

Targeted actions on unlicensed investment advice

In 2021, the SC placed 40 operators comprising entities and related individuals on the SC’s *Investor Alert List* for carrying out the business of investment advice without a licence. The SC also concurrently directed 23 such operators to cease and desist from undertaking all activities in relation to unlicensed investment advice.



[Refer to the SC’s Investor Alert List](#)

Investors’ behaviour and motivation

In 2021, the SC concluded an investor survey focused on the youth to assess the level of knowledge, behaviours, and motivation to participate in the capital market. The Nielsen Company (M) Sdn Bhd was commissioned by the SC to conduct the survey on its behalf.

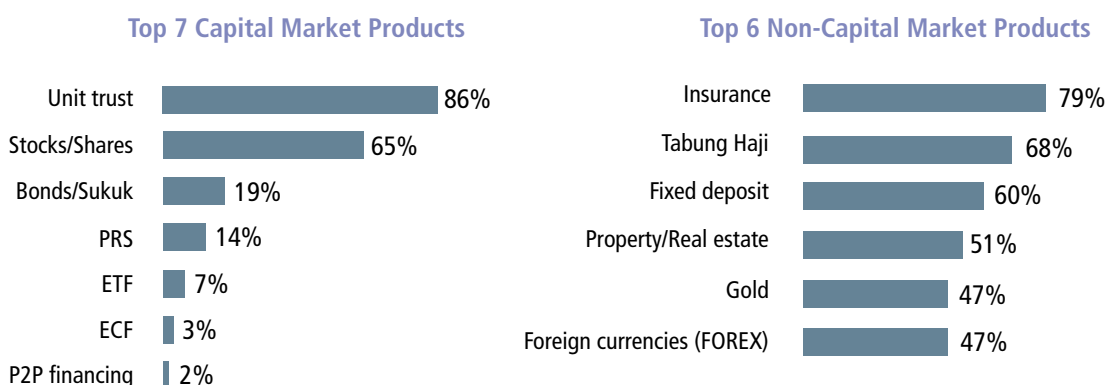
Youth awareness of capital market products

Findings indicated that overall, the respondents were more aware of non-capital market products such as insurance, Tabung Haji, and fixed deposits, compared to capital market products. On respondents’ awareness of capital market products, unit trusts and stocks/shares were the highest recorded, comprising 86% and 65%, respectively (Chart 1).

Findings also revealed that the investment decisions of respondents were not solely based on fundamentals. Instead, they were also driven by other influences such as socioeconomic status, family, friends, influencers and their perceptions of the products and brands. There was also familiarity bias among the respondents, preferring to invest in products that they were already familiar with.

Chart 1

Youth awareness of capital market products



Youth's perception towards risk

When respondents were asked on the level of risk that they were willing to take for their ideal investment, only 3% considered themselves to have a high-risk appetite. This may suggest that risk aversion has set in due to the pandemic.

3%

Have a **High risk appetite**

97%

Have a **Medium to Low risk appetite**

On capital market products and their associated risks, respondents viewed investments in Amanah Saham

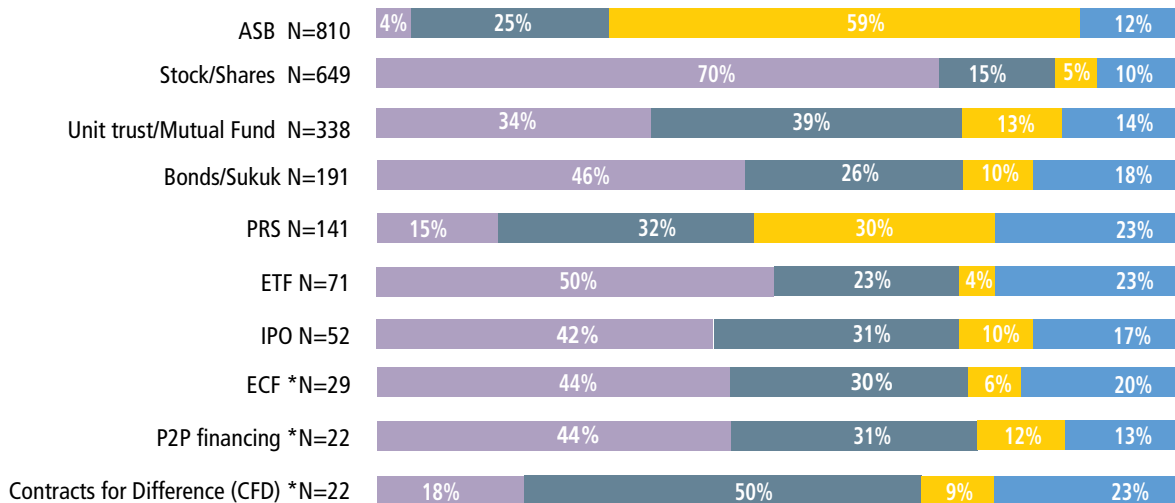
Bumiputera (ASB) as low-risk. In comparison, 70% of the respondents perceived stocks/shares to be high-risk (Chart 2). Overall observations suggested that respondents perceived the capital market products as high-risk and this perception was consistent across the demographic profiles.

Youth's priorities

Building wealth and investment was only a priority for roughly one-third of the sampled population. The others viewed having emergency funds, savings to support family, and paying off debts as their priorities (Table 1). This shows that respondents would use their income towards emergency funds and savings earlier in life and would only focus on retirement at a later stage.

Chart 2

Youth's perception towards risk



*caution:low base(<30) High risk Medium risk Low risk Don't know / Not sure

Table 1 Youth priorities	
Top priorities	%
Have enough monies set aside for emergency purpose	69
Have enough savings to support children/family	68
Pay off existing debts/loans	55
Starting my own business	37
Building wealth/investment	35
Buying assets (eg. properties for own stay/investment)	34
Saving for my own education	32
Building up retirement fund	27
Have enough monies for leisure (eg. vacation, buying desired items)	24
Early retirement	21

The findings suggested that respondents considered several factors prior to investing, such as being aware of how much money was available for them to invest, advice as well as recommendations from friends and family, including the potential returns of the investment. This shows that those with low disposable income would find it more difficult to set aside money for investment, especially when paired with risk concerns.

Factors considered before investing

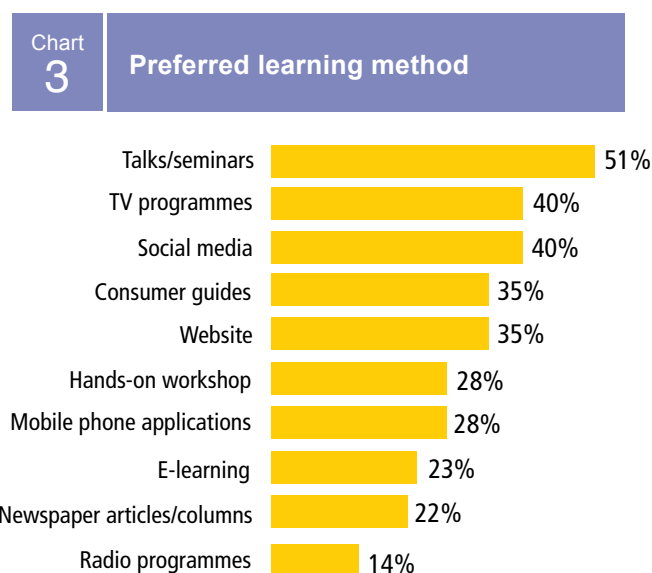
47% How much money I have available to invest

45% Advice/recommendations from friends and family/colleagues

44% Potential returns I will get from the investment

In terms of the preferred learning method on the capital market, 51% preferred financial investment talks. Additionally, the findings also showed that respondents preferred online media such as social media and websites, compared to traditional media such as newspapers and magazines (Chart 3).

The findings suggested that the SC's investor education events were essential and would continue to be a valuable platform for investors to gain knowledge. Responses gathered served as references for the SC to formulate necessary interventions through targeted outreach programmes, where possible, to advance investor protection efforts.



InvestSmart® awareness initiatives on unlicensed activities and scams

The SC's investor empowerment initiative, InvestSmart® carried out various activities to promote investment literacy and awareness on unlicensed activities and scams to the public. Amid the COVID-19 pandemic in 2021, InvestSmart® continued to utilise various digital and online tools including social media channels like Facebook, Instagram, Twitter and YouTube to reach out to the Malaysian public with timely alerts, reminders and guidance to avoid unlicensed activities and scams.