

FIMM 2022 Investment Management Survey

October 2022 *(Revised as at November 2023)*

Table of Contents

- Introduction
- Executive Summary
- Industry Statistics
- Profile of Existing Investors
- Onboarding of New Investors
- Online Portal Access
- Impact of Covid-19 in the Work Environment
- Industry Outlook

List of Abbreviations

CPRA	Corporate PRS Adviser	IUTA	Institutional UTS Adviser
CUTA	Corporate UTS Adviser	Member(s)	UTMC/PRS Provider
Distributor(s)	IUTA/IPRA and CUTA/CPRA	NAV	Net Asset Value
EPF-MIS	Employees Provident Fund - Members Investment Scheme	PRS	Private Retirement Scheme
ESG/SRI	Environmental, Social, and Governance/Sustainable and Responsible Investment	SDG	Sustainable Development Goals
FIMM	Federation of Investment Managers Malaysia	UTMC	Unit Trust Management Company
HNWI	High Net Worth Individuals	UTS	Unit Trust Scheme
HNWE	High Net Worth Entities	WSF	Wholesale Funds
IPRA	Institutional PRS Adviser	Y-O-Y	Year-On-Year
IT	Information Technology		

Categorisation of investors

This survey report makes reference to the following investor categories, as specified under Part 1, Schedule 6 and 7 of the Capital Markets and Services Act 2007:

- High Net Worth Individuals
- Corporates/Institutions (Accredited Investors and High Net Worth Entities)
- Other Corporates/Institutions (non-Accredited Investors and non-High Net Worth Entities)

Introduction

Background

This survey report is an expansion to FIMM 2021 Investment Management Survey which showcased the industry state of play in 2010 vs 2020.

Key objectives

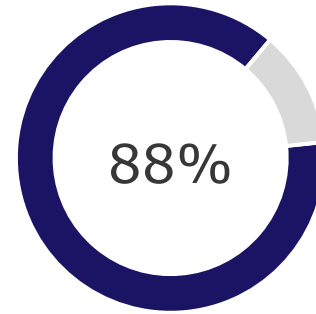
- To understand the impact of Covid-19 pandemic on the investment management industry from 2020 to 2021, with 2018 and 2019 statistics as comparison.
- To study the movements in industry NAV, sales and redemption, as well as the number of investors during the pandemic.
- To highlight utilisation of online portals to enhance customer outreach and servicing.
- Industry outlook on potential future risks and strategic portfolio allocation.

Data Collection Limitations

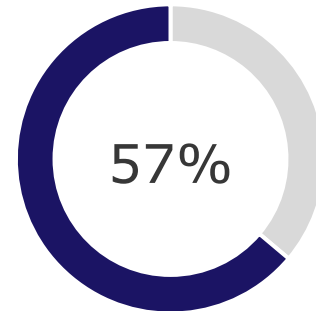
- Most of the points in this report can only be elaborated to the extent of information provided by the respondents.
- As such, the data provided in the survey report is on a best effort basis only.
- Information/statistics displayed in this survey represent the aggregate views and data of the Members and Distributors that participated in this survey, hence do not depict the UTS, PRS and WSF industry in its entirety.
- Several respondents were unable to provide data to certain survey questions due to internal data, system and resources restrictions. For questions that did not receive the complete set of responses, the survey report will make the corresponding notation.
- Consequently, some of the statistics shared will not reconcile with information published on our website or the Securities Commission Malaysia's website.
- The number of customers' accounts is as provided by the survey respondents, and may not be equivalent to the number of unit holders, given a unit holder may have more than one (1) investment account.
- There are several charts in this report that have extreme values. To ensure the data is displayed appropriately, these charts will utilise a scale break marked by this symbol \cong to denote a contraction of the y-axis.

Survey Participants

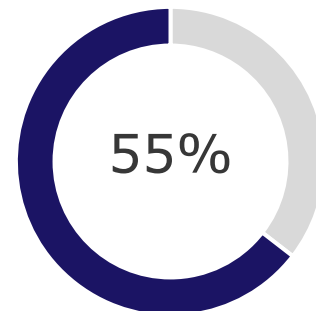
68%
77 out of 114 Members
and Distributors



36 out of 41
UTMC/PRS Providers



30 out of 53
IUTA/IPRA



11 out of 20
CUTA/CPRA

Executive Summary



INDUSTRY EXPERIENCE

The overall industry NAV remained resilient despite the Covid-19 pandemic.

However, redemptions grew in 2020 and 2021 resulting from investors needing emergency funding to meet financial obligations during the pandemic.

Despite high redemptions, sales continued to grow during the same period as certain investors were seeking for higher yield and liquidity for emergency funds.



INVESTORS OF UTS, PRS AND WSF

The investor base has been on an increasing trend despite the pandemic, where the UTMC/PRS Provider channel contributes the highest in growth followed by the IUTA/IPRA channel.

Subsequently, account closures have been on a decreasing trend, while zero balance accounts have been increasing.



ACCESS TO ONLINE SERVICES

Majority of respondents are providing online portal access, alongside other online tools to their customers.

Online portal access has become more popular over the years, particularly for investors with investment holdings ranging from RM100 to RM50,000.

Executive Summary



IMPACT OF COVID-19 PANDEMIC ON EMPLOYEES AND INVESTORS OUTREACH

During the pandemic, the industry has implemented various strategies to improve work environment and investor outreach.

Overall, the industry's ability to adapt by utilising flexible hours and remote working, coupled with process and system enhancements, have provided the most beneficial impact.

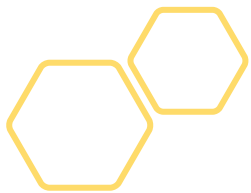


FUTURE OUTLOOK

Rising operating costs and sluggish national economic activity are cited as the greatest potential risks to Members and Distributors.

The following are their top areas of focus for the next three (3) years:

- By product type
 - ESG/SRI Investment
 - Feeder/Fund of funds
 - Aggressive growth products
- By region
 - Asia-Pacific (ex Malaysia)
 - Malaysia
 - North America
- By sector
 - Finance
 - Information Technology
 - Healthcare

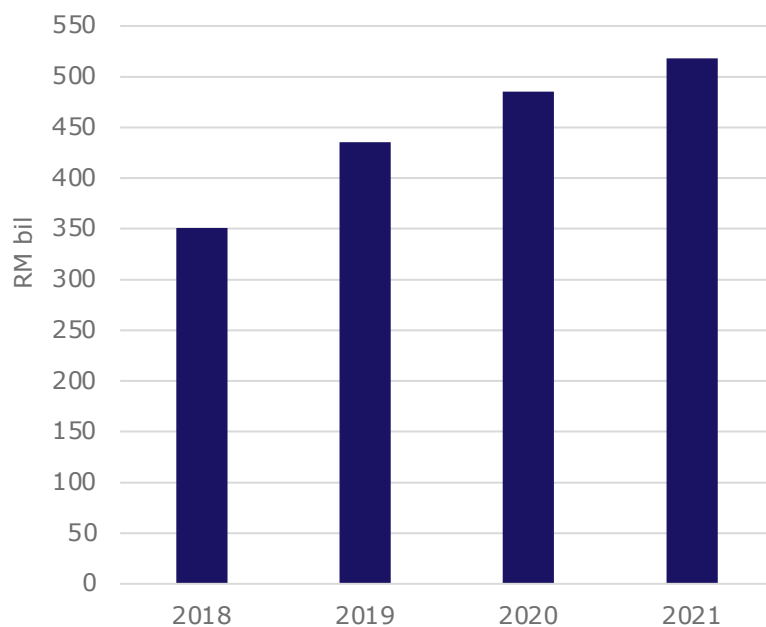


Industry Statistics



Despite the challenging environment, NAV for UTS, PRS and WSF continued to have steady growth...

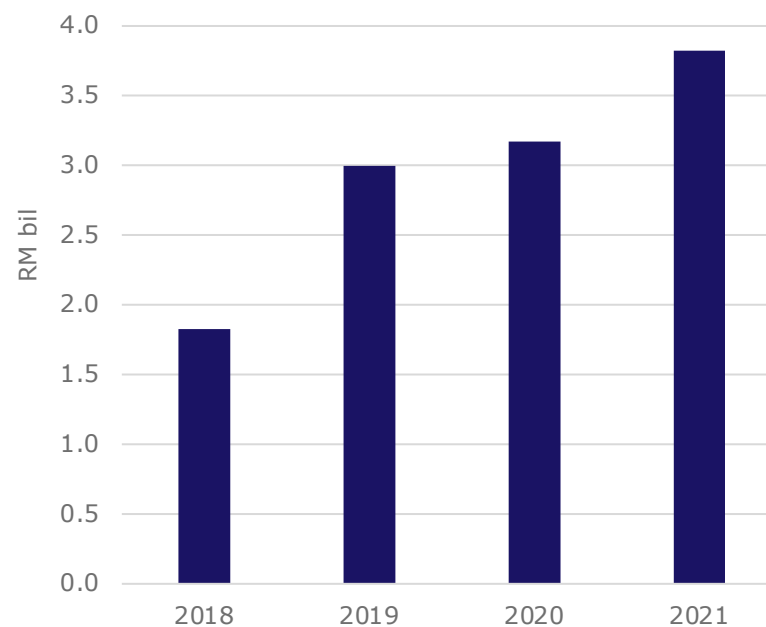
UTS NAV by Members



UTS NAV by Members (RM bil)

2018	2019	2020	2021
350.6	435.2	485.3	518.4

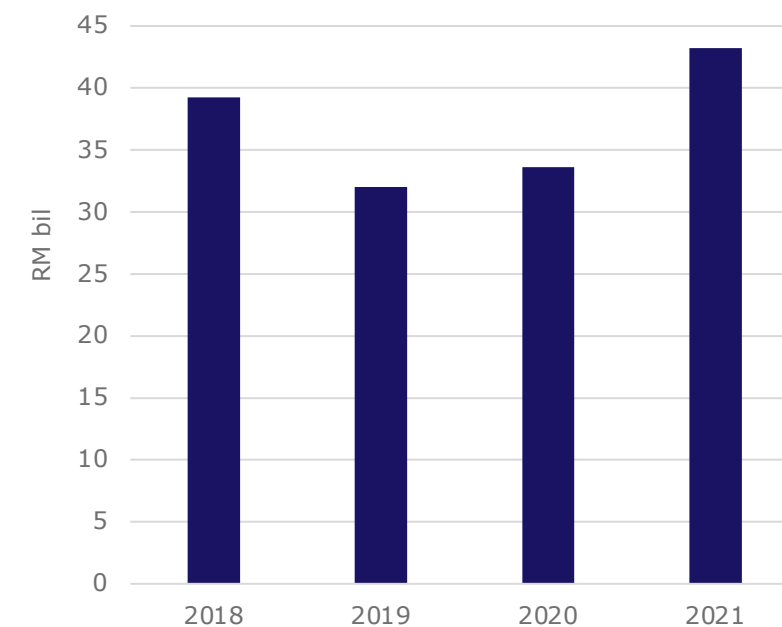
PRS NAV by Members



PRS NAV by Members (RM bil)

2018	2019	2020	2021
1.8	3.0	3.2	3.8

WSF NAV by Members

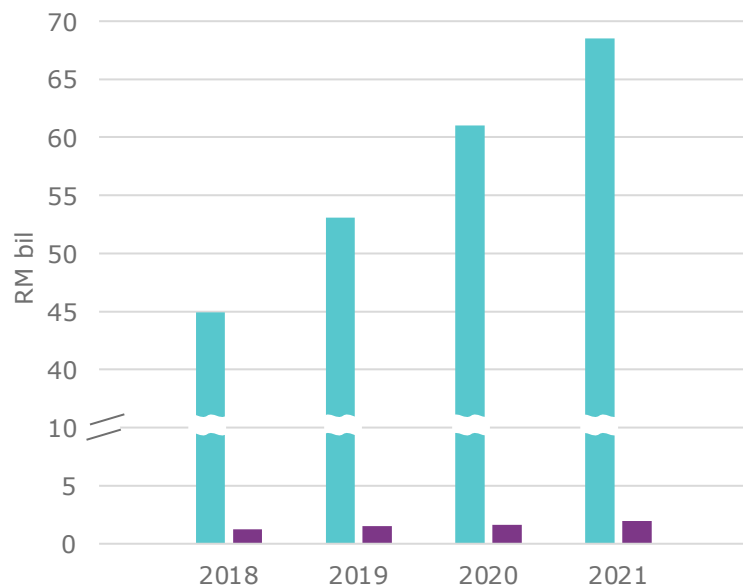


WSF NAV by Members (RM bil)

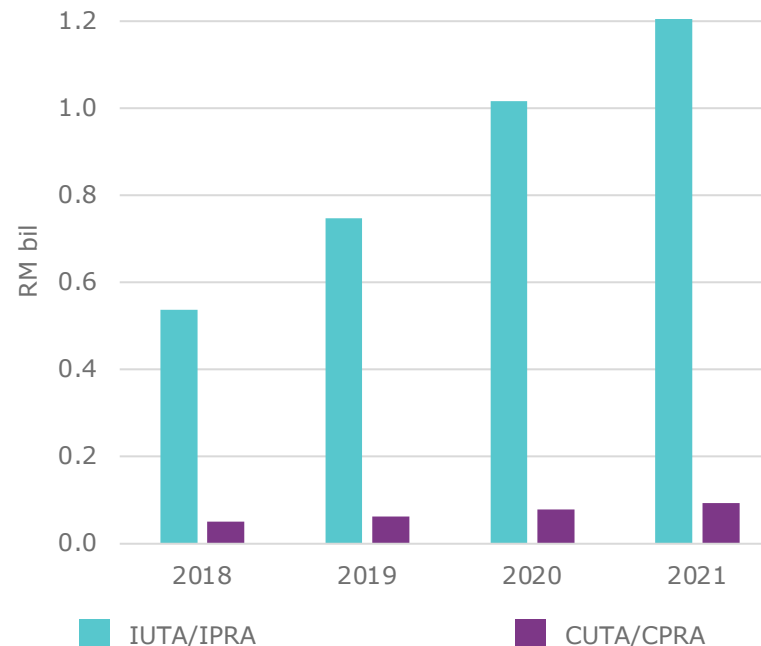
2018	2019	2020	2021
39.2	32.0	33.6	43.2

The industry growth was supported by the Distributors...

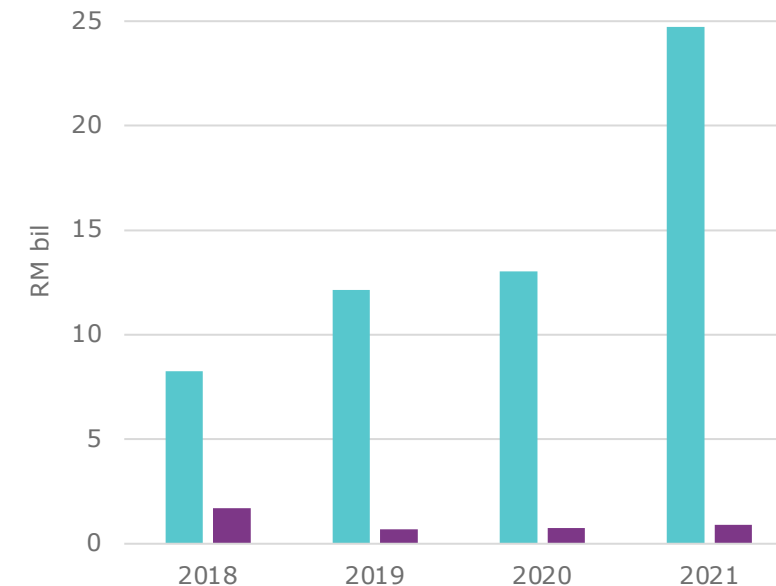
Distributors' contribution towards UTS NAV



Distributors' contribution towards PRS NAV



Distributors' contribution towards WSF NAV



Distributors' contribution towards UTS NAV (RM bil)

	2018	2019	2020	2021
IUTA/IPRA	44.9	53.1	61.0	68.5
CUTA/CPRA	0.8	1.0	1.1	1.5
Total	45.7	54.1	62.1	70.0

Distributors' contribution towards PRS NAV (RM bil)

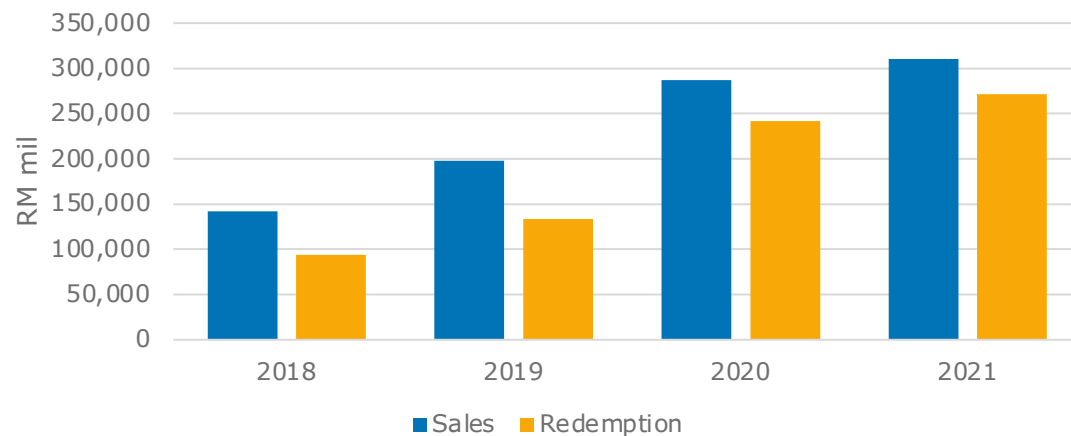
	2018	2019	2020	2021
IUTA/IPRA	0.5	0.7	1.0	1.2
CUTA/CPRA	0.0	0.0	0.1	0.1
Total	0.5	0.7	1.1	1.3

Distributors' contribution towards WSF NAV (RM bil)

	2018	2019	2020	2021
IUTA/IPRA	8.3	12.1	18.0	24.7
CUTA/CPRA	1.2	0.2	0.3	0.4
Total	9.5	12.3	18.3	25.1

Sales and Redemption: UTS

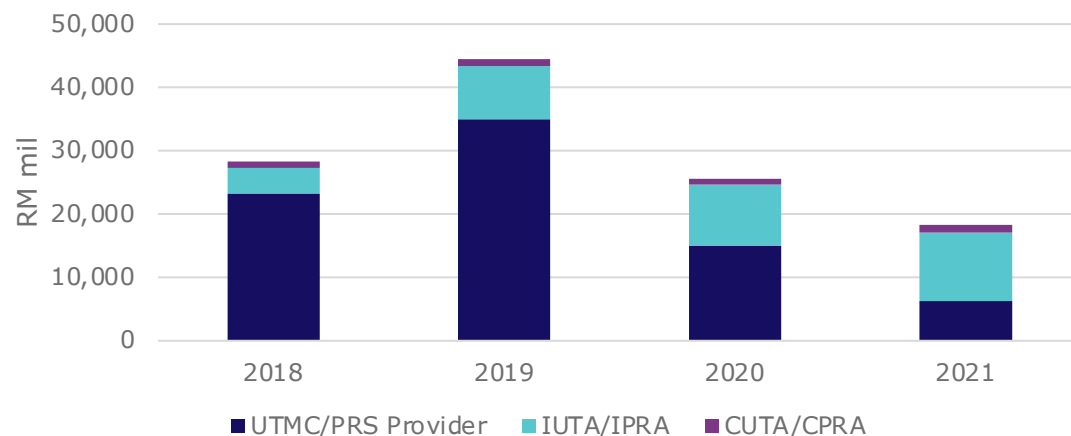
UTS sales and redemption



Despite the pandemic, the industry recorded net sales for the four (4) surveyed years.

Increased redemptions reported by Members were mainly for emergency expenditures and other investment opportunities outside UTS/PRS.

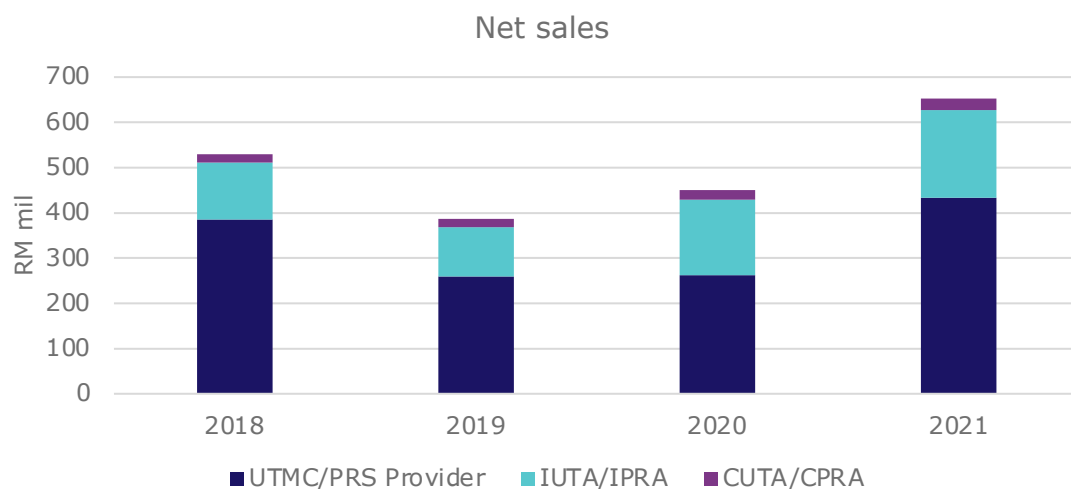
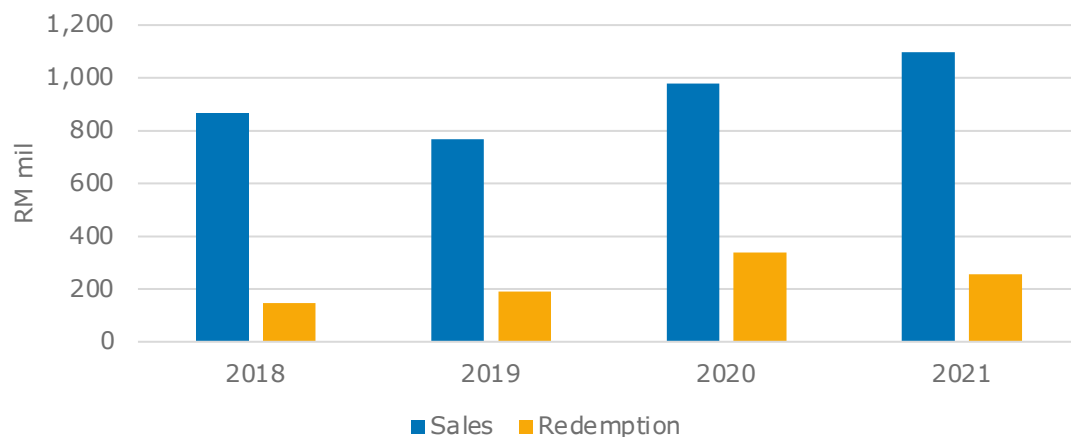
Net sales



	Net sales (RM mil)				Y-O-Y Growth		
	2018	2019	2020	2021	2019	2020	2021
UTMC/PRS Provider	43,262	54,929	34,930	26,240	27%	-36%	-25%
IUTA/IPRA	5,074	9,474	10,720	11,863	87%	13%	11%
CUTA/CPRA	189	302	123	364	60%	-59%	196%
Total	48,525	64,705	45,773	38,467	33%	-29%	-16%

Sales and Redemption: PRS

PRS sales and redemption



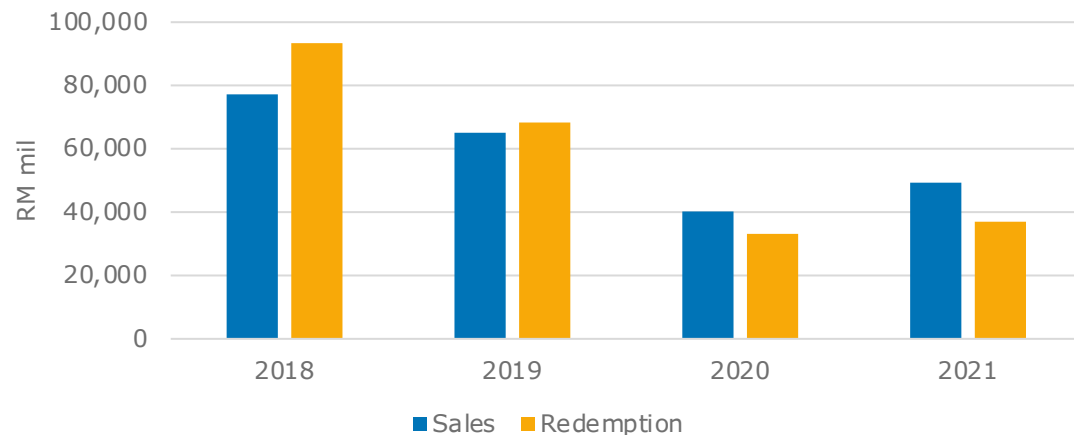
PRS net sales saw a four-year high in 2021 with an increased net sales across all distribution channels coupled with lower redemptions.

In April 2020, there was a temporary exemption of the 8% tax penalty for withdrawals from sub-account B of up to RM1,500 to help PRS investors cope with the financial fall-out of the pandemic. The exemption ended on 31 December 2020.

	Net sales (RM mil)				Y-O-Y Growth		
	2018	2019	2020	2021	2019	2020	2021
UTMC/PRS Provider	585	459	463	634	-22%	1%	37%
IUTA/IPRA	126	109	166	194	-13%	52%	17%
CUTA/CPRA	9	9	12	15	0%	33%	25%
Total	720	577	641	843	-20%	11%	32%

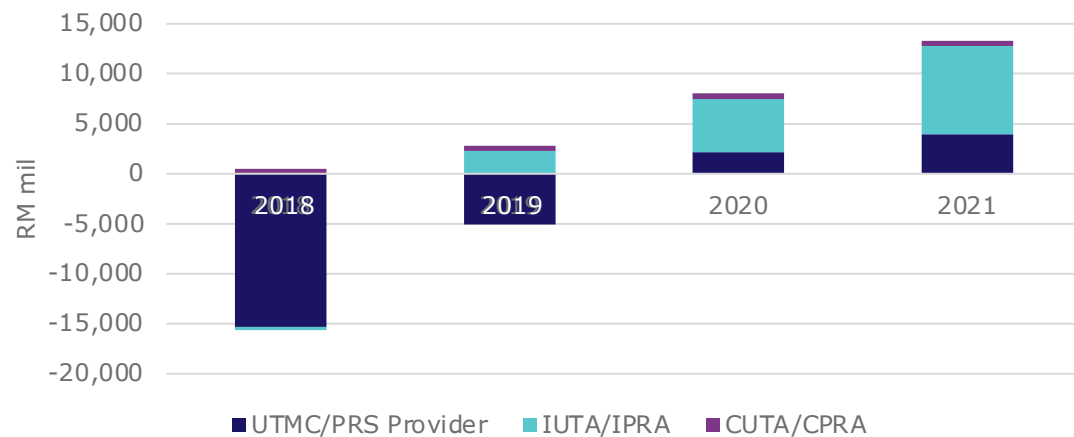
Sales and Redemption: WSF

WSF sales and redemption



WSF recorded positive net sales for 2020 and 2021, with IUTA/IPRA contributing two-thirds of the overall net sales.

Net sales

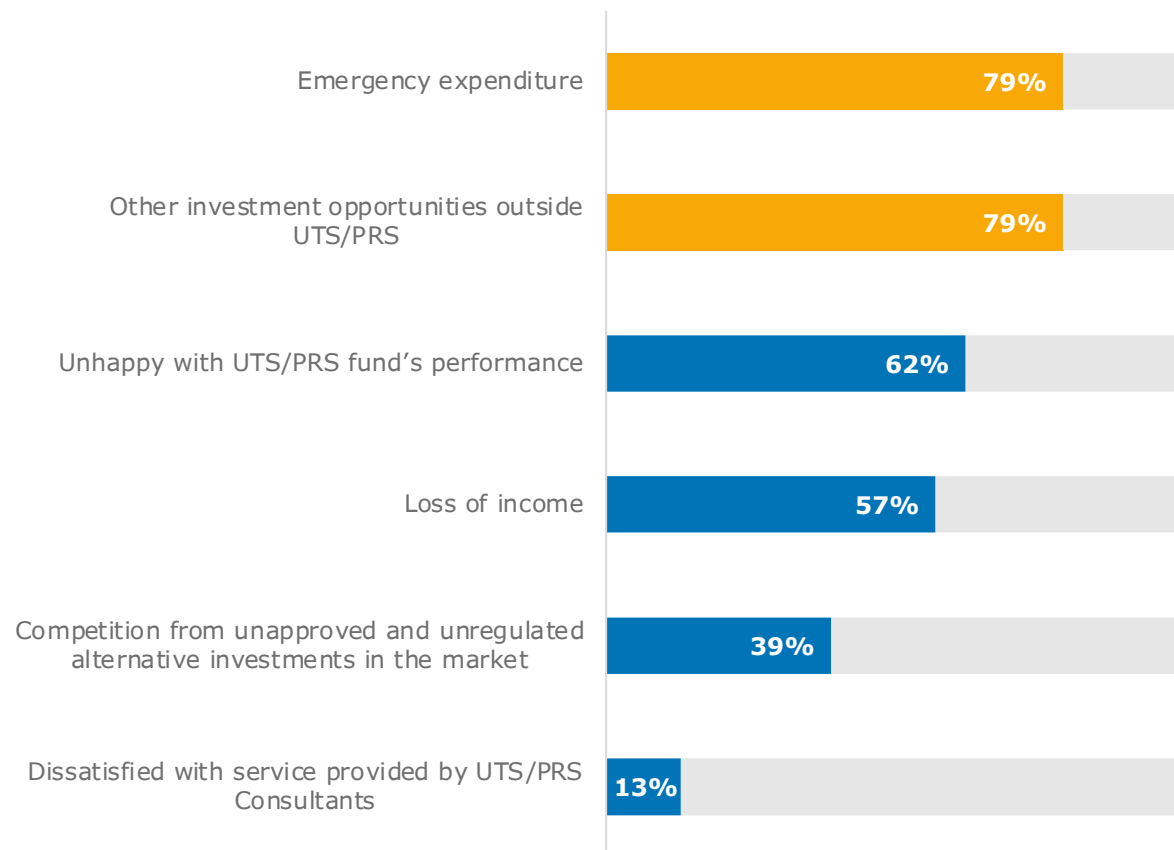


	Net sales (RM mil)				Y-O-Y Growth		
	2018	2019	2020	2021	2019	2020	2021
UTMC/PRS Provider	-15,826	-5,586	1,632	3,445	135%	71%	111%
IUTA/IPRA	-332	2,277	5,341	8,814	586%	135%	65%
CUTA/CPRA	4	24	78	48	500%	225%	-38%
Total	-16,154	-3,285	7,051	12,307	-80%	-315%	75%

Reasons for Investors Redemption Post-Pandemic

The most likely reasons for investors redemption post-pandemic are ranked as follows:

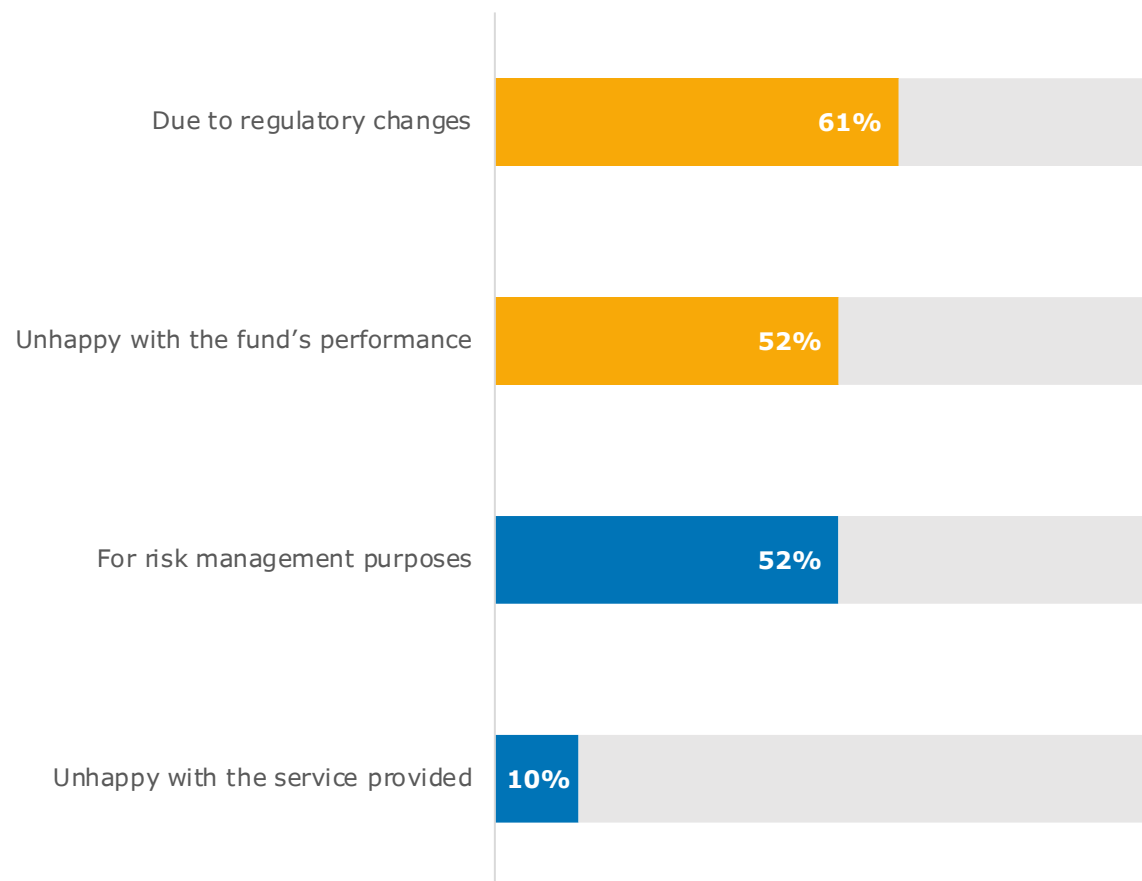
Individual investors



The respondents are cognisant of individual investors' need for emergency funding and their demand for higher yielding asset class.

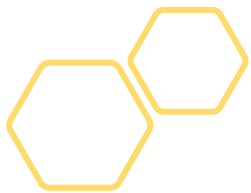
Reasons for Investors Redemption Post-Pandemic

Corporate/Institutional investors



Corporate/institutional investors were likely impacted by changes in tax regulations, namely, the removal of tax exemptions for money market funds.

Additionally, funds performance were affected by the low interest rate environment during the pandemic.



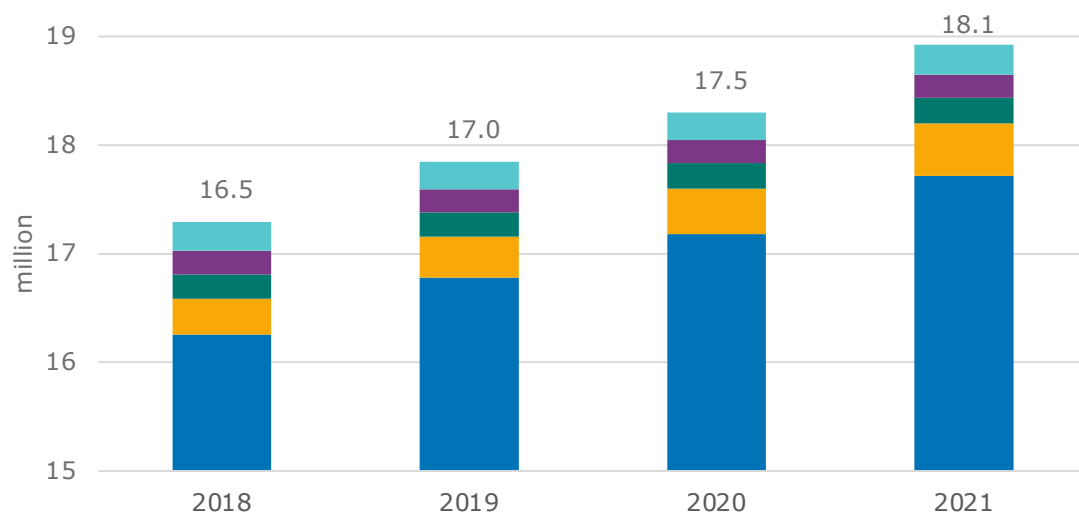
Profile of Existing Investors



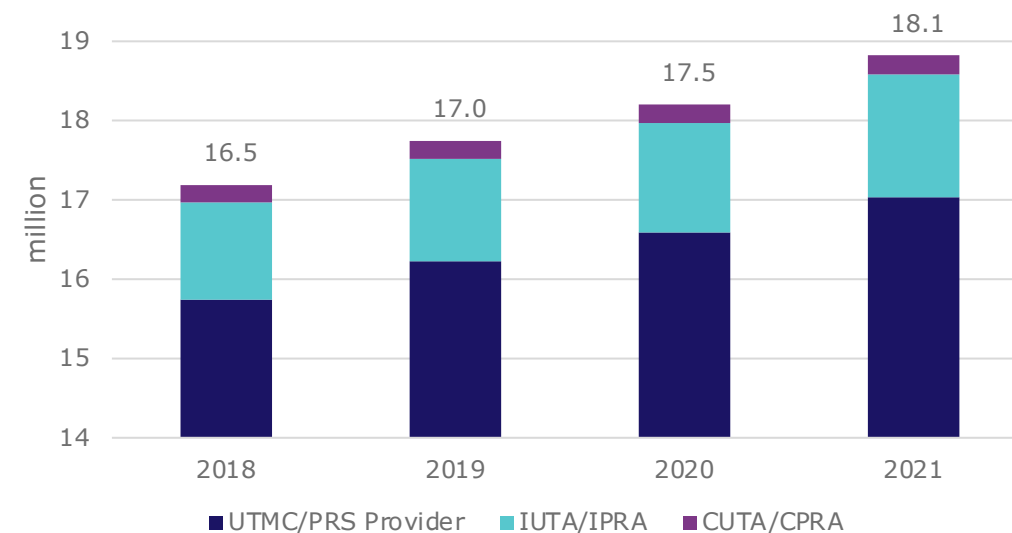
Number of Investors for All Categories (UTS, PRS and WSF)

The investor base has been on an increasing trend despite the Covid-19 pandemic. Overall, the number of investors recorded a CAGR of 3.1% from 2018 to 2021 with retail investors comprising the majority (approximately over 90% of total investors).

The UTMC/PRS Provider channel contributes the highest in growth followed by the IUTA/IPRA channel.



Contributed by



- IUTA/IPRA or CUTA/CPRA accounts
- Other Corporates/Institutions (non-Accredited Investors & non-HNWE)
- Corporates/Institutions (Accredited Investors & HNWE)
- HNWI
- Retail investors (excluding HNWI)

- UTMC/PRS Provider
- IUTA/IPRA
- CUTA/CPRA

*Figures based on unique customers to each Member/Distributor

**These charts do not represent the full set of data by our survey respondents (due to unavailability of information by certain Members/Distributors). Total sum of the figures provided will not be equivalent to other charts displayed in this section.

Overall Number of Investors by NAV Holding

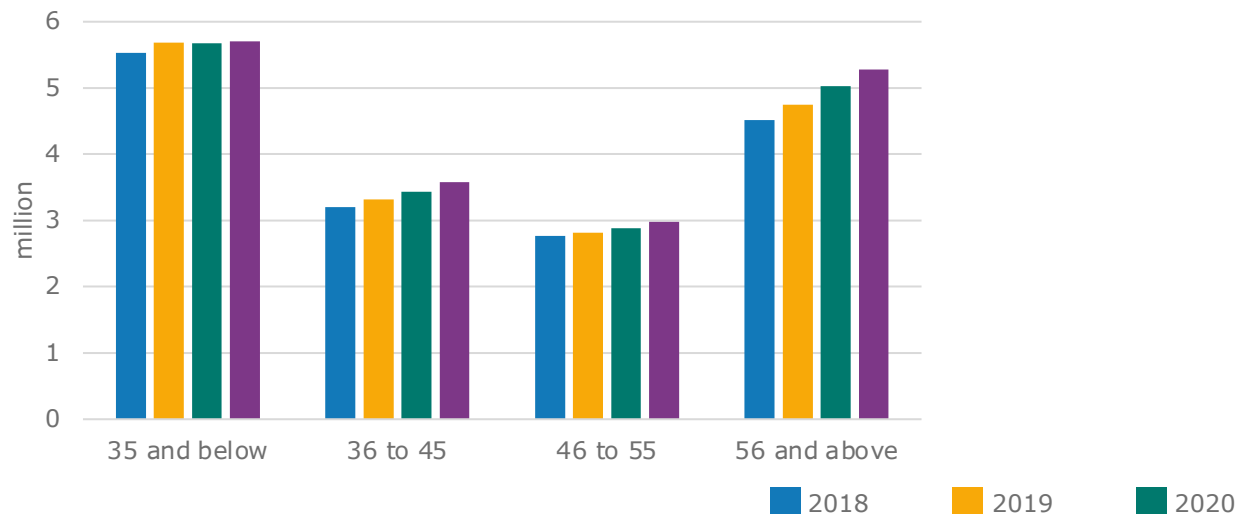


*Figures based on unique customers to each Member/Distributor

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Overall Individual Investors: Retail and HNWI (UTS, PRS and WSF)

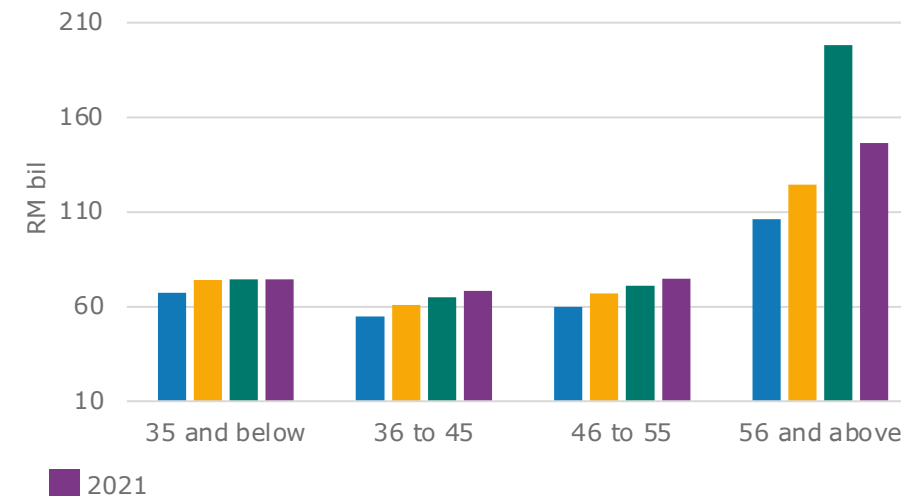
Number of investors by age group



Number of investors (million)

	2018	2019	2020	2021
35 and below	5.5	5.7	5.7	5.7
36 to 45	3.2	3.3	3.4	3.6
46 to 55	2.8	2.8	2.9	3.0
56 and above	4.5	4.7	5.0	5.3
Total	16.0	16.5	17.0	17.6

NAV holdings by age group



NAV (RM million)

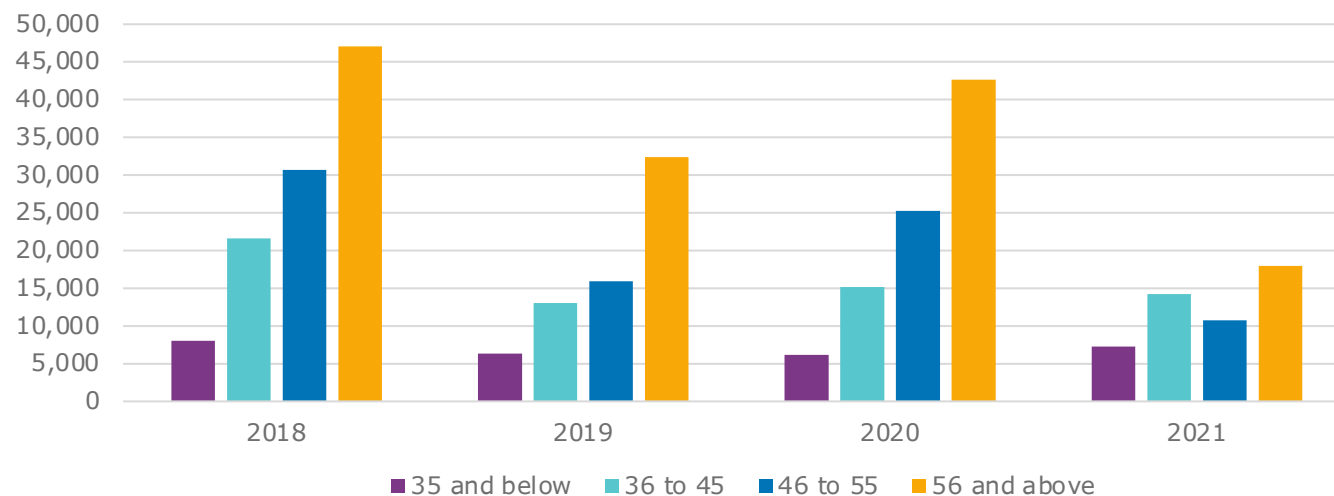
	2018	2019	2020	2021
35 and below	67.5	74.1	74.3	74.4
36 to 45	54.7	60.9	65.0	68.4
46 to 55	60.0	67.1	71.1	74.8
56 and above	106.1	124.4	198.2	146.4
Total	288.3	326.5	408.5	364.0

*Figures based on unique customers to each Member/Distributor

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Number of Individual Investors: Retail and HNWI (UTS, PRS and WSF) with Closed Accounts

Number of individual investors with closed accounts – by age



Account closures have been on a decreasing trend, with the lowest number in 2021 with 50,152 closed accounts.

Number of individual investors with closed accounts – by age

	2018	2019	2020	2021
35 and below	8,031	6,356	6,202	7,241
36 to 45	21,634	13,060	15,175	14,256
46 to 55	30,703	15,889	25,271	10,735
56 and above	47,074	32,357	42,683	17,920
Total	107,442	67,662	89,331	50,152

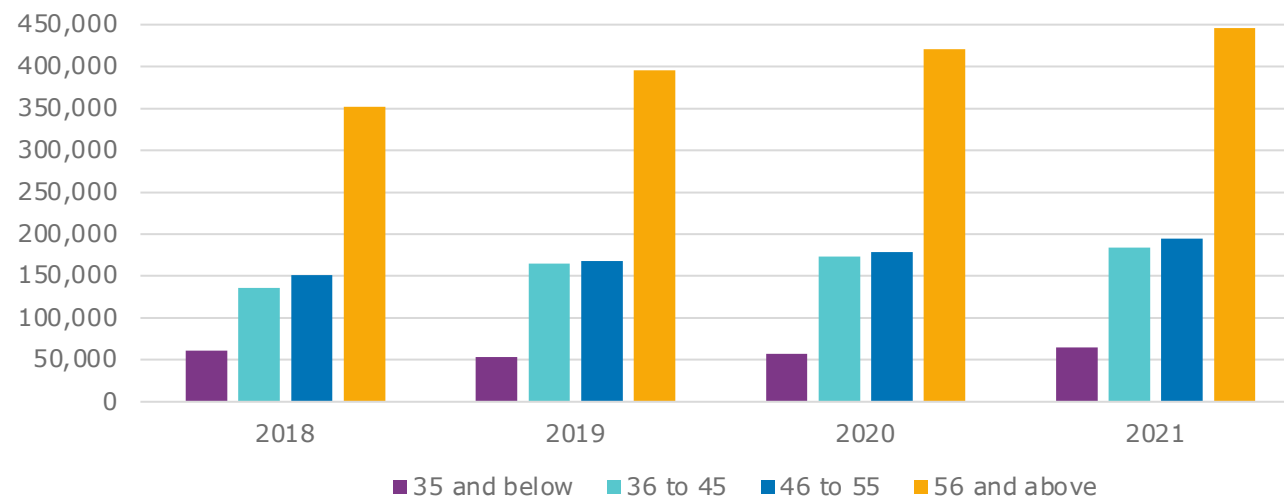
It is alarming to note that the **age group of 36 to 55** totaling 146,723 have closed their investment accounts.

*Figures based on unique customers to each Member/Distributor

**This chart does not represent the full set of data by our survey respondents (due to unavailability of information by certain Members/Distributors). Total sum of the figures provided will not be equivalent to other charts displayed in this section.

Number of Individual Investors: Retail and HNWI (UTS, PRS and WSF) with Zero Balance Accounts

Number of individual investors with zero balance accounts – by age



Zero balance accounts have been increasing steadily with a CAGR of 8.3%.

The highest jump in zero balance occurred in 2019 with a 12% increase (81,731 accounts).

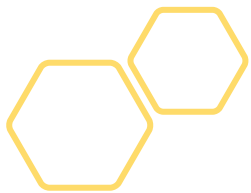
Number of individual investors with zero balance accounts – by age

	2018	2019	2020	2021
35 and below	60,694	53,224	57,337	64,550
36 to 45	136,016	164,791	172,922	184,267
46 to 55	150,752	167,951	178,564	194,749
56 and above	351,959	395,186	421,008	445,742
Total	699,421	781,152	829,831	889,308

The age group of 36 – 55 with zero balance totalling 1,350,012 compared with the age group of 56 and above at 1,613,895 demonstrates a worrying trend, as this age group should be accumulating wealth as opposed to the retired age group drawing down their funds.

*Figures based on unique customers to each Member/Distributor

**This chart does not represent the full set of data by our survey respondents (due to unavailability of information by certain Members/Distributors). Total sum of the figures provided will not be equivalent to other charts displayed in this section.

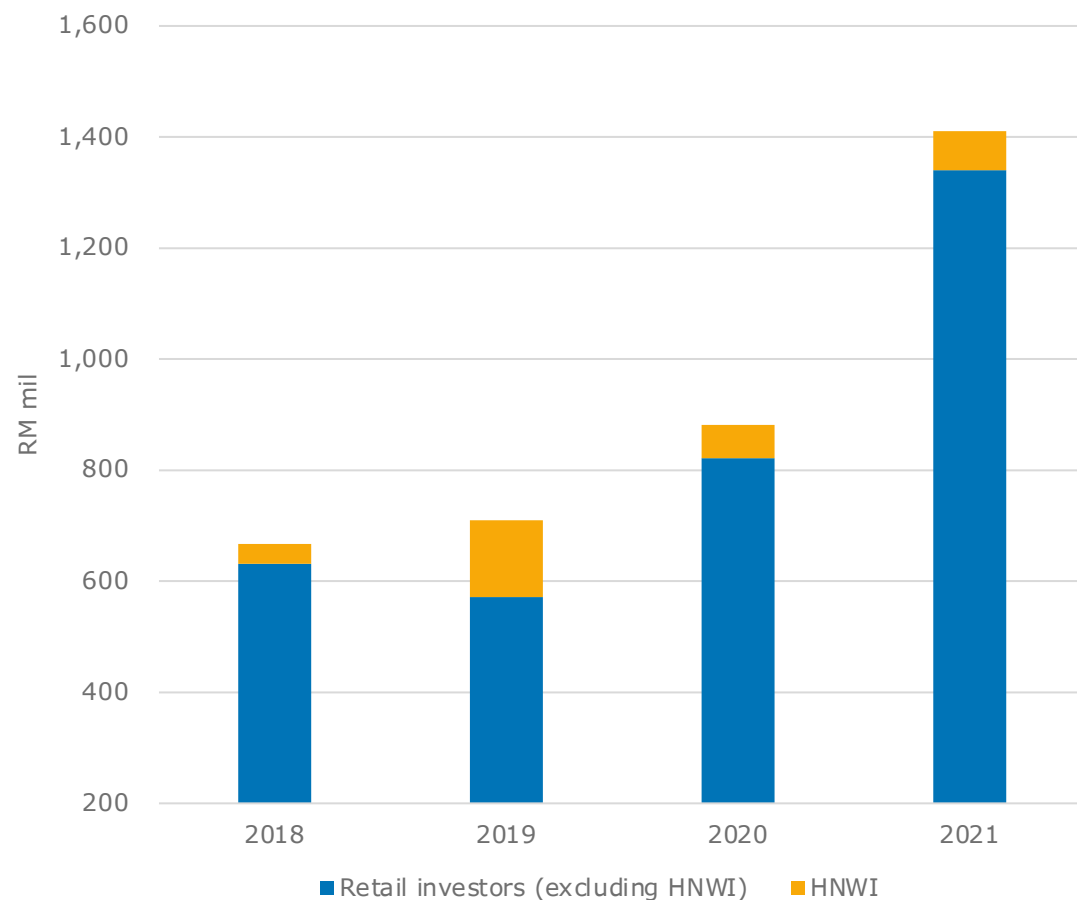


Onboarding of New Investors



Overall Onboarding of New Investors via EPF MIS: 2018 – 2021

New investors' NAV – breakdown by investor category

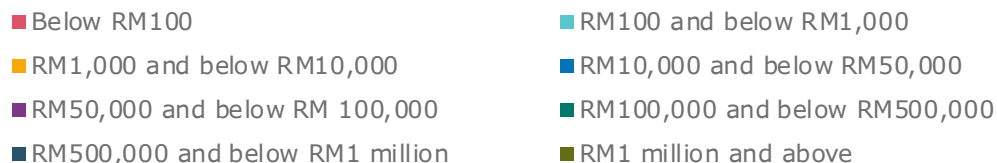
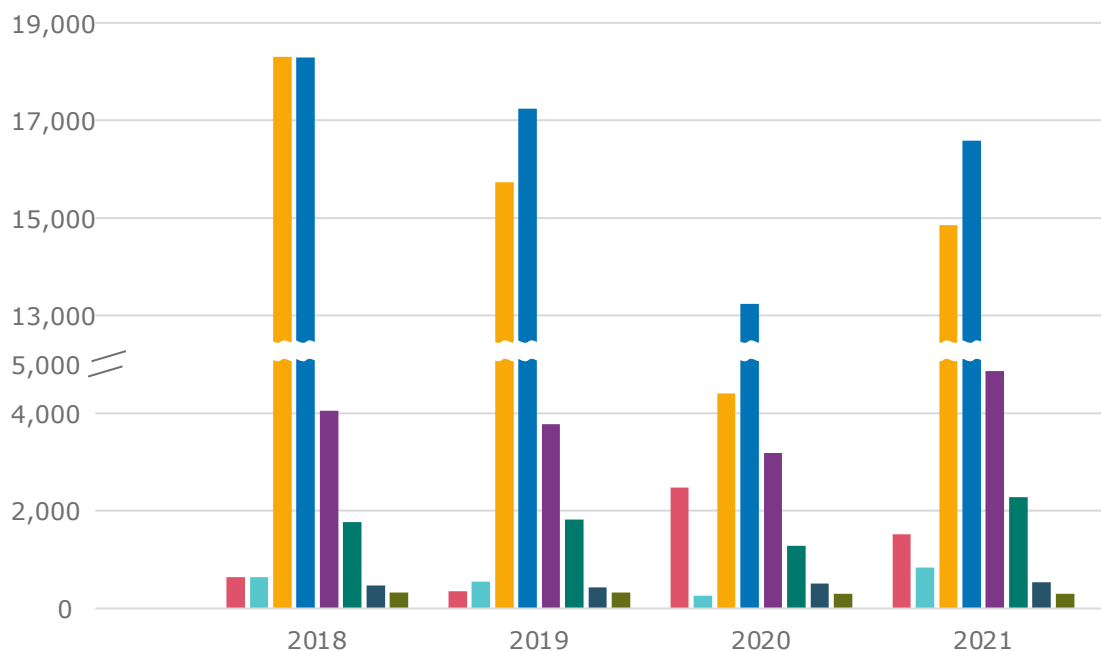


NAV (RM million)					
	2018	2019	2020	2021	Total
Retail investors (excluding HNWI)	631	571	822	1,340	3,364
HNWI	36	139	59	70	304
Total	667	710	881	1,410	

The EPF-MIS account of both segments grew Y-O-Y which shows a positive uptake by individual investors.

Overall Onboarding of New Investors via EPF MIS: 2018 – 2021

New investor accounts – breakdown by NAV



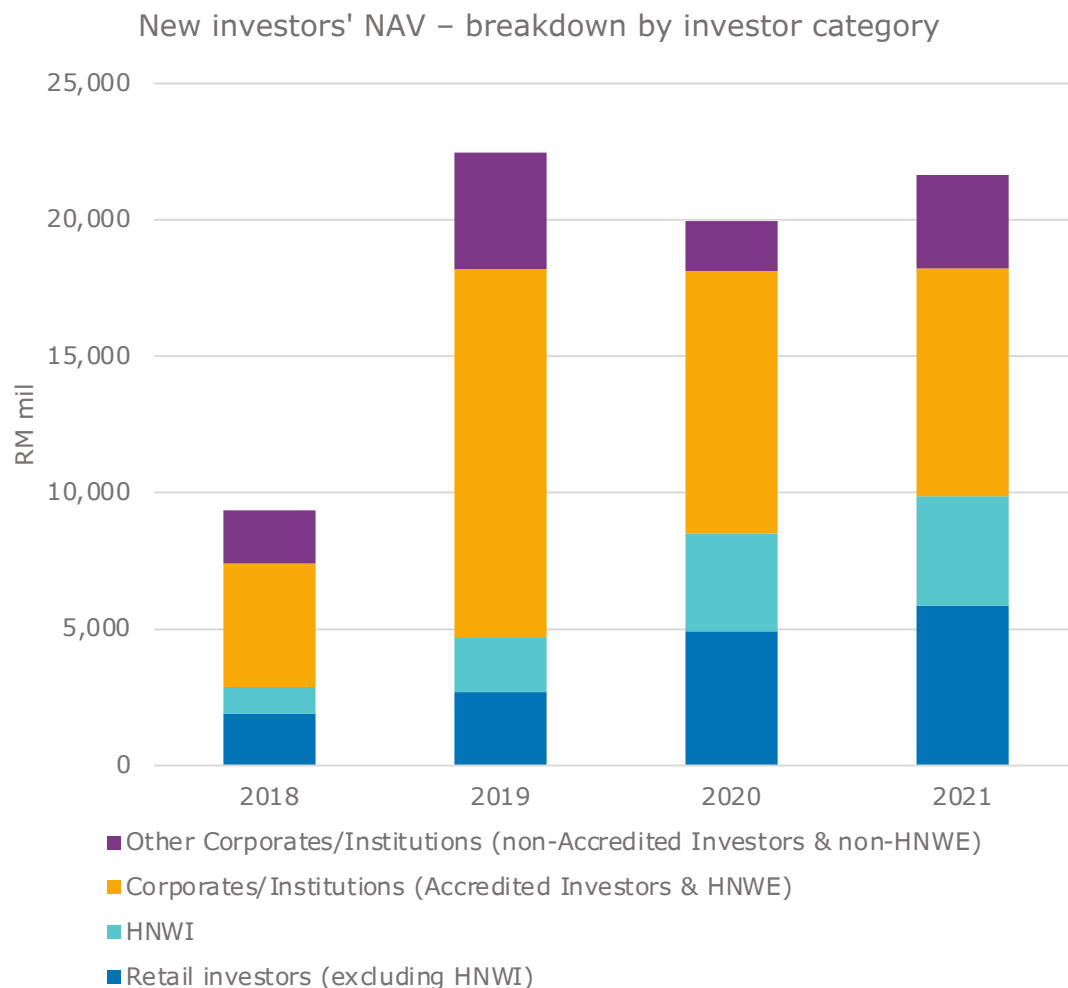
Number of new investor accounts					
	2018	2019	2020	2021	Total
Below RM100	638	352	2,472	1,524	4,986
RM100 and below RM1,000	646	548	268	834	2,296
RM1,000 and below RM10,000	18,305	15,731	11,401	14,856	60,293
RM10,000 and below RM50,000	18,286	17,242	12,237	16,588	64,353
RM50,000 and below RM100,000	4,053	3,780	3,182	4,861	15,876
RM100,000 and below RM500,000	1,773	1,824	1,285	2,282	7,164
RM500,000 and below RM1 million	169	136	211	243	759
RM1 million and above	30	28	5	5	68
Total	43,900	39,641	31,061	41,193	

The largest group of new investors being onboarded through this mode is with ticket sizes of:

- RM1,000 to RM10,000 = 60,293
- RM10,000 to below RM50,000 = 64,353

which makes up the **majority of 80%** as compared to other ticket sizes.

Overall Onboarding of New Investors via Cash Investment: 2018 – 2021 (UTS, PRS and WSF)



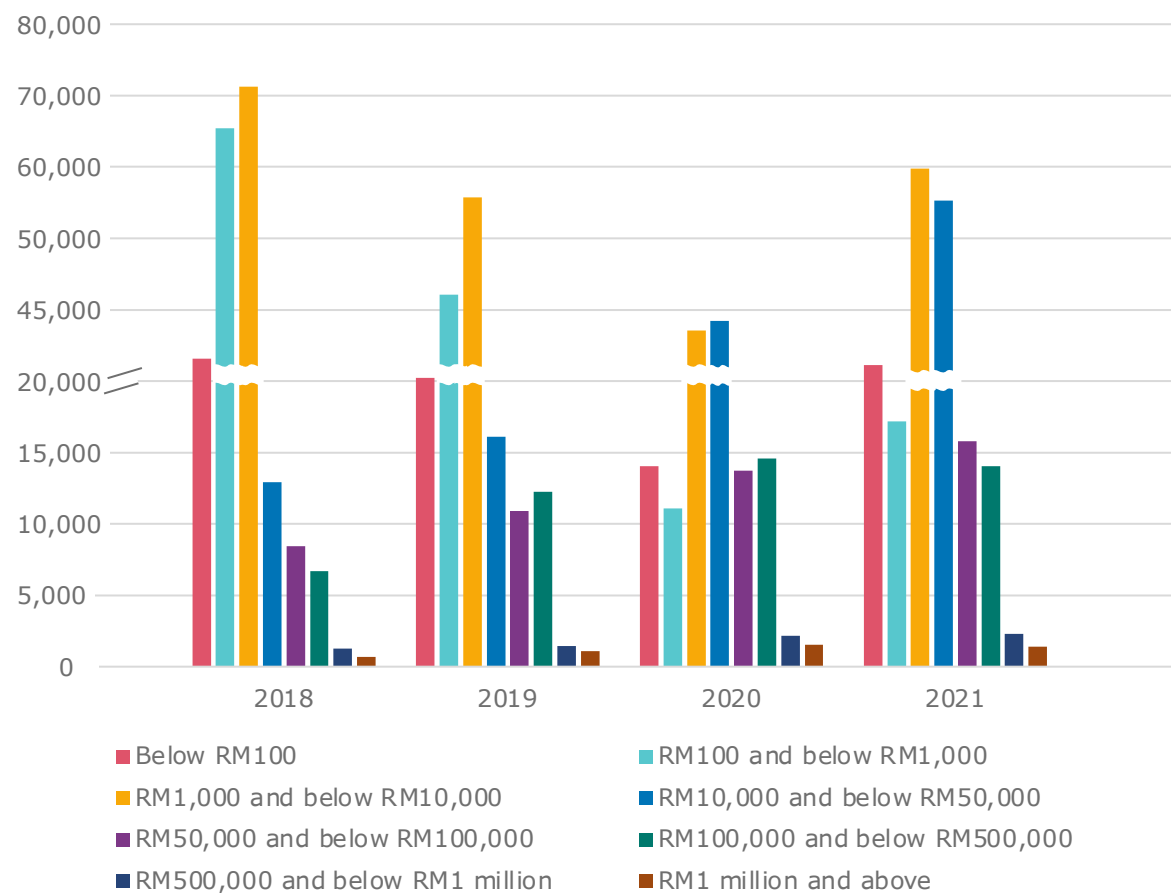
	NAV (RM million)				Total
	2018	2019	2020	2021	
Retail investors (excluding HNWI)	1,883	2,693	4,927	5,863	15,366
HNWI	989	2,011	3,584	4,001	10,585
Corporates/Institutions (Accredited Investors & HNWE)	4,531	13,491	9,607	8,347	35,976
Other Corporates/Institutions (non-Accredited Investors & non-HNWE)	1,959	4,280	1,842	3,425	11,506
Total	9,361	22,475	19,961	21,636	

The Cash account of retail and HNWI segment shows a similar growth trend to the EPF-MIS investment mode.

Corporates/Institutions segment Y-O-Y trend differs, possibly driven by placements in Cash Management/Fixed Income type funds which were not greatly affected by the pandemic.

Overall Onboarding of New Investors via Cash Investment: 2018 – 2021 (UTS, PRS and WSF)

New investor accounts – breakdown by NAV

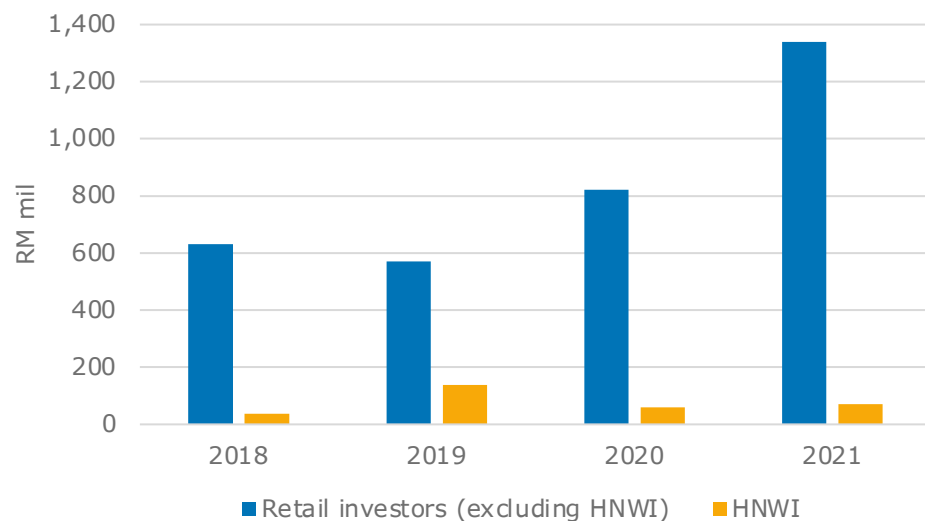


Number of new investor accounts					
	2018	2019	2020	2021	Total
Below RM100	33,568	24,233	14,022	27,144	98,967
RM100 and below RM1,000	57,704	46,054	11,075	17,182	132,015
RM1,000 and below RM10,000	70,637	55,872	40,529	59,876	226,914
RM10,000 and below RM50,000	27,909	31,119	39,211	47,627	145,866
RM50,000 and below RM100,000	8,432	10,889	13,712	15,794	48,827
RM100,000 and below RM500,000	6,690	12,246	14,590	14,033	47,559
RM500,000 and below RM1 million	1,270	1,427	2,153	2,314	7,164
RM1 million and above	687	1,101	1,536	1,416	4,740
Total	206,897	182,941	136,828	185,386	

There was a significant downtrend of new cash investment accounts being onboarded for ticket sizes below RM100 to RM1,000. However, investment ticket sizes of RM10,000 to RM1 million grew as it is reflective that HNWI have excess discretionary spending to be invested and/or placements by Corporates/Institutions.

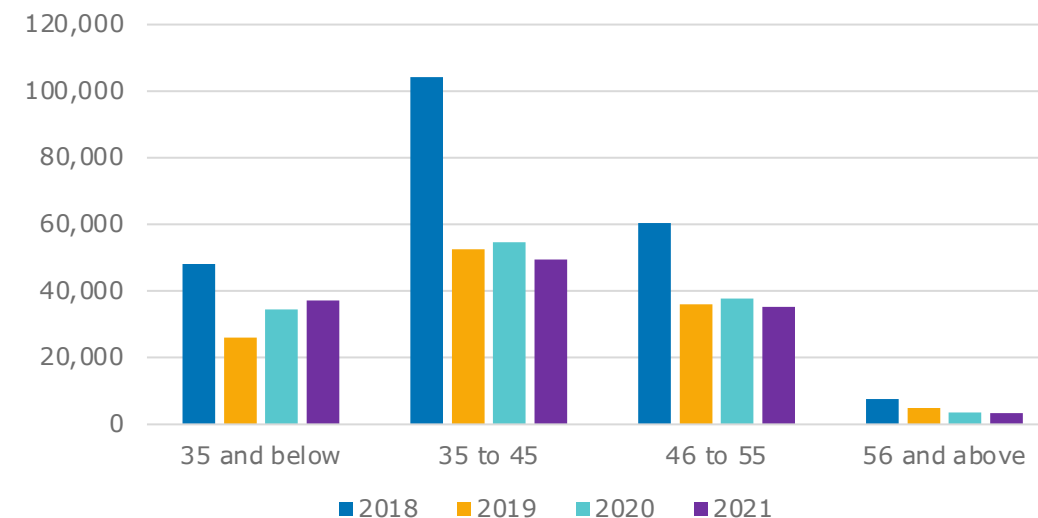
Individual Investors Onboarding – EPF-MIS

NAV - EPF-MIS



NAV (RM million)					
	2018	2019	2020	2021	Total
Retail investors (excluding HNWI)	631	571	822	1,340	3,364
HNWI	36	139	59	70	304
Total	667	710	881	1,410	

Number of investors onboarded via EPF-MIS - by age

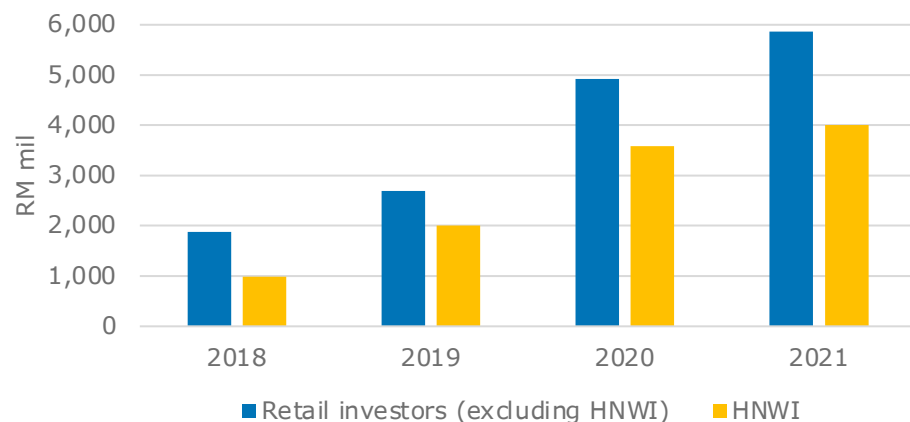


Number of investors					
	2018	2019	2020	2021	Total
35 and below	48,125	26,088	34,583	37,252	146,048
35 to 45	104,263	52,595	54,634	49,497	260,989
46 to 55	60,339	36,022	37,729	35,209	169,299
56 and above	4,614	1,969	585	310	7,478
Total	217,341	116,674	127,531	122,268	

Individual Investors Onboarding – Cash Investment

The newly onboarded retail and HNWI segments for cash investments also showed growth during the pandemic as with the EPF-MIS individual investors.

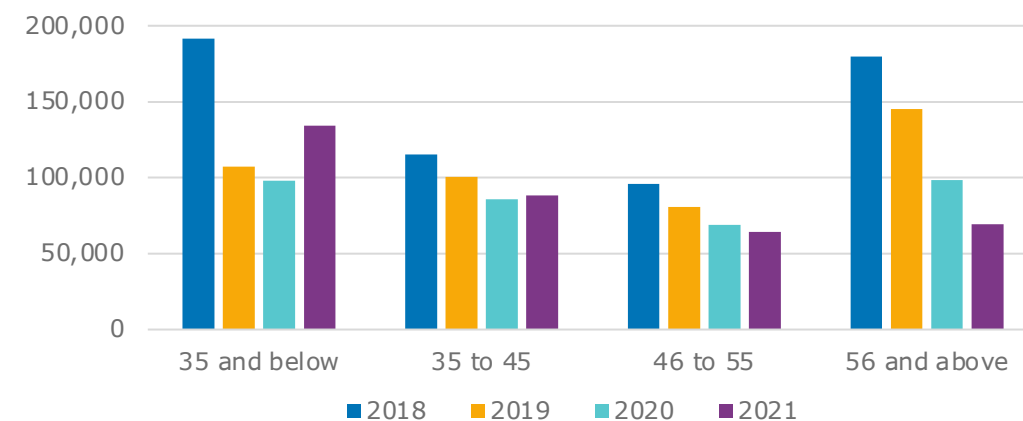
NAV - Cash investment



NAV (RM million)					
	2018	2019	2020	2021	Total
Retail investors (excluding HNWI)	1,883	2,693	4,927	5,863	15,366
HNWI	989	2,011	3,584	4,001	10,585
Total	2,872	4,704	8,511	9,864	

The age group of 56 and above is the highest number of newly onboarded investors amongst other age groupings during the pandemic lockdown, followed by those aged 35 and below.

Number of investors onboarded via cash investment - by age

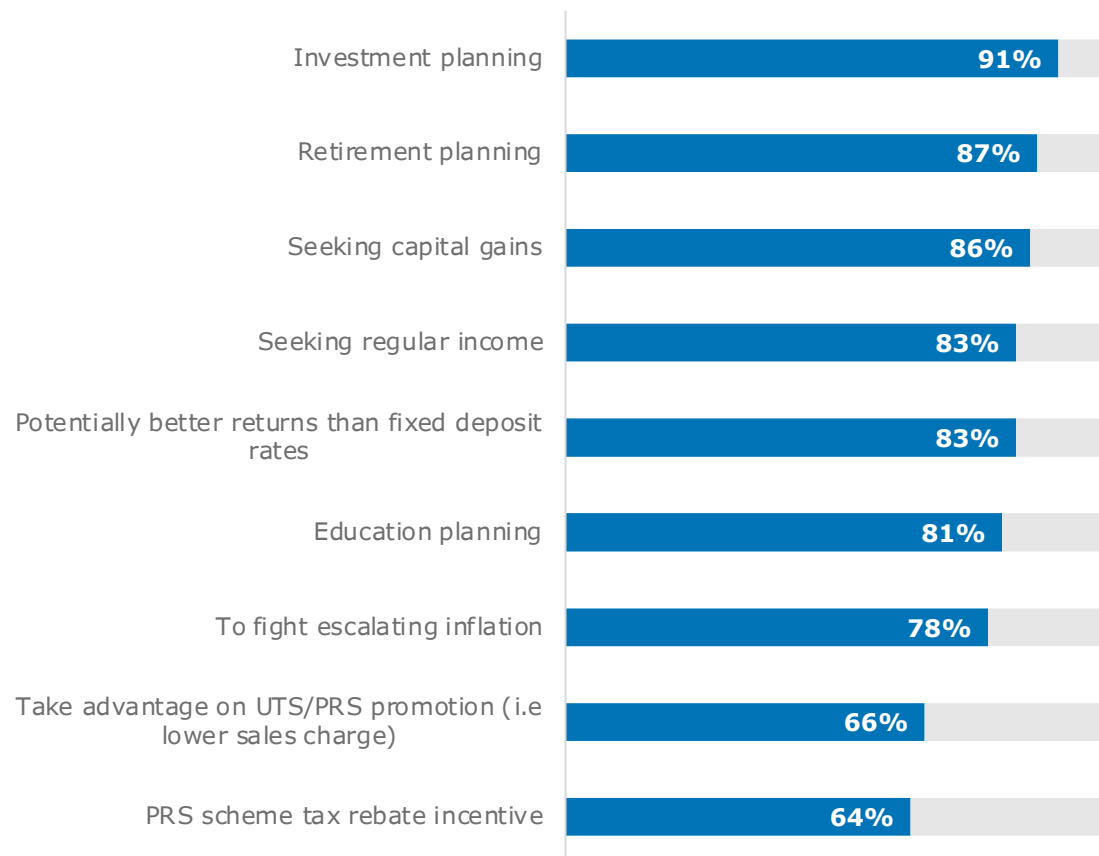


Number of investors					
	2018	2019	2020	2021	Total
35 and below	191,518	107,341	98,100	134,310	531,269
35 to 45	115,355	100,432	85,795	88,122	389,704
46 to 55	95,970	80,611	69,071	64,145	309,797
56 and above	179,688	145,085	98,307	69,180	492,260
Total	582,531	433,469	351,273	355,757	

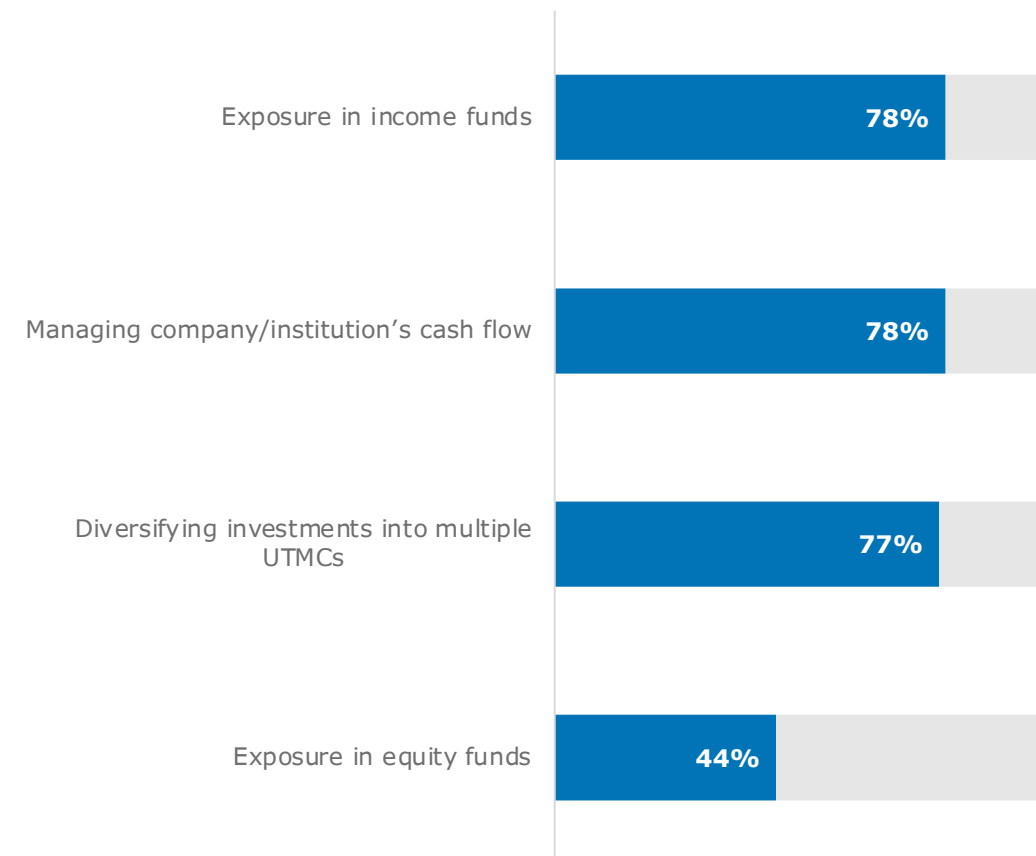
Rationale for Investors Onboarding Before and During the Pandemic (2018 – 2021)

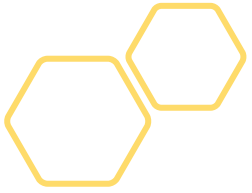
The most likely reasons for investors onboarding are ranked as follows:

Individual Investors



Corporate/Institutional Investors

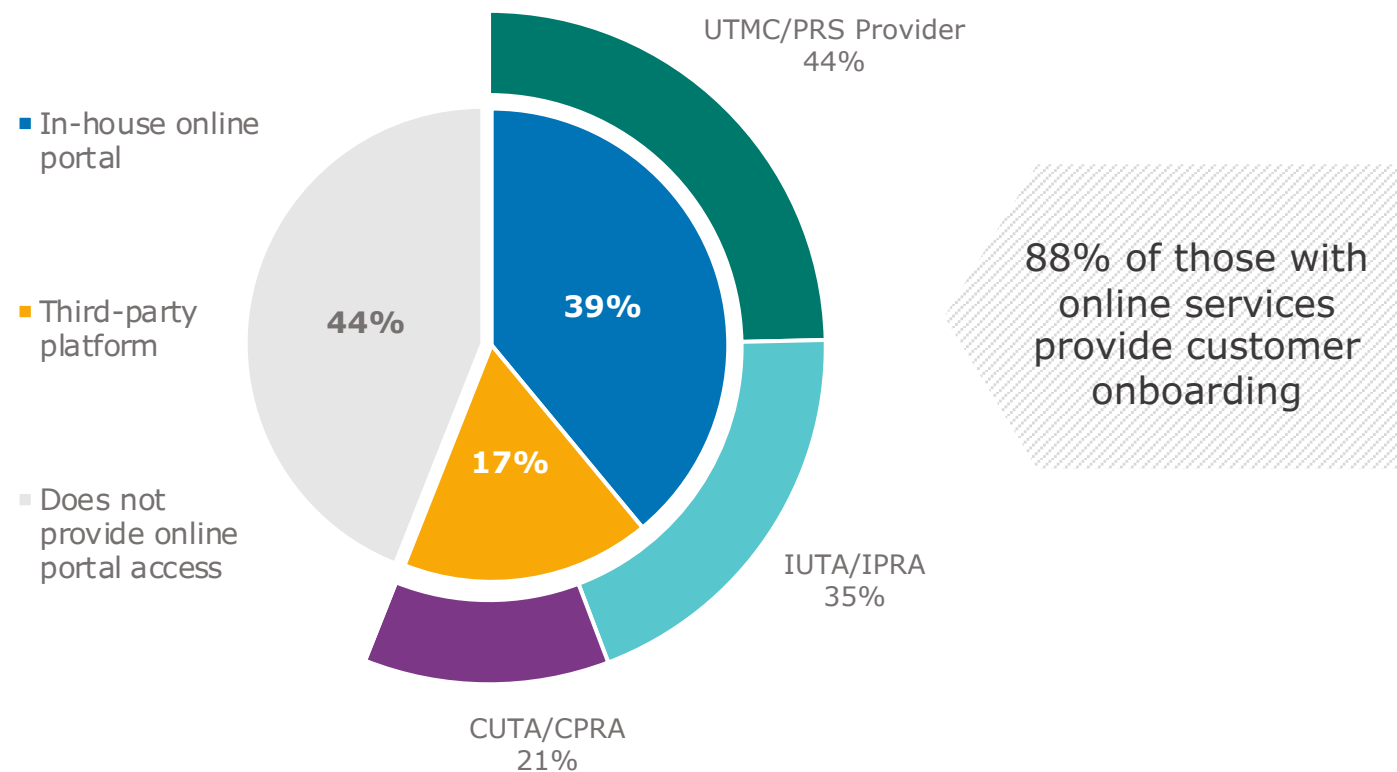




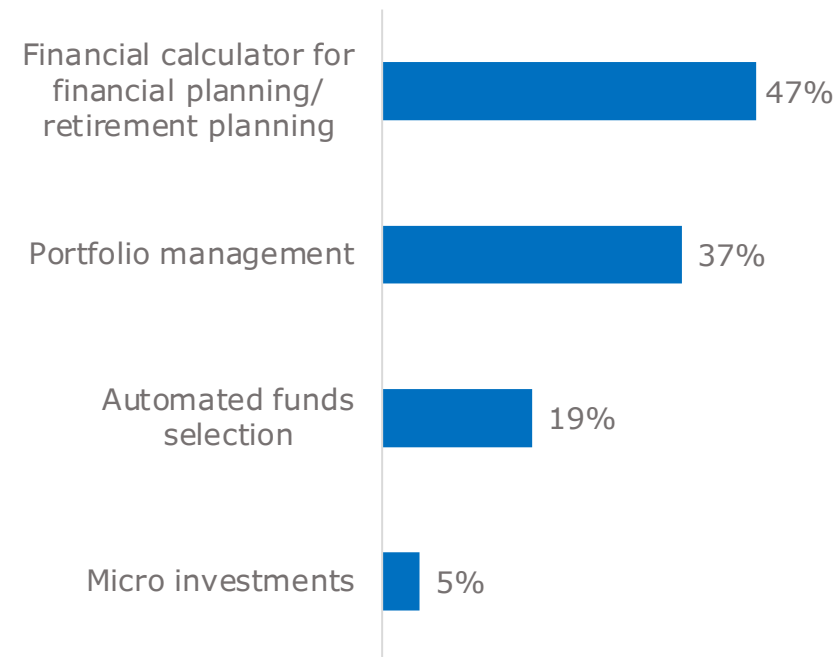
Online Portal Access

Online Portal Access Provided by Members and Distributors

43 (56%) respondents are offering online portal access

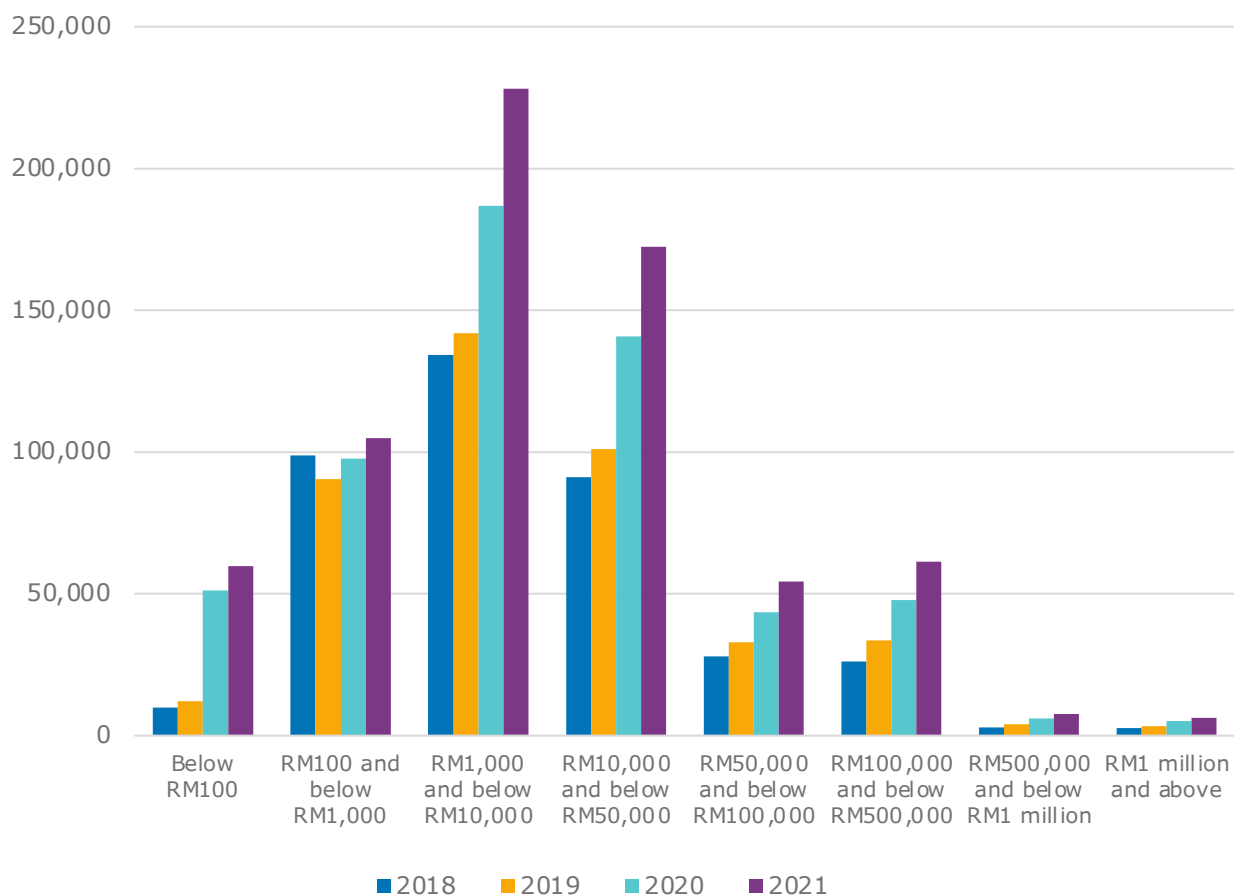


Their online portals are equipped with the following tools:



Investors with Access to Online Portal

Number of investors with access to online portal based on NAV holdings



	2018	2019	2020	2021
Below RM100	9,885	12,234	51,208	59,828
RM100 and below RM1,000	98,745	90,521	97,753	104,869
RM1,000 and below RM10,000	134,334	141,961	186,929	228,089
RM10,000 and below RM50,000	91,169	101,099	140,886	172,275
RM50,000 and below RM100,000	27,944	32,911	43,570	54,362
RM100,000 and below RM500,000	26,035	33,495	47,869	61,247
RM500,000 and below RM1 million	2,904	3,906	5,947	7,605
RM1 million and above	2,619	3,375	5,092	6,227
Total	393,635	419,502	579,254	694,502

The findings show that there is growth Y-O-Y on the uptake of investors utilising the online portal during the pandemic lockdown period.

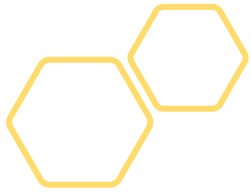
Online portal access has become more popular over the years, particularly for investors with investment holdings ranging from RM100 to RM50,000.

Online access for investors within this range of investment holdings reached its highest point in 2021:

- 15% held investments valued at RM100 and below RM1,000
- 33% held investments valued at RM1,000 and below RM10,000
- 25% held investments valued at RM10,000 and below RM50,000

*Figures based on unique customers to each UTMC/Distributor

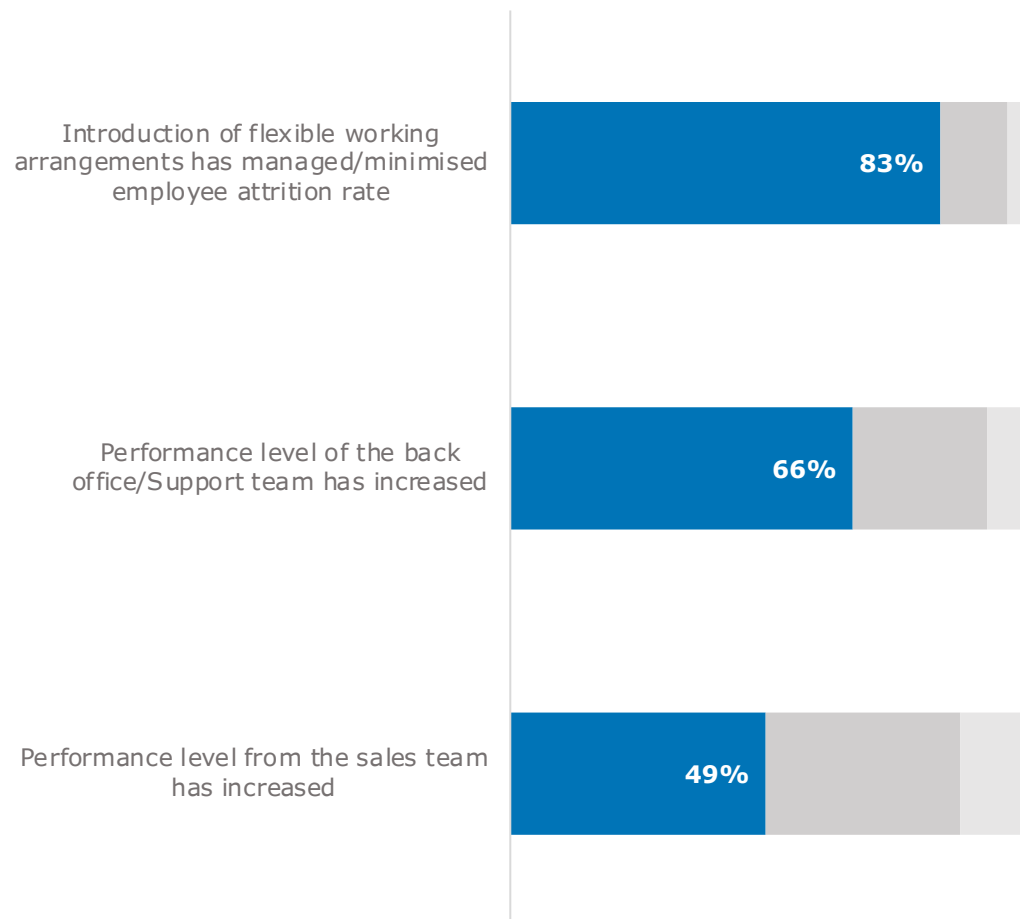
**This chart does not represent the full set of data by our survey respondents (due to unavailability of information by certain Members/Distributors). Total sum of the figures provided will not be equivalent to other charts displayed in this section.



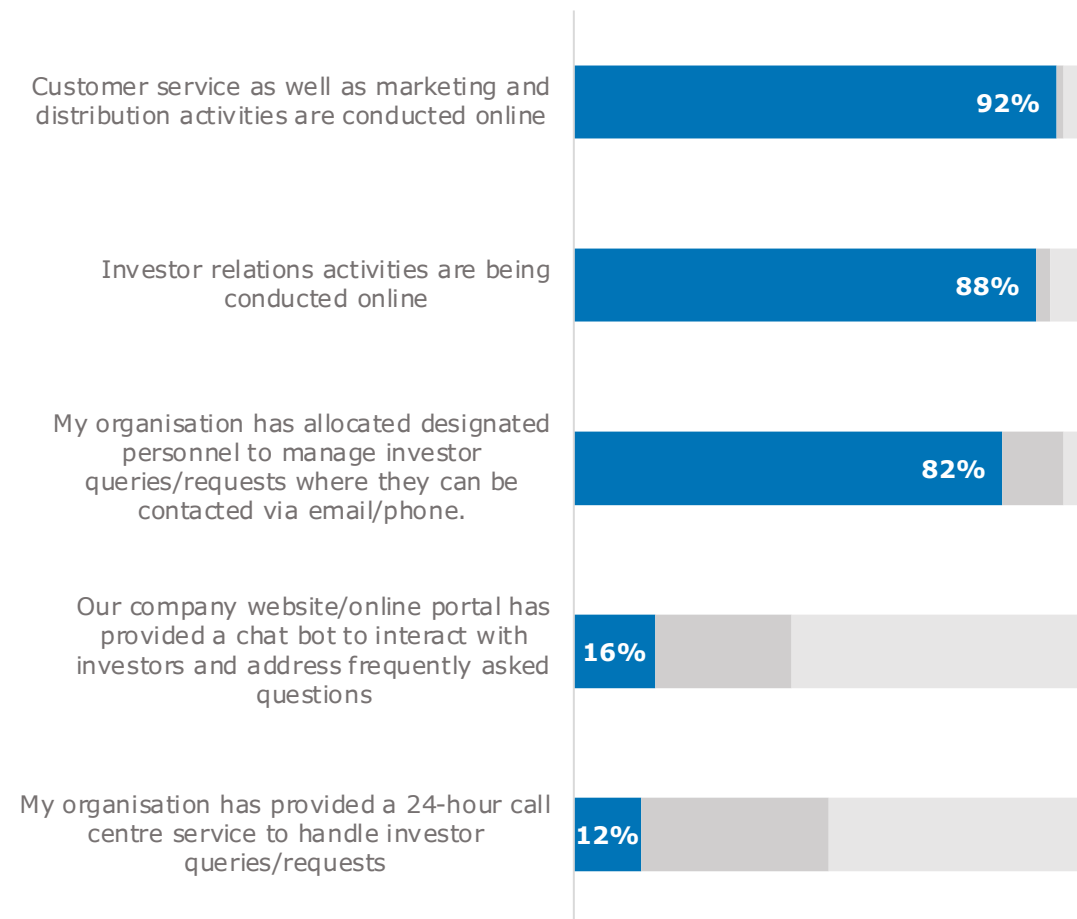
Impact of Covid-19 in the Work Environment

Impact of Covid-19 Pandemic on Employees and Investors Outreach

People

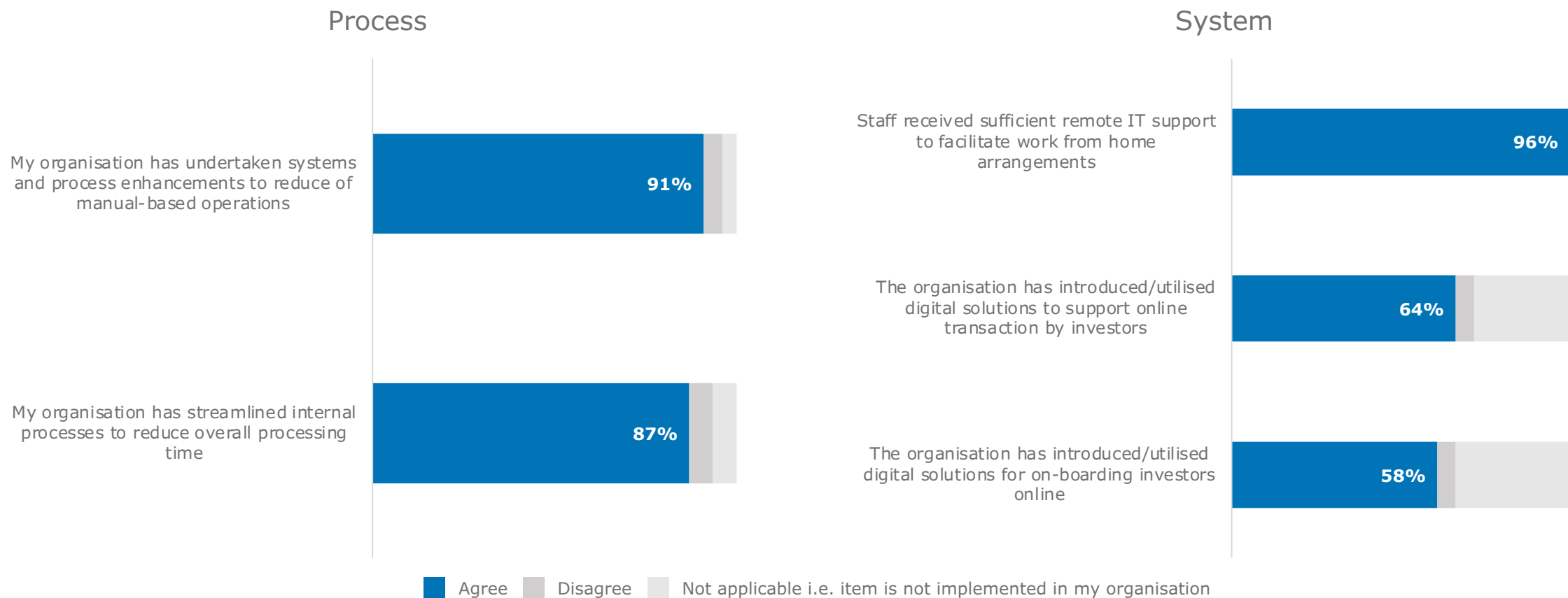


Sales, Marketing and Investor Outreach

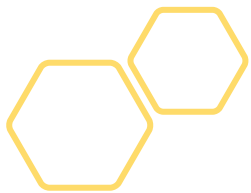


■ Agree
 ■ Disagree
 ■ Not applicable i.e. item is not implemented in my organisation

Impact of Covid-19 Pandemic on Processes and System



Overall, the industry's ability to adapt by utilising flexible hours and remote working, coupled with process and system enhancements, have provided the most beneficial impact to the working environment.

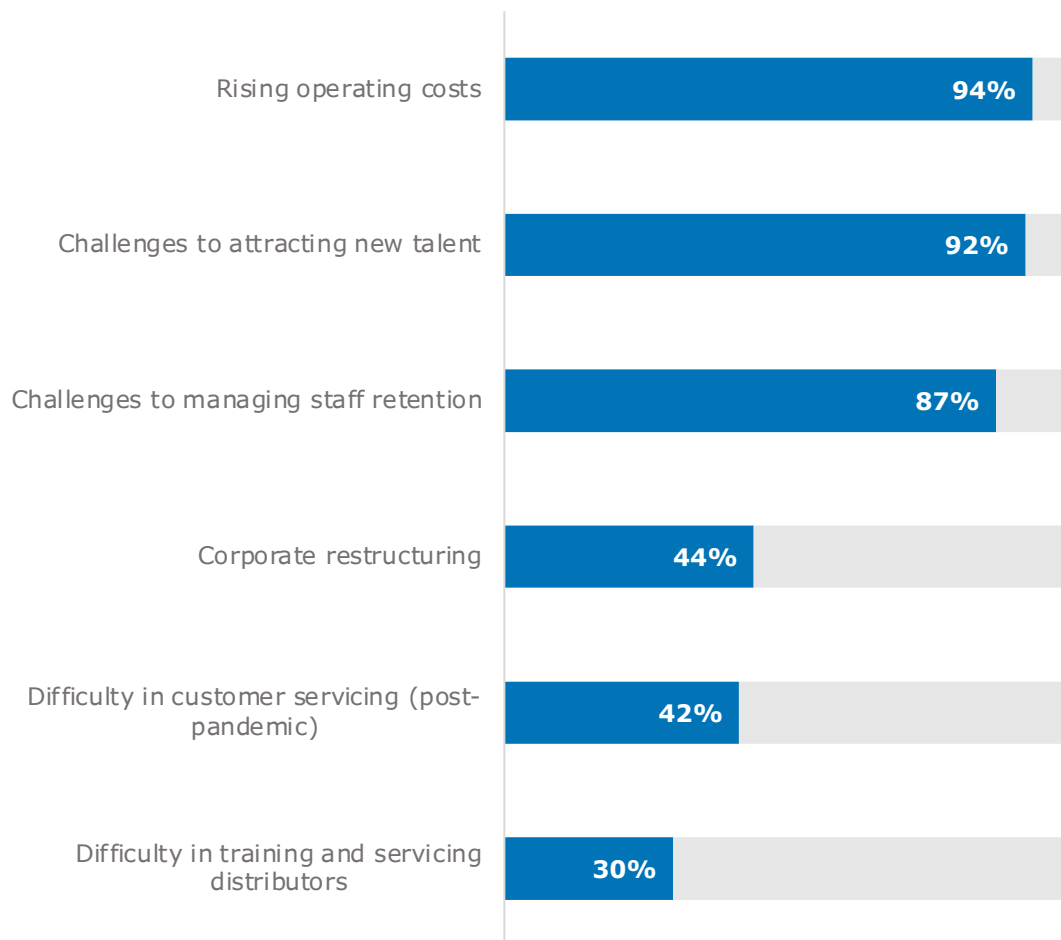


Industry Outlook

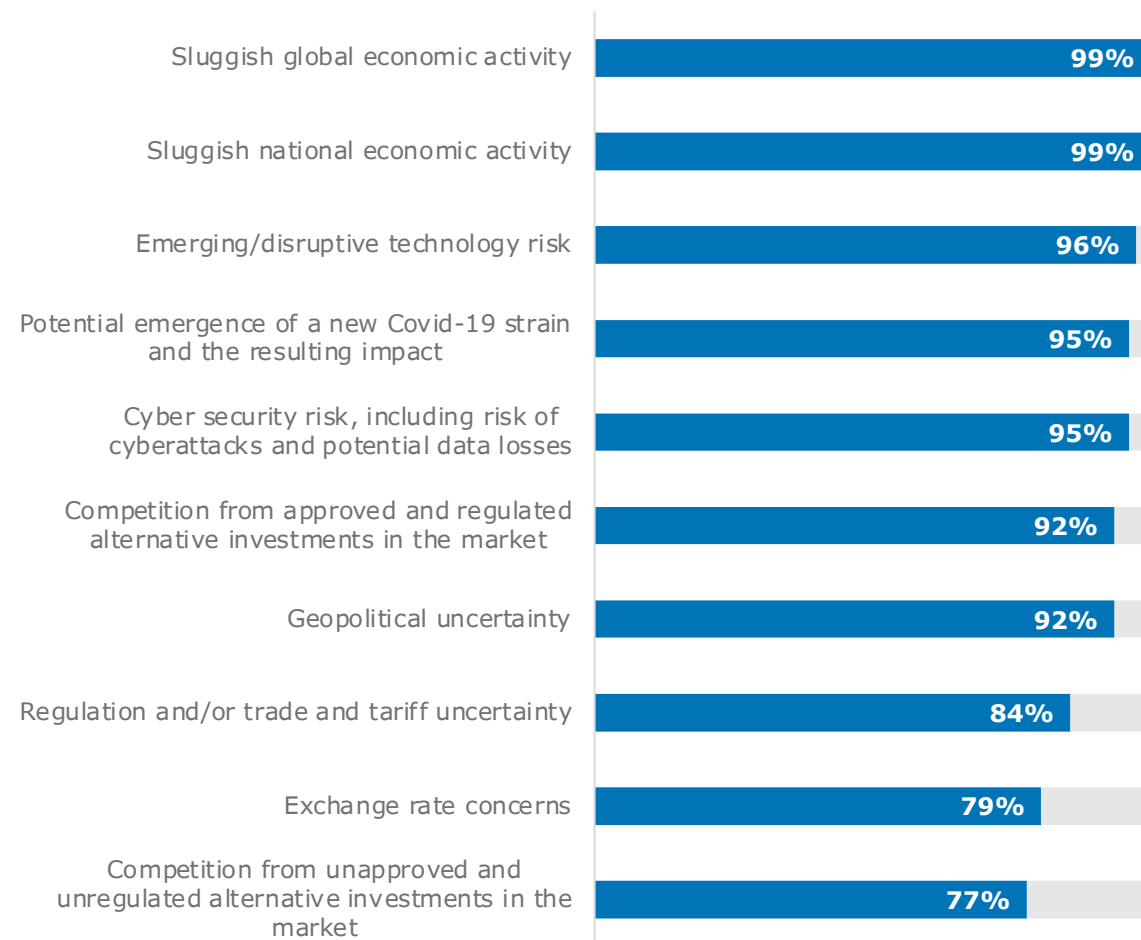


Potential Future Risks Anticipated by Members/Distributors for the Next Three (3) Years

Internal factors



External factors



Areas of Focus of Members/Distributors for the Next Three (3) Years

By product type



ESG/SRI Investment

78%



Feeder/Fund of funds

69%



Aggressive growth products

56%



Alternative investments

49%



Passive funds/index funds

31%

Key reasons

- An area that has future growth potential
- Increased awareness of investing public on the importance of ESG
- Adhering to company's strategy

- Tap on foreign expertise
- Additional product offering
- To meet market demands

- Additional product offering
- To meet market demands
- For enhanced returns

- Additional product offering
- To meet market demands
- For enhanced returns

- Additional product offering
- To meet market demands
- This is an area that has future growth

Areas of focus between Members and Distributors show a difference in their preferences...

Members



ESG/SRI Investment

36%



Feeder/Fund of funds

31%



Aggressive growth products

25%



Alternative investments

21%



Passive funds/index funds

13%

Distributors



Aggressive growth products

42%



Alternative investments

38%



ESG/SRI Investment

31%



Feeder/Fund of funds

29%

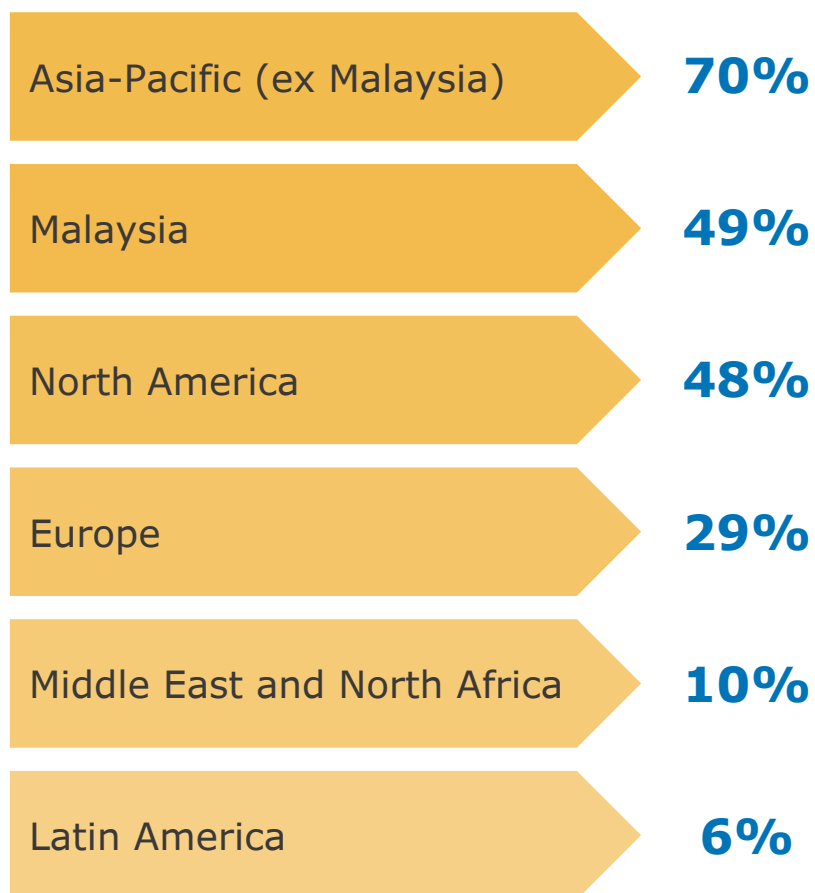


Passive funds/index funds

18%

INCREASE in Expected Allocation for the Next Three (3) Years by Region

Increase allocation in:



Asia-Pacific, Malaysia and North America are the top three (3) regions which Members and Distributors will focus their efforts on for the following reasons:

Asia-Pacific (ex Malaysia)

- Strong economic activity in China following its early post-pandemic recovery.
- This is an area that has future growth potential.
- Southeast Asia's growth story is under the company's radar.

Malaysia

- Tapping on Malaysia's growth story as a developing market.
- Retail investors with lower financial literacy are likely more familiar with Malaysian market.
- Part of portfolio rebalancing efforts.

North America

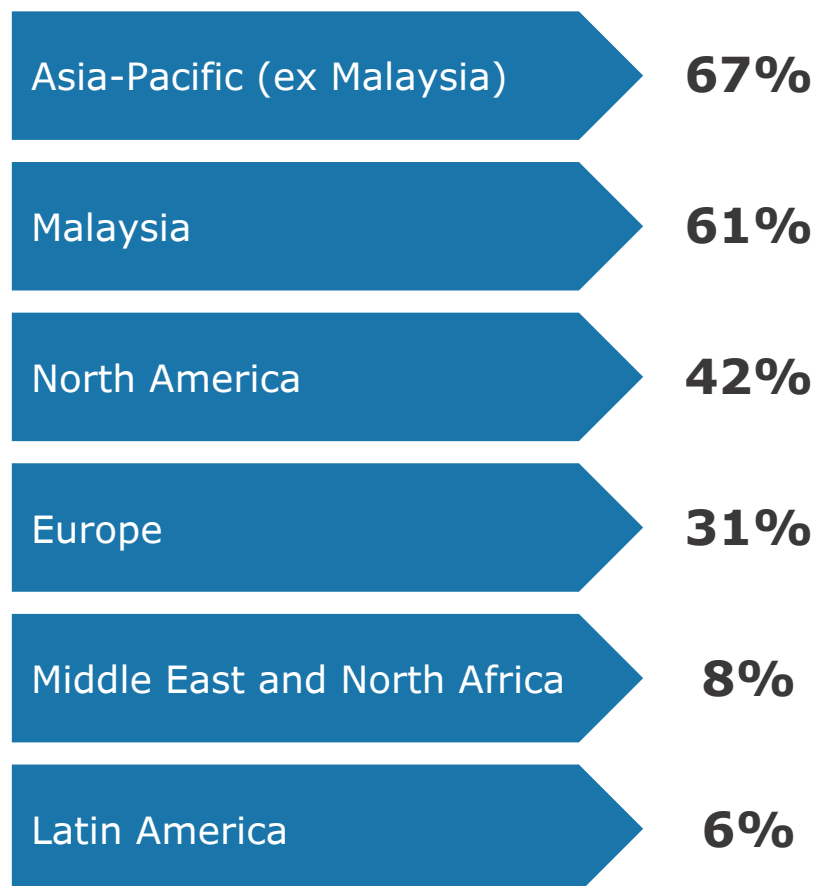
- Retail investors to diversify their assets via exposure to developed markets for better returns.
- Markets that are mature for portfolio stability.
- Part of portfolio rebalancing efforts.

INCREASE in Expected Allocation for the Next Three (3) Years by Region – cont'd

Members and Distributors show a difference in their preferences...

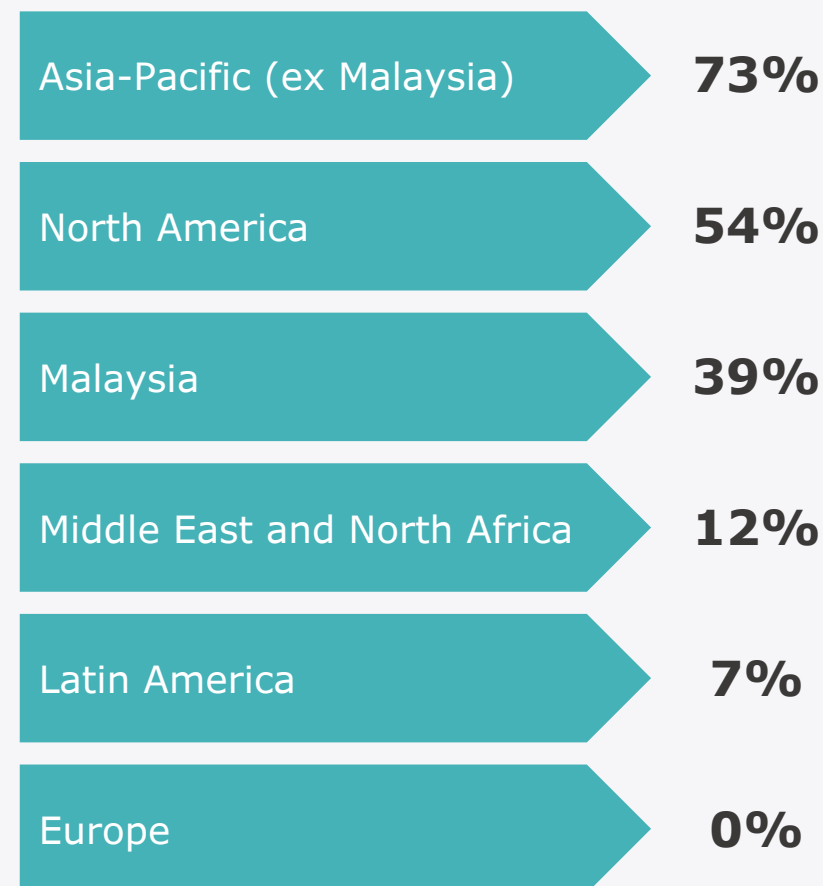
Members

Increase allocation in:



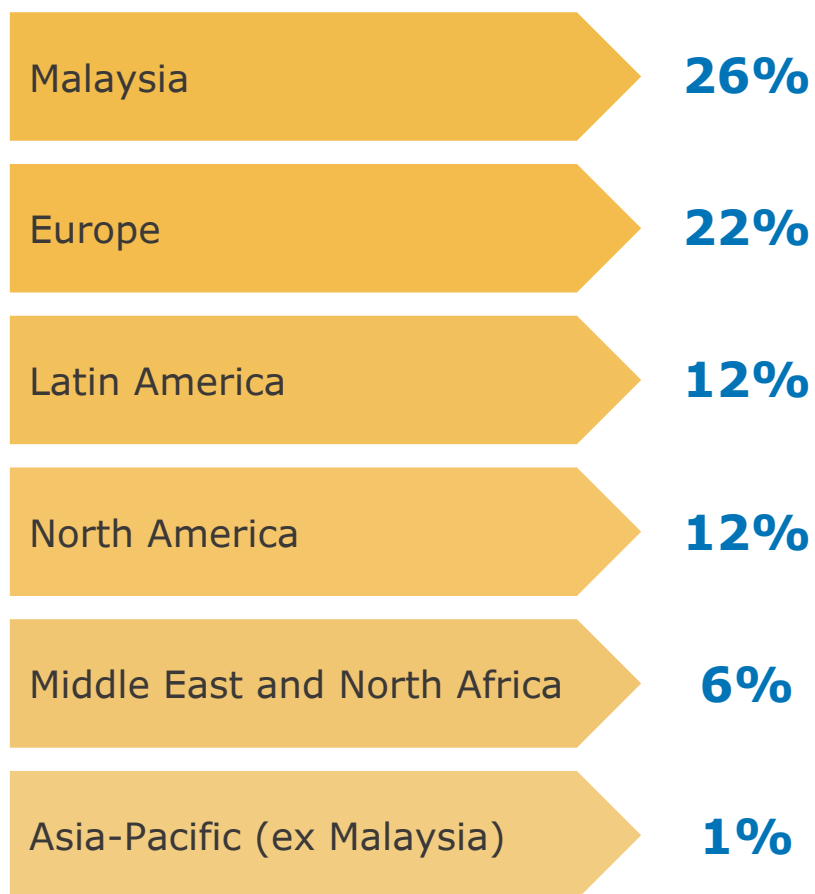
Distributors

Increase allocation in:



DECREASE in Expected Allocation for the Next Three (3) Years by Region

Decrease allocation in:



Malaysia, Europe, Latin America and North America are the main regions which Members and Distributors will focus on reducing their exposure due to the following reasons:

Malaysia

- Sluggish economic growth
- Lack of growth-related sectors
- Exchange rate concerns

Europe

- Sluggish economic growth
- Political instability
- High inflation rate

Latin America

- Political instability
- Sluggish economic growth
- Exchange rate concerns

North America

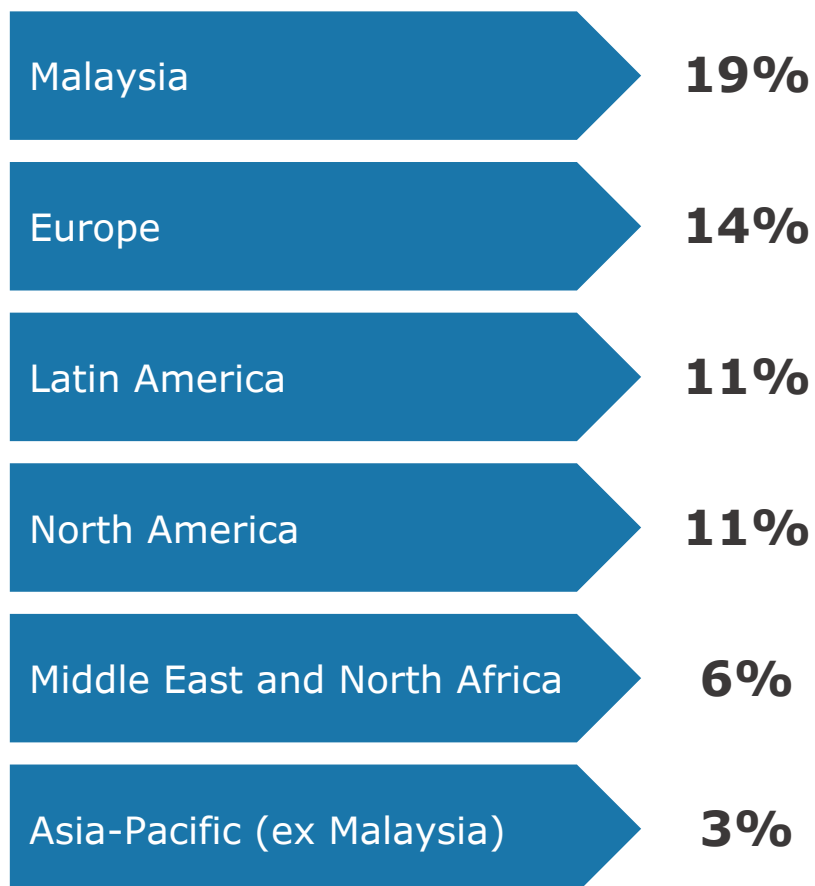
- High inflation rate
- Sluggish economic growth
- Market is too expensive

DECREASE in Expected Allocation for the Next Three (3) Years by Region – cont'd

Members and Distributors show a difference in their preferences...

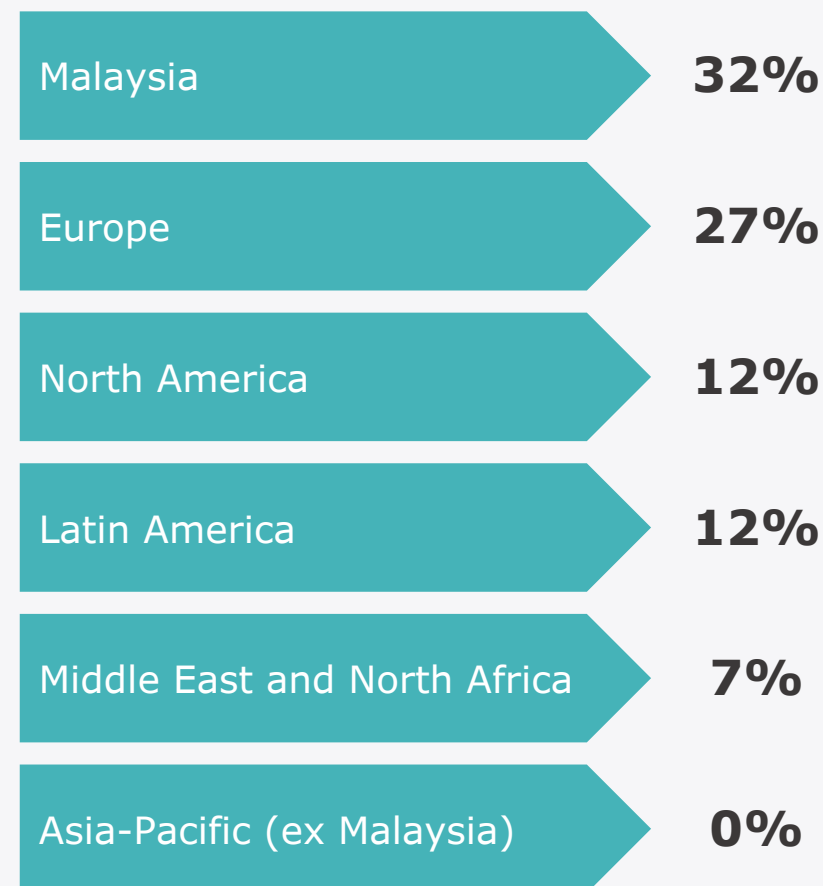
Members

Decrease allocation in:



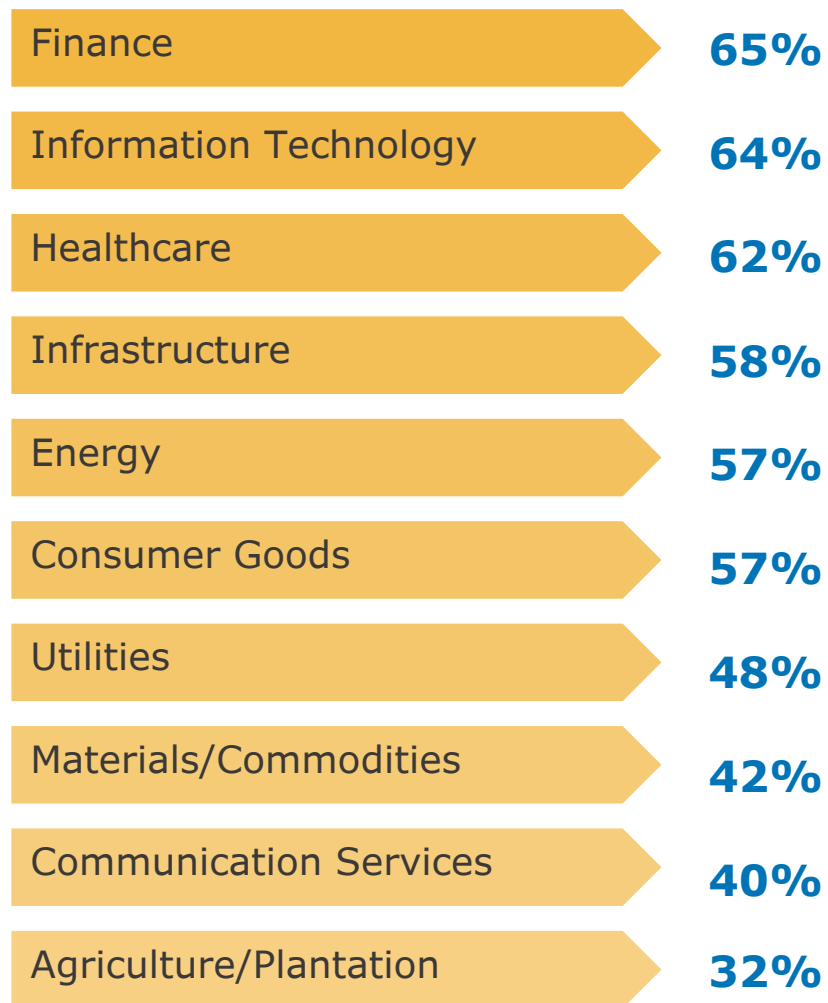
Distributors

Decrease allocation in:



INCREASE in Expected Allocation for the Next Three (3) Years by Sector

Increase allocation in:



Finance, information technology and healthcare are the top three (3) sectors which Members and Distributors will focus their efforts on due to the following reasons:

Finance

- Positive economic outlook post-pandemic
- Growth across all segments of financial business (banks, insurance, asset managers etc.)
- Technological revolution harnessing the launch of new products and services

Information Technology

- Tapping into opportunities of artificial intelligence, internet of things and 5G networks
- Technology revolution and acceleration driving growth
- Renewable energy which is technology driven for efficiency

Healthcare

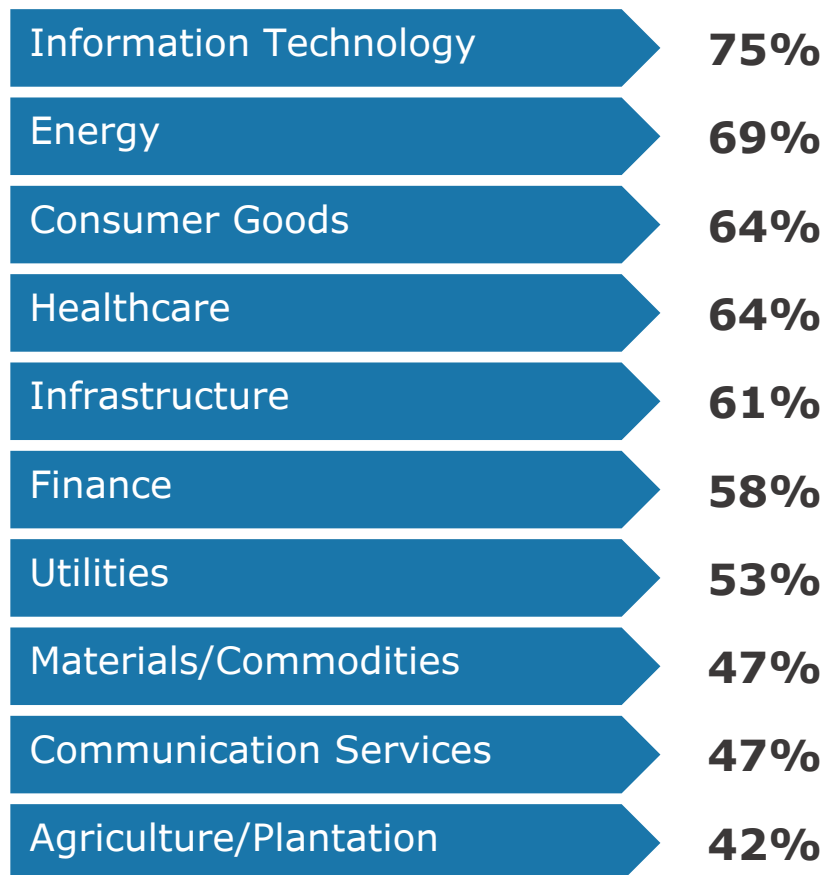
- One of the ESG related items that are in line with the SDG goals (good health and well-being)
- Technology driven health care services

INCREASE in Expected Allocation for the Next Three (3) Years by Sector – cont'd

Members and Distributors show a difference in their preferences...

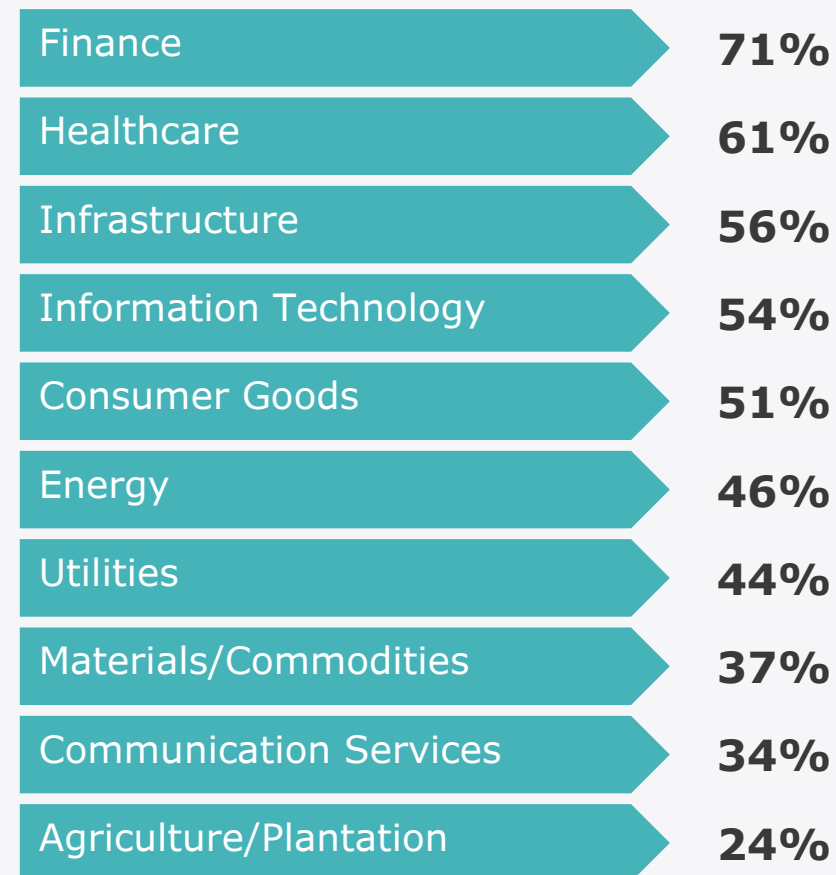
Members

Increase allocation in:



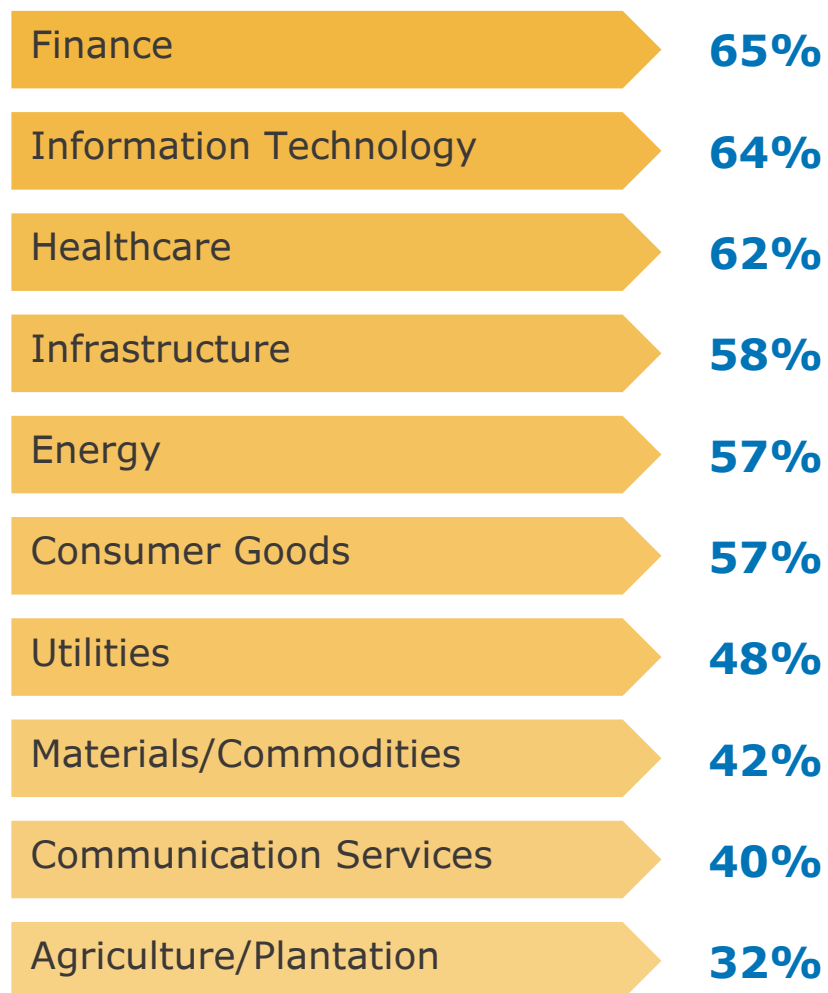
Distributors

Increase allocation in:



DECREASE in Expected Allocation for the Next Three (3) Years by Sector

Decrease allocation in:



Agriculture/plantation, materials/commodities, communication services and utilities are the top sectors which Members and Distributors will focus on reducing their exposure with the following reasons:

Agriculture/Plantation

- Increasing demand from investors to reduce exposure
- Part of the organisation's risk management strategy
- Part of portfolio rebalancing efforts

Materials/Commodities

- Increasing demand from investors to reduce exposure
- Part of the organisation's risk management strategy
- Part of portfolio rebalancing efforts

Communication Services

- Part of portfolio rebalancing efforts
- Part of the organisation's risk management strategy

Utilities

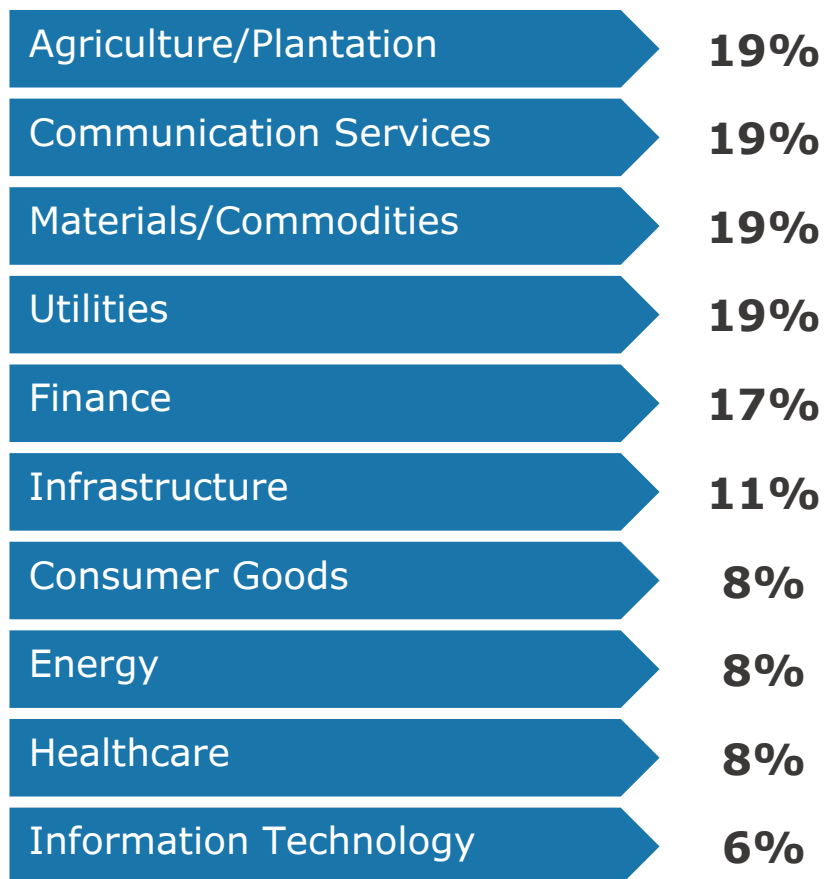
- Part of portfolio rebalancing efforts
- Part of the organisation's risk management strategy
- Increasing demand from investors to reduce exposure

DECREASE in Expected Allocation for the Next Three (3) Years by Sector – cont'd

Members and Distributors show a difference in their preferences...

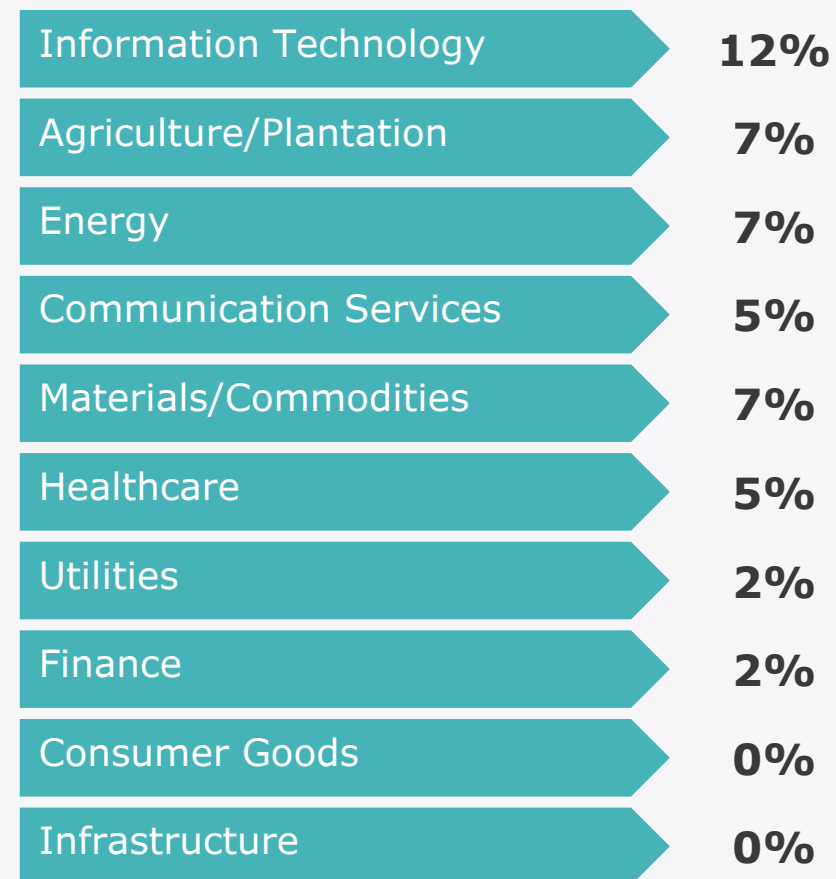
Members

Decrease allocation in:



Distributors

Decrease allocation in:



For the following key strategies, both Members and Distributors have responded similarly...

Distribution and Marketing Channels

Rationale

Developing/Enhancing mobile applications/online portals to facilitate customer service

79%

- To provide wide accessibility and flexibility in doing transactions
- To stay competitive
- Provide ease of transaction

Equipping the agency force with IT tools to better service their investors

53%

- To implement the following features:
 - Portfolio tools
 - Investment planning
 - Retirement planning

Introducing/Enhancing robo-advisory services

39%

- There is an increasing pool of self-directed investors who prefer non-intermediary/non-face-to-face approach to investments
- Provide cheaper, more efficient alternative towards passive investment
- Possibility of micro investment

For the following key strategies, both Members and Distributors have responded similarly – cont'd

Private Retirement Schemes

Developing/Enhancing mobile applications/
Investor outreach to promote retirement
savings portals to facilitate customer service

36%

Establishing new PRS

27%

Rationale

- Further promote long term savings for Malaysians
- Awareness on retirement savings is still low
- Possibility of reducing minimum initial/top up investment amount to encourage gig economy workers

- Provide more choices for investors
- Growing trend of retirement-related funds

Technology

Conduct operational enhancements by utilising
technological solutions

82%

Introducing/Enhancing simplifying client
online on-boarding /Know-Your-Customer
process/Risk profiling process services

81%

Enhance current front-end systems for
efficiency for both agency, sales team and
investors

73%

- Reduce turnaround time in operational processes
- To simplify and automate manual processes
- Reduce waste

- Reduce turnaround time in operational processes
- Reaching out to tech-savvy investors and non-investors
- Reduce waste

- Reduce turnaround time in operational processes
- Attracting tech-savvy Consultants, younger sales force and younger investors and non-investors
- Reduce waste

Acknowledgement

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Advisonomics Sdn Bhd	Hong Leong Bank Bhd	Phillip Mutual Bhd
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Affin Hwang Asset Management Bhd	HSBC Bank (M) Bhd	Principal Asset Management Bhd
Affin Islamic Bank Bhd	iFAST Capital Sdn Bhd	PTB Unit Trust Bhd
AIA Pension and Asset Management Sdn Bhd	Industrial and Commercial Bank of China (M) Bhd	Public Bank Bhd
AIIMAN Asset Management Bhd	Inter-Pacific Asset Management Sdn Bhd	Public Mutual Bhd
Alliance Bank (M) Bhd	Kedah Islamic Asset Management Bhd	Redvest Wealth & Asset Management Sdn Bhd
Amanah Saham Nasional Bhd	Kenanga Investment Bank Bhd	RHB Asset Management Sdn Bhd
Amanah Saham Sarawak Bhd	Kenanga Investors Bhd	RHB Bank Bhd
Amanahraya Investment Management Sdn Bhd	Kuwait Finance House (M) Bhd	RHB Investment Bank Bhd
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