



FINANCIAL PLANNING WITH A TOUCH OF PORTFOLIO MANAGEMENT

Redvest Wealth & Asset Management aims to combine the best of both worlds.

To the everyday person, a portfolio manager is someone that collects money, invests it on your behalf in various financial products or investment channels, and keeps an eye on its growth. While this is typically thought to be a domain exclusively available to the wealthy, a new firm aims to combine both portfolio management expertise with financial planning savvy, bringing the best of both worlds to clients.

“We are a rare breed in the financial industry of being both portfolio managers and financial



Alvin Kwan

planners,” says Alvin Kwan, executive director at Redvest Wealth & Asset Management.

“We hold true to our belief that your investment manager should

have the capability and knowledge of both areas in order to give the best financial solutions based on clients’ needs,” adds the company’s founder, Ahmad Nazmi, who was formerly a portfolio manager in Bank Negara



Ahmad Nazmi

Malaysia, working in the national treasury department for over 12 years. However, his ambition to help clients manage their wealth and savings proved stronger

than the allure of his highly paid, well-secured role. This was the basis for which Redvest was formed as a “fully licensed financial planning and boutique fund management firm”.

A CHANGE OF MINDSET?

To convince a person of the need for change can be a challenge, what more in the area of personal finance. Kwan believes that the best way to convince clients is not with a demonstration of expertise, but rather a layman's approach that focuses on areas of need.

"I think our experience so far has been a fruitful learning curve, where we realised that the general public requires a "piecemeal" type approach where a holistic view in their total financial well-being should be treated as a long-term process in our culture and thinking," notes Ahmad Nazmi, who is also the company's CEO and managing director.

An overload of information can take a huge toll on a person, especially if they lack financial literacy. Therefore, he takes the long-term approach to potential clients and aims to build up a fruitful relationship. All financial products and services are viewed and treated as mere tools to provide the optimal solution for clients that engage their planners.

So far, this approach seems to be paying off for Redvest. Kwan recognises that there is a tendency for clients to be highly ambitious financially, but this can often be far from what is realistically achievable.

Thus, the initial approach also involves financial education which aims to help clients realise their limits and eventually set realistic targets and expectations. This can include both their financial goals as well as behaviours and traits that they are willing to change to meet their aims.

"One example is a young mother of three children aged between 2 to 8, who intended to prepare RM500,000 each for their higher education funding," he recalls.

Both parents had stable careers and were fairly well-off but recognised early on that more was needed after analysing their existing assets, savings and future

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cashflows.

"They realised what they needed to sacrifice and change in order to save up that much for each child's education. The importance of insurance planning was also realised during the discussion," remembers Kwan.

"At the end of the day, we concluded with a plan of accumulating RM300,000 for each child, given their financial circumstances. A little bit of general counselling in terms of what sort of education they want for their children also went a long way, where RM500,000 was actually an over estimation of what they wanted to provide to their children!"

BLEAK NUMBERS

Last year, Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said in parliament that around 6.1 million Employees Provident Fund members have less than RM10,000 in savings, with 3.6 million of these left with under RM1,000. A 2019 report by Bank Negara Malaysia also showed that 75% of Malaysians do not even have RM1,000 in general savings.

The numbers do not make for good reading, but it may also be a reflection of many Malaysians' attitude towards money.

"We believe that there is a national issue concerning Malaysians not

converting their savings enough to investments and having a longer-term view in terms of financial goals. "Our aim for Redvest is to build a team of financial planners and portfolio managers to aid in this issue, and to inspire the public to be more aware of their finances," informs Kwan.

The team believes that the main reason that Malaysians find themselves in financial peril is choosing to ignore two simple money management formulas:

**INCOME – EXPENSES
– TAX = SAVINGS**

**ASSETS + INVESTMENTS
– DEBTS = NET WORTH**

"Financial issues generally stem from having low savings, low net worth and also inadequate insurance coverage," he says.

"All the elements in the formula above have to be taken care of in order to have a good savings rate and a relatively adequate net worth for risk management purposes."

If one of the elements in the formulas above are mismanaged, there is a good chance of people finding themselves in a tight spot financially. This could occur due to high debt and expenses, low income and little or no investment assets, to name a few.

Kwan explains that the personalities of both financial planner and potential clients must match in order to quickly build a bridge of trust that goes both ways. This may arise as a result of similar beliefs, culture or even language "where a personal connection is there".

"This is why it is important for a firm to have diversity in their advisory force and for planners themselves to be flexible in approaching a wide array of clients," he says. **SI**