the regulator and the industry as the steering committee set up by the SC to consult on and undertake the work that laid the groundwork for establishment of SIDREC, comprised of a cross section of industry members in addition to the regulators, non-governmental organisations (NGOs) and other stakeholders.

It was a recognition that the provisions of an independent and impartial avenue for dispute resolution for investors was a necessary component of the capital market eco-system and would contribute to investor confidence. Investors can be assured that if they do encounter a problem involving monetary loss, they do have access to an independent expert avenue for help in resolving the dispute that is both free and reasonably quick.

Why has it taken so long for a body like SIDREC to be established (by the government), considering that the capital markets and financial services industry have been around for a while?

Well … all markets evolve to meet market and regulatory needs with the underlying imperative of investor protection. Regulators together with the market participants put resources to infrastructure and regulatory focus based on areas that need to be prioritised. Malaysia, as part of the Growth and Emerging Market (GEM) group of countries, has over the years built a robust regulatory and market infrastructure. This has been the result of careful strategic planning to build a robust regulatory framework and market infrastructure that allows for the sustainable development of the market. The building blocks need to be put into place in the context of the overall strategy and implementation plan relevant to our domestic priorities. In fact, from the capital market perspective, globally even more developed markets

“The need for a dispute resolution mechanism was identified as an area of focus of the strategic initiative to ensure strong enforcement of the regulations governing the capital market.”
have only put into place structured and mandated alternative dispute resolution (ADR) mechanisms over the last 15 years.

The SC identified the need to put into place an ADR avenue for the investing public in its first Capital Market Masterplan (CMP) in 2001, which charted a comprehensive plan for the strategic positioning and future direction of the Malaysian capital market for 10 years (between 2000 to 2010). In fact, 152 recommendations were made to be implemented across three phases over the 10-year period. The need for a dispute resolution mechanism was identified as an area of focus of the strategic initiative to ensure strong enforcement of the regulations governing the capital market, under one the CMP’s fifth objective of ensuring a stronger and more facilitative regulatory regime:

“The continuous review of the relevant laws to ensure that investor protection is safeguarded at every stage of market development, including ensuring appropriate mechanisms for investor redress and dispute resolution that can minimise enforcement costs and delays.”

Work was indeed undertaken towards this objective and SIDREC was established. This, I believe, was very timely, as markets become more liberalised and as retail investors gain greater access to the market and a variety of products across different modalities of delivery. It is at this juncture that the components of market discipline and self-discipline need to step up to play their part in supporting regulatory discipline.

What were the challenges to SIDREC’s establishment? And how were disputes of this nature resolved in the past?

SIDREC was established in December 2010. The challenge was two-fold. The first being the work and resource commitment required to be put to the establishment of SIDREC, its infrastructure, human capital and its continued operations. This had to be borne by the SC and this responsibility was not a short-term commitment. Whilst SIDREC will ultimately be funded by our members, we are currently still funded by the SC, pending the finalisation of SIDREC’s funding structure.

The second challenge, was the buy in from industry to there being a need for a mandated ADR body with binding authority. This has been a journey. From the concept of SIDREC to the now practical reality of an operational SIDREC and the impact of an affordable, in fact free, avenue for investors to be able to seek help in resolving their disputes with licensed intermediaries. The perception that as we were established under the umbrella of investor protection, we must be investor biased, is one that we have to contend with from the market. On the other hand, investors sometimes feel that as the intermediaries are our members, we must be biased to the intermediaries. We try to address this through our awareness and engagement efforts targeting both investors and our members, and through ensuring the integrity of our process which ensures the independence and impartiality of the approach. In the past, investors had recourse to all the avenues currently available apart from SIDREC’s dispute resolution avenue.

“In addition to trying to resolve a dispute with the intermediary concerned, investors could, where they could afford to do so, always seek legal recourse through the courts or through arbitration.”

Sujatha: The perception that as we were established under the umbrella of investor protection, we must be investor biased, is one that we have to contend with from the market.
What are some of the avenues investors can go to apart from SIDREC to resolve their disputes with intermediaries?

In addition to trying to resolve a dispute with the intermediary concerned, investors could, where they could afford to do so, always seek legal recourse through the courts or through arbitration. In addition, investors were also always able to submit their complaints to the SC. Where there were issues of concern relating to the conduct of an intermediary, a breach of laws or regulations or other issues of concern relating to the market or a market participant, the SC would look into the matter. In this process, the investors’ concerns could at times be addressed. And depending on the nature of the dispute, Bursa Malaysia and the Federation of Investment Managers Malaysia (now a self-regulatory organisation), were also possible points of help. Investors with claims relating to fraud or defalcation by brokers or their representatives, could also submit a claim to the then Bursa Compensation fund, up to a limit of RM100,000.

What about issues relating to contractual disputes or monetary loss?

Issues relating to contractual disputes or monetary loss are not matters that are appropriately dealt with by the regulator and as such investors would still need to seek legal redress through lawyers or the courts for such claims. This is where the SC felt there was a gap, as some investors were unable to get the help they needed to resolve their dispute, as they either just did not have the money needed to fund the cost of pursuing legal redress or were not sophisticated or savvy enough to know how to go about it. It was important from the perspective of investor confidence, specifically that of the smaller investor, for this to be duly addressed. SIDREC closes this gap, as the service is free to investors and the less savvy investor is provided the support required throughout the dispute resolution process.

Of course, all the other avenues of redress continue to remain available to the investor. Bursa’s Compensation fund has since been merged with other funds to form the Capital Market Compensation Fund under the Capital Market Compensation Corporation (CMC). The Capital Market Compensation Fund can now only be accessed for claims subject to a maximum claim limit, involving fraud, defalcation or mis-selling involving a Capital Market Services Licence (CMSL) holder who is insolvent or about to become insolvent due to the fraud, defalcation or mis-selling. However, the CMC have allowed for claims up to a maximum amount of RM100,000, where an award has been issued by SIDREC relating to fraud or defalcation on the part of a broker (participating organisation or trading participant) or its representative.

How many dispute cases has SIDREC handled since its inception? And what are most disputes about? How many cases do you get in a typical month?

SIDREC has handled about 950 claims and enquiries since its inception until December 31, 2015. The breakdown of those cases by year is as outlined in Table 1.

Table 1: Claims and Enquiries

<table>
<thead>
<tr>
<th>Type of Claims</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealing in securities</td>
<td>10</td>
<td>22</td>
<td>32</td>
<td>22</td>
<td>23</td>
<td>109</td>
</tr>
<tr>
<td>Dealing in derivatives</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Dealing in securities (unit trusts)</td>
<td>4</td>
<td>9</td>
<td>7</td>
<td>15</td>
<td>13</td>
<td>48</td>
</tr>
<tr>
<td>Total Claims</td>
<td>15</td>
<td>32</td>
<td>39</td>
<td>41</td>
<td>45</td>
<td>172</td>
</tr>
<tr>
<td>Enquiries</td>
<td>6</td>
<td>82</td>
<td>185</td>
<td>322</td>
<td>183</td>
<td>778</td>
</tr>
<tr>
<td>Total Claims &amp; Enquiries</td>
<td>21</td>
<td>114</td>
<td>224</td>
<td>363</td>
<td>228</td>
<td>950</td>
</tr>
</tbody>
</table>

Table 2: Dispute Resolution Overview

<table>
<thead>
<tr>
<th>Dispute Resolution Stage</th>
<th>Cases</th>
<th>Decision / Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Management</td>
<td>45</td>
<td>• 7 dismissed at initial assessment stage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 38 withdrawn by claimant</td>
</tr>
<tr>
<td>Mediation</td>
<td>12</td>
<td>• 10 entered into Settlement Agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2 claims withdrawn after mediation</td>
</tr>
<tr>
<td>Adjudication</td>
<td>14</td>
<td>• 3 full award against Member</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 7 partial award against Member</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 claims dismissed</td>
</tr>
</tbody>
</table>

As highlighted in SIDREC’s 2015 Annual Report, the nature of the claims can be divided into three categories namely, market conduct, service standards and member’s practice/policies. In year 2015, lapses in members’ internal process under the service standards category took the lead at 27 percent, followed by fraud and defalcation under the market conduct category, at 16 percent and mis-selling or misrepresentation also under market conduct category, at 11 percent. Market conduct has been the primary category of issues raised over the last three years. However, we have seen an increasing trend in claims relating to members’ practice/policies. A year-on-year comparison on the specific issues raised under the members’ practice/policies category, while non-recurring, indicate a varied spread of concerns.

Of the 172 claims received from 2011 to 2015, 101 claims did not proceed as they were premature or the required documents were incomplete. The remaining 71 claims were decided / resolved by SIDREC during the dispute resolution process as shown in Table 2.
In 2015 itself, 25 claims were decided / resolved by SIDREC. About 92 percent of the cases were resolved during case management and mediation whilst the remaining 8 percent were resolved during adjudication.

The number of claims and enquiries that SIDREC gets in a month varies. Between January to June 2016, SIDREC received between eight to 25 cases per month.

Do you anticipate the number of dispute cases rising in the future and what is the current level of public awareness of SIDREC’s services?

Case numbers have been steadily rising at an incremental pace. This, in itself, is fine if awareness was at a satisfactory level and we are assured that people who need our help are aware that it is available. However, whilst we have tried to raise awareness within the limited resources available, the awareness levels are still relatively low. To help address the low awareness levels, we have obtained funding from the Capital Market Development Fund to put to focused awareness initiatives across different modalities including media and the digital sphere over the next year and a half.

These initiatives will be targeted at investors to increase awareness and understanding of our services and also to help engage the market, our members and their representatives across the country, to better understand the value our process brings to the table from their perspective. This should hopefully help increase awareness of SIDREC and our services, and in this way ensure that those who need our help will know that help is available and how to access us.

Considering the amount of work that goes into resolving disputes, why did SIDREC offer its dispute resolution services to investors without charging a fee? What was the rationale behind this move? Similarly, would a SIDREC member need to pay a fee to SIDREC if they bring a dispute up for resolution?

The purpose of providing the avenue was to help investors who just do not have the financial wherewithal or confidence to seek the legal redress they need. It was felt that imposing a fee on the investor would undermine the objective and exclude the very investor we are seeking to help from being able to access the service. It should be remembered that the free service is primarily to help the smaller investor. In this regard, we have a cap on the maximum claim amount of RM250,000 per claim, so those with higher claims, would not be able to access the free help.

SIDREC members currently do not pay a fee for cases that involve them. However, from 2017 onwards, SIDREC will start imposing a case fee on members, for cases that are not resolved within a single mediation session (four hours). So our case management and mediation services up to the first four hours will remain free to members. This is to encourage our members to make constructive and effective use of our mediation services to resolve disputes.

What are the advantages to investors when they bring their disputes to SIDREC as opposed to litigating those disputes privately through the legal system? Both would have almost similar outcomes. No?

Investors, of course, always have the option to pursue the course of action most suited to them. What SIDREC provides is an alternative to the cost and stress of litigation.

The clear advantage to investors is, of course, the fact that the service is free to the investor. The cost to the member too is very little relative to the cost of litigation.

The added advantage of SIDREC’s process is that it is confidential, informal and relatively fast and our case managers and panel of mediators and

Sujatha: It should be remembered that the free service is primarily to help the smaller investor.

“What SIDREC provides is an alternative to the cost and stress of litigation.”
adjudicators have the relevant capital market and dispute resolution expertise. As such, the case management, mediation and adjudication of a matter, is an informed one, undertaken by someone supported by the requisite understanding of the market and its processes, the regulatory framework and laws, regulatory expectations as well as market best practices.

How long does a typical dispute resolution process last?

SIDREC endeavours to conclude the dispute resolution process within 90 working days of receiving all information from the relevant parties. This time frame may, in some cases, be extended due to delay in information being provided by both or either party, complexity of the case requiring more information along the way and the parties’ availability for the mediation session or adjudication hearing. Comparative to litigation, it does provide for timely resolution of a dispute.

In addition, if the matter is resolved through case management or mediation, it has the benefit and positive outcome of being one that has been mutually agreed by the parties. SIDREC is very committed to helping the parties to come to a mutually agreeable resolution and will adopt a mediative approach from the moment we receive a complaint/claim.

Will SIDREC accept disputes that have claims beyond RM250,000 even though SIDREC has a cap on the maximum claim amount of RM250,000 per claim?

SIDREC now also accepts higher claims (more than RM250,000) for mediation only, where both parties wish to have the benefit of SIDREC’s help in resolving a dispute. This would be of particular use where the parties would wish to continue the relationship but for the dispute. However, in such cases, if mediation fails, the matter would not proceed to adjudication and the parties would need to seek other avenues of legal recourse.

Our approach to adjudication also has distinct advantages. The process, though more formal than mediation, is still relatively informal and not intimidating. The strict laws of evidence applied in legal proceedings in court do not apply and the adjudicator will look at all the information and evidence submitted, the facts of the case, the conduct of the parties, the relevant rules and laws, industry best practice, SIDREC’s past precedents and make a decision based on what is fair and reasonable in all the circumstance of the case. In addition parties may at any point before the issuance of the award (adjudicator’s decision), decide to settle the matter or if information comes up that inclines the parties to feel mediation may work, request for the adjudication to be stayed to allow them to go back to mediation.

In contrast, once litigation starts, parties have less control over the outcome and the process takes a toll on time and financial resources of both parties. In this context, the smaller investor is clearly at a disadvantage because he/she does not have the resources of the big bank or broker.

How does SIDREC typically approach a dispute?

SIDREC’s dispute resolution process is focused on finding an outcome that meets the interests of the parties (what they really want) as opposed to just their rights. At times, this is more effectively achieved through discussion, understanding the issues and each other’s perspective and a compromise, as opposed to battling purely on the basis of rights of either parties, with neither giving way.

An additional advantage of SIDREC’s process is that a lot of effort is also put to ensuring the parties understand the issues and each other’s perspective.

This way, an investor leaves the table with a much better grasp of how the product or market process related to his investment works, what they could legitimately expect of the intermediary (and what they cannot expect) as well as what their own responsibilities are with regard to their investment and the mistakes that they themselves may have made or steps they could have taken to avoid or mitigate their loss.

The member, on the other hand, also leaves the table with valuable intelligence, including a better understanding of the challenges that an investor faces, any conduct issues related to their representatives, as well as gaps or weaknesses in their processes which can feed to their own risk management and improvement of internal controls. If they have been constructive in their approach they may also retain a client and mitigate any reputational risk.

Sujatha: SIDREC’s dispute resolution process is focused on finding an outcome that meets the interests of the parties (what they really want) as opposed to just their rights. 

Sujatha: SIDREC’s dispute resolution process is focused on finding an outcome that meets the interests of the parties (what they really want) as opposed to just their rights.
Alice Kok took the Certified Financial Planner exam in 2002 and joined the Financial Planning Association of Malaysia (FPAM) in 2003 as a Certified Member. She has been in the business for more than a decade, but the passion to see people be financially more organised drives her on in her journey. When she is not wearing her financial planner hat, Kok, a company secretary by profession, helps her husband manage their own oil palm plantation. She is the mother to three adult children and grandmother to two grandchildren.

The 4E Journal recently emailed her a list of questions to ask her about her role and challenges as a chapter chairperson. Below are excerpts of her candid response.

Job as Chapter Chairperson

The biggest challenge at the chapter level for us is getting more people to be new members and to get members together to participate in FPAM activities. Even so, I will work diligently and aggressively with my committee members to create greater awareness in Sabah on the importance of financial planning to the public at large and promote the CFP mark to interested professionals in related fields, associated parties and other financial planning companies. In both endeavours, we would need some assistance from the FPAM Secretariat as the committee members all have full-time jobs and are only volunteers at the chapter.

Promoting Financial Planning to the Masses

Financial planning may be on Malaysian shores for 16 years now, but there is much to do at the grassroots. Many in the marketplace are confused. I don’t really blame them because many people have been holding themselves out as financial planners without proper certification and licence. In the not too distant past, insurance agents and unit trust consultants have also introduced themselves as financial planners to their prospective clients.

So there is an urgent need to properly educate the marketplace on what financial planning is all about. In this regard, I feel we can work together with the state government to promote financial planning in schools starting at the primary level going all the way up to the secondary level. I am aware that some universities have started to offer financial planning as a major in their business programmes and I am hopeful that these good works will continue in the days to come. Financial planning is still very much a “sold” service rather than a “bought” service. That in itself, is an indicator that there is much to do at the ground level in terms of education and promotion.

Promotes Financial Planners Approaching Potential Clients in Kota Kinabalu

Financial planners in Sabah get their clients via their business network and referrals from friends, family and business associates. But as mentioned before, the general public in Sabah, much like the ones in West Malaysia, are not able to differentiate between fund house agents/representatives (unit trust consultants) and licensed financial planners.

I can only speak for myself here. As a financial planner, I always try to put myself in my client’s shoes and ask myself what does he/she need when it comes to his/her personal finance. Only then, when I understand their needs can I begin to assist them in organising and planning for their finances to achieve their financial goals. The ultimate thing in financial planning is always about ensuring that you retire comfortably without have to worry about the lack of funds to finance expenses in your golden years. So talking about retirement is a good way to approach a potential client.

Plans for 2016 and Beyond

We are in various stages of planning for more public awareness of financial planning through seminars, workshops and networking nights. The Sabah chapter has more than 200 members and we hope to retain them by ensuring that they renew their membership and participate in the activities of the chapter. That’s not all. For the remaining of 2016, we hope to recruit more members. And we hope the FPAM Secretariat can help us organise a financial planning conference in Kota Kinabalu in 2018 similar to the recently completed Annual Financial Planning Signature Conference 2016 for Sabah, Sarawak and perhaps even Brunei.
FPAM Activities

FPAM Thursday Tea Talk on April 28, 2016, with the topic “Six-Figure Recurring Income with 50 Clients” by Yap Ming Hui of Whitman Independent Advisors Sdn Bhd, sponsored by iFAST Capital Sdn Bhd, at iFAST Capital Training Room. The talk was attended by 30 participants.

FPAM in support of the launch of first Fee-for-Service Financial Advisory Mentoring Programme organised by Whitman Independent Advisors Sdn Bhd on June 1, 2016 at Royale Chulan Damansara.
AKPK Exhibition Day themed “Enlightening Minds Strengthening Bonds” on April 15, 2016 was held at the Maju Tower Lobby. FPAM, the strategic partner, was in attendance of the soft launch of AKPK Open Day and also one of the exhibitors among key financial services organisations.

Financial Literacy Outreach

Financial Literacy Talk: Planning & Managing Your Personal Finances by Linnet Lee, CEO of FPAM, was attended by 50 SP Setia Central Region staff at Setia Learning Centre, SP Setia Head Office on May 11, 2016.

Promotion of CFP Certification Programme

Linnet Lee, CEO of FPAM, was one of the guest speakers at the Fundsupermart.com Malaysia’s Penang Women Workshop: Financial Empowerment, Time to Take Charge! Lee shared on the topic “Get Organised and Power Up Your Money!” The workshop was attended by 45 people at the Deluxcious Cuisine & Café, Penang on May 14, 2016.
FPAM Chapter Activities

Ipoh Chapter

The FPAM Ipoh Chapter organised the chapter’s 14th Annual Dinner & Value Chain Transformation (VCT) Networking Nite on April 22, 2016 at Ipoh’s MH Hotel. The main purpose of the event was to encourage collaboration between financial planners and various professionals such as accountants, company secretaries, tax consultants and lawyers. Sixty people attended the dinner.

Two speakers were invited; Cynthia Lian from Shearn Delamore & Co and Linnet Lee, CEO of FPAM. Victor Chan, Gabriel Chua and Tai Sook Lee, the chapter’s former presidents were present as well. The members of associations who attended were from CPA Australia, Chartered Tax Institute of Malaysia (CTIM), FA Advisory, IFPA Resources, Legacy Advisory, and Malaysian Association of Company Secretaries (MACS). There were six tables with various professions in each table.

Johor Chapter

The newly formed FPAM Johor Chapter organised its first Thursday Tea Talk Event in Johor Bahru. The topic “Opportunities in Listed Derivatives” was presented by Kenanga Deutsche Futures Sdn Bhd.

Posing on stage is the protem committee members including its new chairman Patrick Teng (centre) who handed the token of appreciation to Eunice Choo, the head of futures broking, (listed derivatives) of Kenanga Deutsche Futures Sdn Bhd (right) and Wan Intan Wan Suffian, the head of marketing and events of Bursa Malaysia Derivatives Bhd (left).
Sabah Chapter


CE course in KK – Investment Planning in the Current Economic Climate by Wee Hun Been, May 20, 2016 at Hotel Grandis, Kota Kinabalu, Sabah.

Sarawak Chapter

CE course in Kuching – Investment Planning in the Current Economic Climate by Wee Hun Been, May 21, 2016 at Abell Hotel Grandis, Kuching, Sarawak.

FPAM Sarawak Chapter Election cum Networking Night on June 4, 2016 at Abell Boutique Hotel, Kuching, Sarawak. The event was attended by the CEO of FPAM, Linnet Lee. After the announcement of new board committee member, there was a talk on “Ethical vs Conventional Financial Planning” presented by Wee Hun Been.

Melaka Chapter

FPAM Melaka Chapter’s annual event – Networking Nite 2016 – was held at the Terra Nova Hotel on May 17, 2016. The function hall was filled up, thanks to the long-term support and acceptance of FPAM members and activities by the general public. The organising committee invited three speakers to the event.

The invited guest speakers were Maurice Madin of SOCSO; Dr A Thirupathy, ophthalmologist and Dr Lim Li Aik, orthopaedic surgeon, both whom are from Oriental Melaka Straits Medical Centre. They spoke on matters related to their profession.
As we assess the situation in 2016, most of the fundamental issues are still taking shape and will still be the key theme throughout this year. The economic performance globally was a mixed bag of results as developed countries continue to show performance below their potential.

The Eurozone is still struggling with muted economic growth with some nearing recession in the last two quarters. In addition, the banks in Italy are also facing challenges as they are struggling with bad loans adding to the risks to the 27-country block.

The crude oil prices have also recovered in the last two months due to the supply interruption from non-Organisation of the Petroleum Exporting Countries (OPEC) countries which saw the crude oil prices stabilise above US$40/ barrel. Fire near the oil-sands mining operations in Canada has caused operators to abandon plans to restart production whilst the military activities in Nigeria have also added to the supply shortage which is estimated to be around 3.8 million barrels/day for both countries.

On the positive side, the oil importers are more resistant to economic headwinds and major oil import countries have significantly benefited from the low crude oil and other commodity prices in the last few quarters. Association of Southeast Asian Nations (ASEAN) nations are still enjoying good growth and despite some slowdown in gross domestic product (GDP) numbers last quarter, we believe ASEAN, as a whole, will remain as one of the engines of global growth in 2016.

Modest domestic demand as well as successful implementation of fiscal policies will be instrumental in maintaining strong economic resilience for ASEAN and we see countries like the Philippines, Myanmar, Singapore, Indonesia and Malaysia as the key performers this year.

The International Monetary Fund (IMF), in its latest periodical, has revised the world output 2 percentage points lower to 3.2 percent in 2016 and 1 percentage points lower in 2017 to 3.5 percent. Overall, the IMF has revised downwards most of the major economies globally (see Table 1) citing unparalleled economic conditions as the major reason for the tweak. Even so, IMF acknowledged the fact that parts of the global economy are on the mend, for example, improved economic data releases, a firming of oil prices, lower capital outflows from China and good

Table 1: World Economic Outlook

<table>
<thead>
<tr>
<th>World Economic Outlook</th>
<th>Projections</th>
<th>Difference from January-IMF WEO</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>World Output</td>
<td>3.3</td>
<td>3.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>Advanced Economies</td>
<td>1.9</td>
<td>2.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>United States</td>
<td>2.4</td>
<td>2.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Euro Area</td>
<td>1.6</td>
<td>1.6</td>
<td>-0.0</td>
</tr>
<tr>
<td>- Germany</td>
<td>1.5</td>
<td>1.6</td>
<td>-0.2</td>
</tr>
<tr>
<td>- France</td>
<td>1.3</td>
<td>1.3</td>
<td>-0.0</td>
</tr>
<tr>
<td>- Italy</td>
<td>0.7</td>
<td>0.9</td>
<td>-0.2</td>
</tr>
<tr>
<td>- Spain</td>
<td>0.8</td>
<td>0.8</td>
<td>-0.0</td>
</tr>
<tr>
<td>Asia</td>
<td>-0.5</td>
<td>-0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.2</td>
<td>2.2</td>
<td>-0.0</td>
</tr>
<tr>
<td>Canada</td>
<td>1.5</td>
<td>1.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Emerging Market &amp; Developing Economies</td>
<td>4.3</td>
<td>4.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Other Advanced Economies</td>
<td>2.2</td>
<td>2.2</td>
<td>-0.1</td>
</tr>
<tr>
<td>Emerging and Developing Asia</td>
<td>6.6</td>
<td>6.3</td>
<td>0.3</td>
</tr>
<tr>
<td>China</td>
<td>6.0</td>
<td>6.3</td>
<td>0.3</td>
</tr>
<tr>
<td>India</td>
<td>7.8</td>
<td>7.5</td>
<td>0.9</td>
</tr>
<tr>
<td>ASEAN-5</td>
<td>4.7</td>
<td>4.8</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Source: IMF World Economic Outlook Report (WEO), April 2016
decisions from major central banks in the early parts of 2016.

At this juncture, we are inclined towards a neutral stance as we believe that there are still some risks to the global market. The slow pace of emerging markets (EM) growth will likely spread to the developed markets (DM) in the midterm. Eurozone economies grew at a faster than expected pace in the first half of 2016, but we believe it was boosted by the temporary measures introduced to address the sudden influx of refugees seeking asylums and shelters in the Eurozone.

Taking a look at some of the major indicators globally, the J.P. Morgan Global All-Industry Output Index came in at 51.1 in May, lower from 51.6 in April. This clearly signals a further moderate expansion of all-industry activity globally. The global economy maintained its sluggish start to 2016, with rates of growth in all-industry output and new orders so far during 2016 among the weakest seen for three years. Manufacturing production stagnated in May, while service sector activity rose at the slowest rate in three months. National Purchasing Managers’ Index (PMI) data indicated that apart from a few pockets of solid expansion (Germany, Spain and Ireland) most of the world’s major economies saw only modest growth at best during May.

The U.S. and China both registered only mild increases in economic activity and the weakest growth in three months. For the U.S., this was the first decrease in manufacturing output since October 2009.

Based on this latest PMI data, we believe that the global economy remained in a low growth gear in the first half of 2016. A slower expansion was seen from the service providers, while manufacturing production was mainly unchanged. The overall performance for the Composite Index in May suggested that the global conditions would have to improve at a larger scale to see the global GDP achieving a formidable growth in 2016. This is also in line with the revision and views made by the IMF on the world output growth as there are still key risks ahead that need to be addressed before we can see a strong and sustainable performance from the global economies.

Much to expectations of the analysts and economists, the U.S. Federal Reserve (the Fed) did not raise the interest rates in June. The June meeting of the Federal Open Market Committee (FOMC) resulted in keeping the Fed funds rate unchanged at 0.5 percent. Consequently, the new probability data for future rate hike point to a single increase in July is only 7.2 percent whilst the possibility of no rate hike is now almost 93 percent. It is notable, that the members of the FOMC reduced their 2017 and 2018 interest rate expectations to a mean of 1.6 percent at the end of 2017 and 2.4 percent at the end of 2017.

Taking into considerations the economic data that was released before the Fed’s announcement to hold the rates steady, the job market was a little subdued whilst investments were still showing easing data. The concern on the Brexit (an abbreviation of ‘British Exit’ that refers to the possibility that Britain will withdraw from the European Union) is also something that the Fed has taken into consideration when not raising rates in June. Dissecting further into Janet Yellen’s press conference on June 15, the tone is now to be less aggressive in increasing the rates in the next few years and raising it only when the overall economic indicators are showing robust numbers.

On that note, the U.S. economic data has been volatile. The U.S. non-farm payrolls came in at only 38,000 in May versus 160,000 in April. This was mainly due to the Verizon employee strike (one of the largest strike in the U.S. with 45,000 participations) that has caused the data to dip significantly. GDP growth in the U.S. came in at 0.8 percent in the first half of 2016 versus 2.4 percent in 2015 and it is expected to...
maintain below the 3 percent historical average growth. Wages have not picked up much despite the economy continuing to grow and unemployment falling below 5 percent. Wage growth finally rose to 2.5 percent per year in May of 2016, but that is still well below the historic average of 3.5 percent per year. Judging from these mixed data, we foresee that the Fed will be less aggressive in the long run to raise rates and we are now expecting only one rate hike in 2016 due to the current economic conditions which does not warrant the Fed to be overly active in the rate hikes.

### Southeast Asia and ASEAN-5 Providing Balance Against Global Uncertainties

The IMF in its projection has maintained the growth for the ASEAN-5 countries and ASEAN economy remains at a stable condition. The Asian Development Bank (ADB) has also forecast a steady growth in 2016 and whilst there are headwinds confronting the global economy, ASEAN and Southeast Asia’s growth has been showing a much more stable performance.

This is coupled by the good governance of the fiscal policies by central banks and less geopolitical risks. In terms of inflation, the ASEAN-5 countries are expected to reach a benign rate of 2.5 percent to 2.8 percent in 2016. We do not foresee any significant threat from inflation in 2016 and 2017 as the lower crude oil prices and commodity prices have kept the inflationary pressures on check, which will also provide central banks in the countries with more strategies and tools to sustain the economy.

In terms of stock market performance, after months of volatility, confidence returned to ASEAN markets and received record inflows especially in the month of March. The Dow Jones Islamic Market Total Return Index measured in Malaysian Ringgit was however -2.01 percent as the strengthening of the Malaysian Ringgit against its ASEAN peers outweighed equity returns. A stabilising oil market and China, albeit at a low base, have given investors hope that the worst might be over.

On a local currency basis, all except the Singapore’s Straits Times Index ended the quarter on a strong note. Thailand’s stock market was the best performer in the region gaining 9.29 percent over the three-month period. Stocks in Indonesia and Philippines also performed well for the quarter as the indices were up 5.49 percent and 4.46 percent respectively. Political and oil-related concerns kept Malaysian equity performance mild as the FTSE Bursa Malaysia KLCI Index-Kuala Lumpur Composite Index (FBMKLCI) Index gained only 1.48 percent for the second quarter. A strong rally in March was unable to lift the weak equity performance in Singapore. The Straits Times Index declined 1.45 percent for the first quarter of 2016 on continued concerns of a bleak economic outlook.

### ASEAN-5 GDP Growth Chart, Inflation and Southeast Asia National Accounts

On the local front, Malaysia’s economy grew 4.2 percent in the first quarter of 2016 versus 4.5 percent in the previous quarter. It recorded its slowest economic growth in nearly seven years in the first quarter, as weak exports and tepid domestic demand continue to hurt the economy. In January, the government revised its 2016 growth to 4.0 percent to 4.5 percent from the initial 4.0 percent to 5.0 percent, on expectations of a sustained slump in global crude oil prices. In February, Fitch Ratings affirmed Malaysia’s long-term foreign- and local-currency issuer default ratings (IDRs) at ‘A-‘ and ‘A‘ respectively with Stable Outlook. The stable outlooks reflect Fitch’s assessment that upside and downside risks to the ratings are current broadly balanced.

Exports in U.S. Dollar terms fell 10.7 percent annually in March 2016, following the 7.5 percent contraction tallied in February 2016. This time around, the contraction was more

Sources: IMF and Asian Development Bank Statistics.
severe than analysts had expected. The result marked the 17th consecutive month of contraction, as global demand for key Malaysian exports dwindles. Imports declined 15.8 percent in March, which was also a more severe contraction than the 12 percent fall recorded in the previous month. One of the main reasons for the contraction is due to the strong U.S. Dollar and is currently decreasing the value of Malaysian exports quoted in Malaysian Ringgits.

The low crude oil environment has caused the Malaysian government to be more prudent in their spending. The high cost of living amid higher transportation costs arising from previous and upcoming hikes in Klang Valley’s highway toll rates (government decision is expected before end of June) will also provide some uncertainties to consumer spending. Under the revised concession agreement (CA), PLUS Malaysia is allowed to increase toll rates by 5 percent every three years starting from 2016. The increase will continue until the concession period expires in December 2038.

Consumer prices in Malaysia rose 2.0 percent year-on-year (Y-o-Y) in May 2016, compared to a 2.1 percent in April. Core consumer priced rose by 2.1 percent Y-o-Y in May, slowing from 2.3 percent in the preceding month. At this juncture, Bank Negara is expected to keep the benchmark interest rate at 3.25 percent over the coming months. The key rate has remained unchanged since July 2014 when it was raised by 25 basis points. Consumer spending has continued to be affected by lower disposable income due to the inflationary effect of both the goods and services tax (GST) and the weak Ringgit, as well as concerns over the job market conditions as workers retrenchment in oil and gas, financials and manufacturing sectors is still ongoing.

At this juncture, the overall economy in Malaysia remains stable, albeit growing at slower pace. The Budget 2016 revision targets by the government are expected to be achieved and the mild recovery of the crude oil prices in the last two months could provide the much needed support for an economic recovery. Despite the current situation, we have strategic investments in our portfolio. In terms of asset allocation, we still favour Malaysia due to the strong fundamentals of the companies whilst Indonesia and the Philippines are a good proxy to any economic recover.
COMPREHENDING MARKET BEHAVIOUR AS KEY TO EDUCATING AND CONNECTING WITH YOUR CLIENTS
(A Securities Commission CPE-accredited course)

Speaker: Joel See and Alwin Ng
Date: July 16, 2016 / Saturday
Venue: Dewan Berjaya, Bukit Kiara Equestrian & Country Resort
Jalan Bukit Kiara, 60000 Kuala Lumpur
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM296.80 (FPAM Member), RM424 (Public)
by July 1, 2016
Normal – RM339.20 (FPAM Member), RM477 (Public)

ALTERNATIVE STRATEGIES FOR INVESTING IN EQUITIES FOR FINANCIAL PLANNERS AND INDIVIDUALS
(A Securities Commission CPE-accredited course)

Speaker: Stanley Loh
Date: July 16, 2016 / Saturday
Venue: Ponderosa Golf and Country Club, Taman Ponderosa, Johor Bahru
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM150 (FPAM Member), RM200 (Public)
by June 11, 2016
Normal – RM180 (FPAM Member), RM230 (Public)

PRACTICAL APPLICATIONS IN USING REITS AS ALTERNATIVE PROPERTY INVESTMENT
(A Securities Commission CPE-accredited course)

Speaker: Lieu Ching Foo
Date: September 24, 2016 / Wednesday
Venue: Dewan Berjaya, Bukit Kiara Equestrian & Country Resort
Jalan Bukit Kiara, 60000 Kuala Lumpur
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM296.80 (FPAM Member), RM424 (Public)
by September 1, 2016
Normal – RM339.20 (FPAM Member), RM477 (Public)

INTRODUCTION TO ALTERNATIVE INVESTMENT
(A Securities Commission CPE-accredited course)

Speaker: Chris Gan
Date: October 20, 2016 / Thursday
Venue: Dewan Berjaya, Bukit Kiara Equestrian & Country Resort
Jalan Bukit Kiara, 60000 Kuala Lumpur
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM296.80 (FPAM Member), RM424 (Public)
by October 1, 2016
Normal – RM339.20 (FPAM Member), RM477 (Public)

FROM AN AGENT TO FEE FOR SERVICE FINANCIAL ADVISER
(A Securities Commission CPE-accredited course)

Speaker: Yap Ming Hui
Date: November 19, 2016 / Saturday
Venue: Dewan Berjaya, Bukit Kiara Equestrian & Country Resort
Jalan Bukit Kiara, 60000 Kuala Lumpur
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM296.80 (FPAM Member), RM424 (Public)
by November 1, 2016
Normal – RM339.20 (FPAM Member), RM477 (Public)

THE ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING & PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001 – YOUR ROLE & RESPONSIBILITIES
(A Securities Commission CPE-accredited course)

Speaker: Mohammad Ridzuan Abdul Aziz
Date: December 15, 2016 / Thursday
Venue: Dewan Berjaya, Bukit Kiara Equestrian & Country Resort
Jalan Bukit Kiara, 60000 Kuala Lumpur
Registration: 8:30AM – 9:00AM
Time: 9:00AM – 5:00PM
Fee: Early Bird Special – RM296.80 (FPAM Member), RM424 (Public)
by December 1, 2016
Normal – RM339.20 (FPAM Member), RM477 (Public)

Programmes are subject to changes.
2016 MONEY OPTIMISATION SUMMIT

Blue Ocean Your Business By Helping Clients Transform The Way They Grow Wealth

An Event not to be Missed by Any Serious Financial Services Professional

PROGRAMME HIGHLIGHTS
- Discover how you can capitalise on your financial planning knowledge and put millions into clients’ pockets
- Learn about the latest and most innovative approaches to invest your clients’ money
- Hear from top advisory professionals on how they built sustainable and profitable relationships with their affluent clients
- Find out how to create a blue ocean for your business and excel in the financial services industry now and in the future
- Find out how you can start offering fee-for-service advisory in the fastest and smoothest way

WHO SHOULD ATTEND?
Life insurance agents, unit trust agents, bankers, financial planners, financial advisors, accountants, financial planning qualification lecturers, students and anyone who wants to achieve greater success in the financial services industry

DATE : 30 JULY 2016, SATURDAY
TIME : 8.30 AM - 5.00 PM
VENUE : SIME DARBY CONVENTION CENTRE

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFPC/FPAM Member Early Bird</td>
<td>RM210</td>
</tr>
<tr>
<td>Non Member Early Bird</td>
<td>RM260</td>
</tr>
<tr>
<td>Normal Price from 9th July 2016</td>
<td>RM370</td>
</tr>
</tbody>
</table>

Early Bird rate before 9th July 2016

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Core Equity – Malaysia

* Source: Lipper Investment Management as at 31 May 2016

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