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# Take Charge of Your Financial Destiny

FINANCIAL PLANNING. MORTGAGE MANAGEMENT. ASSET PROTECTION

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### Engaging a Financial Adviser

Investors nowadays are spoiled for choice. From the traditional shares, unit trusts and real estate to the more recent Exchange-Traded Funds (ETF) and Contract For Difference (CFD), investors are faced with a dazzling array of financial instruments with varying degrees of complexity. Given such a wide spread of products on the table, how do you know if the latest financial instrument is for you?

#### How Financial Products Are Created

Financial Institutions (FIs) develop financial products based on their reading of the market. As ongoing business entities, they hold the responsibility of designing financial instruments that make money for their companies, while catering to the evolving needs of the increasingly sophisticated consumer.

Whether these products survive over the long-term depends very much on the market's response to them.

If a recently introduced financial product is well-received by the market, the high demand will spur the creation of similar products in the market in the near future. If, on the other hand, the newcomer faces lacklustre demand, the absence of interest will ensure that the product is eventually phased out.

#### Know Yourself, Know Your Product

No responsible and reputable FI will design a financial product that is out to create losses for its clients. However, since every individual has needs and expectations that are different, it is simply not possible for FIs to create products that fit each of their customer's needs. Hence, the onus is on the FIs to disclose the risks associated with their financial products to their clients.



Consumers, on the other hand, have to be proactive in getting to know what they are purchasing as well. As an intelligent investor, you would have to take the initiative in understanding the various features of the financial products you are putting your money in. Other than that, you should also consider the impact of your purchase on your overall financial situation.

Buying on impulse, hearsay or first impressions is just not the way to go.

### **Know Your Property**

Although not a financial product on its own, property – being the favourite asset class of the rich and wealthy and those aspiring to be so – is worth a mention as it is usually within the investment portfolios of those who are planning to grow their money.

Like the many financial products we see nowadays, investors are faced with a smorgasbord of choices.

Should one buy a 99-year leasehold or freehold property? Are shoebox units really bad? How about properties which provide good rental yield but low capital appreciation vis-à-vis those which offer excellent capital appreciation with low rental yield; which is better? Should one consider overseas properties?

### **What Financial Advisers Do**

Given that financial products are getting more complex by the day, even the most informed of consumers may find it daunting to make sense of what they are buying into. As such, it will be wise of you to engage the services of a professional Financial Adviser to lighten your load and save you from unnecessary heartaches and headaches of buying a wrong product.

Financial advisers from MAS-licensed financial advisory firms like SingCapital are able to guide you through important financial decisions, assess the different financial products in the market, look through risks that might affect you and most importantly, match you to the right financial products that will best benefit your financial situation.



### **The 6-Step Financial Planning Process**

Clients who engage SingCapital for its financial planning services will be taken through the following steps.

1. **Establish adviser-client relationship**  
During this step, the financial adviser will explain the nature and scope of services rendered. Client expectations are also clarified and managed.
2. **Data gathering**  
Here, the adviser will collect the relevant information to ascertain the client's current financial status and standing.
3. **Data analysis**  
During this step, the data gathered within Step 2 will be analysed. Strengths and weaknesses of the client's financial position will be identified, and his/her goals matched against a timeline.
4. **Plan formulation**  
In Step 4, the specific financial instruments that will be employed will be determined. Performance benchmarks will also be set.
5. **Plan implementation**  
The plans formulated in Step 4 will be carried out.
6. **Periodic Review**  
In this phase, regular appraisals of the plan will be carried out, and the performance of the plan will be measured against a benchmark.

Of course, the steps mentioned above are just a summary of what advisers at SingCapital do with their clients. Clients go through a more elaborate process than what is described above, with many intermediate steps within each one of the above in order for SingCapital advisers to get a more accurate snapshot of the clients' finances, thereby giving the former more information to better strategise the most appropriate financial plans.

## Your Mortgage, Our Concern

Besides matching you to the right financial products, SingCapital also offers another unique service for our client's financial well-being – we can conduct stress test on your mortgages.

Mortgage, though considered as good debt, is still a debt which needs to be managed prudently. It is possibly the largest debt that you will take on in your lifetime, and how you manage it can make or break your financial freedom plans.

Nobody wants to be in a situation where he is over-leveraged and having to force sell the property at the wrong price. As such, it does not matter if you are an investor of local or overseas properties; it also does not matter if you are an investor of residential or commercial properties. As long as you invest – or you intend to invest – in properties, it is important for you to understand every aspect of your mortgage well.

How do changing interest rates affect your mortgage? Are you paying too high an interest on your mortgage? How will a tenant defaulting on his rent commitments affect your financial condition?

If you are unsure about the answer to any of the questions above, it is time to get a Financial Adviser to help you through.

## A Strategist To Help Realise Your Dreams

Many famous athletes around the world engage the services of a coach. A coach advises, guides and motivates the athlete under his charge to achieve the goals the athlete has set for himself. More importantly, a coach strategises the training programme and the most effective and efficient way to reach his dreams.

The road to financial independence is a long one, and it can be a tumultuous ride for the uninitiated. Take for example the investment market over the past few years. The market has been very volatile, and this volatility has been very disturbing for many retail investors.

Yet, learning from history, what goes up will eventually come down and what comes down will eventually go up. Despite its many ups and downs, a competent adviser who looks out for you can make the journey easier, safer and more enjoyable. Don't you think it is time for you to engage your own financial strategist?

## Realise Your Financial Dreams With SingCapital

Your financial dreams can become a reality if you have a competent adviser to look out and strategise for you. SingCapital wants to make your dreams come true and here is our offer to you.

For a limited time only, SingCapital is offering readers a special rate for the financial advisory services mentioned in this article. At a special price of \$300 (U.P. \$500), readers will be brought through the 6-Step Financial Planning Process, an experience that will open your eyes to what you can do to make your financial dreams come true. Readers who respond within the next 7 days will also get exclusive copies of 'Mortgage And Grow Rich', a holistic guide to growing your wealth and managing your mortgage.

The road to financial independence is only a step away, but you need to take that step. To know more about SingCapital, you can log on to [www.singcapital.com.sg](http://www.singcapital.com.sg). To learn more about financial planning, mortgage management and asset protection, you can visit me at [www.alfredchia.com](http://www.alfredchia.com).

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