



0

have joined



verPoint Live

🌐 Anyone with the link can join this session

Sho

Financial Planning Advisory Practice In Malaysia

24th Feb 2024

Kevin Neoh, RFP, MBA, CFP^{CERT}™, CeFC

About the Presenter

Kevin Neoh MBA, RFP, CFP^{CERT™}, CeFC (UK)

- Kevin is a Licensed Financial Planners & Financial Life Coach who specializes in providing comprehensive financial planning to families, working professionals & retirees.
- Head of Financial Planning @ VKA Wealth Planners
- Work with people to support them to save more, reduce debt, and transform their relationship with money.
- Awarded the Malaysian Financial Planner of the Year Award in 2016 & 2017.
- Talk about #FinancialHealth, #FinancialWellbeing and #FinancialLifePlanning on LinkedIn



Disclaimer:

The information contained in this presentation has been obtained from public sources believed to be reliable and the opinions, analysis, forecast, projections and expectations (together “Opinions”) contained in this presentation are based on such information and are expressions of belief only. No representation or warranty, express or implied, is made that such information or Opinions is accurate, complete or verified and it should not be relied upon as such information and Opinions contained in this presentation are published for recipients' reference only, but are not to be relied upon as authoritative or without the recipients' own independent verification or in substitution for the exercise of judgment by any recipient, and are subjected to change without notice.

This presentation is not, and should not be construed as, an offer document or an offer or solicitation to buy or sell any investment (s).

Participant / Audience is cautioned that personal finance is highly depending on personal situations and circumstances and they should consider speaking with their personal financial planners, advisors, consultants and relevant subject-matter experts prior to making any decisions regarding their personal finance.

Join the Discussion

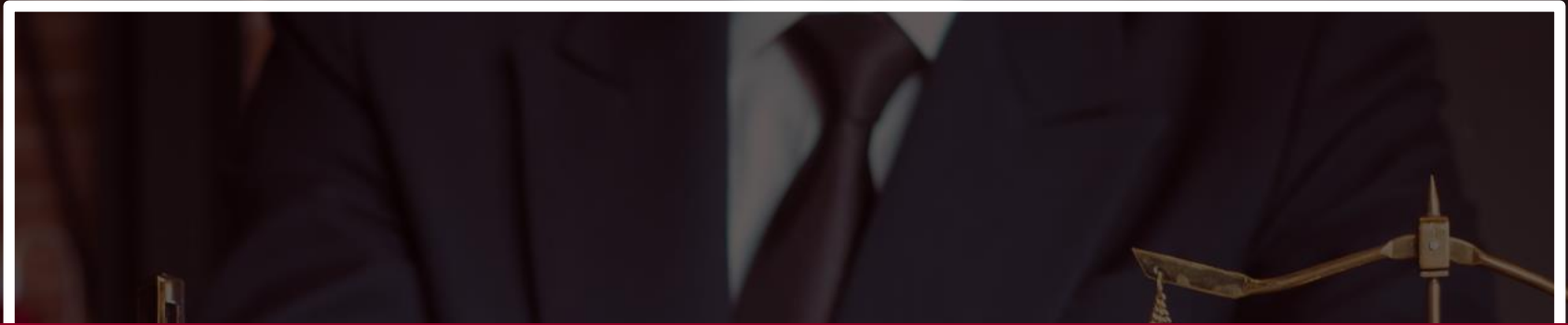


What does a Financial Planner and Financial Advisor do?

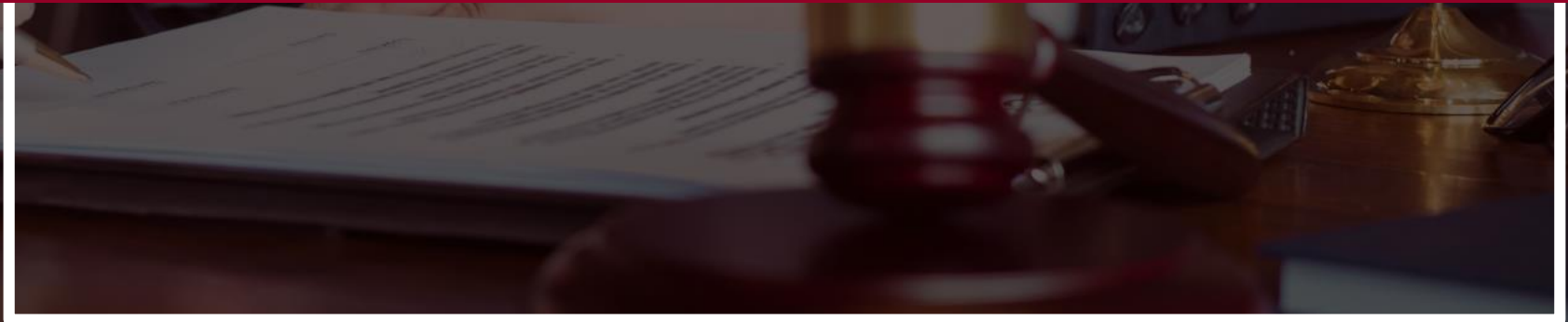
Financial Planning for Professional Roadshow Feb 2024

Not for private distribution

Your Financial **BRIDGE** For Life

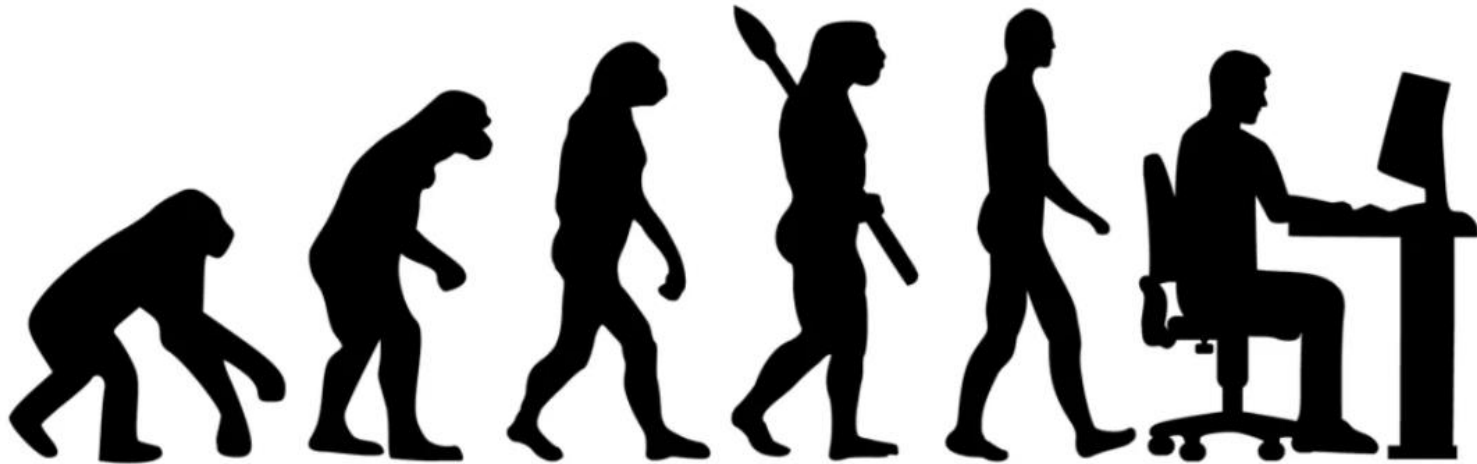


What's Changing?



What's Changed?

Evolution of Financial Services

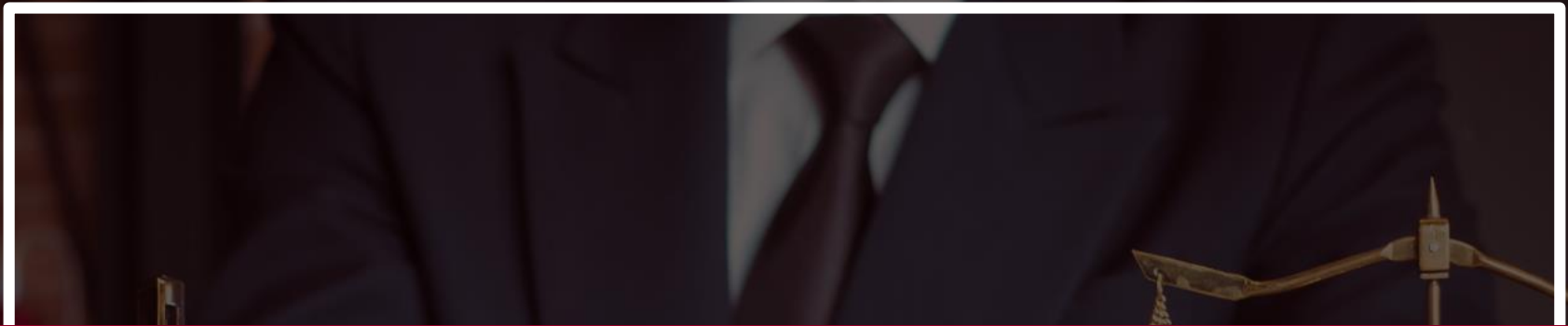


Evolution of Financial Services

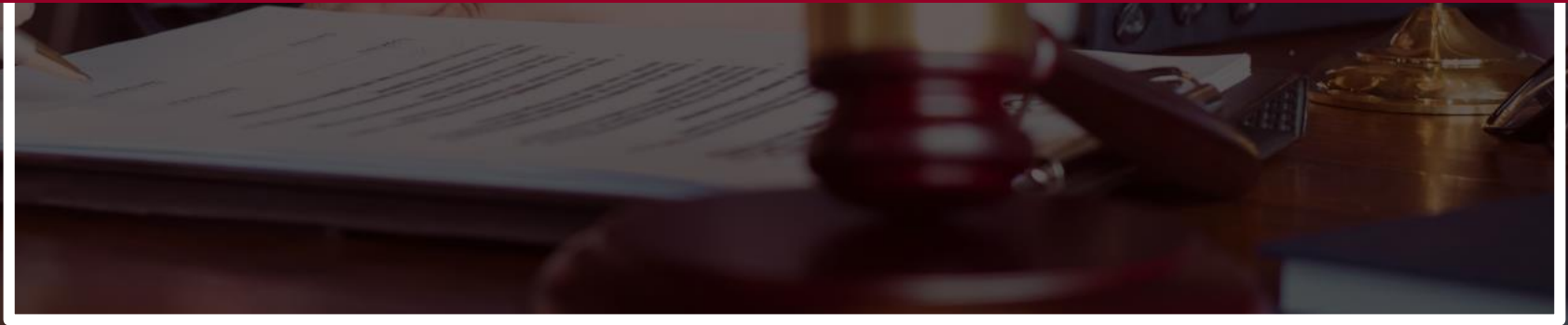
State of Malaysian's Financial Health

51% of Malaysian's financial health is poor
70% of Malaysian's financial health is poor
save more money than you spend
save less than you need
life savings for retirement or
pay down the debt

Source: <https://ringgitplus.com/en/blog/en/blog/ringgitplus/ringgitplus-survey-finds-that-malaysians-are-on-the-brink-of-financial-disaster.html>

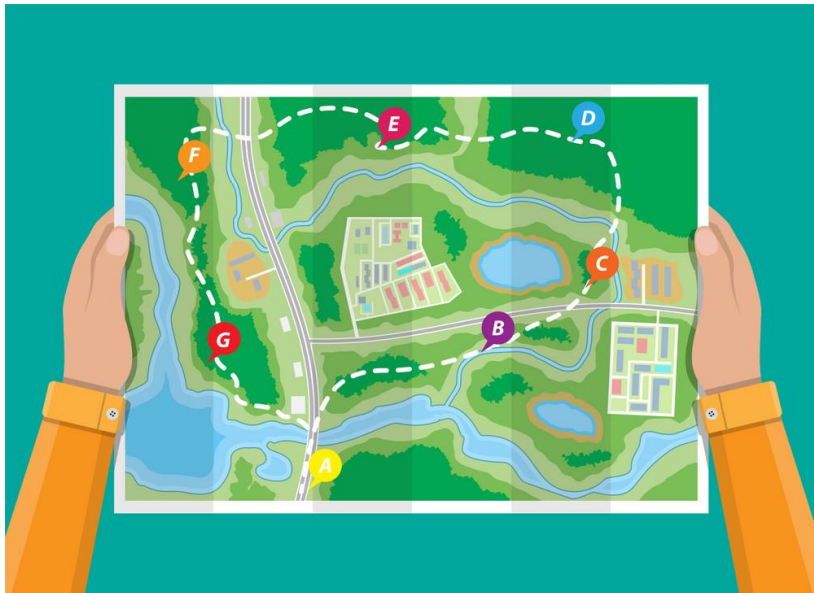


Financial Plan



Financial Plan

What it is, and What it is not

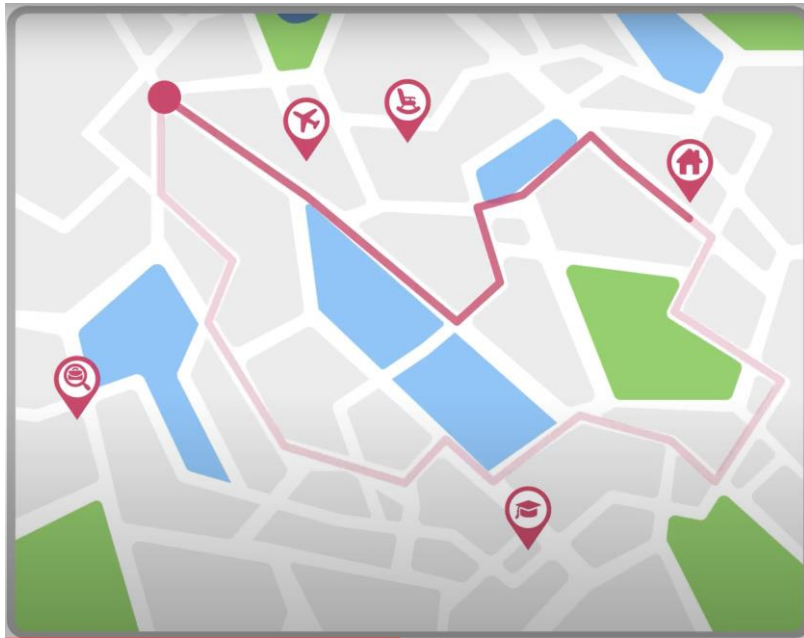


Financial Plan = A Plan for Your Money

It is a document that outline the “How” (Strategies / Methods) to use the “What” (Resources / Money) to accomplish the “Why” (Life Goals / Objectives).

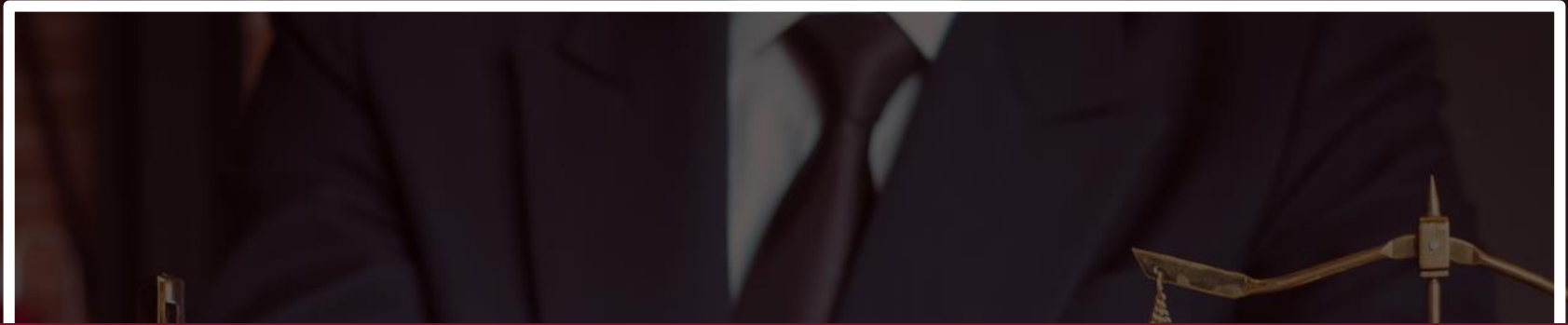
Financial Plan

a by-product of Financial Planning

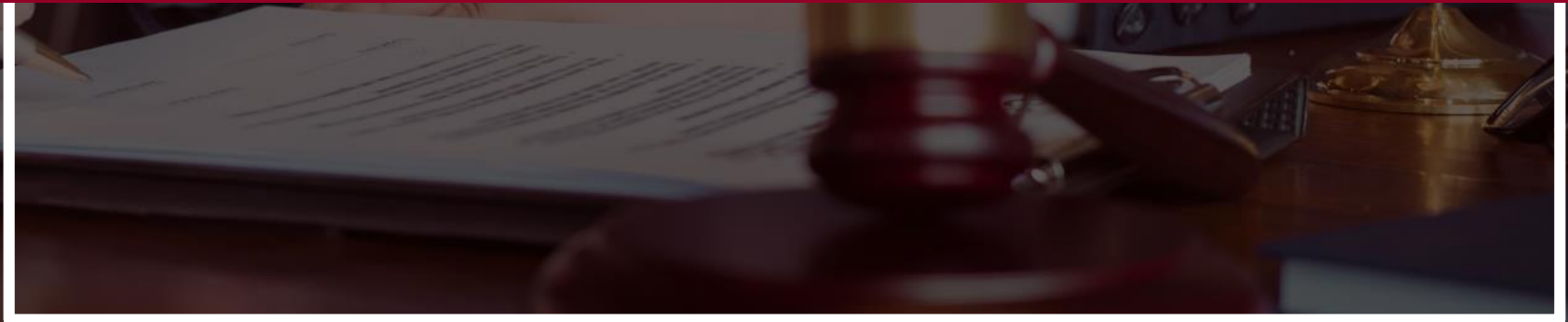


Financial Planning = A Journey

Where you **plan**, check, refine and take on-going effort to ensure you stay on the track you intend to so that you can achieve the objective and goals you want to.



Financial Planning



EXCERPT FROM TECHNICAL NOTE NO. 1/2015 - CLARIFICATION ON SCOPE OF FINANCIAL PLANNER'S ADVICE

1.	What is the scope of advice that can be provided by a licensed FP?
	<p>Under Schedule 2, Part 2 of the Capital Markets & Services Act 2007 (CMSA), financial planning has been defined as ‘analyzing the financial circumstances of another person and providing a plan to meet that other person’s financial needs and objectives, including any investment plan in securities, whether or not a fee is charged in relation thereto.’ In this regard, an FP is allowed to provide advice to clients pursuant to the assessment and analysis undertaken on his client’s needs including on matters related to the plan which has been drawn up. This may include analysing client needs over areas such as investments, savings, tax planning, estate and retirement planning.</p>

Human-Focused Financial Planning

Financial Life Thinking Partner

3 Roles A Client Need From A Trusted Financial Planner



Life Planner

Understand the client's story, and what's important to the client.



Financial Planner

Understand client's financial health and how much money they need for the life they want.



Financial Advisor

Help client to identify the suitable product mix that can support their life plan.

Human-Focused Financial Planning

Case Study 1

- 42 Year-old. Married.
- Most of the income are saved.
- Very satisfied and confident with saving ability and have no financial issues.
- Track expenses, Income & Expenses, have clear overview and record of finances.
- Have some investment in Unit Trusts, 2 rental properties, ASB, PRS, Stocks in Malaysia & other markets, Savings Account, EPF.
- Member have 4 children. All 4 were born within the past 6 years.
- With new commitment and career not advancing as fast as before, start to feel concerned with money.
- Some months is ok, some months deficit a bit.
- Feel like without a **proper direction and running out of time.**
- “I am worried that I am not optimizing my resources and What-If I am not managing my money properly to support my children and family future goals?”

Financial Planning

The Big Picture

Illnesses / Retrenchments / Accidents /
Disability / Death / Taxes / Scams / Divorce

Emergency Savings

Financial Literacy

Insurance / Protection Products

Income

-

Expenses

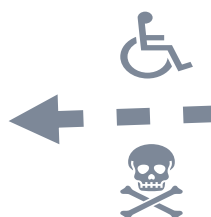
=

Surplus



<u>Assets</u>	<u>Liabilities</u>
<ul style="list-style-type: none"> • Personal Use Assets • Retirement Assets • Investment Assets • Business / Non-liquid Assets 	<ul style="list-style-type: none"> • Short-term Liabilities • Long-term Liabilities

Distribution

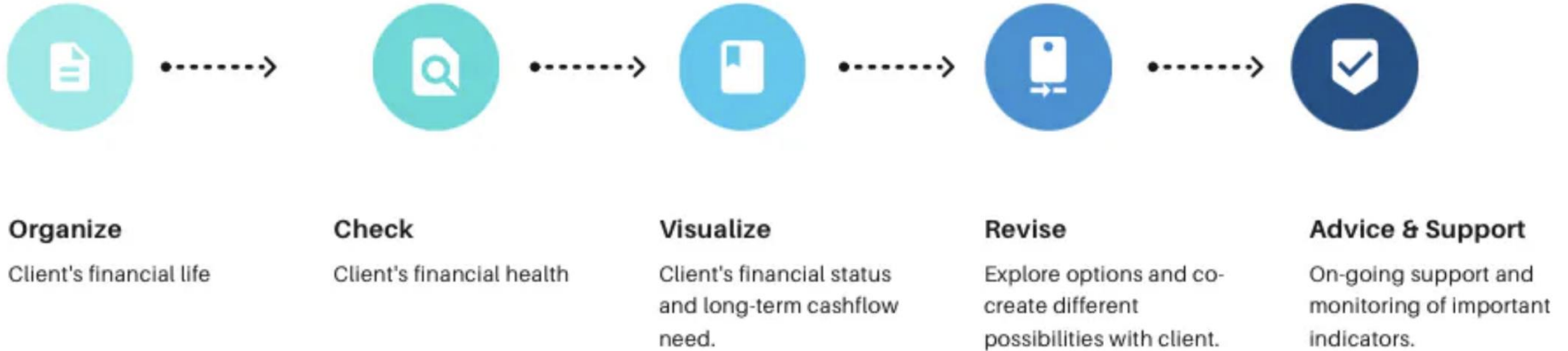


Life Goals /
Major Life Events

Kevin Neesh

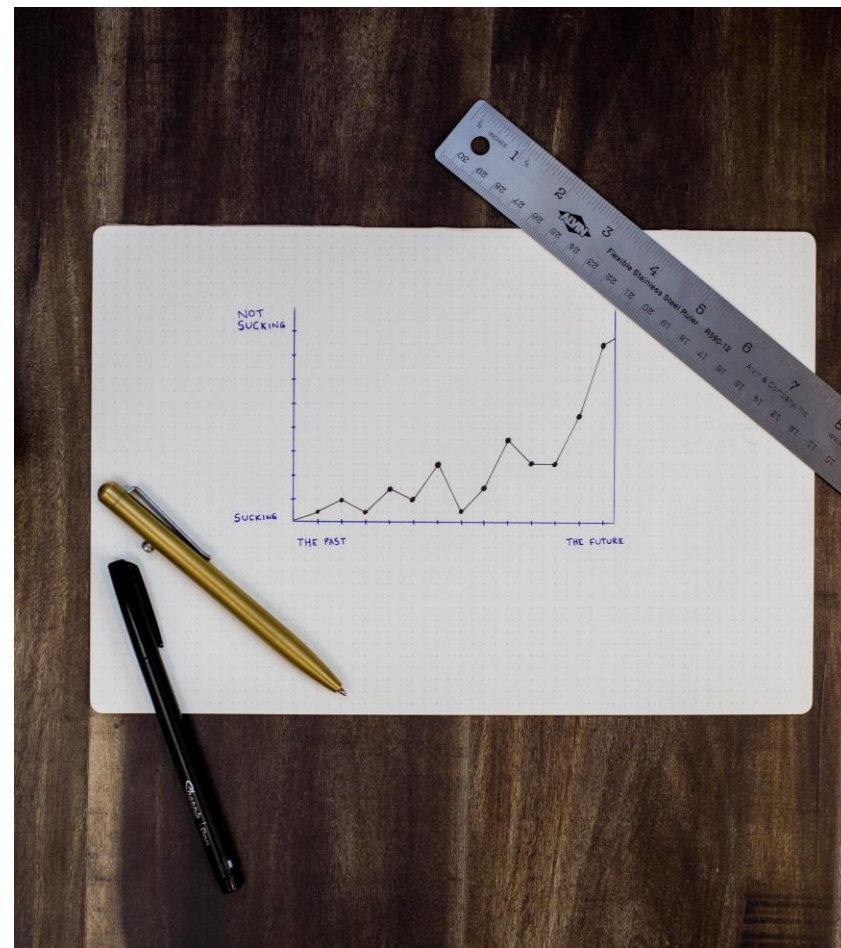
Human-Focused Financial Planning

Client Journey



Organise

- Client's Time Line
- Client's Cashflow Statement
- Assets, and Debts
- Insurance policies
- Estate planning documents

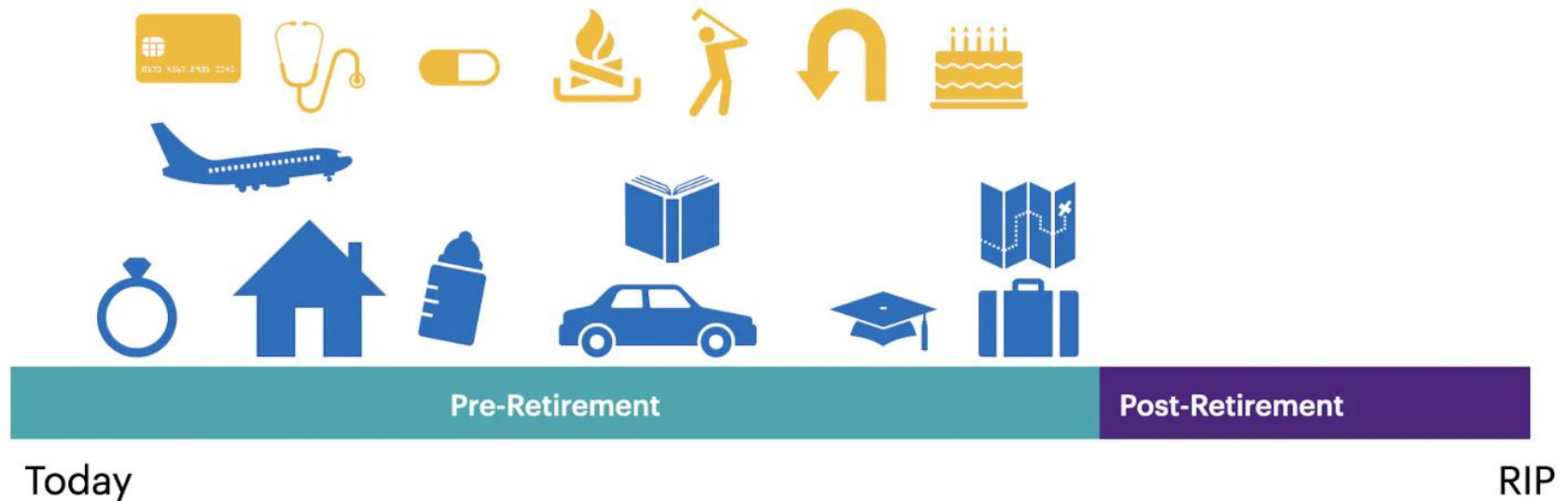


Your Personal Time Line

Creating your life's story

What You Want
To Happen

What Will / May
Happen



Client Journey

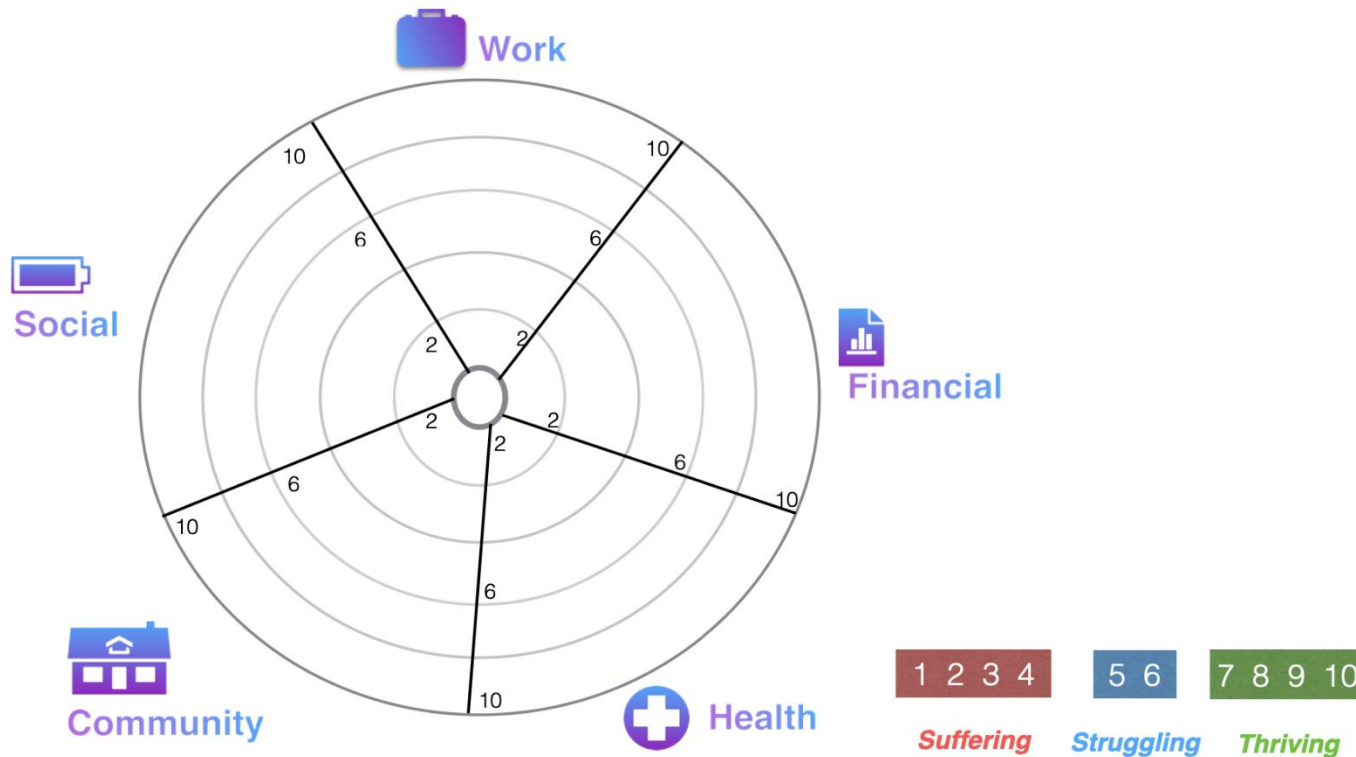
Check – Wellbeing

Your Wellbeing

Client's Name: _____ Date: _____

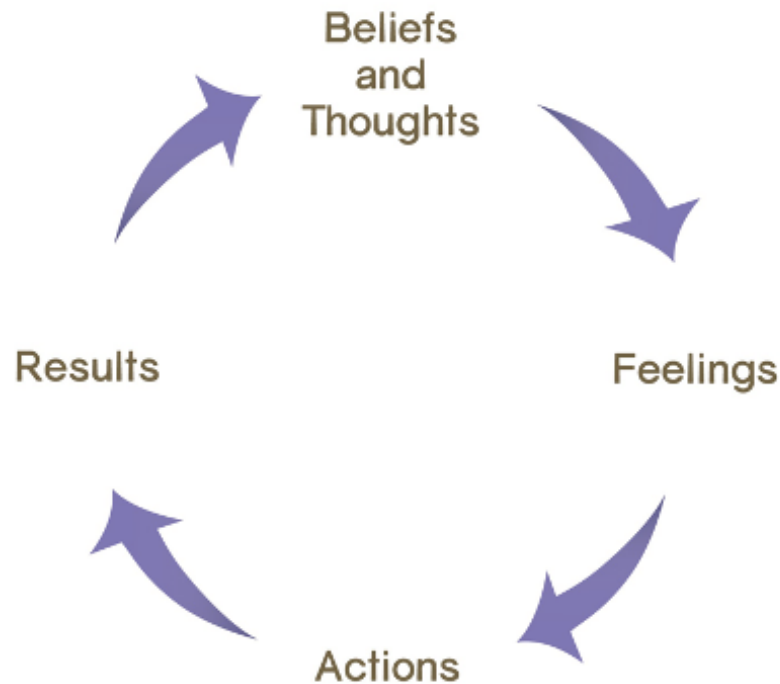
This exercise will help you to assess your overall wellbeing.

It will also help you to evaluate the degree of balance and level of life satisfaction you are now experiencing.



Client Journey

Check – Relationship with Money

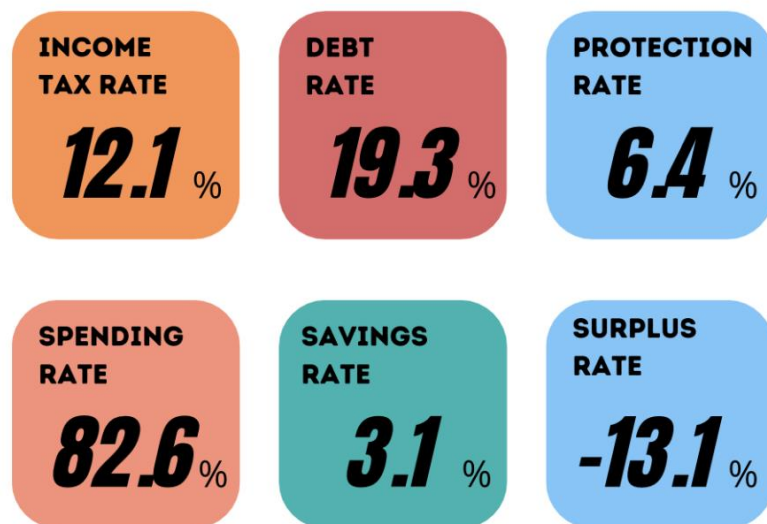


From Eat What You Love, Love What You Eat
by Michelle May, M.D. Copyright MMXIV

Client Journey

Check – Income Allocation

Person A



Check

Key Financial Ratio



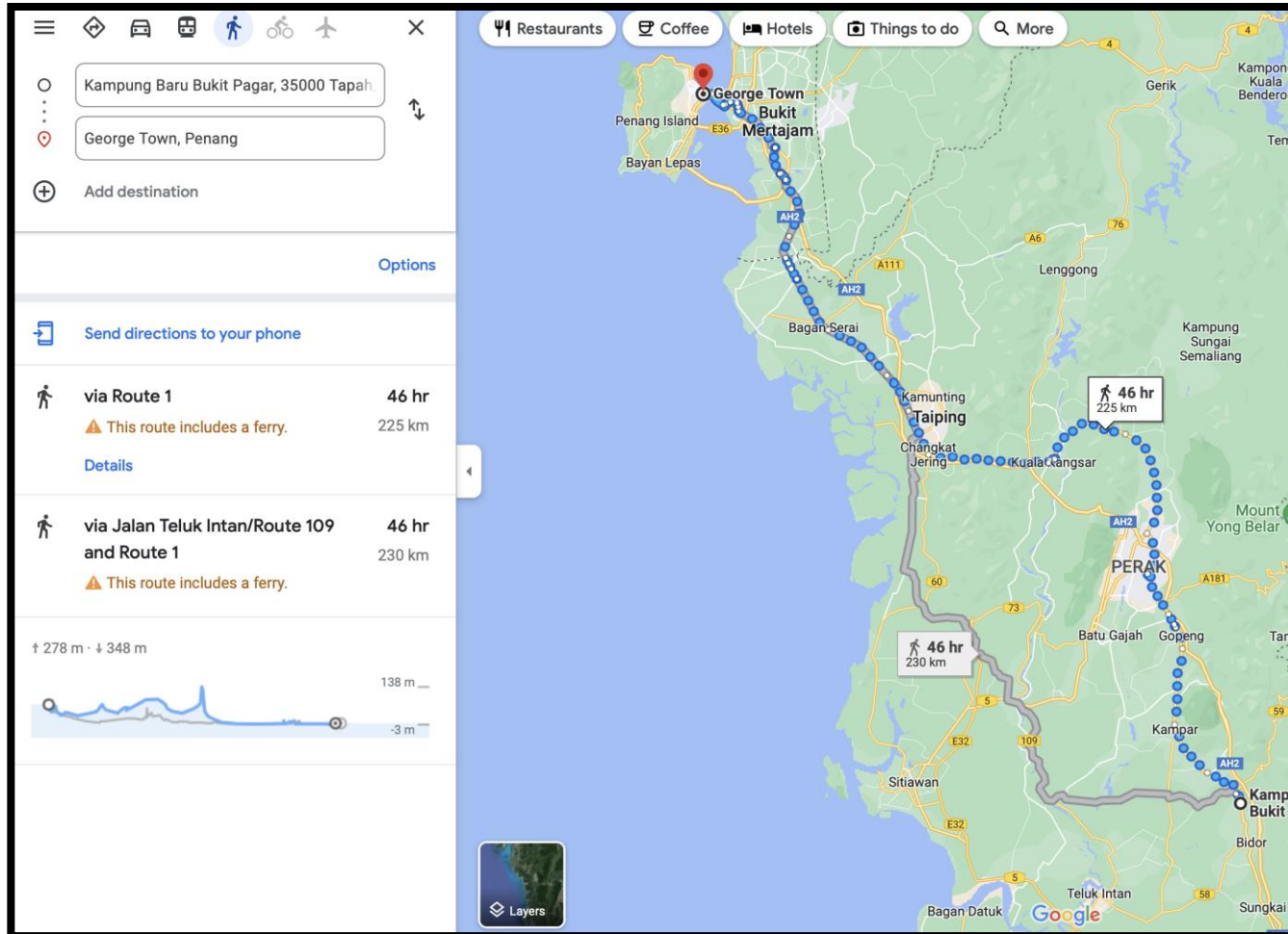
Financial Health Indicator	What's Is This About?	Ideal
Liquidity Ratio	Reveals the number of months (or years) a person's emergency savings can sustain any shock to their income or spike in expenses	12 months
Savings Ratio	Reveals amount of income a person sets aside as savings on a regular basis (automated), which could be used to fulfil financial goals.	>20%
Debt-Servicing-Ratio	Reveals the amount of net income that is used to make regular debt repayments. The higher, it means less flexibility in cashflow.	< 35%
Debt-To-Asset Ratio	Reveals whether a person's debt level is high. The lower the better as it indicates one have assets to cover his/her liabilities.	< 50%
Investment Assets-To-Networth Ratio	Reveals how much of an individual's assets are used to accumulate capital for the long-term, excluding the personal use assets.	>50%

Client Journey

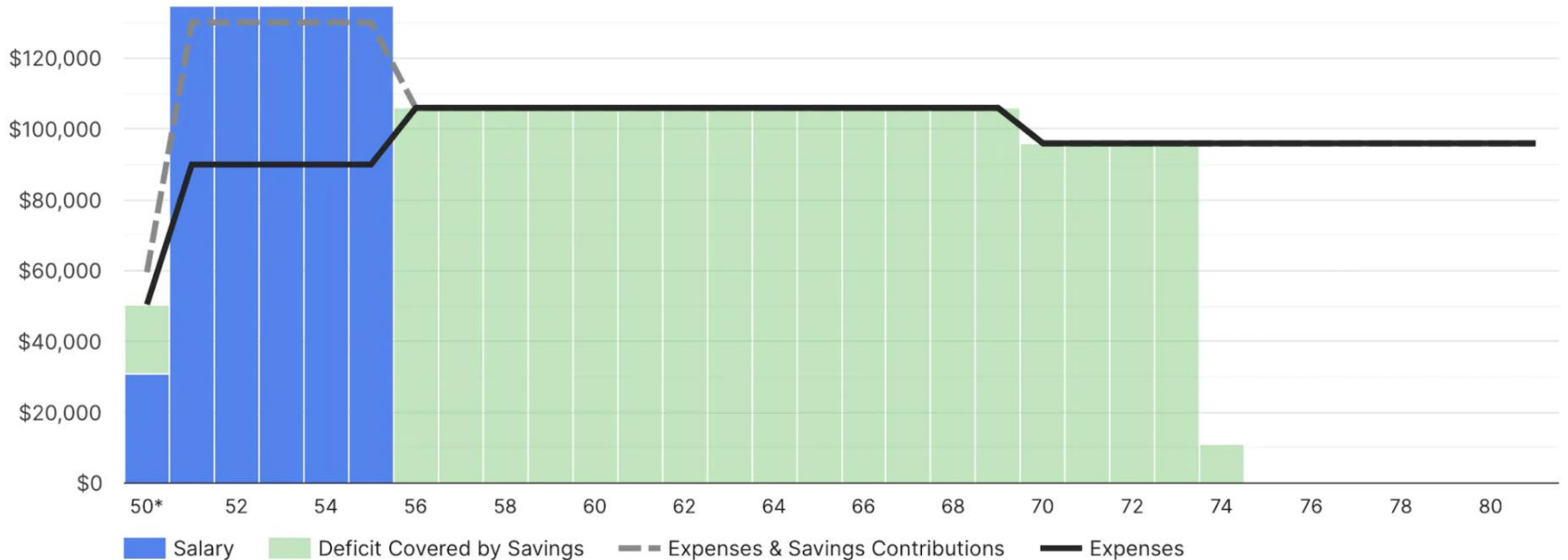
Check – Self Assessment on Financial Health



Client Journey Visualize



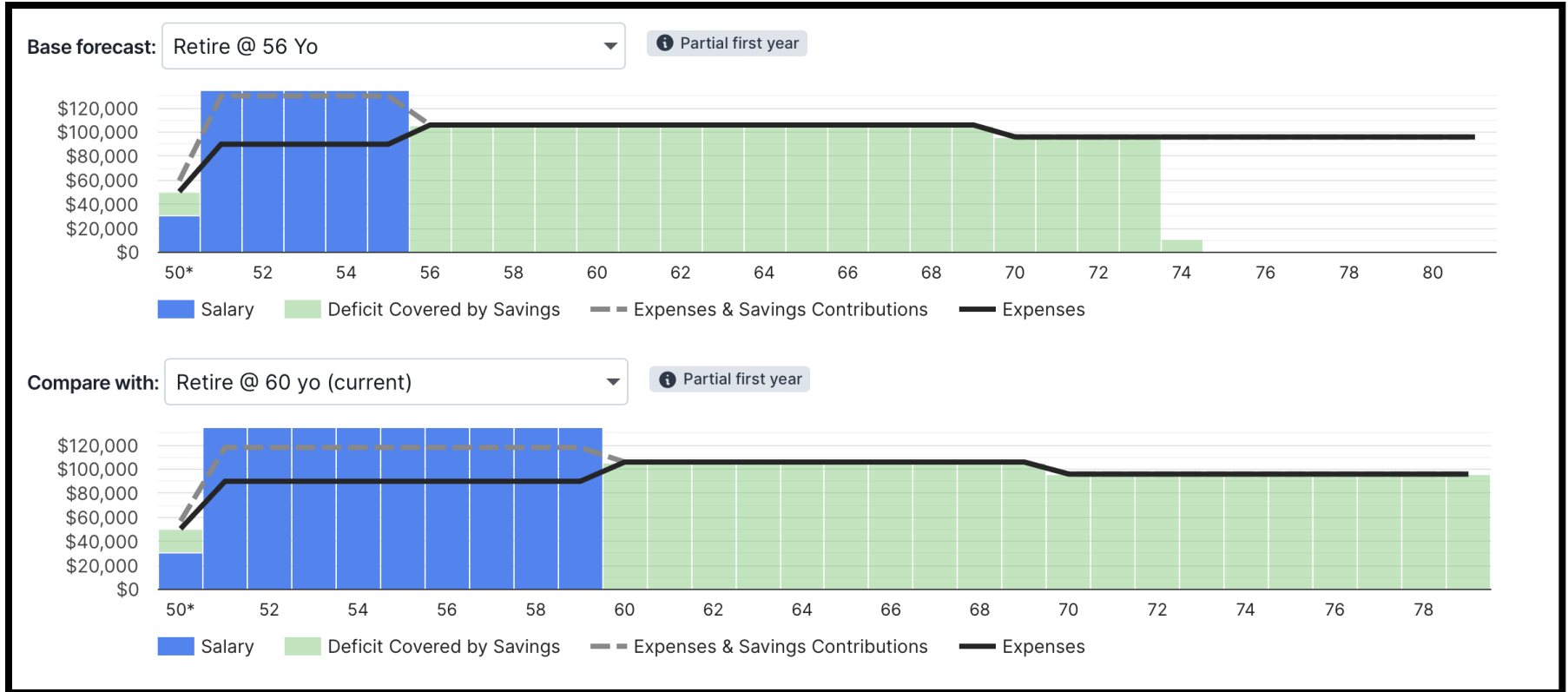
Visualize Current Financial Life Trajectory



Savings at start (age 50): **\$1,110,000** Savings at retirement (age 56): **\$1,540,703** Savings at end (age 82): **-\$662,511**

Visualize

Revision: Explore Alternative(s)



Visualize

Revision: Explore Alternative(s)

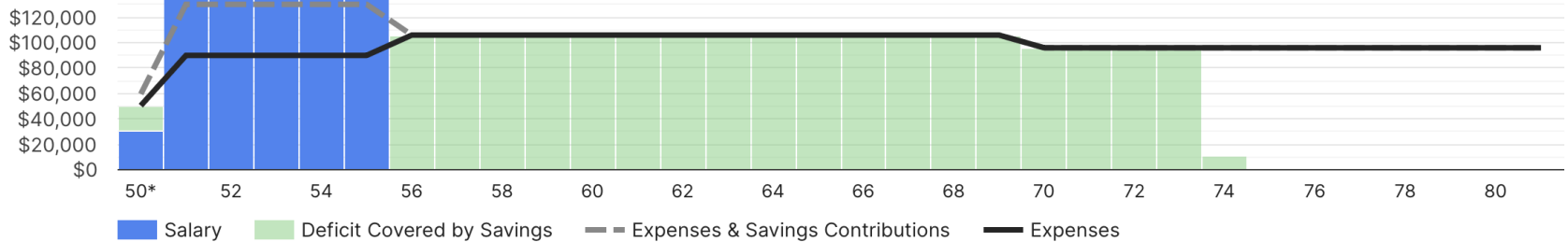


Visualize

Revision: Explore Alternative(s)

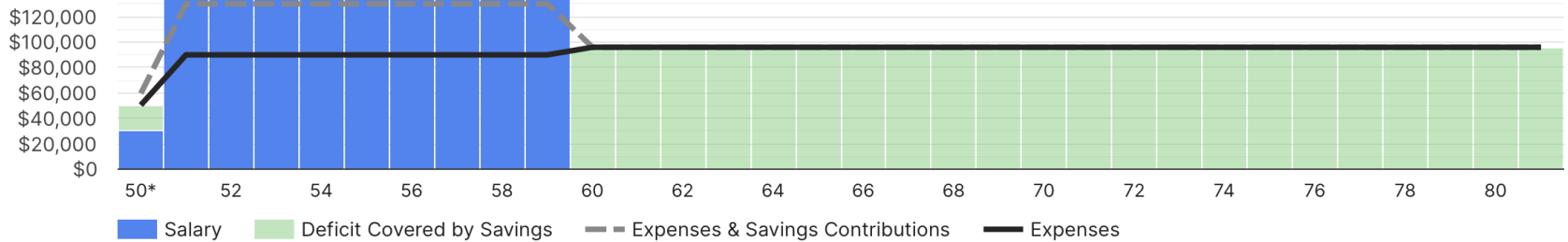
Base forecast: Retire @ 56 Yo (current)

Partial first year



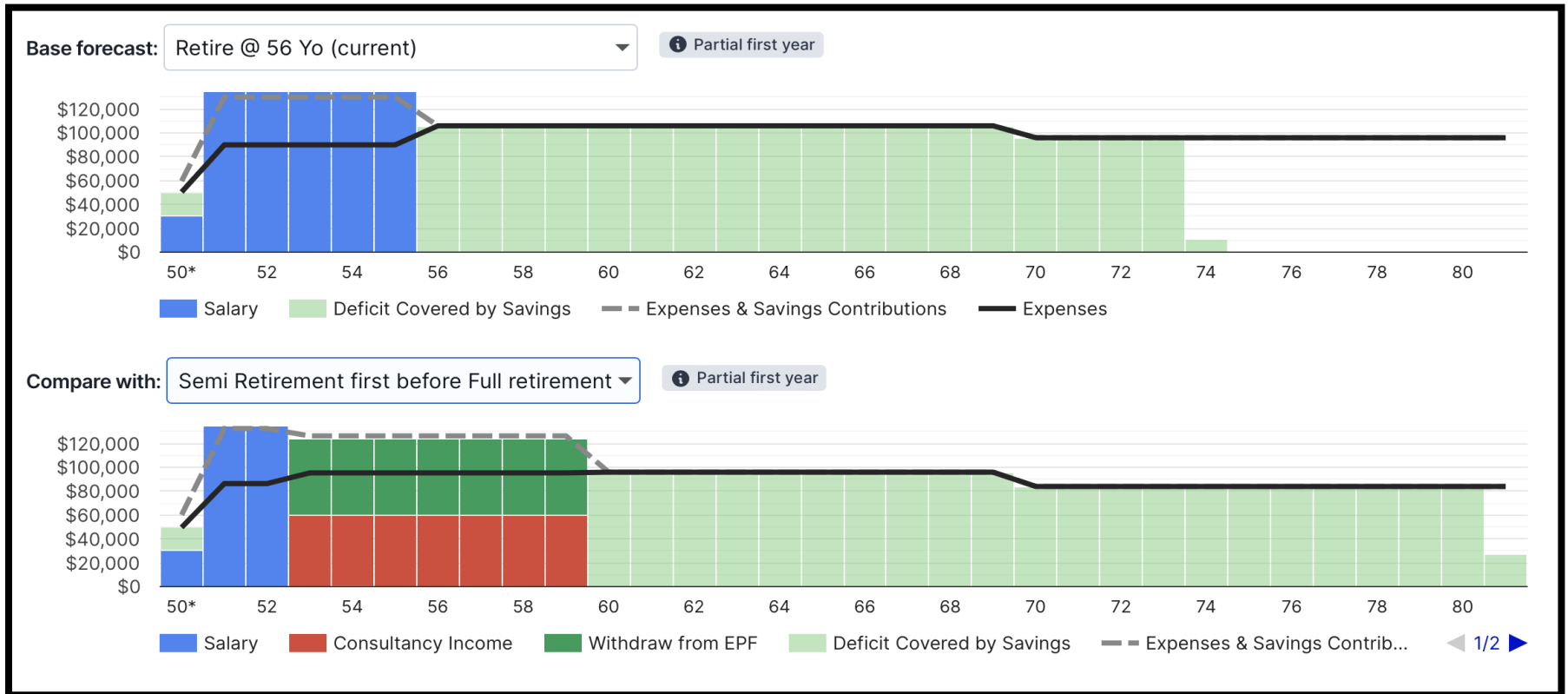
Compare with: Higher Return

Partial first year



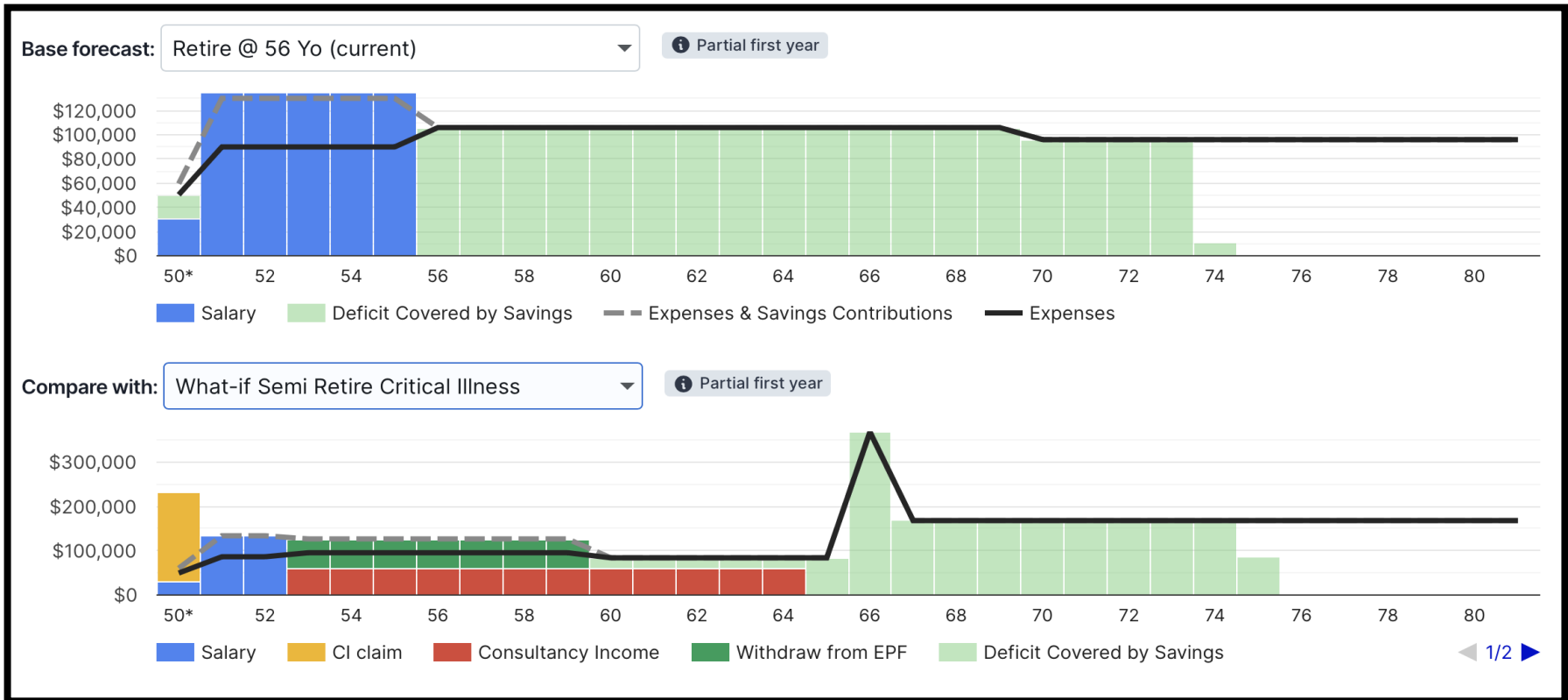
Visualize

Revision: Explore Alternative(s)



Visualize

Revision: Explore Alternative(s)



Visualize

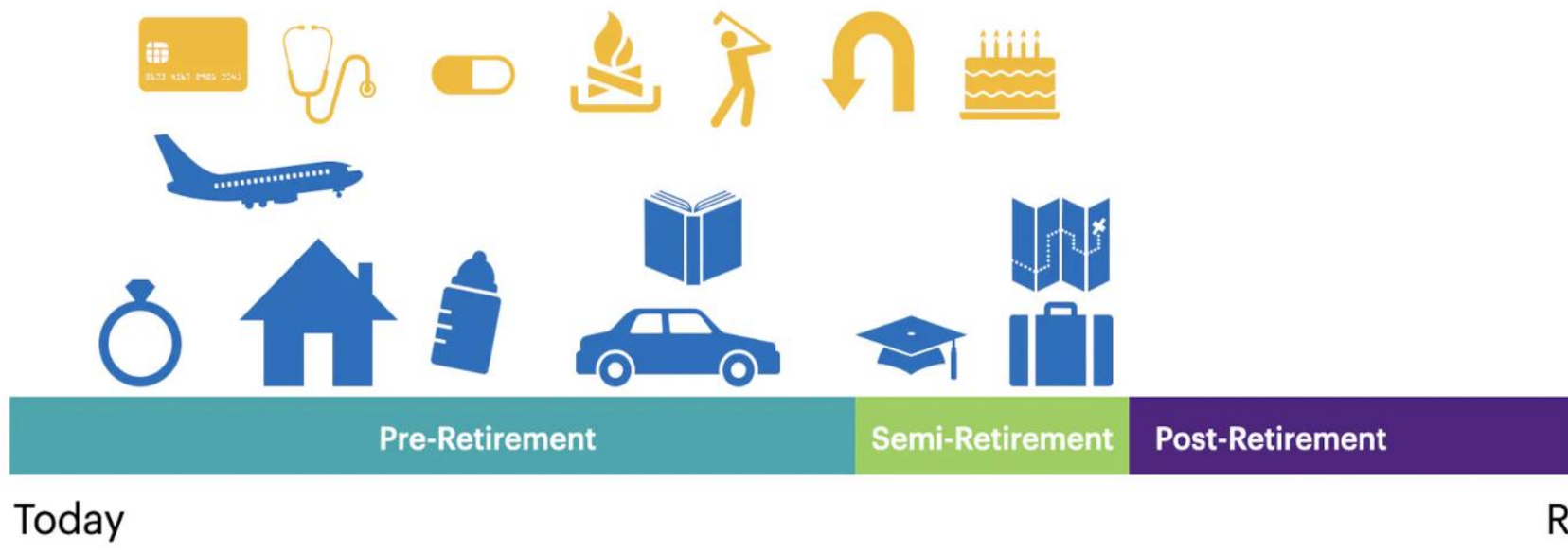
Revision: Explore Alternative(s)

Your Personal Time Line

Creating your life's story

What You Want
To Happen

What Will / May
Happen

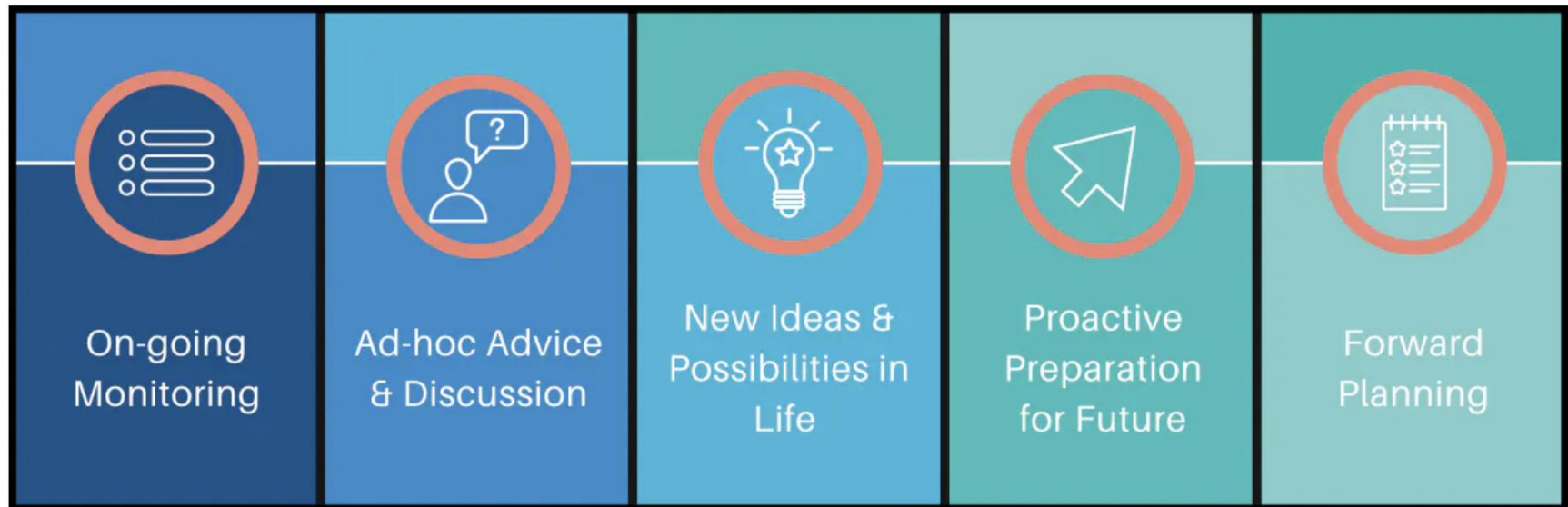


Maintenance and staying on track

Can you get to
Gym once and
Stay Healthy for the
rest of your life?

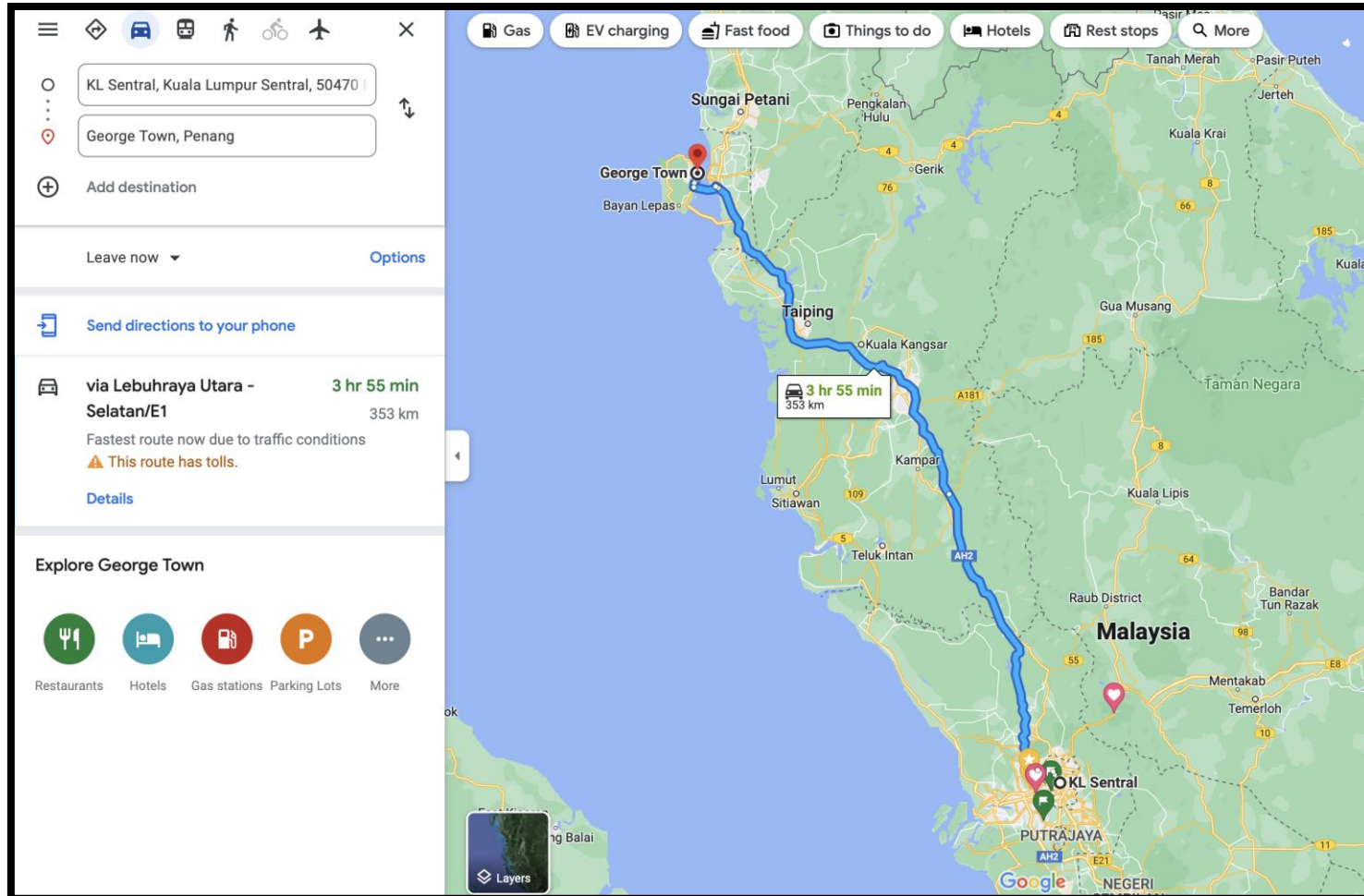


On-going Advice & Support for meaningful progress



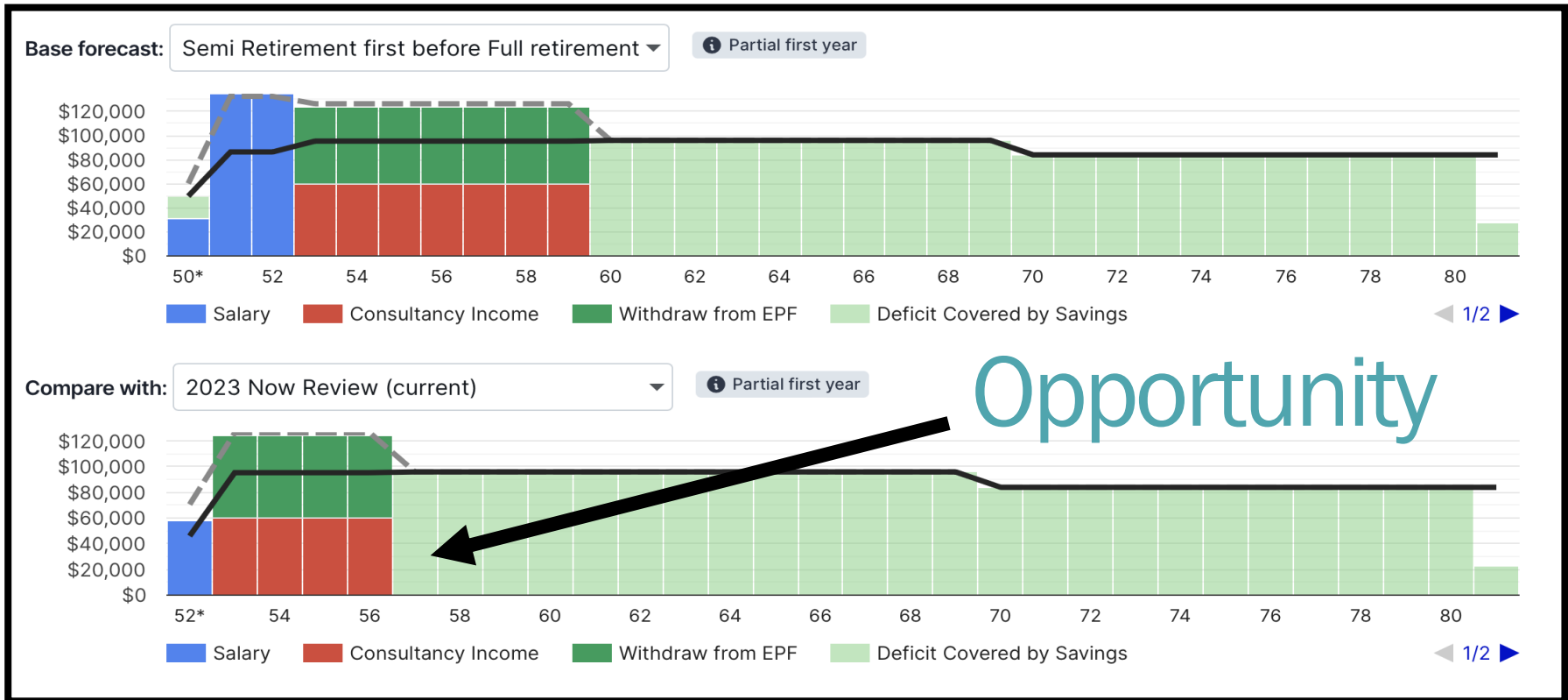
On-going Advice & Support

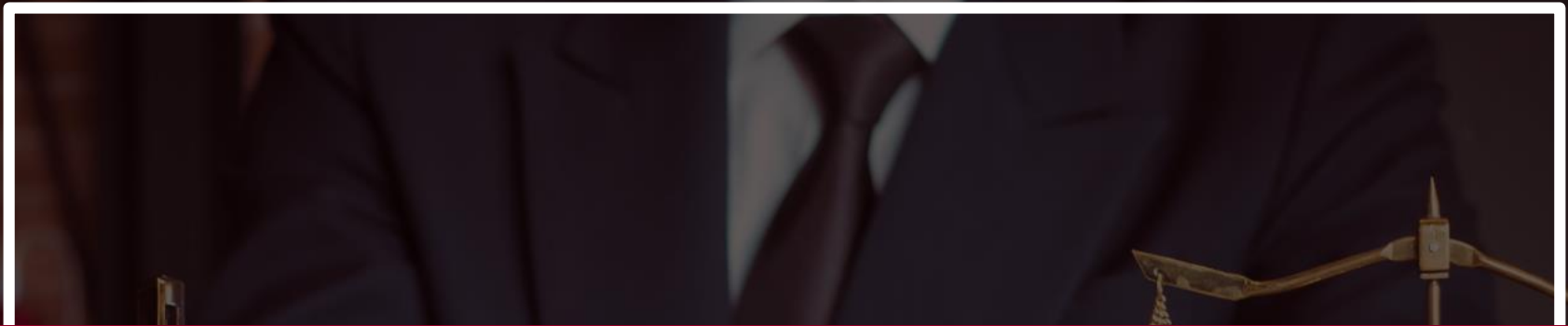
Review: Staying on-track / Update landscape (s)



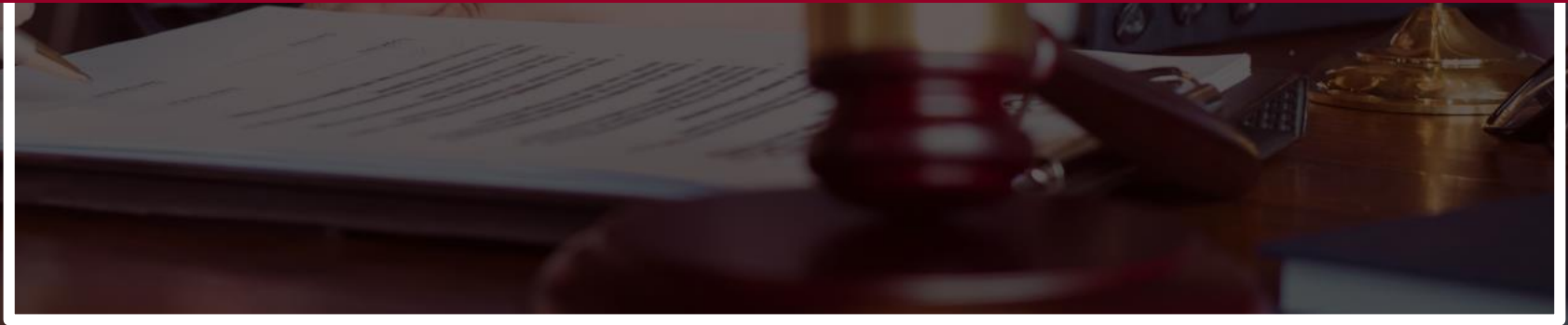
On-going Advice & Support

Review: Staying on-track / Update landscape (s)



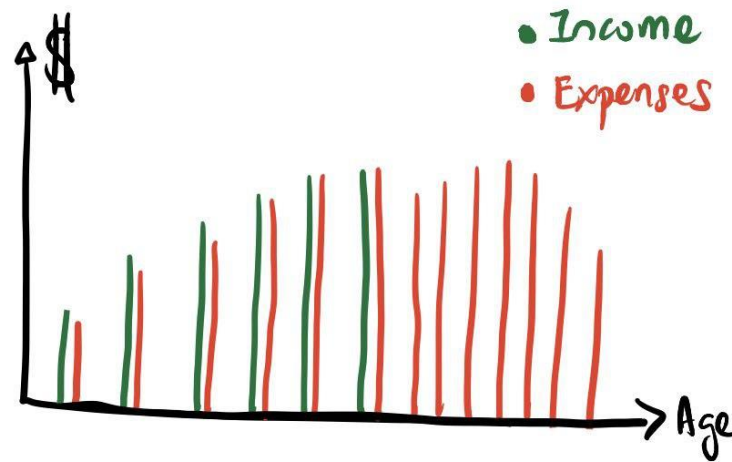


Wrap Up



Wrap Up

Financial Planning is more than number



What's Next?

Finding out your financial wellbeing and...



Find out your financial wellbeing





Thank
You

Kevin Neoh
012-6060 321
kevinneoh@vka.com.my

Website: www.vka.com.my Email: enquiry@vka.com.my

