

ARECA
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flash

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For distribution to Areca Capital Sdn Bhd's clients.

LOOK BEYOND THE NOISE



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Dear Investors,

Globally, US and the rest of the world have been experiencing mixed fortunes. While US equities continue to record new highs, Europe, Asia and Emerging Markets have been drifting lower on the back of external uncertainties and subdued risk appetite. The US-China trade war, monetary policy normalisation which lead to reduced liquidity and the selloff in Emerging Markets took centre stage for the most part of the year thus far. Are these reasons for investors to worry about?

Edward and I discuss our views and investment strategies for the rest 2018. We have also recently introduced our Private Trust services for our clients. Find out more in Chaw Chern's article as he talks about the advantages of a private trust and how you can benefit from it. In our Health segment, we have Dr Lau Gin Choy, the consultant cardiologist in Thomson Hospital Kota Damansara.

Happy Investing for the remainder of the year - Focus on the fundamentals and look beyond the current noise and volatility.

A handwritten signature in black ink, appearing to read 'Danny Wong'.

Danny Wong
Chief Executive Officer
Areca Capital Sdn Bhd



REVIEW AND OUTLOOK

In April, initial trade tension between 2 giants separated by the Pacific Ocean; US and China, has morphed into an actual trade war. US trade tariffs have even been imposed on the European Union, Mexico and Canada. President Trump recently threatened an additional \$200bil worth of tariffs on Chinese goods but China is not shy of retaliating either. Risk appetite suffered another blow in August as financial markets were rocked by Turkey's currency and debt crisis.

The possibility of contagion risk to other parts of the Emerging Markets (EM) universe and the tit-for-tat trade war cast a bearish overhang on markets. For the time-being, investors will have to contend with periods of higher volatility amid rising rates in the US.

The US Dollar strength is supported by expectations of the Federal Reserve's interest rate hikes. The Feds have signalled their intention to hike 4 times in 2018. Persistent strength in the US Dollar could continue to exert pressure on EM and Asian equities and currencies. Bouts of volatility leading to risk aversion or flight-to-safety further boosts the greenback. Thus, we expect EM currencies to stay weak vis-à-vis to the US Dollar until the 4th quarter.

As overall sentiment remains fragile, EM and Asian markets look susceptible to further risk-off mood. Countries with twin deficits (current account and fiscal deficits) are most vulnerable.

Against this backdrop, local investors with sizeable investments abroad could consider repatriating some of their proceeds back to Malaysia. This insulates against increasing foreign currency risk for the time being.

The case for Malaysia

Malaysia is usually perceived as a more defensive market in the Asian region. The presence of big institutional funds (GLICs like EPF, Khazanah, KWAP etc) make for a lower beta market and this could be appealing to global funds amid heightened volatility in the Emerging markets region. As at 31st August 2018, year-to-date, the local index increased by 1.27% versus MSCI AC Asia ex Japan's -3.39% and MSCI Emerging Market's -5.68% loss.

Year-to-date, as much as RM8.7bil foreign funds have exited Malaysian shores. Nevertheless, foreign sell-down in July have slowed down considerably, when compared to the months of May and June. (-RM1.7bil versus combined -RM10.5bil for May and June). This reinforces our view that we could be looking at the tail-end of the fund outflows. Moreover, Brent crude oil prices have remained high, it currently trades above \$78 per barrel.

The new Pakatan Harapan government has recently concluded their first 100 days. Out of the 10 pledges in their manifesto, 6 have been enacted. Undeniably, more work awaits.

Initial worries revolve around the fiscal funding gap. The replacement of GST with SST is expected to result in the loss of RM21bil of revenue, while fuel subsidies will be reinstated. Nevertheless, higher dividends from the GLCs, higher taxes due to the rise in oil prices and the rationalisation in government expenditure ensure that the funding gap appear to have been bridged, for 2018 at least. Yet, uncertainties remain over the mega infrastructure projects – MRT3 and High-Speed Rail Linking Singapore to Malaysia appear to have been postponed while negotiations to lower down the cost of the East-Coast Rail Link is still ongoing.

Data-wise, 2nd quarter GDP registered an uninspiring 4.5% growth y-o-y. We think that besides a drop in external demand, businesses have adopted a wait-and-see approach ahead of the GE14 elections. On the bright side, consumers in Malaysia appear to be a happy lot. 2Q Consumer Sentiment Index touched a 21-year high at 132.9pts, boosted by the tax-holiday period.

All eyes are on Budget 2019. Scheduled on the 2nd of November, it could offer more clarity into government policies. However, it could turn out to have a neutral effect on the capital markets.

Conclusion

Despite the general narrative that a world with shrinking liquidity means more headwinds for Emerging and Asian markets, pockets of opportunities can still be found.

Global funds will remain on the hunt for returns. Asia, collectively, continues to be the main engine of global growth. According to the International Monetary Fund (IMF), the region accounts for more than 60% of global growth. Funds will ultimately turn to where growth is coming from.

In terms of investment strategy, we are looking to raise cash as we take profit from our existing investment positions. We think opportunities will emerge towards the end of Q4. As the dust settles, fund flows could return to this part of the world – Malaysia could benefit with its current account surplus, still ample foreign reserves and defensive status.

We continue to like exporters in the glove sector, E&E sector, selected companies within the Oil & Gas space or other companies with surplus in their foreign-denominated accounts. We think that companies with exposure to debt or costs input denominated in US Dollars for example could see stronger headwinds.

Dated 18 September 2018



FIXED INCOME MARKET REVIEW & OUTLOOK

BY EDWARD ISKANDAR TOH



SOMETHING OLD, SOMETHING NEW, SOMETHING BORROWED, SOMETHING BLUE

The 'old' strategy of imposing trade tariffs as a protectionist tool has always been deemed a regressive remedy by most economists. If used in a limited and specific manner, trade tariffs may be useful in affording a fledgling industry faced with unfair disadvantages some much needed protection. However, if prolonged; volume of trade could decrease and lead to widespread counterproductive impacts. Beginning from the early 1920's, what evolved into the Smoot-Hawley Tariff Act in the US and its retaliatory acts by European nations, a series of tariffs were imposed and counter-imposed. Collectively, they have been argued to have exacerbated the Great Depression of the 1930's. In January, Trump imposed tariffs on solar panels and washing machines imports. Steel and aluminum were then loaded with 25% and 10% tax respectively followed by tax on US\$34 billion worth of goods from China. Trading partners and neighbours like Canada, Mexico and Europe have been angered and threatened retaliation. Trump upped the ante by later raising the target of tariffs to US\$200 billion of imported goods from China believing that they have more bullets as trade imbalance recorded leans in their favour.

That said, US economy has grown admirably in the first half of 2018 recording 2.6% and 2.8% year-on-year for quarters 1 and 2 respectively. With core inflation breaching 2% in recent months, 12 months moving average is now just shy of long term target. The Federal Reserves is thus near achieving its twin objective of 2% long term inflation and full employment. Upcycle is practically in motion justifying the 2 rate hikes this half from 1.50% to 2.00.

So much has been said of the Malaysian 14th General Election and its unprecedented, unexpected results. We seem to have achieved what the ideals of democracy espouse which are the wishes of the people expressed in the form of a change in the government through the ballot boxes without untoward incidences. This 'new' Government led by ironically, the oldest democratically elected leader in the world ushers in with it a sense of new hope, reborn ideals and cautious optimism of a fair, just and equitable society. Of course the underlying tensions of differences in culture, wealth levels, urban-rural divide, race, language and religion will once in a way effervesce to the top. The current sense of kitchen sinking is not limited to only economics, finance and bad practices but also the toxic culture of all things intolerant. How long will this 'goodwill' last? We hope long enough for real corrective measures to take place and firmly demarcate the infrastructures of institutions that form the basis for democracy to flourish.

Inevitably, this long term gain we strive to achieve comes with short term pain. In revealing all the bad like fiscal debt higher than what had been announced with the inclusion of contingent liabilities; and meeting the new government's manifesto of reducing the working Malaysian's burden by zero rating the GST, the resulting gap of lower revenue brings with it many uncertainties as to how the government will plug this shortfall. The investing international community and the rating agencies have voiced concern and have reacted with outflows amounting to RM19 billion from the fixed income markets and RM6 billion from the stock market this year thus far.

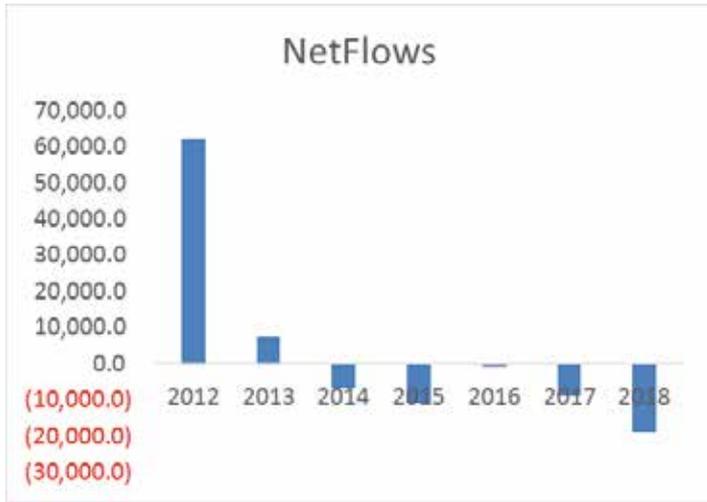
The much hyped-up Trump-Kim summit occurred in June. The 'neutral' venue of Singapore was 'borrowed' to host this historical event. In the end, this fanfare will be remembered more for the spectacle rather than substance. Apart from the commitment to "building a lasting and stable peace regime in the Korean Peninsula" while North Korea pledged to completely denuclearize with security guarantees provided by the US, there is little else to cheer about. All in all, it was shrewd business by Singapore having spent US\$12 million in return for global focus for a few days, enhancing further the brand of Singapore.

Amidst all things geopolitics and economics, a momentary break in the form of this little event called the World Cup was held in Russia where the 'blue' of France lifted the highest accolade in the sport of football, a team that aptly represents the virtues of 'Liberte, Egalite, Fraternite'.

FIXED INCOME MARKET REVIEW & OUTLOOK (CONT'D)

Till Debt do us part

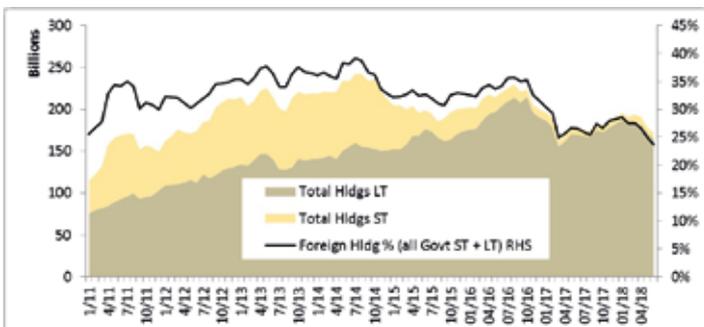
Much has been made of the debt held by foreign investors, both at our domestic level as well as in the international scene.



Records show that there has been net outflows by foreign investors from our fixed income markets since 2014. Up till June this year, 2018 has seen RM19 billion exit our market.

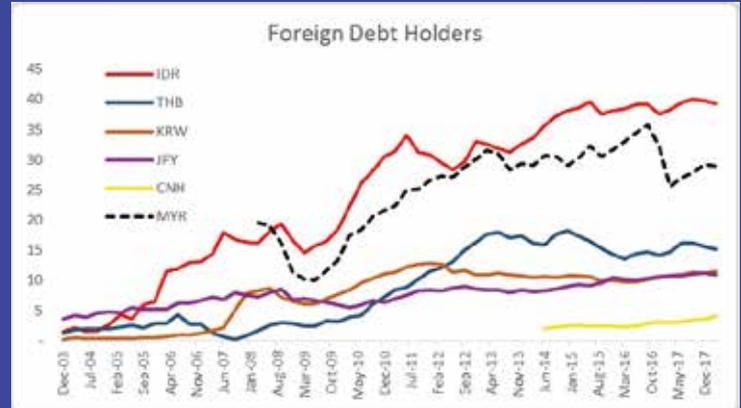
Is this a cause for concern? Not really. MYR has been weakening this year against USD, but when compared against other currencies, we have been holding up. Hence, this weakening must be due to USD strength rather than MYR weakness. In addition, foreign fund managers generally avoid uncertainties as in our case with a new government at the helm.

As at end June, foreign investors hold RM171.6 billion or 23.8% of our total debts issued and outstanding. Although this is at its lowest level since 2011, it is not a reason for distress as our current foreign reserves stands at RM423.4 billion compared to just RM50 billion during the Asian Financial Crisis 20 years ago.



It is safe to conclude that the outflow from our debt market is due to a combination of returning funds to the US due to the attraction of its strengthening economy as well as the uncertainties that come with a new Malaysian administration.

Moreover, when compared with regional markets, Malaysia's exposure does not seem that high. The highest level of exposure to foreign investors in this region is Indonesia at nearly 40%.



The US economy is in and upswing cycle which justifies their rate hikes that will likely total 1% for this year and a possible 0.5% more next year. The rest of the world appear to not be in step as evidenced in Europe and Japan's call for sustained low and easy monetary policies to continue throughout this year. In China, their concern is still on economic slowdown which they have indicated their willingness to address it with lowering cost by reducing Reserve Ratio Requirement. They still have ample room in interest rates and policy tools if need be. Interestingly, the ongoing spat instigated by Trump's wide ranging trade tariffs imposition may just initiate a global recession if history were to repeat itself. It will be curious to see how China and the rest of the world shift alliances to cope.

As for Malaysia, we have our own problems to take care of. It is crucial that the new Government can reestablish confidence in our economy by having a plan and policies to address the fiscal debt and shortfall resulting from zero rating GST. With that, it is likely that in the absence of any severe outflows of capital from ours and regional economies, the promise of alleviating the burden of high cost of living will likely be fulfilled by keeping interest rates low.

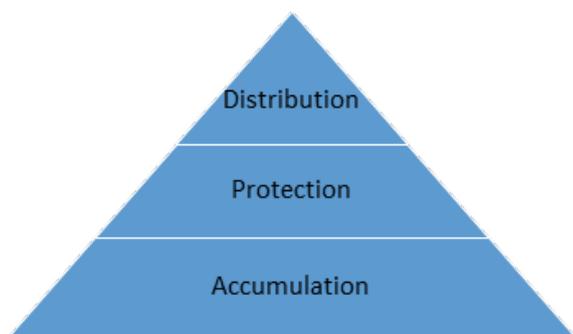
BENEFITTING OF PRIVATE TRUST



WRITTEN BY:

WONG CHAW CHERN MANAGER, PRIVATE INVESTMENT

A complete and holistic financial planning pyramid encompasses 3 wealth components – accumulation, protection and distribution. It describes the process flow where you start to accumulate your savings and investments, then protect your wealth against any unexpected events with insurance before deciding on how you will distribute your asset when the time comes.



In our opinion, the average Malaysian already has a well thought out and decently executed investment and insurance plan. These covers the wealth accumulation and protection components.

However, in many cases, awareness on the third and final piece of the financial planning pyramid puzzle – wealth distribution or estate planning, is still inadequate. A Star report published in 2013, stating that RM45bil worth of inheritance claims are still frozen by various agencies, lends credence to our belief.

Whether it's the mind-set that death is taboo or procrastinating estate planning until a 'later' age, the truth is – one should plan, and preferably, to do it as early as you can.

Unexpected events do occur and sometimes, at the unlikeliest of times. A Chinese proverb springs to mind – 不怕一万, 就怕万一, loosely translated: it is better to be safe than sorry.

For instance, if the deceased had not made any wealth distribution plans before passing on, a bickering among his/her beneficiaries or children on who should receive what, can have enormous repercussions. These can potentially tear the family apart, and with it, the family wealth and values.

Proper estate planning can go a long way towards preventing any unwanted occurrences. So write your Will or remember to update it if there have been any significant changes to the size of your estate, marital status or any replacement of beneficiaries.

However, if either retaining control of your wealth even after planning to distribute it away or wanting a more tailored approach towards your estate planning, a Private Trust may be more of what you are looking for.

7 Advantages of a Private Trust from a Will

A Trust is a legal instrument which is written on a Trust Deed for the Settlor (the person who creates the Trust) to provide instructions to the Trustee or Trust Administrator for them to hold, manage and distribute the assets to his intended beneficiaries. In this issue, we will talk about a Private Trust, which is a living trust.

- **Assets are not frozen**

Even after writing a Will, when a person passes away, his/her assets will still be

frozen while waiting to obtain the grant of probate from the Court. The grant of probate is needed to allow the designated executor, who is appointed by the deceased person to administer and distribute out his/her estate. Generally, this may take between 3 to 6 months. Crucially, this may be the time when the deceased's family members may need the money the most. For example, if the sole breadwinner has passed away, his spouse may be unable to use the frozen money to pay for the children's college tuition fees or other important monthly expenses.

In the case of a Private Trust however, for the assets already held by the Trust, they are not frozen and the Trust operates as normal and pays out according to the Settlor's instruction. For the assets which the deceased have nominated to the Trust eg: EPF or insurance proceeds, the transfer process can be started immediately without the grant of probate.

*If a person dies intestate or without a Will, a long, lengthy and costly process await the family members. Furthermore, the deceased's assets would be distributed according to the Distribution Act 1958 instead of what may be his/her wishes.

- **Decisive appointment of beneficiaries and conditions**

The Settlor can appoint anyone as the beneficiaries, even himself. For Muslims, assets held under the Private Trust falls outside of the Settlor's estate, hence is not subject to the Faraid distribution.

Besides that, the Settlor can determine the timing and condition of the particular distribution eg: Instruct the Private Trust to only distribute out the beneficiary or children's portion upon turning 30 or for the Trust to help with grandchildren's education expenses. Instructions can be as specific as spelling out that the Trust will only pay as long as the grandchildren is able to maintain a minimum grade of 3.5 CGPA.

- **Confidentiality**

When a Private Trust is created, all the assets are held in the name of the Trust hence the Settlor and Beneficiaries remain confidential. Moreover, unlike a Will, when the assets are distributed, it is done so to the intended beneficiaries discreetly and privately.

- **Emergency needs**

When a Trust is already in place, it can provide a safety net to the Settlor or for the family in case of unexpected occurrences. If a person falls under mental incapacitation which renders him/her unable to execute any decisions, all his assets remain under his ownership. In other words, the beneficiaries are unable to utilise the money and the assets for the family's needs.

With a Private Trust, the Trust is able to take over and perform the necessary procedures as previously instructed by the Settlor. These may include arranging for medical care, application for EPF withdrawals and providing for the family's expenses.

In the case of other emergencies, for example, if for whatever reason the Settlor is put in lockup and no next-of-kin to post bail, a Private Trust may come in handy.

- **Professional Management**

The assets in the Trust will be professionally managed in accordance to the Settlor's specified mandate; this helps to prevent any mismanagement by beneficiaries who may not be financially astute or to prevent any spendthrift family members from mis-using the assets.

cont'd on page 6 →

WEALTH DISTRIBUTION - WHAT IS PRIVATE TRUST

(CONT'D)

Depending on the size of the Trust, the fund managers can be instructed to invest in local, regional or in various asset classes. The Trust will be managed to achieve its specified objectives eg: generating returns necessary for successive generations and make available liquidity whenever distributions or payments are necessary.

- **Bankruptcy or Creditor Protection**

A Private Trust is able to provide creditor or bankruptcy protection for all the assets held under the Trust; provided the Trust structure is made Irrevocable and it will take effect after 5 years.

- **Duration**

A Private Trust can be set up to last for a maximum period of 80 years. Combined with the Settlor's ability to set the timing and condition of the distribution, a Private Trust can be made to benefit successive generations of a family - provided the assets are substantial of course.

What are assets that can be injected into the Private Trust

The Private Trust itself can be used to hold various assets, such as bank deposits, Unit Trust investments, listed or private company shares. Assets like properties and land can be included if the Settlor wishes to do so – although these will likely incur other transfer and stamp duty costs. It is important to note that the assets to be placed in the Trust has to be unencumbered.

Furthermore, the Settlor can nominate the Trust to be the beneficiary owner of his/her insurance policies or EPF savings. This ensures that if a trigger event happens (eg: upon death or mental incapacitation), the assets will be transferred to the Trust to be held and managed according to the Settlor's wishes – without being frozen and with minimal delay.

Who can benefit from setting up a Private Trust

- 1) **Singles, widower or couples with children already settled overseas.**

A Trust can be structured so that professional institutions like Fund Management companies and Trust companies can manage their investments, pay their bills or medical expenses, as and when they are required.

For example, the Settlor may request that upon a certain age, the Trust can help to send him to a retirement home and take care of his medical expenses while still generating reasonable returns from his investments. Only until after he passes away, will the estate be distributed to his intended beneficiaries. This gives the Settlor the confidence to know that he can support himself, off his own wealth and without having to depend on any individual.

- 2) **Those with spouses or family members who are not so financially astute**

In some cases, the husband may be the sole decision maker in the family. In his absence, the spouse or family members could be at a loss. If they are not financially literate, the inability to manage the finances could potentially mean they can fall victim to numerous scams which are ever so prevalent. Or worse, if beneficiaries are spendthrift, the wastage of wealth could go unchecked.

For a Trust, proper due diligence must be carried out, for example investments can only be made with suitably licensed and regulated institutions like banks or fund management companies. With regards to withdrawals, the Settlor can set specific conditions on which withdrawal or timing of payment to be made. For instance, conditions can be set that the Trust helps to pay for his children's new car; once every 5 years and as long as it does not exceed the average price of a C segment car (equivalent to a Honda Civic).

- 3) **Professionals like doctors, architect, lawyers, accountant, engineer etc**

A Trust can help to protect the personal assets of doctors, architects or other professionals who are at risk of being sued. The Settlor can transfer his assets to the Trust to protect from bankruptcy or creditor claims, however a few conditions must first be met. The said Trust must first be made in an Irrevocable structure and only after 5 years can it be creditor-proof.

- 4) **Business Owners or Families with expansive wealth**

For the reasons of succession planning or wealth preservation, a Trust can help to retain control and power within the family.

There are business owners who have spent a life time building up their company from scratch. In some cases, they may have been running the company for generations; since their grandfathers' time. But what happens if the younger generation has no interest in taking over the family business.

Well, the business owner can dictate that when he finally decides to take a step back and retire, or when he is no longer around, the Trust can find and appoint suitably qualified professional managers to run the company. This ensures his or the family's legacy continue to live on, and control is still retained by the family.

- 5) **Residents of countries with inheritance tax or its equivalent**

For residents from countries with inheritance tax or estate tax, a Private Trust is an invaluable tool. Malaysia had abolished the inheritance tax in 1991. Some of the countries that has inheritance tax include UK, US, Japan and etc.

If a Malaysian has children living in countries with inheritance tax, upon his/her demise, the children may be subject to the tax. However, if a Trust was created and tailored accordingly, it may minimise the amount taxed.

Conclusion – Consolidate, retain control or specifically customise to your needs

A Private Trust allows the consolidation and planned distribution of assets under a legal structure and from there, the Settlor can continue to retain investment powers and manage the Trust assets. He or she can choose to appoint in complete confidentiality, their intended beneficiaries, and the timing and condition of such distributions.

Contrary to popular and long-held belief, Trusts are not reserved exclusively for the rich. Neither are the fees staggeringly high nor the assets required to be in the mind-boggling tens of millions of ringgit range. In some cases, RM500,000 could be enough to set up a Private Trust. However, it is important to consult a financial adviser or investment professional like Areca Capital in order to specifically tailor the Trust to the Settlor's needs.

私人信託量身訂造遺產規劃

As published in SinChew Jit Poh on 08th October 2018

一個完整和全面的財務規劃金字塔，包括3個組合：財富累積、財務保障與資產分配，主要敘述開始累積儲蓄與投資的流程，購買保單保障你的財富面對意想不到事件的發生，以及時間到之前，決定如何分配你的資產。

以我們看，大馬人普遍都有精心規劃的投資與保險計劃，這些概括財富累積與保障元素，以下是概括投資項目的例子。

1) 財富累積：投資產業、股票、單位信託基金，以及銀行存款。

2) 財富保障：購買醫藥與壽險保單。

財富規劃越早越好

不過，財務規劃的第三組合：財富分配，許多人並未妥善處理，根據《星報》2013年的一篇報道，價值450億令吉的遺產仍被一些機構凍結。

不論死亡是忌諱字眼或分配財富的規劃拖延至“較大”年紀，一項不爭的事實：個人需要規劃，最好是越早規劃越好。

始料不及的事件常發生，有些是在最不可能發生的時候，中國有句諺語：“不怕一萬、就怕萬一”，簡單說：“安全比後悔好。”

舉個例子，假如逝世者在世時，並未做好任何財富分配的規劃，受益人之間或孩子的爭吵，可以產生許多反響，這可能造成家人不和、影響家庭財富和價值。

因此，妥善規劃遺產，可以避免任何不愉快事件的發生。立遺囑、或更新遺囑，特別是假如有任何重大改變，例如婚姻狀況、更換受惠人，或是遺產規模有顯著改變。

不過，假如在規劃分配資產後，繼續保留財富控制權，或需對遺產規劃稍做量身訂造，私人信託或許是你尋求的選擇。

探討“生前信託”

信託是法定工具，為委託人寫在信託契約，提供指示給受托人或信託管理人，以便他們握持、管理和分配資產給屬意的受益人。

今天，我們要談的私人信託是“生前信託”。

●遺囑私人信託的益處

1) 資產不被凍結

即使是在立遺囑之後，當一個人不在世，在等待法庭發給遺囑認證期間，他／她的資產仍被凍結，需要遺囑認證，以便讓指定的遺產執行人，就是獲逝世者委任的人選，負責管理和分配他／她的遺產。

一般來說，這可能需要3至6個月的時間，在這個關鍵點，可能是逝世者家人最需要金錢的時候，舉個例子，假如唯一的養家糊口者逝世，其配偶可能無法使用凍結的資金，以支付孩子的學費，或每月其他重要開銷。

就以私人信託的情況，信託握持的資產不被凍結，信託如常運作，根據委託人的指示支付，關於逝世者選擇納入信託的資產，例如公積金或保險收入，轉移程序可以即時開始，不需要遺囑認證。

●假如一個人逝世前沒有立遺囑，家人面對的是漫長、冗長，代價大的程序，而且，逝世者的資產將根據1958年遺產分配法令進行分配，不是根據他／她的意願。

2) 決定委任受益人和條件

委託人可以委托任何人為受益人，甚至是他自己，至於穆斯林，私人信託握持的資產，不在委託人遺產內。

此外，委託人可以決定分配的時間和條件，例如指示私人信託只分配受益人或孩子滿30歲的部分，以資助孫子的教育開銷，指示可以是特定，寫明在信託里，只要孫子的考試得分，維持在至少3.5 CGPA就可支付。

3) 機密性

私人信託已制定好後，所有資產轉入信託名下，委託人和受益人方資料保持機密。

與遺囑不同，在進行資產分配，是根據所屬意受益人，在謹慎和私下的情況下進行。

4) 應急需求

當私人信託已制定好，萬一發生意想不到的事情，可以提供安全網給委託人或其家人，假如一個人失智，導致他／她無法執行任何決策，其所有資產依然屬他，換句話說，受益人無法使用家庭所需的金錢和資產。

在私人信託，該信託可以接管、履行委託人之前指示的程序，這些可能包括安排醫藥照顧、提領公積金申請，以及提供家庭開銷。

至於其他的應急情況，假如委託人被關押，沒有近親可以保釋他，私人信託可以派上用場。

5) 專業管理

信託的資產將根據委託人的指示給予專業管理，這可避免受益人管理不當的問題發生，他們未必精明理財，或是避免家庭成員濫用資產、大筆揮霍的問題。

另外，視信託的規模，基金經理可以在本地、區域或不同資產組別進行投資，信託的管理確保可以達到指定目標，例如為後代賺取所需的回酬，需要分配或付款時手上有資金。

6) 破產或債權人保障

私人信託無法提供信託名下所有資產債權人或破產保障，除非是信託架構不可撤銷，而且是在5年後生效。

7) 持續時間

私人信託的設立，最長可以達80年，結合委託人制定的時間與分配的情況，私人信託的制定可以讓後代受惠，條件是資產規模相當龐大。

●結語：

與長期以來信念不同，信託不是專門保留給富裕者，或是費用驚人高，抑或所需資產數以百萬令吉，在一些時候，擁有資產50萬令吉足以建立私人信託，不過，徵詢財務顧問或投資專家，例如Areca Capital，以便根據委託人的需求量身訂做信託。

關於信託的資產，除了現金，還有一些其他的資產可以注入私人信託。

在兩週前的文章，我們談及擁有全方位財務計劃的重要性，首先概括你的財富累積（投資）、第二、你的保障需求（保險），以及最後的財富分配（遺產規劃）。

讀者也瞭解到與遺囑比較，私人信託的重要性，現在讓我們進入主題的兩大要點：

可以注入私人信託的資產：

在設立私人信託時，信託本身可用來握持一些資產，例如銀行存款、單位信託投資、上市公司或私人公司股票，假如委托人希望這樣做，也可以將產業和土地等資產納入在內。

值得一提的是，放置在信託的資產必須是非抵押品，可以和你的財務規劃師討論，以掌握更多資訊。

此外，委托人可以提名信託為他／她保單或公積金儲蓄的受益人，這將確保假如突發事件（例如死亡或失智）發生，資產可以轉入信託賬戶，根據委托人的意願進行管理，不需被凍結、減少延誤等等。

設立私人信託可讓誰受惠：

1) 單身人士、寡婦或孩子在外國定居的夫婦：

信託架構的制定，方便專業機構，例如基金管理公司和信託公司，可以管理他們的投資、支付賬單或在需要時負責醫藥開銷。

舉個例子，委託人可能要求到了某個年齡，信託可以將他安排到退休養老屋，在照顧他的醫藥開銷期間，也從他的投資取得合理回酬。

惟有直到委託人離世，遺產才分配給他屬意的受益人，這讓委託人有信心，清楚通過本身的財富資助自己、不需依賴任何人！

2) 有配偶或家庭成員、但理財並不精明者：

有一些情況：丈夫可能是家庭的主要決策者，如果他缺失，配偶或家庭成員可能不知所措，假如他們不是精明理財者，無法管理財務可能導致他們成為詐騙集團的受害者，當前社會相當普遍，假如受害者是敗家子，財富的流失可能無法控制。

信託必須履行盡職調查，例如必須由執照、獲認可的機構，好比銀行或基金管理公司負責投資，關於提取的時間或付款的時機，委託人可以設定特定條件，舉個例子，可以設定信託協助支付孩子購買新車的開銷，每5年一次，只要不超過C組車（等同於本田思域）的平均價。

3) 專業人士如醫生、建築師、律師、會計師、工程師等等：

信託可以協助保護醫生、建築師、或其他容易被起訴專業人士的資產，委託人可以轉移他的資產到信託，以保護他避免破產或被債權人索償，不過，需先符合幾個條件，信託必須建在不可撤銷的架構上。

4) 龐大財富的商業業主或家庭：

基於遺產規劃或保留財富，信託可以保留控制權，以及在家庭中的權力。

市場上有一些企業業主，花畢生精力和時間建立公司，也有一些情況，他們可能經營公司幾代，從祖父時代開始經營，不過，假如這一代年輕人沒有興趣接管家庭事業，情況將如何？

企業業主可以進行支配，就是他最終決定退下或退休，或是他已經不在，信託可以尋求、委任符合資格的專業管理人經營公司，確保他或家族遺產仍在，同時，仍保留公司的控制權。

5) 徵收遺產稅或同等稅務國的居民：

一些徵收遺產稅的居民，私人信託是無價的工具，大馬已在1991年廢除遺產稅，一些仍有徵收遺產稅的國家包括：英國、美國、日本等等。

假如馬來西亞人有孩子住在有徵收遺產稅的國家，在他／她離世後，孩子可能被追繳遺產稅，假如信託是量身訂制，可削減繳稅的數額。

【結論】

私人信託予以資產在司法架構上整合、規劃資產的分配，委託人可以繼續保留投資權力，以及管理信託資產。

我們要重申一點：徵詢財務規劃師或投資專業公司，例如Areca Capital的意見量身訂制，以便信託可迎合委託人的需求。

簡單說，這是很好的遺產規劃工具，因為可以根據委託人的分配需求進行，他或她可以在完全機密的情況下，委任所屬的受益人、時機和分配的條件，不再只是超富裕者可以做到。

HEART HEALTH:

10 TIPS TO IMPROVE YOUR CARDIOVASCULAR HEALTH

BY THOMSON HOSPITAL KOTA DAMANSARA

By Dr Lau Gin Choy
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Heart Health: 10 Tips to Improve Your Cardiovascular Health

Cardiovascular disease may be the leading cause of death worldwide but that does not spell the end. There are some things we cannot control – like family history, gender or age - but there are plenty left that we can take into our own hands.

Healthy diet

Some studies have shown that a healthy and balanced diet can lower blood pressure, which in turn is good for your heart. Generally, a low-fat high-fibre diet with lots of fresh fruit and vegetables is good. Excessive salt can increase blood pressure so limiting your intake to less than 2,300mg daily will be beneficial. On that note, most processed food would already contain salt, so avoiding adding extra salt during cooking can help tip things back into balance. Potassium, which is found in many foods such as bananas, potatoes, beans and dairy products has a positive consequence of reducing the effect of sodium on blood pressure and is encouraged for that reason.

Exercise

I'm sure people have been telling you about the need for exercise but how much really do we need? Adults should have a minimum of 2.5 hours (150 minutes) of moderate-intensity aerobic exercise (like brisk walking, playing tennis) every week. When you think about it, that's only about the same amount of time as your average movie and it can be spread out during the week if that is what you prefer. In fact, some studies suggest that the health benefits of exercise are not only limited to cardiovascular disease prevention but for other conditions too.

Weight control

Hypertension is more common amongst the overweight. So losing the extra weight, even just a few extra pounds, can go a long way in reducing blood pressure or even help prevent it altogether. Once you have achieved your ideal healthy weight, maintaining it becomes paramount. And there is really no better way than a combination of eating well and moving often.

Stop smoking

Smoking is one of the worst things you can do to your body as it harms nearly every organ. When it comes to your heart, it leads to injury to blood vessels which causes them to thicken, harden and narrow. Your heart will then beat faster and your blood pressure goes up. So do yourself a favour, quit. It will drastically reduce your risk of health problems over time. The numbers show that within the first year of quitting, the risk of heart attack will reduce by 50% and by the fifth year, the risk of stroke will drop to the same level as a non-smoker.

If you don't smoke, good don't start!

Limit alcohol

From central nervous system depression to liver cirrhosis, alcohol has a hand in every organ. You will likely to have heard that drinking moderate amounts can help the heart, which means one drink per day for women and two for men. More importantly, this refers to the amount consumed in a single day and not as an average over several days. However, if you aren't already a regular drinker, it is not recommended that you start or drink more frequently on the basis of potential health benefits because moderate alcohol intake can bring its own risks such as an increased risk of breast cancer, drowning and injuries from motor vehicle accidents.

Good sleeping habits

Sleep deprivation doesn't just leave you feeling terrible but it is bad for your health too. Not having enough sleep is associated with a higher risk of obesity, high blood pressure, heart attack, diabetes and depression. So how to know if you've got enough sleep? Most people need seven to nine hours of sleep every night. If you're waking up feeling refreshed, that's wonderful but you will probably need to re-evaluate your sleeping habits if you find waking up a battle every morning.

Stress management

Research is still being done on how stress and heart disease are related but stress may affect many factors which increase the risk for heart disease: high blood pressure and cholesterol levels, smoking, alcohol consumption, physical inactivity and overeating. Managing your stress is good for your health in general, this generally involves what has been mentioned above: not smoking, exercising, eating well and good weight control.

Regular checkups

Conditions such as high blood pressure, high cholesterol and diabetes can greatly contribute to your risk of cardiovascular disease and the best way to manage them is to pick them up early. That's why regular screening is vital; it tells us when action is required.

Know your health

Patient education is increasingly becoming an essential part of healthcare, as ultimately we are responsible for our own health. That is why it is important for you to know your health, what conditions you have, what sort of treatment and medication you are on, your family history etc. Taking that one step further, healthcare staff can provide support but it is also up to you to care for yourself and instigate these lifestyle modifications that would greatly benefit your health in the long run.

Listen to your doctor

Your doctor can give you the most suitable advice and support when it comes to giving your heart the best so it is always worth it to get their opinion on things. Sometimes it may seem difficult to accept counsel especially when it comes to overhauling one's lifestyle but at the end of the day, we are all on the same side.

Your heart is important, after all, matters of the heart are always close at heart.

Good luck everyone!

ARECA CHALLENGE 2018 - FINAL ROUND & AWARDS CEREMONY

Areca Challenge 2018 – Final round and award ceremony was held on 31 July 2018 at Eastin Hotel, PJ. There were 21 teams from 10 universities which participated in the qualifying round. Among all, the top 5 teams managed to proceed to the final round. These 5 finalists presented their proposal on investment and private trust planning for a hypothetical client to a panel of judges.

Each team was given 15 minutes for presentation followed by 10 minutes question & answer (Q&A). Judges evaluated their presentations based on 5 criteria, i.e. quality of contents, presentation skills, creativity and teamwork. The result was close for all the competing teams as each of them managed to deliver high quality presentation, yet creative in their own way with professional standard. During Q&A session, each team also benefited from the valuable feedback and comments from our judges.

Final result are as follows:

- 1) Champion - Fifty Shades of Awesome (University of Malaya)
- 2) First Runner-Up – P2 Capital (UCSI University)
- 3) Second Runner-Up – Gotrocks (Sunway University)
- 4) Third Runner-Up – UoRM (University of Reading Malaysia)
- 5) Fourth Runner-Up – ACERA (HELP University)

Winning teams (Champion, First Runner-Up and Second Runner-Up) were awarded with a total of RM 6,000 cash prizes and 13,000 fund units.

It is our honor to have the kind support from the companies/organizations as follows:

- 1) Inter-Pacific Asset Management Sdn Bhd (Sponsor)
- 2) RHB Trustees Berhad (Joint marketing partner)
- 3) Financial Planning Association of Malaysia (Supporting organization)
- 4) Federation of Investment Managers Malaysia (Supporting organization)

We do believe this Challenge can benefit our younger generation from various aspects. Apart from giving a head start for their career development, this Challenge will also equip them with valuable planning skills on top of the correct mindset on financial matters - hopefully this will serve as the treasure for their whole life's journey.



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