



# WEALTH VANTAGE

*Have a plan – Get advice that's personal*

## **Client Communication on WVA Operations**

Dear Client,

Following the Prime Minister's announcement concerning the Movement Control Order from 18th March to 14th April 2020, Wealth Vantage Advisory as a capital market intermediary is continuing operations with advisors and employees working from home.

### **Online Meetings & Online Submissions**

You can continue to meet with your advisor using online teleconferencing applications. Our firm uses Google's G Suite Hangouts Meetings using a simple link to connect which can be accessed from the meeting calendar. Many documents and forms can be submitted online for wealth accumulation, wealth protection and wealth preservation solutions. Do work with your advisor for online submissions.

Do note that new EPF MIS submissions withdrawals have been temporarily put on hold during the MCO as per EPF instructions.

### **Cashflow**

Recommended for a minimum of 6 months emergency savings be held. Spend only as necessary on essentials such as food, medicine, bills and household needs. Avoid panic buying, hoarding or unnecessary online shopping.

BNM has announced that banking institutions will grant automatic moratorium on all loan/financing repayments/payments, principal and interest (except for credit card balances) by individuals and SME borrowers/customers for a period of 6 months from 1 April 2020. For conventional loans, interest will continue to be charged on the outstanding balance comprising of both principal and interest portion (i.e. compounded) during the moratorium period. For Islamic financing, profit will continue to accrue on the outstanding principal amount but not compounded in line with Shariah principles. Unless you have cash flow difficulties, it may be prudent to opt

out and continue with your regular loan repayment plans.

If you really need cash for cash flow purposes, options include withdrawal from EPF Account 2 under standard EPF withdrawals, EPF Account 2 withdrawal of RM500 x 12 months from April 2020 – March 2021 via EPF i-Lestari, and the reduction of employee contributions from 11% to 7% from April 2020 – December 31, 2020.

### **Wealth Accumulation**

Investors would be seeing a significant drop in existing equity investments with the market crash caused by Covid-19. Do not panic sell causing one to realise temporary investment losses. In the long-term, equity markets have proven to rise, and corrections/recessions are part of investing. If you cannot withstand the overall volatility or drops, talk with your advisor to consider reducing your risk exposure with a lower-risk investment portfolio.

Many investors are also looking at how one can take advantage of the current low equity prices to invest at attractive prices. You can use a dollar cost averaging investment strategy to take advantage of the volatility in prices by investing a fixed amount regularly every month. Historically it has been shown that these regular low-cost basis investments helped bring down their overall cost so when markets recovered years later, you are able to enjoy the rewards for your patience and discipline. If you have a lump sum to invest, your advisor can help you break down the investment into regular amounts with the remainder amount temporarily placed in a low-risk money market fund to generate returns.

Focus on your overall long-term goals and life priorities. Every single investment of yours should be tagged to a specific life priority. Work with your advisor on your personalised asset allocation which considers your investor risk profile, your age, investment duration, and overall diversification. Avoid short-term trading and very high-risk investments unless you have the necessary experience and skill sets.

### **Wealth Protection**

Life and general insurance continue to provide coverage as an essential service during these times. Several life insurers are also providing additional coverage if one is affected by Covid-19 which may include death benefit, diagnosis benefit and hospitalisation benefit. Do inform your advisor if any life assured is affected. For new wealth protection coverage, online non-face-to-face submission is available from several life insurers. Please proceed to work with your advisor on how to submit your life insurance application online.

For your auto insurance, please proceed to renew your auto insurance as usual if it is expiring within the Movement Control Order period. The road tax renewal can be done online, and you should keep a copy of the fee payment receipt as proof of payment if the new road tax is unable to be delivered to you.

### **Wealth Preservation**

Estate planning is increasingly relevant in these uncertain times. Estate planning helps reduce the possibility of future disharmony by identifying potential conflicts,

resolves difficulty in dividing property for distribution, and provides for dependents such as parents, minor children and children with special needs.

Among the estate planning options available include will writing, nomination, hibah, assignment, and trust. Please work with your advisor on your estate planning implementation for peace of mind.

### **Income Tax**

Tax filing for YA2019 has been extended by 2 months from the original deadline. The new deadlines are 30th June 2020 for resident individuals who do not carry on a business and 30th August 2020 for resident individuals who carry on a business. Do prepare all necessary documents for your filing and plan to maximize your tax relief for YA2020.