

EDUCATION PLANNING

# GIVE THE GIFT OF EDUCATION TO YOUR CHILDREN



FINANCIAL  
*freedom*



**PUBLIC MUTUAL**  
WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK



One of the many responsibilities of a parent is to provide their children with quality education to realise their full potential as education is the key to one’s future in today’s competitive society. Escalating education costs, coupled with high inflation, makes it crucial for parents to start planning as early as possible.

Start Planning as Early as Primary School

In the past, parents often relate education planning to the attainment of tertiary education. But nowadays, primary and secondary education might be included as part of the education planning process too!

This is because many parents enrol their children in private/international schools from the primary or secondary level for early exposure to the international curriculum before sending them overseas for tertiary education.

Let’s take a look at the estimated tuition fees for private/international schools in Malaysia if you are also exploring private schooling:

ESTIMATED TUITION FEES PER YEAR <sup>1</sup> (RM)		TOTAL COST (RM)
Private Schools		
Primary (6 years)	40,000	240,000
Secondary (5 years)	40,000	200,000
Total Tuition Fees		440,000
International Schools		
Primary (6 years)	50,000	300,000
Secondary (5 years)	50,000	250,000
Total Tuition Fees		550,000

<sup>1</sup> The estimated tuition fees are computed based on the average fees charged by renowned private/international schools in Klang Valley; exclusive of other costs such as registration fees, deposits, uniforms & books, extra-curricular activities, etc.

## Plan for Tertiary Education

As for your children’s tertiary education, you should take both tuition fees and living costs into consideration. The table below outlines the estimated average annual tuition fees and living costs for international students, as well as the inflation rates of education costs in selected countries:

COUNTRY	AVERAGE ANNUAL TUITION FEES <sup>2</sup>	AVERAGE ANNUAL LIVING COSTS	EDUCATION INFLATION <sup>3</sup>
Australia	AUD30,240 – AUD48,000	AUD20,000 – AUD27,000	5.6%
Canada	CAD23,066 – CAD60,490	CAD15,000 – CAD20,000	4.6%
Malaysia	MYR12,000 – MYR45,000	MYR12,720 – MYR27,000	1.8%
New Zealand	NZD29,700 – NZD39,790	NZD15,000 – NZD18,000	1.7%
Singapore	SGD32,250 – SGD44,770	SGD10,800 – SGD24,000	3.0%
Taiwan	NTD91,702 – NTD114,960	NTD96,000 – NTD180,000	1.8%
United Kingdom	GBP21,100 – GBP35,517	GBP12,000 – GBP19,200	4.5%
USA	USD48,502 – USD60,532	USD12,000 – USD36,000	4.6%

Source: University Cost Guide 2022

<sup>2</sup> Non-medical courses.

<sup>3</sup> Education inflation rates shown are only based on estimates.

## Here are the Top 10 Destination Countries for Malaysian Students Studying Abroad:

RANK	DESTINATION
1	Australia
2	United Kingdom
3	Egypt
4	United States of America
5	Indonesia
6	Taiwan
7	China
8	Russia
9	New Zealand
10	India

Source: Project Atlas, supplied by the Malaysian Ministry of Education



**Illustration<sup>4</sup>:**  
**Assuming that your child will be pursuing his/her tertiary education in 10 years' time in Australia:**

STEP 1

**Identify the estimated total living costs and tuition fees today for a common degree.**

Assuming:

- Annual tuition fees: \$30,240
- Annual living costs: \$20,000

Annual Tuition Fees  
 $\$30,240 \times 3.14^{\wedge} = \text{RM}94,954$

---

Annual Living Costs  
 $\$20,000 \times 3.14^{\wedge} = \text{RM}62,800$

---

Total Annual Costs  
 $\text{RM}94,954 + \text{RM}62,800$   
 $= \text{RM}157,754$

<sup>^</sup> Exchange rate: AUD1 is RM3.14

STEP 2

**Calculate the estimated total cost 10 years from now.**

Assuming:  
Attending college for 3 years and inflation rate of 5.6% per annum  
(Reference made to University Cost Guide 2022)

RM816,018

STEP 3

**Calculate the monthly amount to be invested for the next 10 years.**

Assuming:  
A constant rate of return of 8% per annum compounded on a monthly basis.

RM4,431

<sup>4</sup> The calculations in the illustration are derived from the Education Planning Calculator, while the education costs are based on our University Cost Guide; both of which are available on Public Mutual's website. The calculations are based on the liquidation method. You may repeat the same planning process for your other children or should there be a need to plan for primary/secondary schools.

## Education Planning: Frequently Asked Questions

### 1. When is the best time to plan for my children's education?

NOW! By starting early, you will be better prepared to support your children in pursuing their higher education. You can also capitalise on the power of compounding to grow your fund by investing early.

### 2. Should I purchase an investment-linked policy or invest in unit trust funds to accumulate the education fund?

The main objective of purchasing an insurance is to protect yourself against risks. Therefore, from a financial planning perspective, it is advisable that you purchase insurance for protection purposes, and invest in unit trust funds for wealth accumulation purposes. In fact, you may be entitled to free insurance/Takaful coverage by investing in selected unit trust funds offered by Public Mutual.

### 3. What do I need to know before I plan for my children's education?

You need to consider factors such as pursuing the tertiary education locally or overseas so that you invest in that country or region to gain exposure to its currency, as well as the type and length of course to gauge the targeted education fund amount. Besides that, it is also important to identify your risk tolerance and investment time horizon before you start investing.

### 4. What should I do when it is close to the withdrawal time, let's say 2 to 3 years before my child enters university?

You should review your target amount, risk tolerance level and rebalance your investment portfolio accordingly.

For example, when your education fund has grown to the amount that you need over the years and wealth preservation is your main concern, you may take a more conservative approach by rebalancing your unit trust portfolio to increase the weightage towards balanced, fixed income or money market funds.

### 5. How do I select my unit trust fund investments to take into consideration the required foreign currency exposure?

You may consider investing in a country or regional fund that has exposure to the country your child will pursue their tertiary education in. By doing so, you gain exposure to the currency of the country or region of interest to potentially hedge against foreign currency exchange fluctuations over the long term.



## Investing for Your Children’s Higher Education

Public Mutual offers a variety of funds that are focused on particular countries or regions. You may consider investing in such funds to gain exposure to the currency of the country or region that you plan to send your children to in pursuit of their higher education.

CONVENTIONAL SERIES	SHARIAH-BASED SERIES
Public Australia Equity Fund	Public China Ittikal Fund
Public Singapore Equity Fund	Public Islamic U.S. Equity Fund
Public China Select Fund	Public Islamic Global Equity Fund
Public Greater China Fund	
Public China Access Equity Fund	
Public U.S. Equity Fund	
Public Global Select Fund	
Public Worldwide Equity Fund	



## Get In Touch with Us



Unit Trust Consultant



Public Mutual Branch/Customer Service Centre



03-2022 5000



[www.publicmutual.com.my](http://www.publicmutual.com.my)

---

Investors are advised to read and understand the contents of the relevant Prospectuses, Supplemental Prospectuses, and Product Highlights Sheet (PHS) before investing. Investors should understand the risks of the fund(s), compare and consider the fees, charges and costs involved in investing in the fund(s). A copy of the Prospectus, Supplemental Prospectus and PHS of Public Series of Funds and Public Series of Shariah-Based Funds can be viewed at our website [www.publicmutual.com.my](http://www.publicmutual.com.my). Investors should make their own assessment of the merits and risks of the investment. If in doubt, investors should seek professional advice. Please refer to [www.publicmutual.com.my](http://www.publicmutual.com.my) for our investment disclaimer.

This material is prepared solely for educational and awareness purposes, and should not be construed as an offer or a solicitation of an offer to purchase or subscribe to products offered by Public Mutual. No representation or warranty is made by Public Mutual, nor is there acceptance of any responsibility or liability as to the accuracy, completeness or correctness of the information contained herein.

Note: All copyright to this material belongs to Public Mutual and the material cannot be reproduced, distributed, transmitted, displayed, published or broadcast without the prior permission of Public Mutual.

## Branches/Customer Service Centres

### WEST MALAYSIA

#### Customer Service Centre

Tel: 03-2022 5000

#### Mutual Gold Centre

Tel: 03-2022 5000

#### 1 Utama Shopping Centre

Tel: 03-2022 5000

#### Alor Setar

Tel: 04-7366 500 Fax: 04-7364 655

E-mail: aor@publicmutual.com.my

#### Bangsar

Tel: 03-2022 5000 Fax: 03-2283 5739

E-mail: klsl@publicmutual.com.my

#### Batu Pahat

Tel: 07-4363 500 Fax: 07-4326 588

E-mail: bpt@publicmutual.com.my

#### Cheras

Tel: 03-2022 5000 Fax: 03-9132 1022

E-mail: chr@publicmutual.com.my

#### Damansara Perdana

Tel: 03-2022 5000 Fax: 03-7722 2475

E-mail: dsp@publicmutual.com.my

#### Ipoh

Tel: 05-2462 500 Fax: 05-2559 859

E-mail: iph@publicmutual.com.my

#### Johor Bahru

Tel: 07-3607 500 Fax: 07-3548 600

E-mail: jhb@publicmutual.com.my

#### Klang

Tel: 03-2022 5000 Fax: 03-3323 5632

E-mail: kel@publicmutual.com.my

#### Kluang

Tel: 07-7391 500 Fax: 07-7736 195

E-mail: klg@publicmutual.com.my

#### Kota Bharu

Tel: 09-7263 500 Fax: 09-7476 026

E-mail: kbr@publicmutual.com.my

#### Kuala Terengganu

Tel: 09-6321 500 Fax: 09-6317 030

E-mail: ktg@publicmutual.com.my

#### Kuantan

Tel: 09-5118 500 Fax: 09-5161 223

E-mail: ktn@publicmutual.com.my

#### Melaka

Tel: 06-2855 500 Fax: 06-2837 354

E-mail: mlk@publicmutual.com.my

#### Muar

Tel: 06-9562 500 Fax: 06-9536 830

E-mail: mua@publicmutual.com.my

#### Penang

Tel: 04-2196 500 Fax: 04-2295 171

E-mail: pen@publicmutual.com.my

#### Puchong

Tel: 03-2022 5000 Fax: 03-8065 3010

E-mail: pch@publicmutual.com.my

#### Seberang Perai

Tel: 04-5407 500 Fax: 04-5050 005

E-mail: sbp@publicmutual.com.my

#### Seremban

Tel: 06-6372 500 Fax: 06-7644 237

E-mail: sbm@publicmutual.com.my

#### Shah Alam

Tel: 03-2022 5000 Fax: 03-5513 9288

E-mail: sal@publicmutual.com.my

#### Sungai Petani

Tel: 04-4558 500 Fax: 04-4230 663

E-mail: sgp@publicmutual.com.my

#### Temerloh

Tel: 09-2955 500 Fax: 09-2968 060

E-mail: tml@publicmutual.com.my

### EAST MALAYSIA

#### Bintulu

Tel: 086-859 500 Fax: 086-330 221

E-mail: btu@publicmutual.com.my

#### Kota Kinabalu

Tel: 088-327 500 Fax: 088-238 389

E-mail: bki@publicmutual.com.my

#### Kuching

Tel: 082-226 500 Fax: 082-239 825

E-mail: kch@publicmutual.com.my

#### Miri

Tel: 085-323 500 Fax: 085-416 195

E-mail: mri@publicmutual.com.my

#### Sandakan

Tel: 089-231 500 Fax: 089-222 889

E-mail: sdk@publicmutual.com.my

#### Sibu

Tel: 084-363 500 Fax: 084-330 269

E-mail: sbw@publicmutual.com.my

#### Tawau

Tel: 089-982 500 Fax: 089-765 326

E-mail: twu@publicmutual.com.my



HEAD OFFICE

Menara Public Bank 2,  
No. 78, Jalan Raja Chulan,  
50200 Kuala Lumpur.

CUSTOMER SERVICE HOTLINE

03-2022 5000

TELEPHONE

03-2022 6800

FACSIMILE

03-2022 6900

WEBSITE

[www.publicmutual.com.my](http://www.publicmutual.com.my)

FOLLOW US

