2023 OUTLOOK FROM FINANCIAL PLANNING PRACTITIONER CHALLENGES & OPPORTUNITIES

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STRUCTURE OF MAIN POINTS

- 2023 Outlook from a Financial Firm (Practitioner) perspective
- Business Challenges & Opportunities for Financial Planning Industry in expectation in a crisis
- Consumer Behaviour and their expectations in preparation of a recession

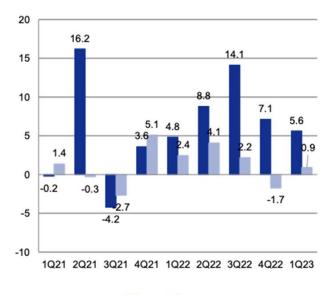
2023 OUTLOOK FROM FP PERSPECTIVE

- Malaysia
 - From huge uncertainties to prolonged uncertainties evident from KLCI performance and GDP
 - Yet to see concrete action for economic growth
- Global
 - Risk from banking crisis in US & Eurozone
 - China waiting game after limited gain on recent reopening
 - The hype of dedollarisation & power shift
- Sector
 - Consumer sector remains to be resilient despite rising cost
 - Tech will be long term play accumulation
 - Modest performance manufacturing, E&E
 - Recovery Utilities, Transportation, Logistic
- Research House KLCI target ranging from 1510-1660 pts

LOCAL MARKET



Real GDP expanded 0.9% qoq sa in 1Q23



■%yoy ■%qoq sa

US MARKET + ALTERNATIVE (HEDGING)



CHALLENGES TO FINANCIAL PLANNING

- Demand for financial planning services has been resilient, to say the least
 - Due to the fact crisis will need more advice
 - OPR increase > commitment increase
 - Restructure of asset portfolio
 - USD based account > local > hedging

UNEXPECTED DEMAND FOR SAFE-HAVEN/LOW RISK ASSET

- Demand for 'safe-haven' asset
 - Gold traditionally seen as safe haven asset
 - Consumer demands on alternative (REIT, MM, FD, BTC)
 - There is a trend for crypto as gold alternative from big asset management

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Larry Fink's Annual Chairman's Letter to Investors

Digital assets

If there's one part of financial services that's caught the headlines over the past year, it's digital assets, not least due to the collapse of FTX. But beyond the headlines – and the media's obsession with **Bitcoin** – very interesting developments are happening in the digital asset space. In many emerging markets – like India, Brazil and parts of Africa – we are witnessing dramatic advances in digital payments, bringing down costs and advancing financial inclusion. By contrast, many developed markets, including the U.S., are lagging behind in innovation, leaving the cost of payments much higher.

For the asset management industry, we believe the operational potential of some of the underlying technologies in the digital assets space could have exciting applications. In particular, the tokenization of asset classes offers the prospect of driving efficiencies in capital markets, shortening value chains, and improving cost and access for investors. At BlackRock we continue to explore the digital assets ecosystem, especially areas most relevant to our clients such as permissioned blockchains and tokenization of stocks and bonds.

While the industry is maturing, there are clearly elevated risks and a need for regulation in this market. BlackRock is committed to operational excellence, and we plan to apply the same standards and controls to digital assets that we do across our business.

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Forbes **DIGITALASSETS**

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\$14 Trillion Earthquake: Fidelity And BlackRock Are Quietly Laying The Groundwork For The Next Bitcoin, Ethereum And Crypto Price Bull Run

Billy Bambrough Senior Contributor © I write about how bitcoin, crypto and blockchain can change the world.



https://www.forbes.com/sites/digital-assets/2023/03/21/14-trillion-earthquake-fidelity-and-blackrock-are-quietly-laying-the-groundwork-for-the-next-bitcoin-ethereum-and-crypto-price-bull-run//sh-87d306067597

NON-CONVENTIONAL ASSET REQUEST

- A growing request for non-conventional asset due to increase awareness and generation shift
 - Quant
 - Al theme investment
 - Digital asset & Crypto
 - Themed investment ESG

SUMMARY

- Risk and fear of recession has subsided for now, but always be vigilant
- Consumer tends to be conservative safe haven in anticipating recession.
- Malaysian consumer felt the rising cost, but not economic downturn or recession. Winter is here already. Always be prepared for the worst, but keep optimist
- For Financial Planner Practitioner during hardship there will be tremendous amounts for too good to be true schemes – play our part to safeguard consumer rights