



# **FIMM 2024 SURVEY ON UTS AND PRS POTENTIAL SEGMENTS**

**FEDERATION OF INVESTMENT MANAGERS MALAYSIA (FIMM)**

### All Rights Reserved

No part of this publication may be produced or utilised in any form or by any means electronic, mechanical, or electro-mechanical including photocopying, recording or by any information storage or retrieval systems now known or hereafter invented, without the prior expressed written permission of the publisher.

### Disclaimer

We reserve the right to make changes and updates without prior notice. Whilst every effort has been made to ensure that this publication is accurate, the publisher does not accept any responsibility whatsoever for any error of fact, omission, interpretation or opinion that may be present, however it may have occurred. This publication is intended as a general guide only and should not be treated as a substitute for specific advice on any of the items covered. However, should you need further or alternative advice on matters raised therein, please contact the publisher.

Copyright © 2024 by Federation of Investment Managers Malaysia



✉ info@fimm.com.my      🌐 fimm.com.my

📘 @FIMM93

🎵 fimm\_official

🌐 Federation of  
Investment Managers  
Malaysia (FIMM)

📷 @fimmofficial

📺 FIMMOfficial

📺 @fimmofficial



# TABLE OF CONTENTS

	Chairman's Statement	4
	CEO's Statement	5
	Executive Summary	6
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	9
1.1	Research Background	14
1.2	Respondent Profiles	16
1.3	Investor Segments	17
<b>CHAPTER 2</b>	<b>CURRENT SENTIMENT</b>	19
	Key Takeaways	20
2.1	Malaysians' Sentiment Since the Covid-19 Pandemic	21
2.2	Retirement Strategies	25
<b>CHAPTER 3</b>	<b>FINANCIAL PRODUCTS: OWNERSHIP AND ATTITUDES</b>	27
	Key Takeaways	28
3.1	Investor Segments and Profiles	29
3.2	Intention to Invest in UTS and PRS	33
3.3	Attitudes towards Retirement	33
<b>CHAPTER 4</b>	<b>PERCEPTION AND EXPERIENCE OF UTS AND PRS</b>	37
	Key Takeaways	38
4.1	Awareness on UTS and PRS	39
4.2	Perception towards UTS and PRS	41
<b>CHAPTER 5</b>	<b>DIGITALISATION</b>	45
	Key Takeaways	46
5.1	Investment Channels	47
5.2	Technology in UTS and PRS Investment	48
5.3	Digital Banking	51
5.4	Reaching Out Strategies	53
<b>CHAPTER 6</b>	<b>WAY FORWARD AND RECOMMENDATIONS</b>	56
6.1	Proposed Strategies	57
6.2	Proposed Action Plans	58
	Acknowledgment	60
	Abbreviations	61
	Team Members	62

# CHAIRMAN'S STATEMENT

Let me begin by congratulating FIMM's Management for conducting the **FIMM 2024 Survey on UTS and PRS Potential Segments (SPS2024)**. This survey delves into the current investment mindset of a cross-section of Malaysian society underpinned by recent challenges, particularly the traumatic events of the Covid-19 pandemic. It will become a very useful tool for market practitioners to develop short-term and long-term strategies.

SPS2024 gives valuable insights into the minds of investors' short-term and long-term views on investments and savings. It provides an understanding that would enable market stakeholders to develop products and services to cater to these demands or perhaps, to also dispel investment misconceptions.

A telling theme of this survey is the need for liquidity and cash flow as a direct result of the pandemic experience. It is short term in outlook and leaves little room for long term planning and retirement savings. Nonetheless, there is an understanding and acknowledgement for the need of long-term investments planning, including for retirement. However, near term challenges of immediate cost of homes, education, cars and the ever-rising costs of living have negated any substantive efforts towards retirement savings, relying almost entirely on Employees Provident Fund (EPF). This mindset is not purely a Malaysian problem; globally, this trend of immediate needs dominating long term needs is prevalent.

A positive outcome from this survey is emphasis on Consultants' advice in investment decisions for UTS and PRS investments. Whilst there are digital platforms and robo-advisors, this has not been widely accepted as the mode to influence investor commitment. Consultants' sound advice and good service to clients is still the preferred buying channel. It is a good heads-up to the industry that the continuous training, education and professionalism of Consultants will give them an edge over AI technology platforms.

I believe the insights of this Survey will help steer the industry's strategy towards better long-term investor/client management. The FIMM Surveys to come will no doubt build on the findings of this survey. FIMM, as an industry-driven Self-Regulatory Organisation, continues in its efforts to bring thought leadership initiatives to the industry.

I commend FIMM Management again for this effort to bring a better understanding of the needs and concerns of investors to the attention of industry practitioners.

**Mohd Ridzal Mohd Sheriff**  
*Chairman*

# CEO'S STATEMENT

Thank you for reading the SPS2024 Report, our most comprehensive assessment of the Unit Trust Scheme (UTS) and Private Retirement Scheme (PRS) industry from a post-pandemic setting. Comprehensive by way of the SPS2024 and compiled via a “nationwide survey”, FIMM and Ipsos (a global market researcher) gathered feedback from the industry and a representation of the Malaysian population on their sentiments, investments, perceptions on UTS and PRS, and the impact of digitalisation on their lives.

SPS2024 marks our ninth survey report since 2019 and aptly complements the previous reports' findings as it re-visits past issues and trends with a post-pandemic perspective. Ironically, UTS and PRS industry experienced its highest growth in terms of total Net Asset Value, number of both new unitholder accounts and Consultants during the pandemic, but the aftereffects are varied – a mix of encouraging and discouraging factors. Here is where the SPS2024 deciphers the trends and reasons behind the pandemic and post-pandemic changes.

In terms of Nationwide Surveys, the SPS2024 marks our third nationwide research on Malaysians' investing taste buds. Our story began in 2008 – where FIMM (or then FMUTM, a.k.a. the Federation of Malaysian Unit Trust Managers) conducted a nationwide survey on the perception towards investing in unit trust funds. Then, the primary goal for savings/investments were for children and dependents. Concerns on saving/investing revolved around risks and lack of knowledge, but with a focus on high returns. Human interaction was preferred when it came to investment services and advice. Notwithstanding, online/digital platforms were not readily available.

Subsequently in 2019, our second Nationwide Survey uncovered that the primary goal for savings/investments has shifted towards present day basic needs (instead of for children and dependents). While concerns on risks, return and lack of knowledge persisted, the good thing was awareness of UTS and PRS has improved. Human interaction remained preferred for investment services/advice, despite an increase usage of online/digital platforms.

Presently, as per the SPS2024, there are definite changes in the aforementioned trends due to the pandemic. Primary goal for savings/investments is for short-term purposes (i.e. emergencies) and strictly to achieve financial autonomy. Concerns on investing have also evolved mainly due to retirement concerns, as investors express preference towards investment products with low risks and withdrawal flexibility. As for investment service/advice, human interaction remains indispensable, especially during exposure and decision-making phase. However, the utilisation of online/digital platforms is on an upward trend, particularly for education and convenient purposes.

The behavioural changes from the three (3) Nationwide Surveys depict a progressive phase for the UTS and PRS industry, with a nice mix of evolution and revolution. To me, this is what makes this industry a unique contributor to the Malaysian Capital Market.

I would like to take this opportunity to thank the industry participants, FIMM's Industry Development Committee and IPSOS for their support and contribution to this project.

Special thanks to my team, particular the Research and Analytics department, for their determination and conviction in making SPS2024 a wonderful conclusion to our Nationwide Survey trilogy.

**Kaleon Leong Rahan**  
*Chief Executive Officer*



# EXECUTIVE SUMMARY

This nationwide survey, commissioned by the Federation of Investment Managers Malaysia (FIMM) and conducted by Ipsos Sdn. Bhd. (Ipsos), aims to identify potential market segments for Unit Trust Schemes (UTS) and Private Retirement Schemes (PRS) in Malaysia.

It employs a mixed-methods approach, combining quantitative and qualitative research techniques to delve into Malaysians' saving, investing and spending behaviours, as well as their perceptions of future financial planning needs.



## Key Findings: Quantitative Phase

1



### Short-term Focused

The pandemic and heightened cost of living have fostered a short-term focused society, with addressing inflation emerging as the primary concern.

2



### Retirement Readiness

Despite maintaining optimism about the future quality of life, Malaysians anticipate the need to work post-retirement, relying heavily on personal and EPF savings for retirement. There is a notable lack of readiness and planning for a comfortable retirement.

3



### Increased Saving Awareness

The pandemic has instigated an improved attitude towards saving among Malaysians, despite the constraints posed by the high cost of living. However, many lack preparedness and strategic planning for retirement.

4



### Receptiveness to Long-Term Investing

A significant portion of Malaysians express openness to investing in the long term [more than three (3) years from now], especially among existing investors. However, there remains a cautious approach toward utilising newer technologies like robo-advisors and Artificial Intelligence (AI) in investment decisions, with human interaction still more preferred.



## Key Findings: Qualitative Phase

1



### Importance of Savings

Heightened awareness on the importance of savings, catalysed by the pandemic, prompted many, especially among young adults, to consider or start investing.

2



### Selective Investment

Consideration of investment products is largely influenced by factors such as lower risk, stability and flexibility to withdraw, reflecting a short-term focus.

3



### Need for Exposure and Awareness

In delving deeper into investors' experiences and perceptions towards UTS and PRS, several insights emerged. Despite the potential benefits offered by these schemes in facilitating long-term wealth accumulation and retirement planning, there exists a prevailing perception of UTS as high-risk investments that require prolonged periods for returns. This perception, coupled with the allure of alternative investment products as having lower risk and greater flexibility (e.g. ASNB), presents a challenge for the wider adoption of UTS and PRS among Malaysians.

4



### Importance of Human Interaction and Trusted Parties

While online platforms serve as convenient sources of information and education on investment opportunities, there remains a preference among investors for human interaction in their investment decision-making processes. The trust and credibility associated with recommendations and testimonials from trusted parties, including family, friends and financial consultants, continue to significantly influence investment decisions, highlighting the enduring importance of interpersonal relationships in financial matters.





## Recommendations

The above findings underscore several key recommendations for stakeholders, i.e. FIMM, Members, Distributors and UTS/PRS Consultants, which may be incorporated to their business strategies.

These recommendations are segregated into three (3) phases, namely Exposure, Learning and Buying. Details of the recommended action plans are available in Chapter 6: Way Forward and Recommendations.

In conclusion, the findings of this study provide valuable insights into the prevailing sentiments and behaviours of Malaysians in the context of saving, investing and retirement planning. By addressing the key recommendations outlined in the report, stakeholders can better tailor their strategies and product offerings to meet the evolving needs and preferences of investors in Malaysia's dynamic financial landscape. Through a concerted effort to enhance awareness, promote education, and foster trust, stakeholders can play a pivotal role in empowering individuals to make informed investment decisions and achieve their long-term wealth accumulation and retirement goals.





# CHAPTER 1: INTRODUCTION

# INTRODUCTION

## Investors' Behavioural Shift and Development of Unit Trust Schemes and Private Retirement Schemes Amidst the Covid-19 Pandemic

In response to the dynamic economic landscape shaped by the Covid-19 pandemic, FIMM has collaborated with Ipsos to conduct a comprehensive nationwide study with an aim to illuminate potential market segments for UTS and PRS in Malaysia. By delving into the saving, investing and spending behaviours of Malaysians pre- and post-pandemic, as well as their outlook on future financial planning needs, this study seeks to offer actionable insights for stakeholders in the financial sector.

The Covid-19 pandemic has had far-reaching ramifications, triggering widespread disruptions across economies, industries and individual livelihoods. Malaysia, with its vibrant tourism industry and interconnectivity with the global economy, experienced multifaceted impacts, encompassing health crises, economic downturns and social upheavals. The ramifications were profound, with supply chain disruptions, reduced economic activities and surging unemployment rates. The healthcare sector encountered unprecedented challenges, with hospitals grappling with capacity constraints and healthcare workers strained.

To address the pandemic challenges, the Malaysian government implemented stringent health protocols including lockdowns, travel restrictions and widespread testing. Economic stimulus packages were introduced to support businesses and individuals affected by the pandemic, offering financial aids, wage subsidies and tax incentives.

The pandemic has induced significant changes in people's behaviour, particularly in terms of saving, investing and retirement planning. Faced with economic uncertainties, many Malaysians have intensified their savings efforts and re-evaluated their financial priorities. This behaviour shift is consistent with previous survey findings conducted by FIMM, as illustrated in Table 1.1.







	2008 (Nielsen) Public Perception and Understanding of Unit Trusts	2019 (UPM) Pulse of the Nation (Pre-Pandemic)	2023-2024 (Ipsos) UTS and PRS Potential Segments (Post-Pandemic)
 <b>PRIMARY GOAL FOR SAVINGS &amp; INVESTMENTS</b>	<ul style="list-style-type: none"> <li>For children and dependents</li> <li>Indicators of financial stability :               <ul style="list-style-type: none"> <li>- Having available cash on hand for present needs</li> <li>- Adequate savings for the future</li> </ul> </li> </ul>	<p>For present day basic needs</p>	<ul style="list-style-type: none"> <li>Short-term focused, where addressing inflation is the main priority</li> <li>For any emergencies or any unprecedented circumstances</li> <li>To achieve financial autonomy</li> </ul>
 <b>NEEDS &amp; CONCERNS ON SAVING AND INVESTING</b>	<ul style="list-style-type: none"> <li>For present day basic needs</li> <li>Concerned about investment-related risks, but the focus was still on high returns</li> <li>Knew control to investment was critical but did not possess the knowledge to do so</li> </ul>	<ul style="list-style-type: none"> <li>Risk aversion continued to be the primary influence in the choice of savings and investments</li> <li>Returns, risks and knowledge were still key concerns/challenges</li> <li>Improvement in awareness about UTS and PRS but there was still room for enhancing financial literacy</li> </ul>	<ul style="list-style-type: none"> <li>Selective on investment products – lower risk and flexible withdrawal options</li> <li>Lack of readiness and not well-planned for retirement</li> <li>There is still room for improvement on awareness of and familiarity with UTS and PRS especially among ASNB investors, Non-Capital Market Investors and Non-Investors</li> </ul>
 <b>INVESTMENT SERVICES/ ADVICE</b>	<p>Preference (rank 1 - 3) for human interaction when making investment decisions :</p> <ul style="list-style-type: none"> <li>Investors: Consultants, family and friends</li> <li>Non-investors: family, friends and Consultants</li> </ul>	<p>Preference (rank 1 - 3) was still for human interaction when making decisions :</p> <ul style="list-style-type: none"> <li>Investors: investment experts (e.g. columnist), family and Consultants</li> <li>Non-investors: family, investment experts (e.g. columnist) and Consultants</li> </ul>	<ul style="list-style-type: none"> <li>Human interaction remains indispensable, particularly at the exposure and decision-making phases</li> <li>Website, search engines, social media/YouTube are preferable at the learning/ knowledge phase</li> </ul>
 <b>ONLINE/ DIGITAL PLATFORMS</b>	<ul style="list-style-type: none"> <li>Non-UTS investors felt that general information was not easily available and did not know how the system work</li> <li>UTS investors felt that information was neither timely nor readily available</li> </ul>	<ul style="list-style-type: none"> <li>Only one-fifth of UTS/PRS investors preferred online portal as the channel of investment. Conventional methods such as bank, agency and UTS/PRS company were top choices</li> <li>UTS/PRS investors tend to gravitate towards professional bank personnel or Consultants at the pre-onboarding stage for investment advice but were subsequently comfortable with using online platforms to conduct post-onboarding transactions</li> <li>Accessibility, user friendly and efficiency/time saving were the key factors affecting usage of FinTech among both investors and Non-investors of UTS/PRS</li> </ul>	<ul style="list-style-type: none"> <li>Rise in the usage of online platforms [i.e. UTS (37%); PRS (42%)] among the UTS/ PRS investors – second most preferred channel of investment after banks</li> <li>UTS/PRS investors are satisfied with payment methods, user-friendly and safety/trustworthiness; less satisfied with the investment advice, availability of market indices, financial planning support, training/education, instant support and fees/ costs</li> <li>Less receptive to more advanced features such as AI or robo-advisors for investment decisions</li> </ul>

Table 1.1: Behavioural Shifts of Investors and Non-Investors



There has also been a notable uptick in interest in investing as individuals endeavour to diversify their income sources and secure their financial future. Retirement planning has assumed heightened importance, with individuals recognising the need to establish robust financial plans for their later years. As at December 2023, there are 16.07 million Employee Provident Fund (EPF) members, with 8.52 million classified as active members<sup>1</sup>, representing half of Malaysia's 17.03 million labour force.

Against this backdrop, investing in UTS and PRS emerges as a strategic approach for Malaysians to navigate the current and future challenges posed by the pandemic. Unit trusts offer a diversified investment portfolio managed by professionals, mitigating the risks associated with individual stock investments. It serves as a tool for individuals to achieve various financial goals, be it saving for retirement, education or emergencies.

Additionally, unit trust investments serve as a hedge against inflation, preserving the value of money over time. As the cost of living increases, the value of money decreases. By investing in unit trusts, individuals stand to potentially earn returns that outpace inflation, safeguarding their purchasing power. This underscores the significance of unit trusts as a pivotal component of a comprehensive financial plan, offering both growth potential and inflation protection.

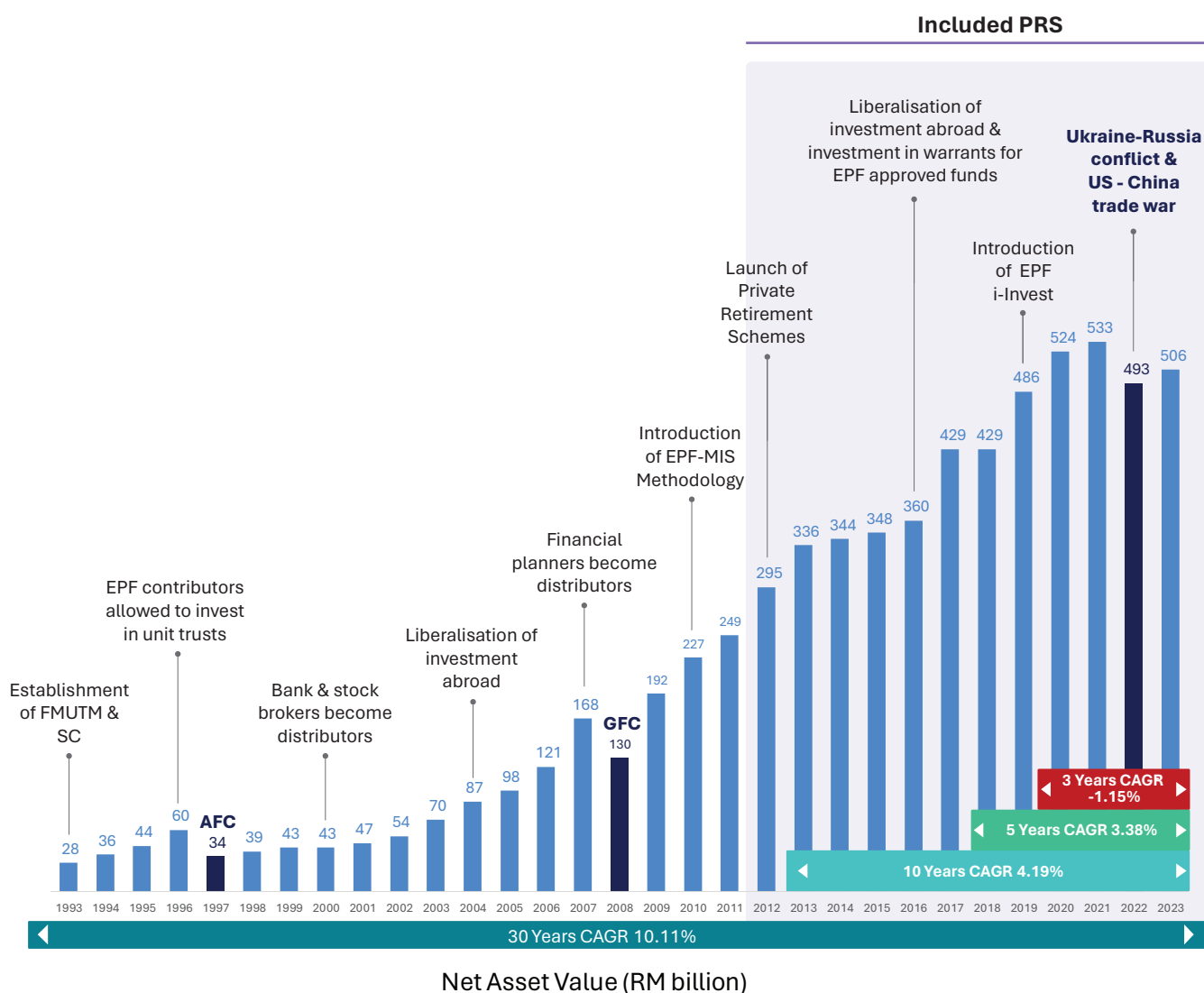
The unit trust industry has undergone remarkable development since its introduction in 1959. Various global events, including the recent Covid-19 pandemic and geopolitical tensions such as the Russia-Ukraine conflict and the US-China trade war, have influenced the growth and evolution of Malaysia's UTS and PRS industry. Despite disruptions caused by these events, Malaysia's UTS and PRS funds have displayed resilience, with many recovering and delivering positive returns, as depicted in Figure 1.1. Fund managers in Malaysia responded by diversifying their portfolios, with investments in less affected sectors like technology and healthcare yielding favourable returns.

In the midst of these challenges, the UTS and PRS industry in Malaysia have evolved, with a focus on digitalisation and innovation. Fund managers are harnessing technology to improve fund management processes and improve the investor experience. Digital platforms and mobile applications have streamlined access to, as well as management of UTS and PRS investments, bolstering the industry's growth and accessibility. In response to the evolving landscape, the Securities Commission Malaysia (SC) has introduced regulatory enhancements aimed at enhancing investor protection and market integrity while fostering an environment conducive to industry growth.



<sup>1</sup> EPF, Press Release Dividend 2023 <https://www.kwsp.gov.my/w/press-release-dividend2023>

In conclusion, the Covid-19 pandemic has emphasised the critical importance of financial resilience and effective financial planning. As the nation recovers from the pandemic's economic impacts, understanding how Malaysians' financial attitudes and behaviours have evolved is essential. Hence, identifying potential opportunities for UTS and PRS providers is crucial to cater to the evolving needs of investors.



Notes: Federation of Malaysian Unit Trust Managers (FMUTM) changed its name to FIMM in 2009

AFC: Asian Financial Crisis

GFC: Global Financial Crisis

**Figure 1.1: Industry Net Asset Value (NAV), 1993 – 2023 (RM billion)<sup>2</sup>**

<sup>2</sup>Securities Commission Malaysia, Unit Trust Fund Statistics <https://www.sc.com.my/analytics/fund-management-products>

## 1.1 Research Background

### 1.1.1 Research Objectives

- To understand investors and non-investors' saving, investing and spending behaviour pre- and post-Covid 19 pandemic;
- To explore investors and non-investors' adaptation to the current economic conditions, i.e. ascertain any changes in the lifestyle; and
- To gain insights into investors and non-investors' perceptions on future planning, specifically relating to savings/investments needs versus lifestyle changes.

### 1.1.2 Research Design and Methodology

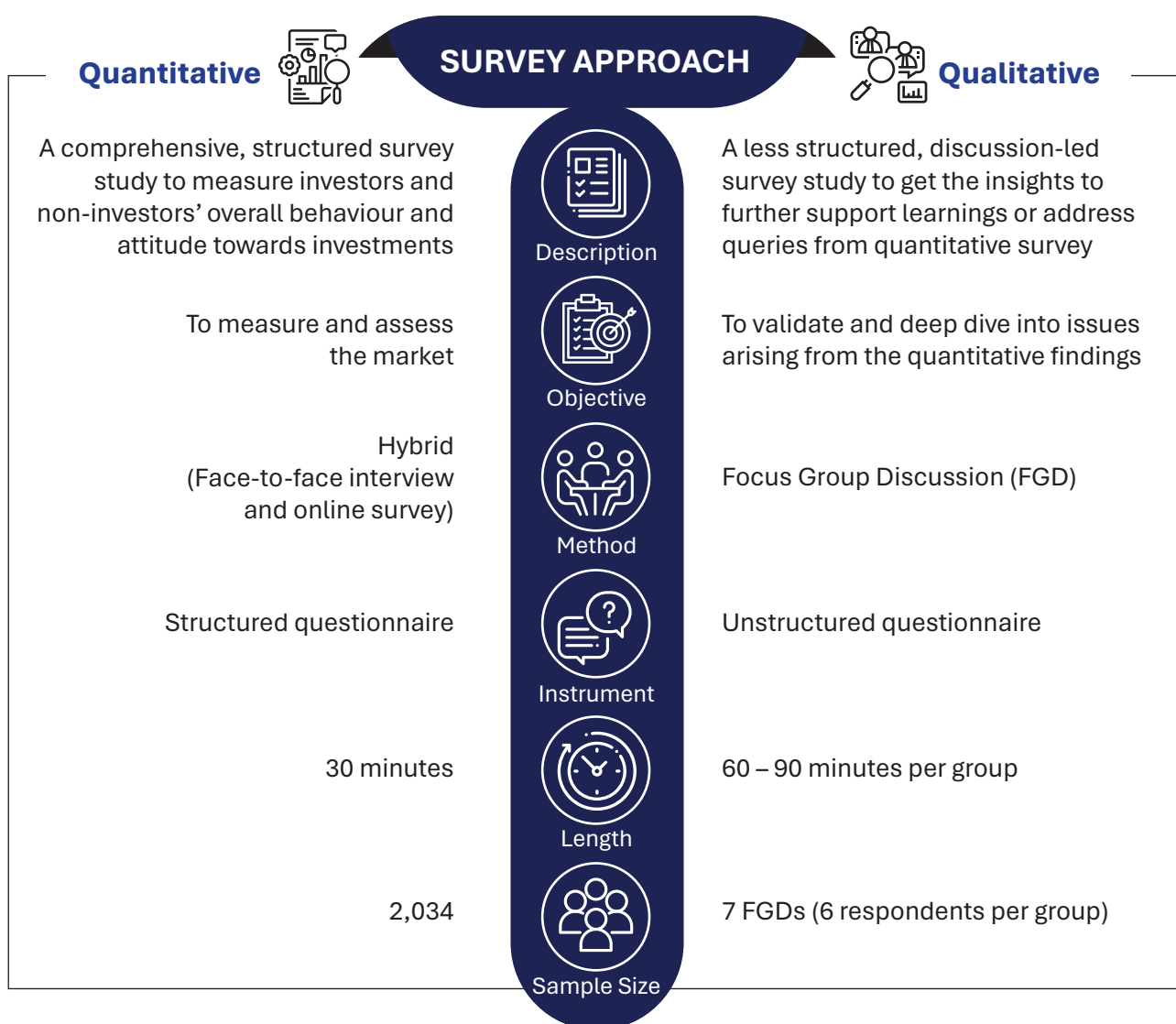


Table 1.2: Survey Approach

a. Quantitative



For the quantitative method, a total of 2,034 investors and non-investors across Malaysia responded to the questionnaire between September and October 2023.

The questionnaire consisted of eight (8) sections, aimed at identifying opportunities for growth in the UTS and PRS industry, as well as to increase savings and investment participation among Malaysians (Table 1.3).

QUESTIONNAIRE SECTIONS	
Section	Description
A	Demographic Profile
B	Household Information
C	Saving/Investing Behaviour
D	Income, Spending and Borrowing Behaviour
E	Issues and Challenges
F	Beliefs and Attitudes
G	UTS/PRS Experience
H	Media and FinTech

Table 1.3: Questionnaire Sections

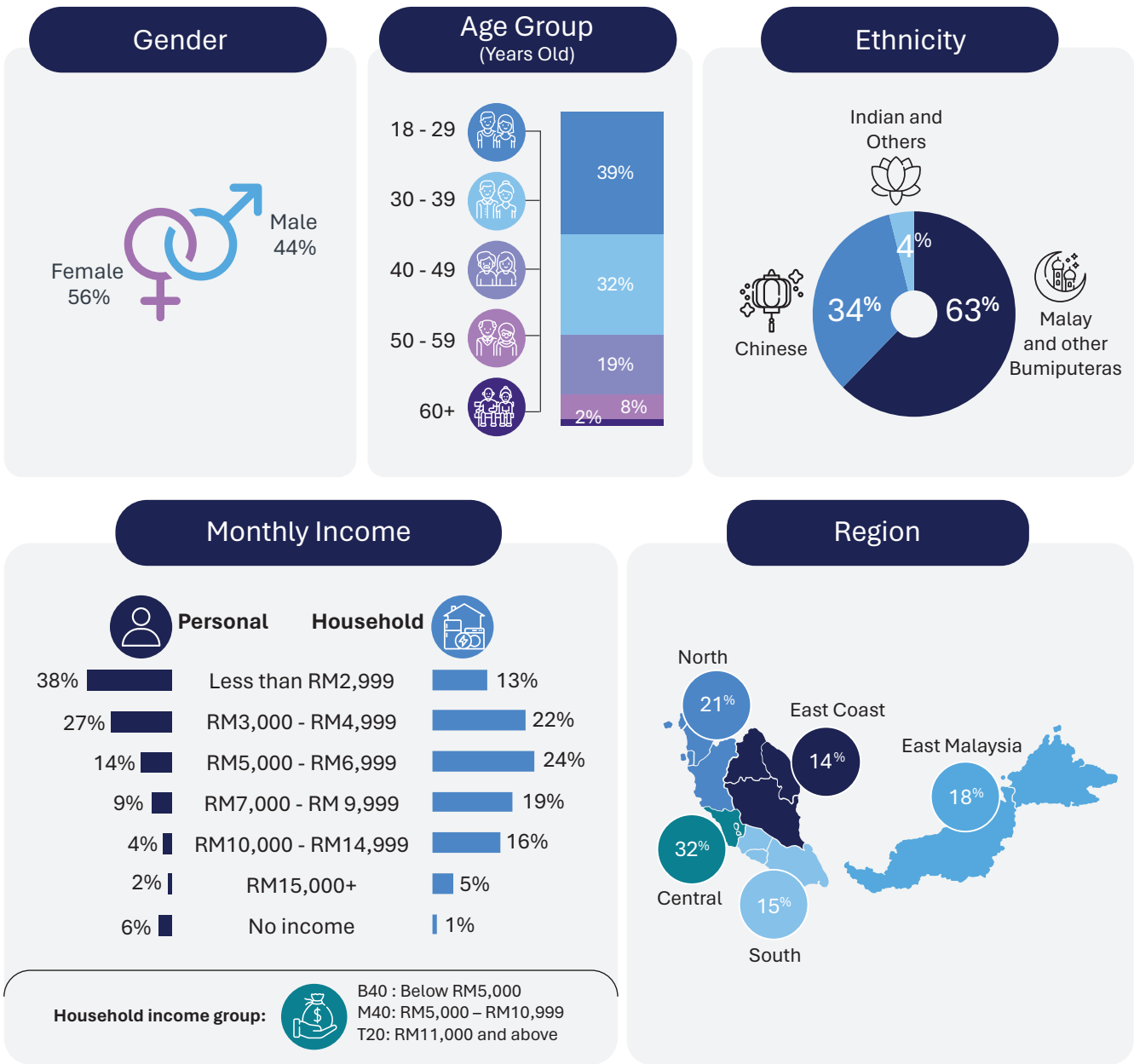
b. Qualitative



For the qualitative method, seven (7) FGD sessions were conducted between January and February 2024, covering respondents across regions, ethnicities and age groups (18 to 65). The discussions deep dived into the respondents' savings and investment priorities and experiences, to identify opportunities for developing product/services and educational programmes to promote improvements for the UTS and PRS industry.

1.2 Respondent Profiles

The quantitative survey garnered a total of 2,034 respondents, representative of the Malaysian population (Figure 1.2).



## 1.3 Investor Segments

The quantitative survey identified six (6) investor segments, as depicted in Figure 1.3:

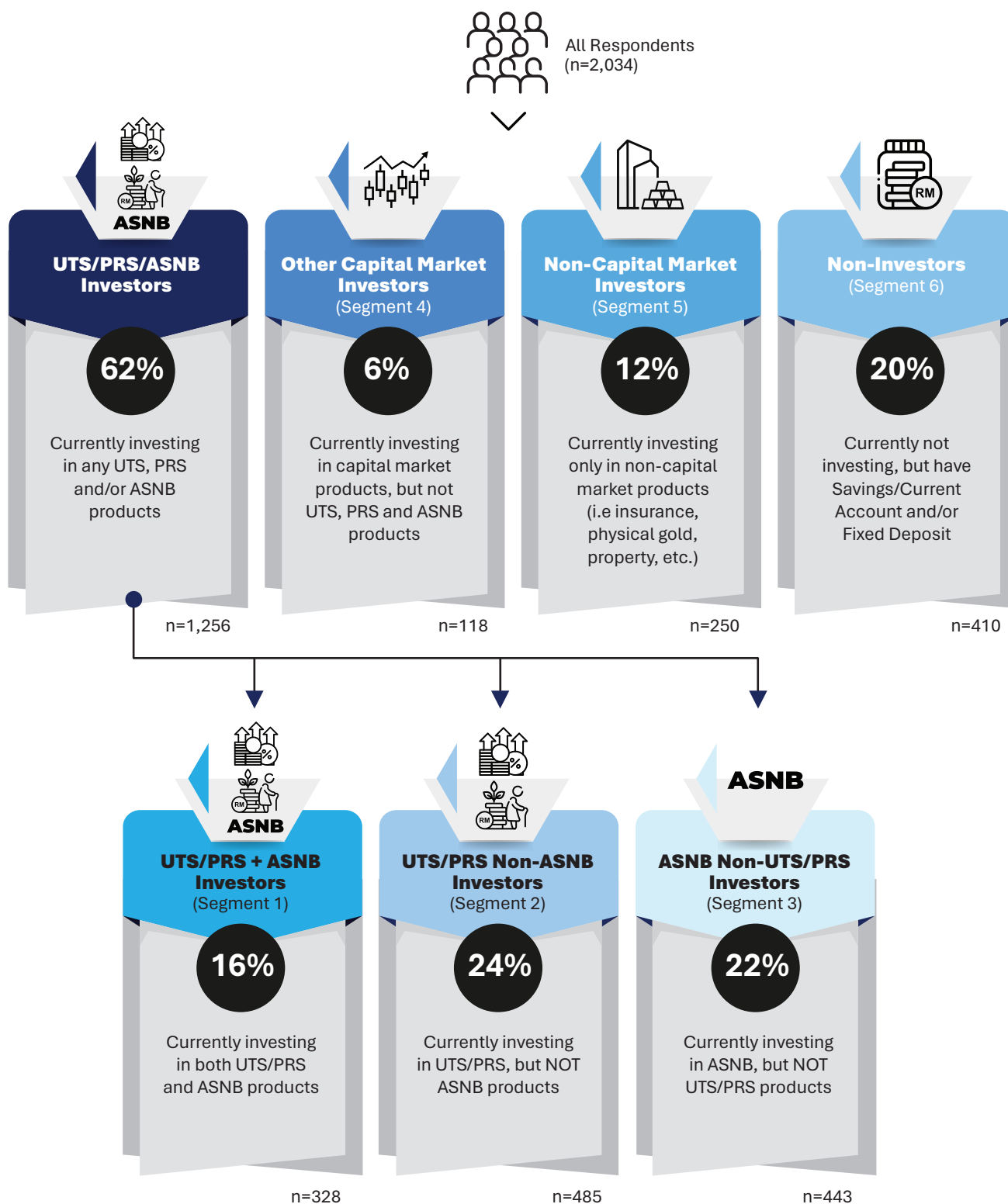


Figure 1.3: Investor Segments

Note: Segments 1, 2 and 3 investors may also have other investments.

ASNB investors refer to individuals who invest in fixed price and/or variable price ASNB products.



Seven (7) focus groups of respondents were recruited for the qualitative phase, based on the segments identified in the quantitative phase, as illustrated in Table 1.4.

Focus Group Discussion (FGD )	
Group	Investment Products Owned
 <b>Mature UTS/PRS Investors</b>	UTS and/or PRS; may also own ASNB and other investment products
 <b>Young UTS/PRS Investors</b>	UTS and/or PRS; may also own ASNB and other investment products
 <b>Mature ASNB Investors</b>	ASNB only; do not own UTS and PRS, but may own other investment products
 <b>Young ASNB Investors</b>	ASNB only; do not own UTS and PRS, but may own other investment products
 <b>Capital Market Investors</b>	Non-UTS/Non-PRS/Non-ASNB, capital market products only (e.g. cryptocurrency, shares)
 <b>Non-Capital Market Investors</b>	Non-UTS/Non-PRS/Non-ASNB, Non-capital market products only (e.g. insurance, property)
 <b>Non-Investors</b>	Savings Account/Current Account/ Fixed Deposit only

Table 1.4: Focus Group Discussion (FGD)

**Definition:**

1. *Mature* – Those who have invested in the products for three (3) years and above.
2. *Young* – Those who have invested in the products for less than three (3) years.



## CHAPTER 2: CURRENT SENTIMENT

# KEY TAKEAWAYS



## **Inflation is a significant concern for the majority.**

Three (3) in five (5) of the respondents view inflation as the most worrying challenge, followed by political crises, while healthcare and climate change are relatively deprioritised.



**Many Malaysians anticipate having to work post-retirement,** even though they expressed a positive outlook on enhancing their quality of life in the future.



## **Increased awareness of saving but limited by high living costs.**

The pandemic emphasised the necessity of having savings as a safety net, prompting 58% of non-savers to start saving. Additionally, 55% of those previously saving less than 5% of their income are now saving more. More young adults are now investing into ASNB funds.

However, insufficient/inconsistent income, coupled with the rising living costs, continue to impede saving efforts. To overcome this, Malaysians are reducing unnecessary expenses like vacations and entertainment.



## **Looming uncertainties prompt impulsive saving behaviours.**

Respondents often save impulsively without proper planning, prioritising emergencies and income fluctuations over retirement and planned future expenses.

# CURRENT SENTIMENT

The Covid-19 pandemic has significantly impacted the socioeconomic well-being of Malaysians. Many individuals experienced reduced income or even job losses, prompting a shift in their behaviours and priorities regarding income, saving and retirement strategies.

## 2.1 Malaysians' Sentiment Since the Covid-19 Pandemic

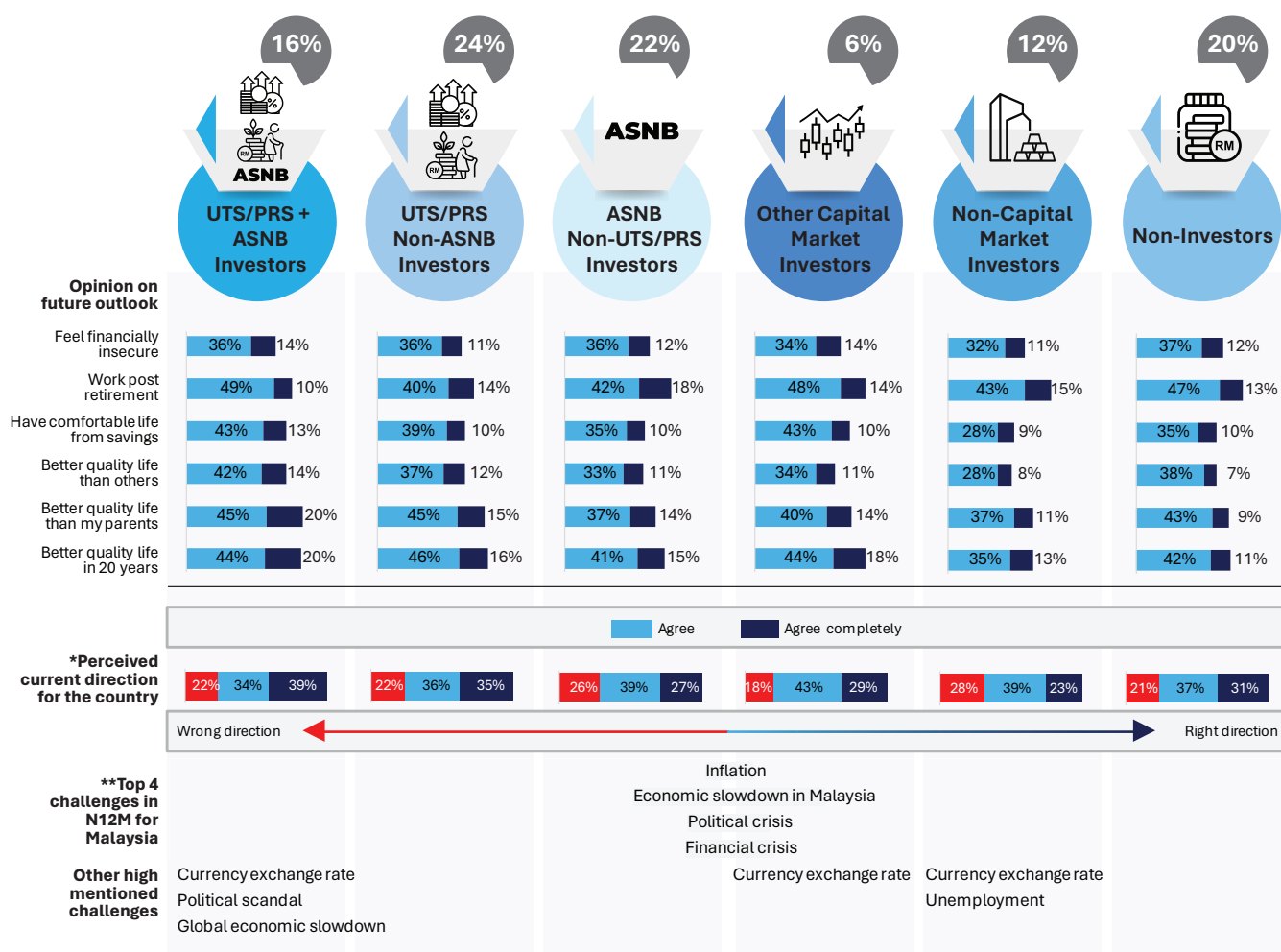
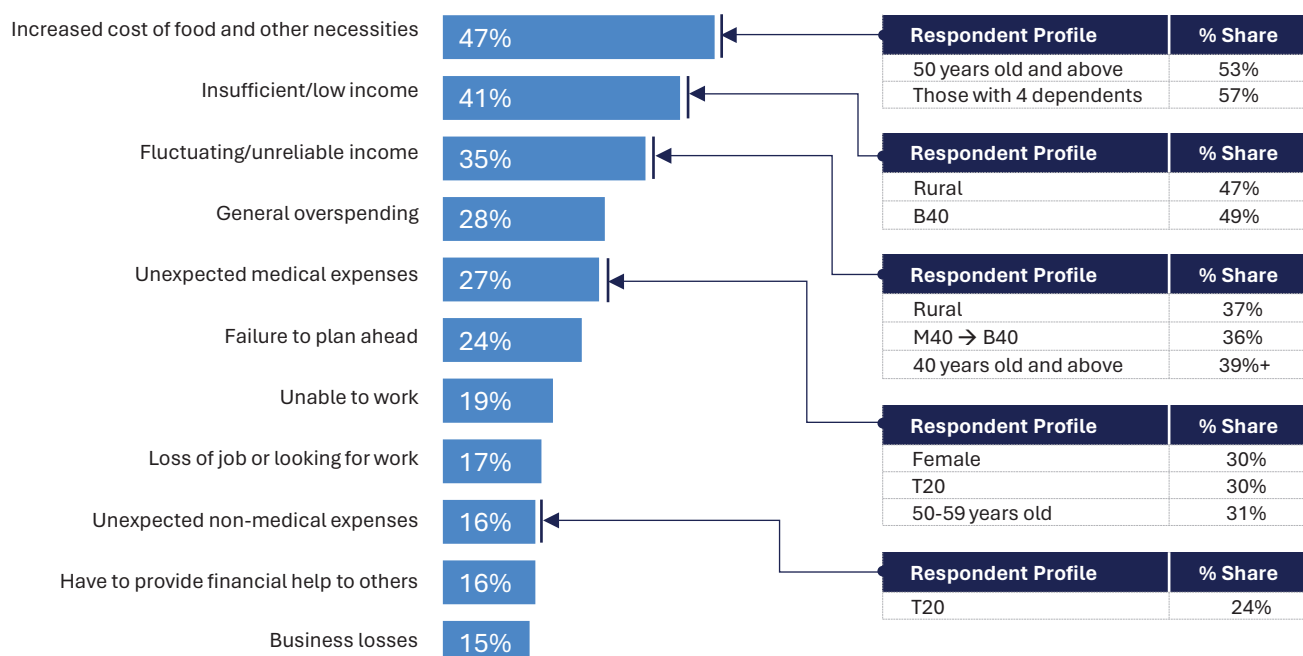


Figure 2.1: Concerns on Future Outlook

Despite facing common challenges such as inflation, economic slowdown and political instability, those with investments in the capital markets generally maintain confidence and optimism about the future. This sentiment is particularly notable among UTS/PRS+ASNB and UTS/PRS Non-ASNB Investors, with a higher proportion believing that Malaysia is heading in the right direction (Figure 2.1).



**Figure 2.2: Impact of the Covid-19 Pandemic**

Figure 2.2 shows that many respondents have experienced increased costs of living (47%), insufficient income (41%) or inconsistent income (35%) due to the pandemic. Insufficient and inconsistent income mainly affected the B40 group, rural residents, and older adults (aged 40 and above). Consequently, 60% of Malaysians experienced reductions in their annual household incomes, as illustrated in Figure 2.3.

Among the six (6) investor segments, UTS/PRS+ASNB Investors reported a lesser impact, with 18% seeing an increase and 27% experiencing no change to their annual household income, thus contributing to their optimistic outlook. Reduced income generally leads to controlled spending, prompting individuals to realise the importance of saving for emergencies.

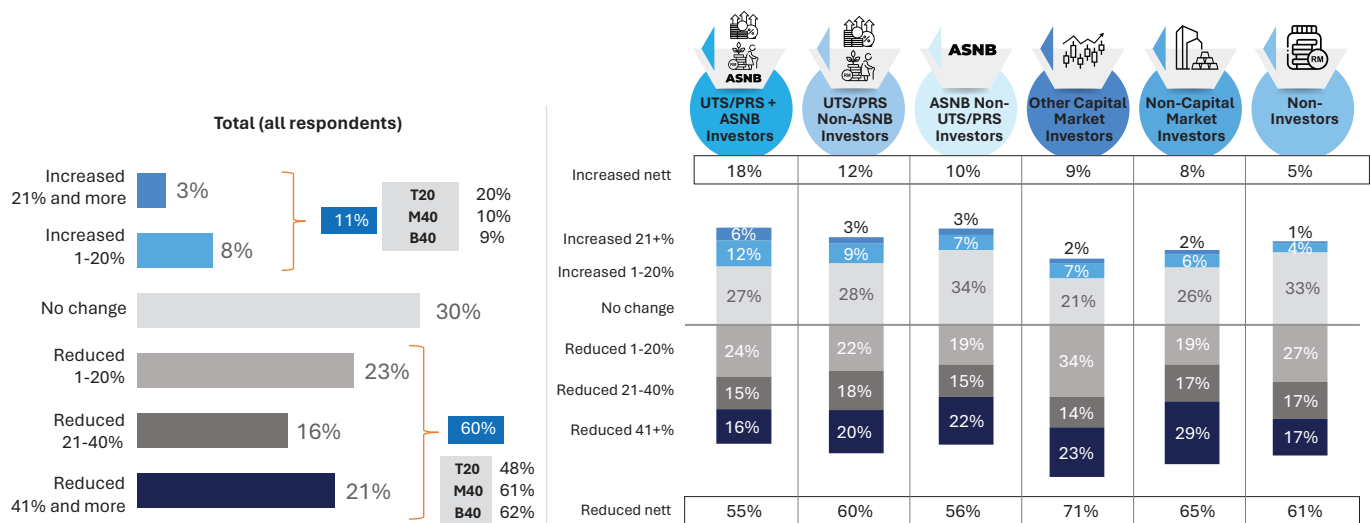


Figure 2.3: Impact of the Covid-19 Pandemic on Annual Household Income

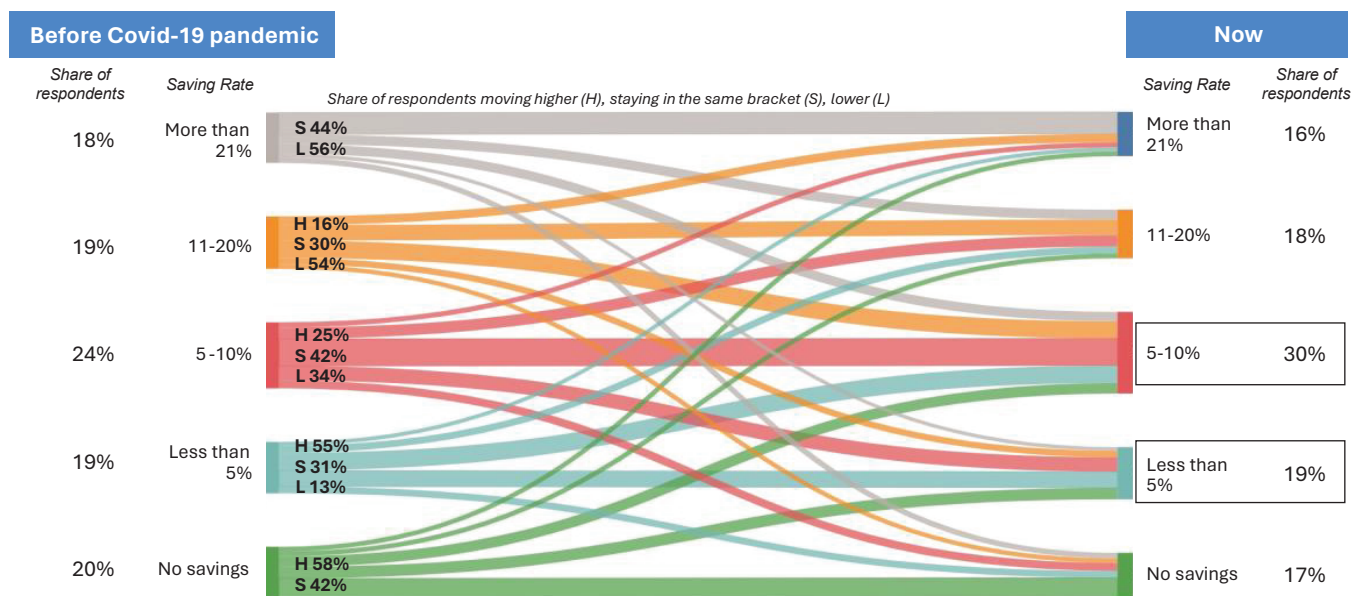


Figure 2.4: Shift in Saving Rate

Despite the pandemic, it has spurred a trend of saving among Malaysians, with 58% of those who previously did not save now doing so. Many are saving less than 5% or 5-10% of their individual or household income (Figure 2.4).



According to Agensi Kaunseling dan Pengurusan Kredit (AKPK), the Covid-19 pandemic has taught some Malaysians to be cautious in their spending and motivated them to improve their financial well-being.<sup>3</sup> The unprecedented circumstances prompted a positive behavioural shift, as respondents exhibited a decreasing tendency towards present bias. This trend is evident in the reasons for saving as illustrated in Figure 2.5.

Emergencies and unexpected major expenses are the top reasons for saving, followed by planned future expenses, as well as to cover income fluctuations. According to the Malaysian Department of Insolvency’s (Mdi) statistics, 37,461 bankruptcy cases were reported between 2019 to 2023, where 65% of them were from those aged 35 – 54 years old and almost 50% were due to personal loans.<sup>4</sup> Income instability and higher cost of living (due to rise of inflation) have led more Malaysians to resort to personal loans to cover emergencies or unexpected expenses. Thus, it is crucial for Malaysians, especially the younger generation, to plan their finances and start saving to ensure financial resilience in the face of unforeseen expenses, lest they risk insolvency.

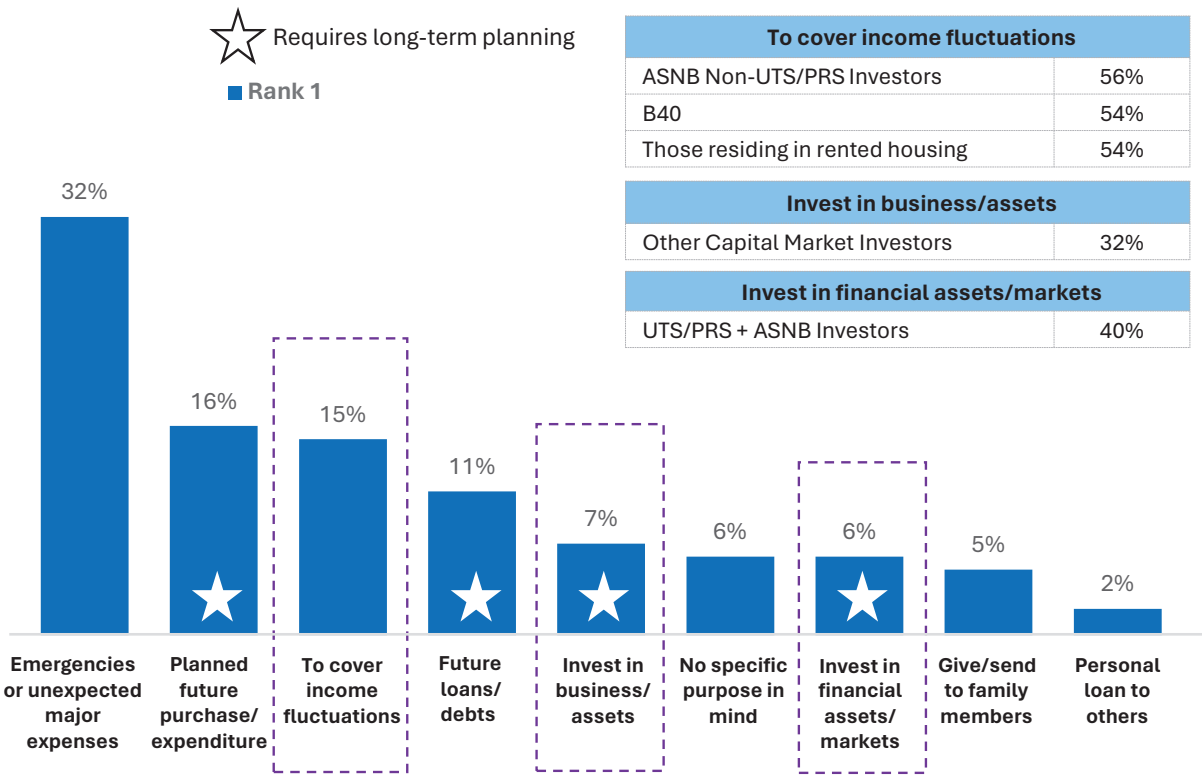


Figure 2.5: Top Reason for Saving

<sup>3</sup> AKPK, Prudent Consumers in the Post-Pandemic ‘New Normal’ Era  
<https://www.akpk.org.my/prudent-consumers-post-pandemic-new-normal-era>

<sup>4</sup> Mdi, 2023 Bankruptcy Statistics  
<https://www.mdi.gov.my/index.php/legislation/statistics/75-bankruptcy/2215-bankruptcy-statistic-2023>

2.2 Retirement Strategies

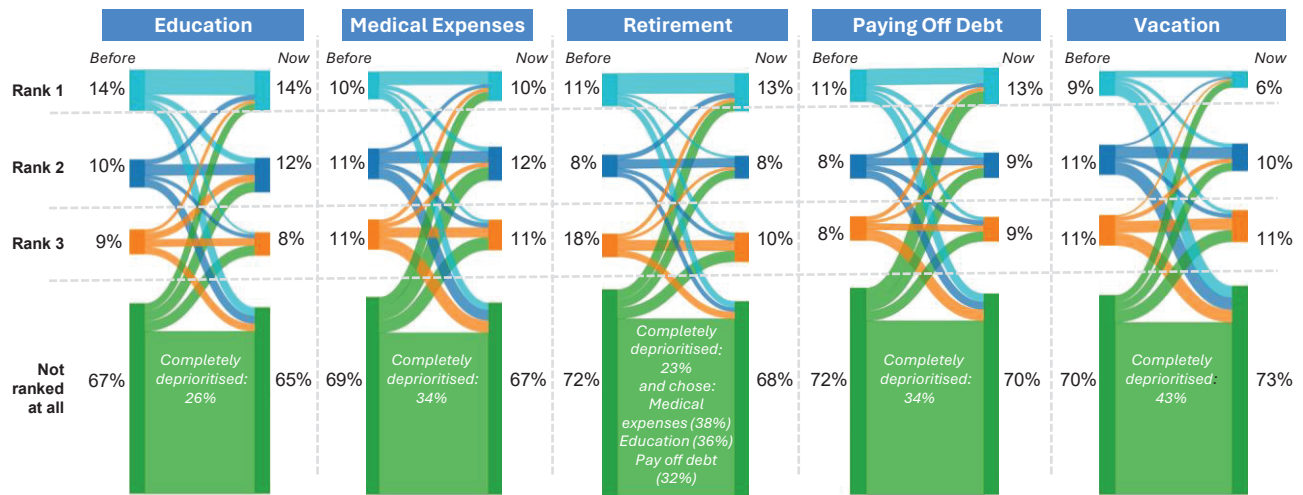
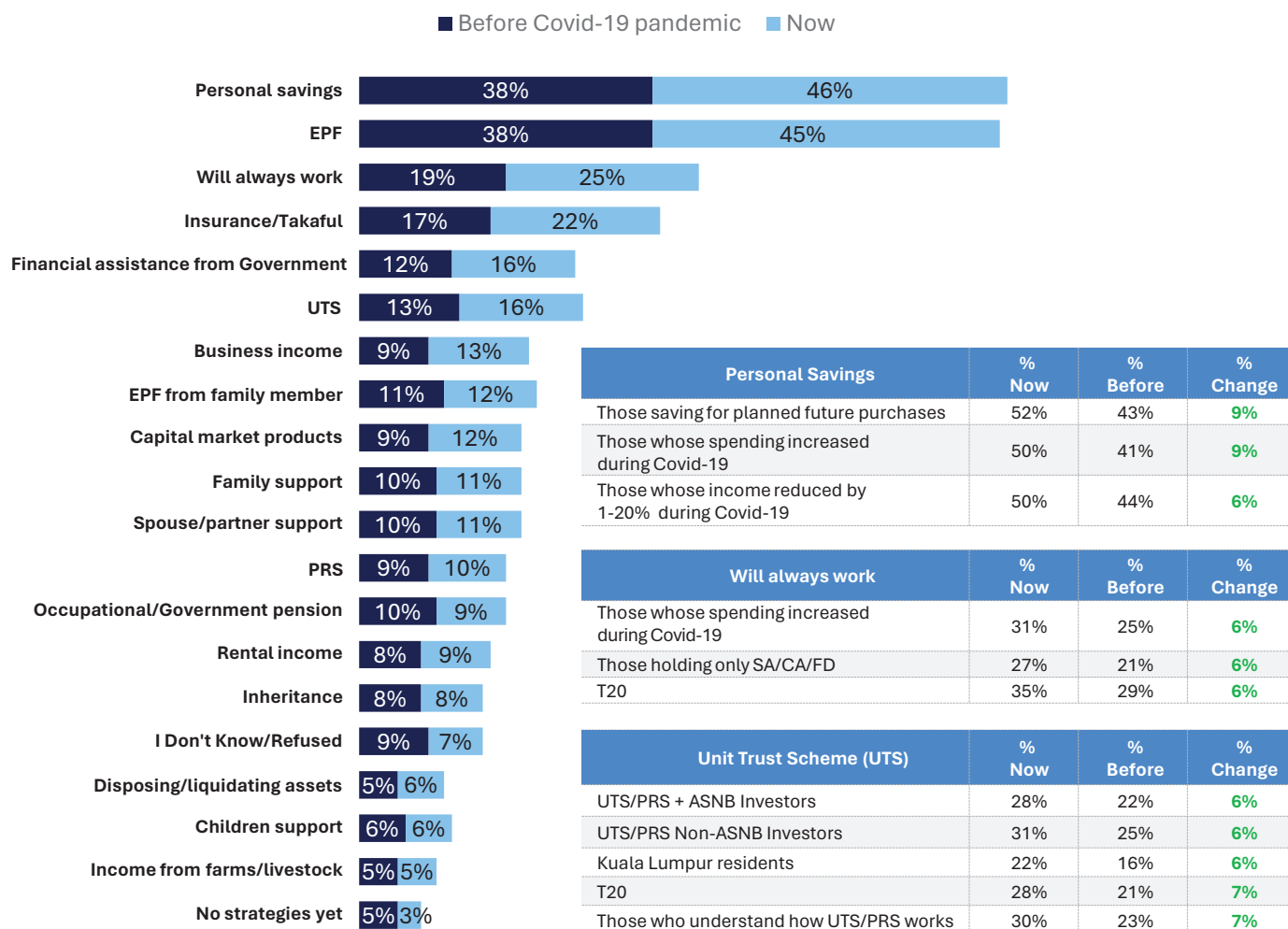


Figure 2.6: Shift in Financial Goals

There has been a notable shift in financial goals, with retirement gaining prominence while vacations are deprioritised. 43% of those who had selected it previously are not ranking it in the top three (3) financial goals now (Figure 2.6).





**Figure 2.7: Retirement Strategies**

Figure 2.7 shows that personal and EPF savings are identified as primary sources of retirement income. Many Malaysians still rely on these two (2) sources, often needing to work post-retirement to cover daily expenses. According to the EPF 2022 Annual Report, the median savings for its active members aged 54 is recorded at RM132,826, the lowest since 2018 (RM133,272).<sup>5</sup>

There remains a lack of knowledge or awareness regarding how investing in UTS or PRS can facilitate retirement planning. Only 16% and 10% of respondents invest in UTS and PRS, respectively, for retirement income. UTS investors are more evident among residents in Kuala Lumpur, the T20 group and those who possess a deeper understanding of UTS/PRS.

<sup>5</sup> EPF 2022 Annual Report



## **CHAPTER 3:**

# **FINANCIAL PRODUCTS: OWNERSHIP AND ATTITUDES**

# KEY TAKEAWAYS



## **Age, geographical location and income emerge as key factors influencing investor segments:**

- Capital market investors typically aged 30 and above, with middle to upper income levels and reside in market centers.
- Non-Investors are predominantly younger, i.e. aged 18 to 29, and with lower to middle income levels.



## **Investing in the right assets can bolster confidence and foster a positive outlook for future.**

- UTS/PRS investors tend to exhibit greater optimism about both personal and the country's direction, despite acknowledging challenges faced by Malaysia.
- UTS/PRS+ASNB Investors demonstrated a higher level of preparedness for retirement compared to other segments.
- Other Capital Market Investors lack readiness to formulate specific retirement financial plans.



## **Recent pandemic promoted a reassessment of investment priorities.**

Individuals are more focused on maintaining cash reserves and adjusting their investment portfolios, particularly with young investors initiating investments in products such as ASNB.



# FINANCIAL PRODUCTS: OWNERSHIP AND ATTITUDES

Malaysia boasts a diverse investment landscape, offering a wide array of financial products to meet the diverse needs and preferences of investors. This survey sheds light on the current state of investment in Malaysia, providing valuable insights into the popularity of different financial products and the characteristics of various investor segments.

## 3.1 Investor Segments and Profiles

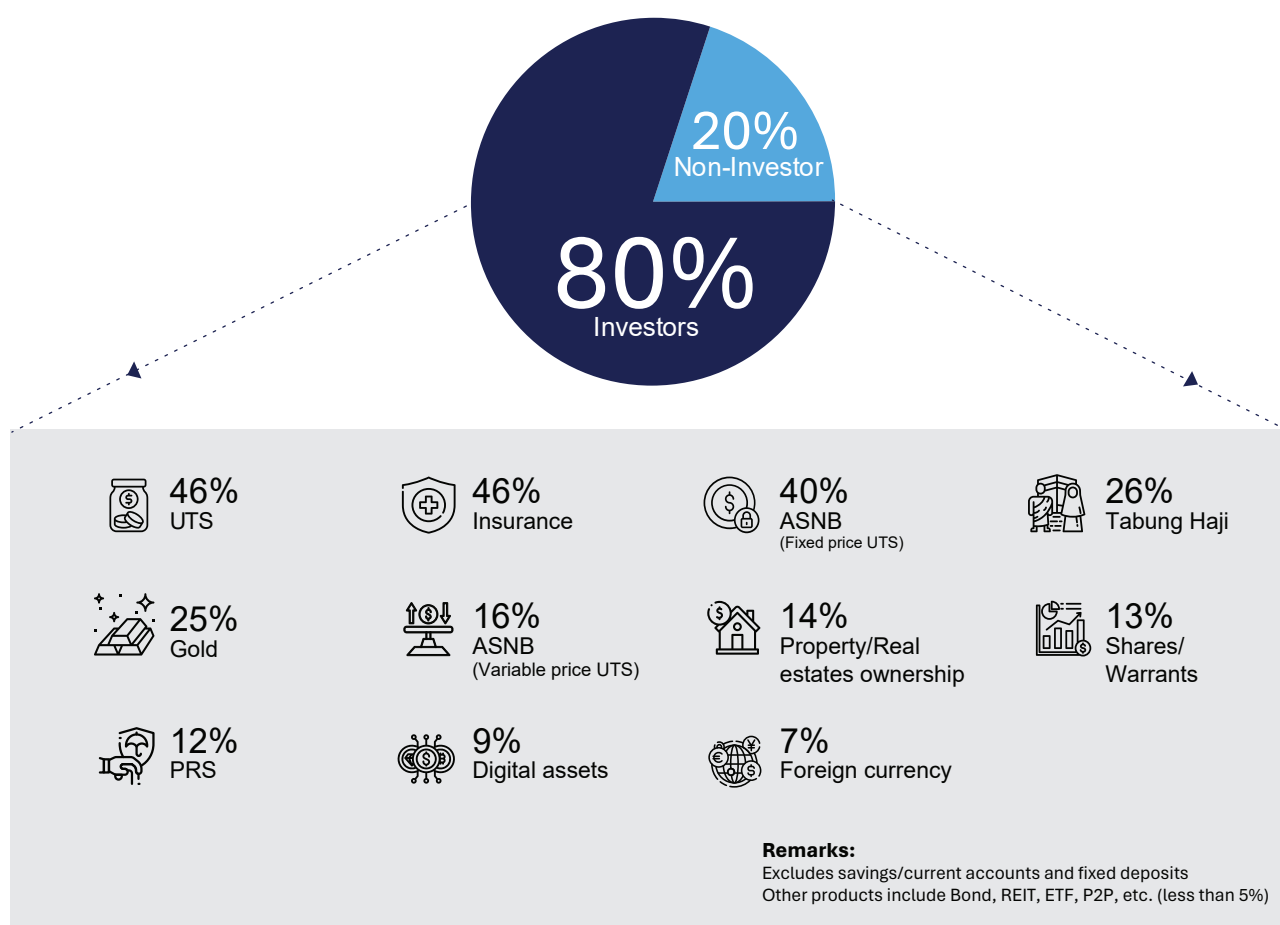


Figure 3.1: Financial Product Ownership

Figure 3.1 shows the financial or investment products owned by the respondents. Among the 80% of investors surveyed, 46% own UTS and insurance, respectively, followed by ASNB (fixed price UTS) at 40% and Tabung Haji at 26%.

Malaysians are open to investing in various products over different time horizons. UTS, PRS, property and gold are favoured for investments in the long term (more than three (3) years from now), while foreign currency, commodities, IPOs, digital assets and P2Ps are preferable within the next one (1) year (Figure 3.2).

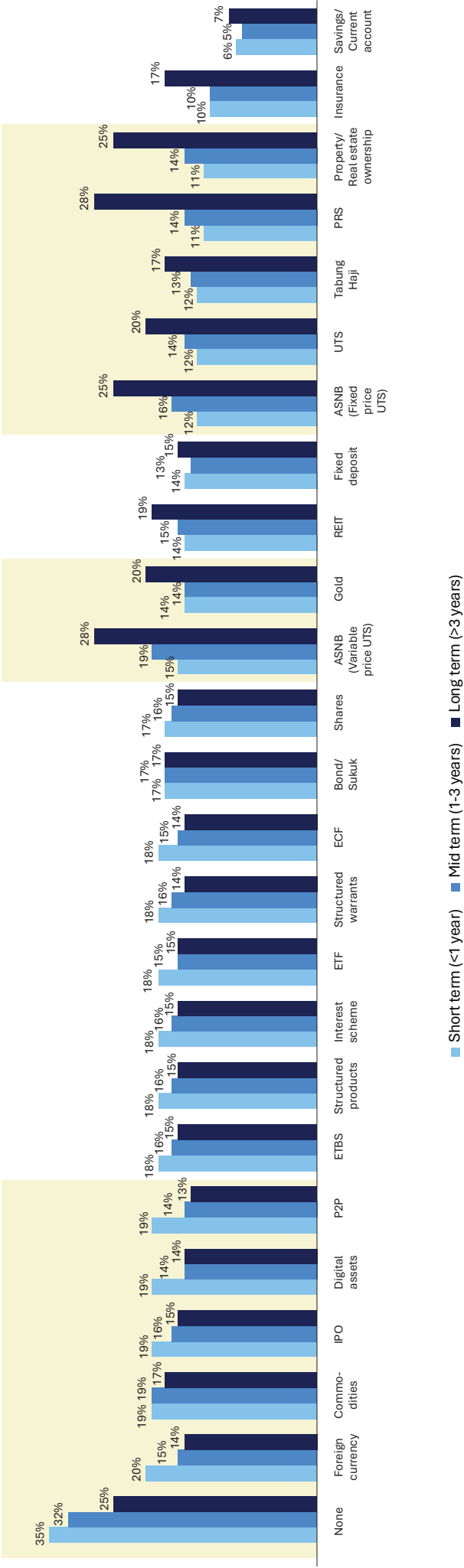


Figure 3.2: Product Preference in the Near Future

Six (6) distinct investor segments were identified based on their investment behaviour and product ownership (Figure 3.3a).

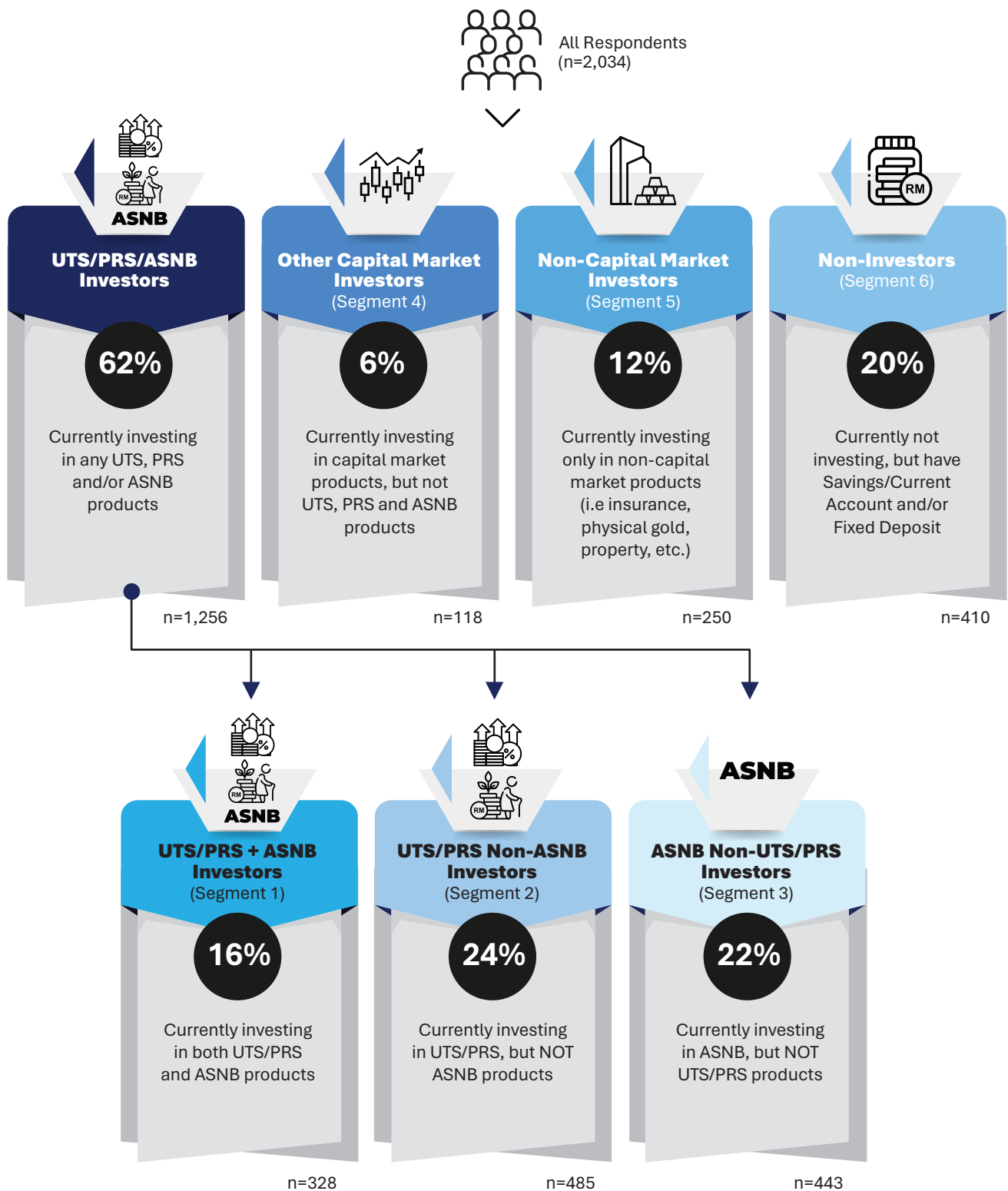


Figure 3.3a: Six (6) Investor Segments

Detailed sociodemographic profiles of the six (6) segments are listed in Figure 3.3b.

The apparent sociodemographic differences among the six (6) segments are:

- Segments 1, 2 and 3 : 30 years old and above, more life experience
- Segments 5 and 6 : 18 to 29 years old, less life experience
- Segments 1 and 2 : Middle to upper income groups
- Segments 3, 4, 5 and 6 : Middle to lower income groups

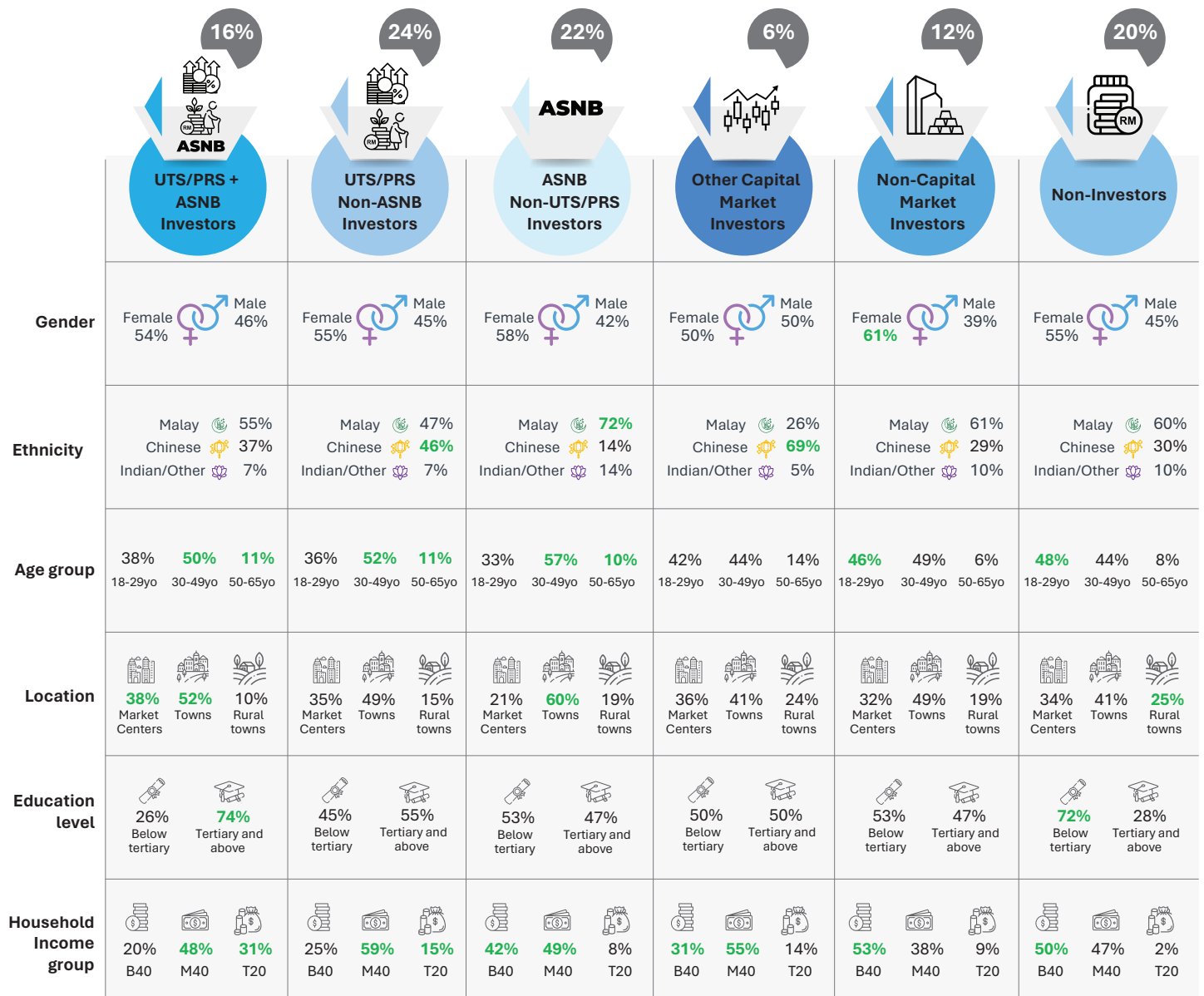


Figure 3.3b: Sociodemographic Profiles

### 3.2 Intention to Invest in UTS and PRS

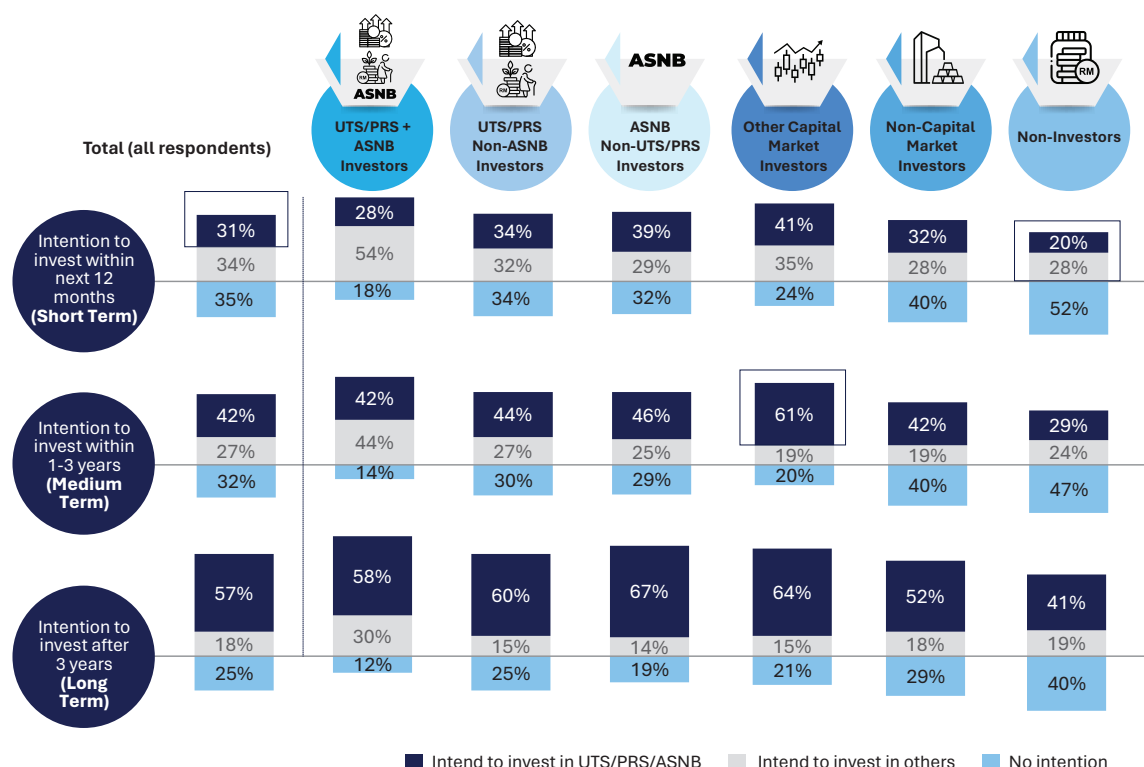


Figure 3.4: Intention to Invest in Short, Medium and Long Term

The findings indicate that while many Malaysians are open to investing (Figure 3.4), only around one-third (31%) intend to invest in UTS, PRS or ASNB in the short term, i.e. within the next 12 months. However, 61% of Other Capital Market Investors are considering to invest in UTS, PRS or ASNB over the next 1-3 years. Among Non-Investors, almost half (48%), particularly those of Malay ethnicity and residents of the Central region, express their receptiveness to investing in the near future.

### 3.3 Attitudes towards Retirement

The openness for investment may also reflect preparedness/readiness towards retirement, as shown in Figure 3.5.

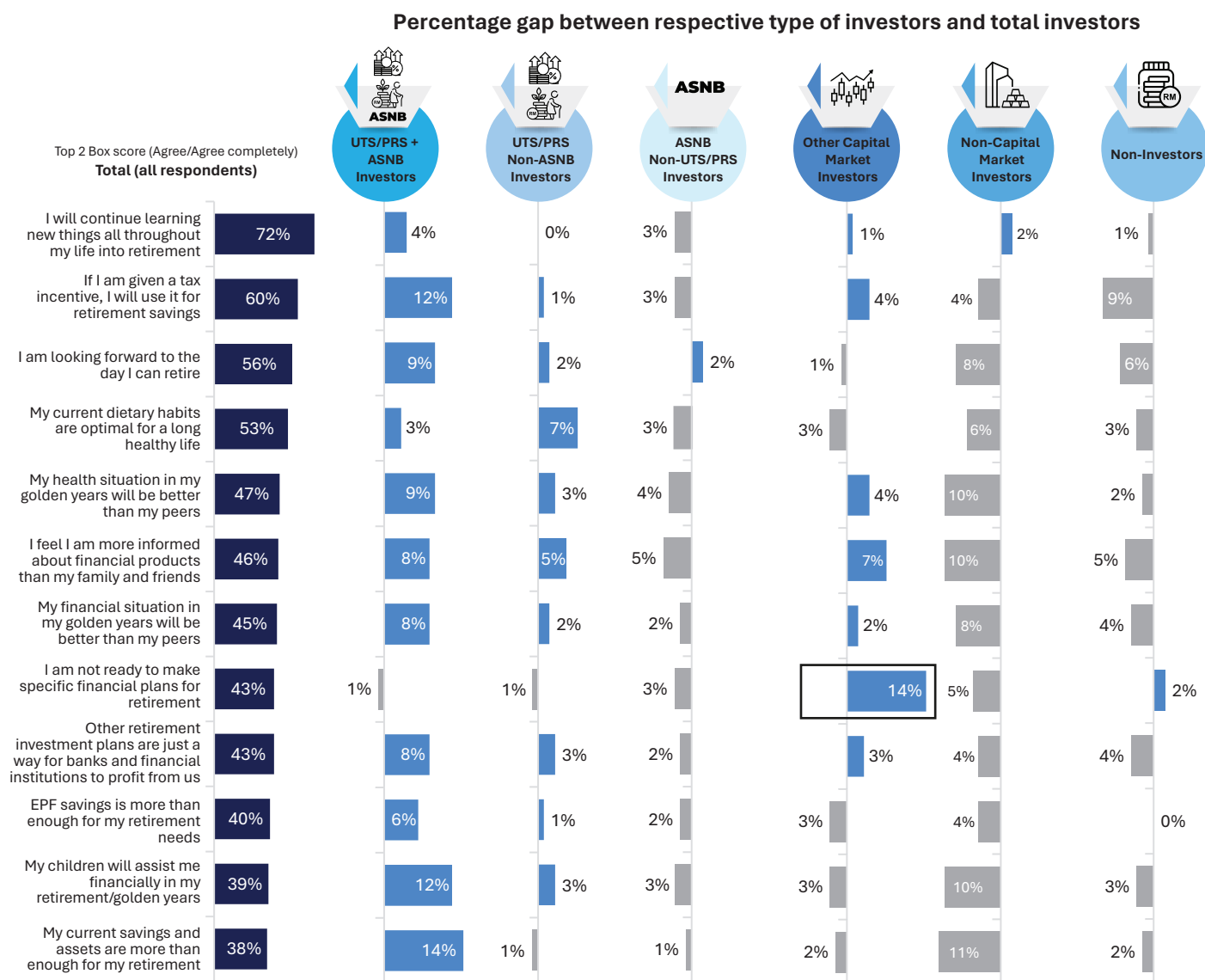
UTS/PRS+ASNB Investors exhibit positive attitudes and a higher level of preparedness for retirement compared to other segments. In contrast, Other Capital Market Investors are less ready to formulate specific financial plans for their retirement years.

It is recommended for Malaysians to have at least RM240,000 in their EPF savings for a comfortable retirement. However, only 33% of active EPF members have achieved this recommended minimum savings threshold.<sup>6</sup>

<sup>6</sup> The Star, Lack of retirement savings an ongoing concern

<https://www.thestar.com.my/news/nation/2024/03/04/lack-of-retirement-savings-an-ongoing-concern>





**Figure 3.5: Attitude towards Retirement**

During the pandemic, the Malaysian Government, through the EPF, recorded a total of RM145 billion in withdrawals from EPF savings. This was done through four (4) withdrawal facilities, namely i-Lestari, i-Sinar, i-Citra and Special Withdrawal between 2020 and 2022,<sup>7</sup> highlighting the financial strain experienced by many Malaysians during the challenging period.

Hence, it is imperative for relevant stakeholders and policymakers to collaborate in increasing public awareness regarding the importance of strong financial literacy and financial planning for both current and future unexpected circumstances. This collaboration can help individuals achieve financial autonomy by familiarising themselves with various financial products and understanding the effect of inflation on their purchasing power.<sup>8</sup> Such initiatives can empower Malaysians to make informed financial decisions and better prepare for their retirement years.

<sup>7</sup> The Edge, Pandemic-era withdrawals significantly eroded savings levels of Bumiputera and Indian EPF members, says fund's CEO <https://theedgemaalaysia.com/node/657796>

<sup>8</sup> New Straits Times, Poverty after retirement? <https://www.nst.com.my/business/corporate/2024/01/996049/poverty-after%C2%A0retirement>



Figure 3.6: Prioritisation for Financial Autonomy

Achieving financial autonomy stands as the main investment objective for most Malaysians. Through various discussions, investors and non-investors expressed a strong desire to achieve debt freedom through their investments, utilising a range of products (Figure 3.6).

However, this sentiment is less prevalent among Mature ASNB Investors, who prioritise family stability above all. On the other hand, Non-Investors indicated their preference in real estate, either as a home or a rental income-generating property.

The onset of the pandemic has prompted Malaysians to reassess their investment priorities, placing emphasis on maintaining cash reserves, adapting portfolios to changing economic conditions (see Figure 3.7) and interestingly, a surge in ASNB investments among young investors seeking more secure options (Figure 3.8).



## Keeping cash in hand

A pronounced tendency among individuals and businesses to prioritise liquid assets, particularly cash. The economic uncertainty has led to a strategy focused on maintaining cash reserves.

“The currency went down, so **I didn't add anything to my portfolio**. After all, **I tried to save as much cash as possible because I didn't know what would happen** and liquidating everything would also take time. So, I just kept my cash.”

“During and after the MCO, our tenants are still making money because they had back-door appointments but telling us that they are not making money. They want to reduce the rent and delay payments. Even after the MCO, they still delay rental payments. **From what I heard, they actually have cash, but they try to delay payment because they want to keep cash.**”



## Flexibility and adaptability to economic situation

To shift investment portfolios during times of uncertainty and seek more secure options to weather economic challenges.

“During the MCO, one can opt to withdraw from EPF, and I discussed with my wife whether **we needed to diversify it**. So, I withdrew it, and we diversified it a bit, and I think **we decided to invest more in insurance** because it was Covid-19 season, **and we have small children. There was no vaccine yet**, so we took a little bit of money and invested it in a broader scope of insurance. That's how we navigated through Covid-19.”

“I like to buy shop lots and houses for investment. I bought a few shops and houses and rented them out. Afterwards, I started investing in unit trust funds and insurance for the future. **When the MCO hit, I still had money even when the businesses were completely down. I learned that the property business is no longer suitable and switched to UTS.** That's how I survived.”

Figure 3.7: Shift in Investment Prioritisation during Covid-19 Pandemic



## Increase in ASNB investments

The pandemic has triggered an increase in ASNB investments, especially among young investors

“My ASNB account is quite recent, around after the MCO. **During the MCO, we used up all our savings.** We know that with ASNB, we can get yearly dividends, so my focus is more on that for now because we know we can get returns every year.”  
-Young ASNB Investor, Penang

“I started with ASNB about 3 years ago. **It was since the MCO when everyone was going through a hard time.** My husband suggested that ASNB might be helpful if a similar situation happens again.”  
-Young ASNB Investor, Sabah

“At least with ASNB, you get to see the money growing a bit, even if the dividend is small. **After the MCO, we could enjoy dividends,** and everyone likes that.”  
-Young ASNB Investor, Johor

Figure 3.8: ASNB Investment Take Up among Young Investors



## CHAPTER 4: PERCEPTION AND EXPERIENCE OF UTS AND PRS

# KEY TAKEAWAYS



## **Awareness levels can be improved.**

Non-Capital Market Investors and Non-Investors show relatively low awareness about UTS (less than 50%) and PRS (less than 20%). Overall, only 28% claimed to be aware of PRS.



## **Exposure matters.**

Geographical location (i.e. market centers versus other urban and rural areas), age, income level, education and occupation influence product awareness and investment.



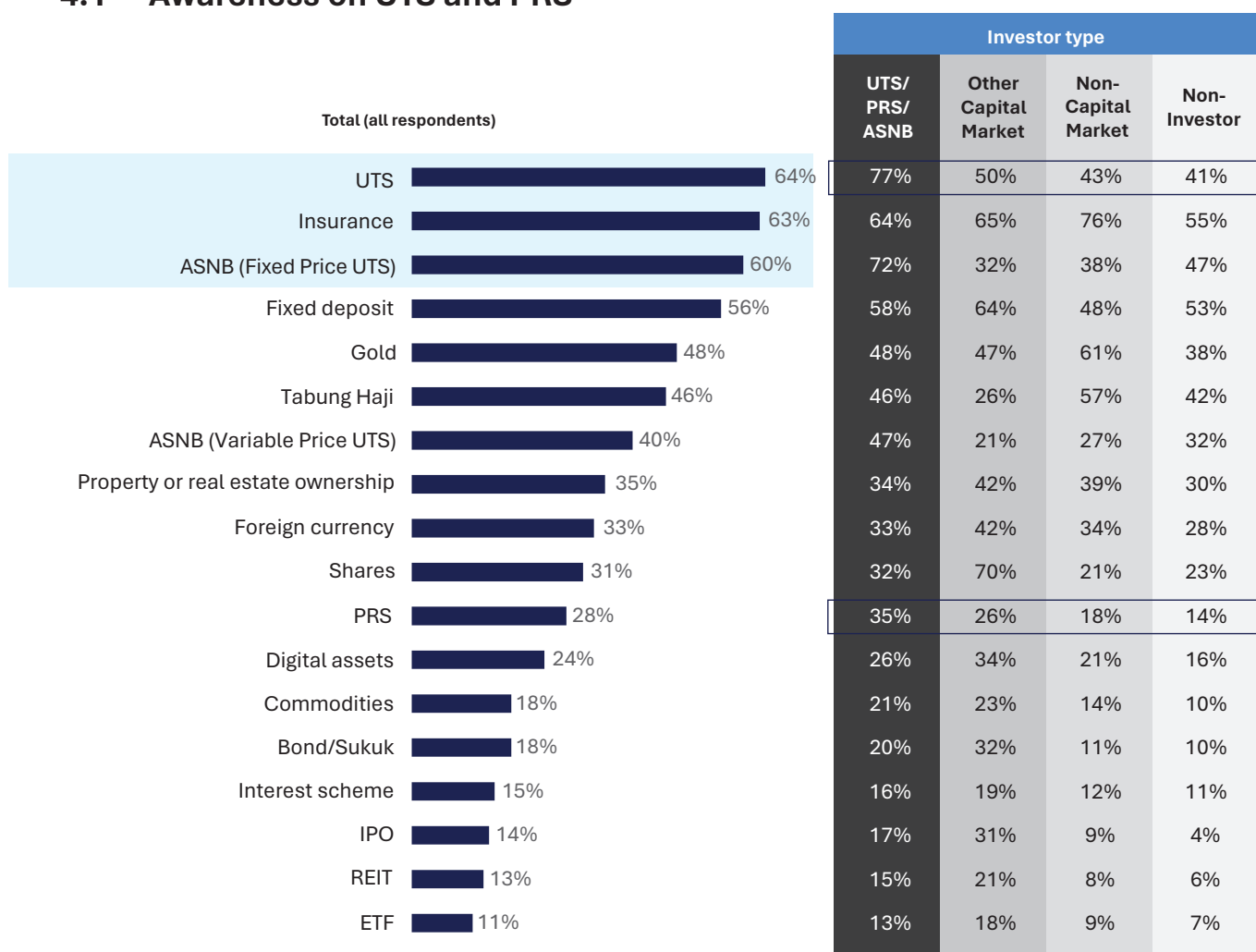
## **Address concerns and misconceptions about UTS/PRS.**

Cash in hand, withdrawal flexibility, high risk and weak performance are the topics to focus on in engagement activities.

# PERCEPTION AND EXPERIENCE OF UTS AND PRS

Malaysia's investment landscape presents a diverse range of opportunities and challenges, particularly in the realm of UTS and PRS. This survey investigates the perceptions, experiences and key factors influencing investment decision among various segments of the Malaysian population. By examining product awareness, investor preferences and the impact of demographic factors, the findings provide valuable insights for financial institutions and policymakers seeking to enhance the adoption and effectiveness of UTS and PRS investments.

## 4.1 Awareness on UTS and PRS



### Other observations:

**1. The following products have low awareness (<10%)**

- P2P, ECF, Structured Warrants, ETBS, Structured Products

**2. Awareness of financial products is also influenced by [High awareness > Low awareness]**

- Location (Market Centers > Rural)
- Education level (Tertiary > Secondary School)
- Age (40 years old+ > 18-39 years old)

**3. Certain products are ethnic-centric**

- Higher among non-Malays: UTS, Insurance, FD, PRS, Shares, Digital Assets
- Higher among Malays: ASNB (Fixed Price UTS), Tabung Haji

Figure 4.1: Product Awareness



Product awareness and familiarity play crucial roles in shaping investment decisions. UTS exhibits a relatively high awareness level at 64%, followed by insurance (63%) and ASNB fixed price UTS (60%). However, awareness of PRS lags at 28% (Figure 4.1).

Awareness levels vary significantly across different investor segments. UTS/PRS/ASNB investors demonstrate the highest awareness of UTS at 77% and PRS at 35%. In contrast, Non-Investors recorded the lowest awareness of UTS and PRS products, at 41% and 14%, respectively.

Certain investment products show ethnic-centric awareness. For example, UTS, insurance, fixed deposit, PRS, shares and digital assets recorded higher awareness among the non-Malays. On the other hand, ASNB fixed price UTS and Tabung Haji are more well known among the Malays/Bumiputera.

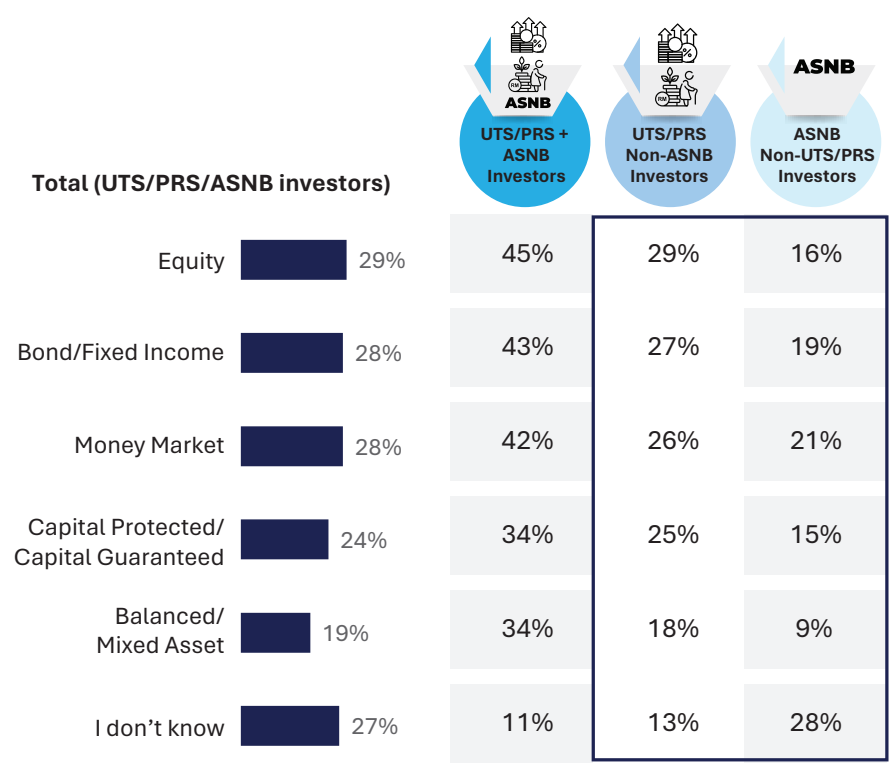


Figure 4.2: Awareness of Fund Types

Awareness of different fund types is generally low, especially among UTS/PRS Non-ASNB and ASNB Non-UTS/PRS Investors, with less than 30% of investors being aware of them (Figure 4.2). Educating investors about different fund types is essential to dispel misconceptions about UTS and PRS, helping them choose the right investment based on their risk tolerance, return expectations, investment horizon and cost considerations.

A notable 48% of UTS investors and 43% of PRS investors intend to hold their investments for not more than 10 years (Figure 4.3). Investment duration preferences differ based on sociodemographic factors. Younger investors (aged 18-29) tend to prefer shorter investment horizons (less than four (4) years), while older investors (aged 40 and above) and those in the higher income group (T20) favour medium-term investments (4-10 years).

This survey shows that investors often plan to hold their investments for the short to medium term, particularly for PRS, which is designed for retirement income. Improved education and targeted communication strategies are essential to address this concern.

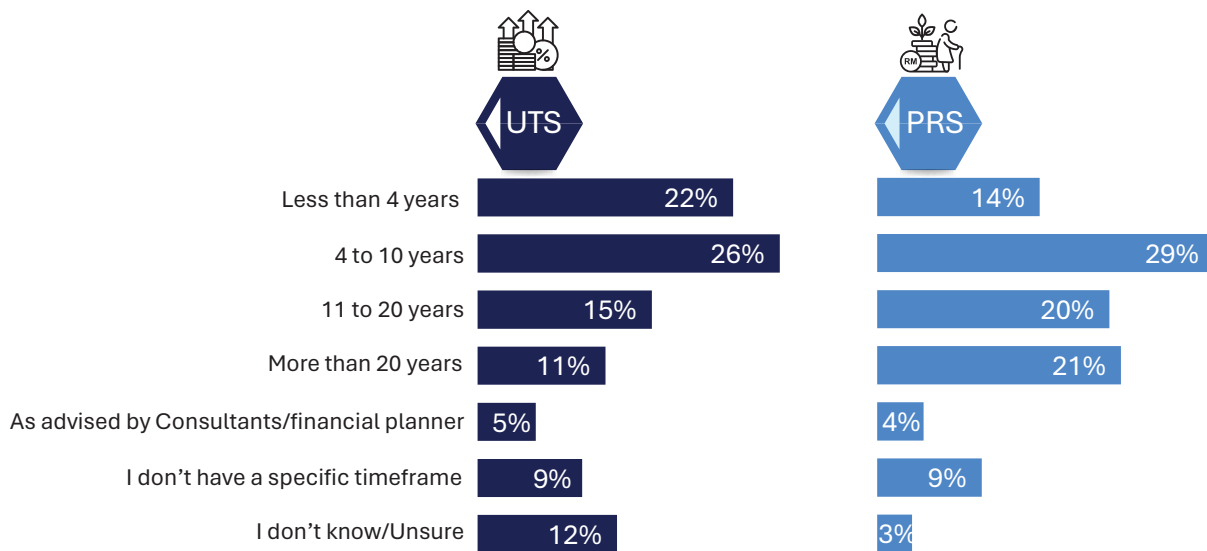


Figure 4.3: Investment Duration

## 4.2 Perception towards UTS and PRS

### 4.2.1 General Perception

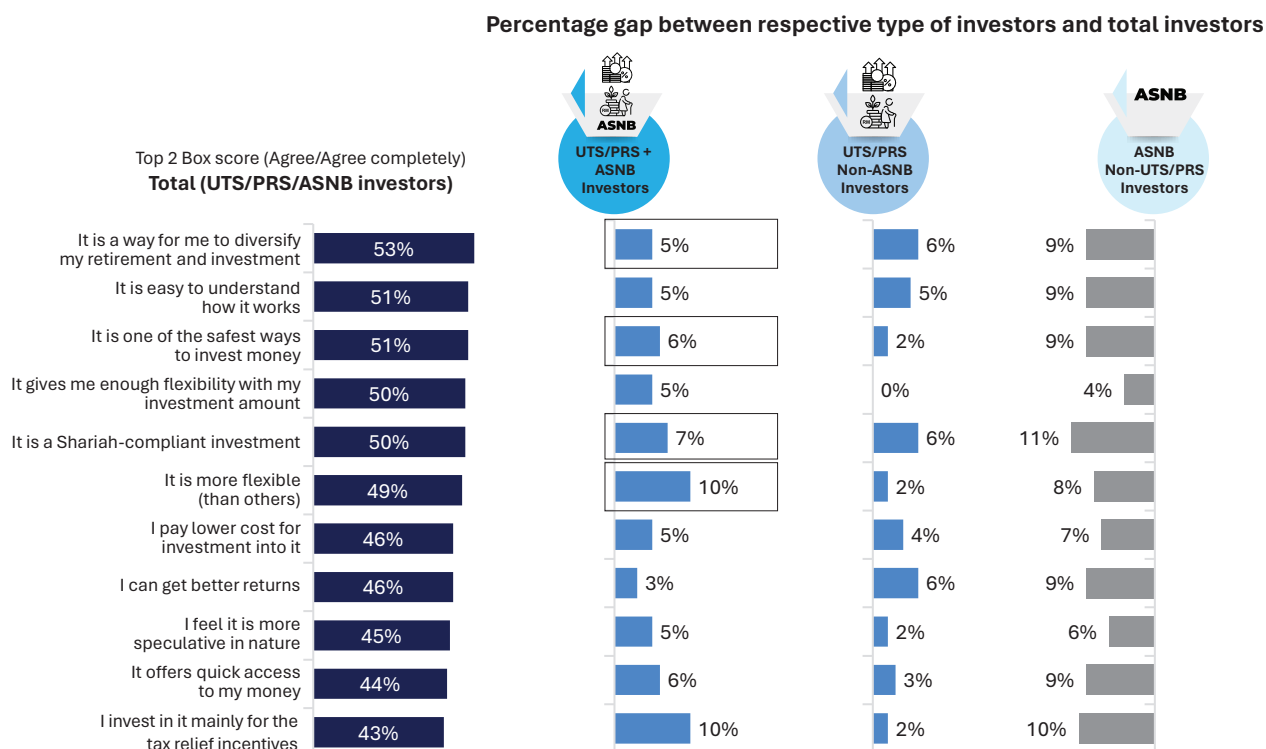


Figure 4.4: Perception towards UTS/PRS: General

UTS/PRS+ASNB Investors tend to have more positive perceptions towards UTS and PRS (Figure 4.4). They typically see UTS and PRS investments as offering greater flexibility compared to other products (59%) and as a way to diversify retirement and investment portfolios (58%). Additionally, they also regard UTS and PRS as Shariah-compliant (57%) and a safe investment choice (57%).

However, certain perceptions hinder wider adoption among investors, as described in the following section.

## 4.2.2 Perception towards UTS

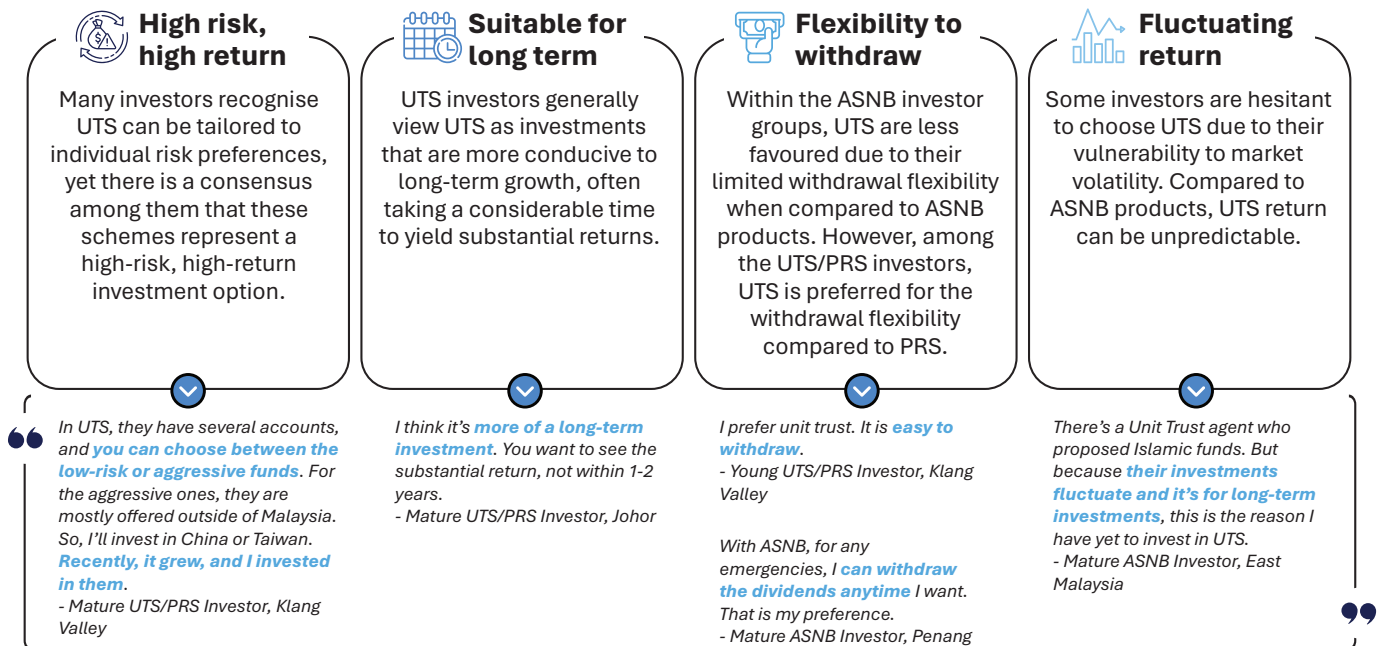


Figure 4.5a: Perception towards UTS

Segment	Lack of Awareness	Lack of Understanding about UTS	High Risk Investment	Low Return Investment	Experienced Losses in Previous UTS Investment	Flexibility to Withdraw
Mature ASNB Investor						✓
Young ASNB Investor	✓	✓	✓			
Capital Market Investor				✓	✓	
Non-Capital Market Investor		✓	✓		✓	
Non-Investor	✓					

*No, I have not heard of it before. I am not sure.*  
-Non-Investor, Kuantan

*I am not sure about Unit Trust. I have never heard about PRS too.*  
-Non-Investor, Johor

*My sibling shared about UTS, but I don't quite understand.*  
-Young ASNB Investor, Johor

*For Unit Trust, I don't have much knowledge of it. I only know about it generally.*  
-Non-Capital Market Investor, East Malaysia

*ASNB is a platform for us to save and it is low risk. Unit Trust has a higher risk.*  
-Young ASNB Investor, Penang

*Someone approached me about UTS, but I rejected it because I don't want to take the risk.*  
-Non-Capital Market Investor, Johor

*For me, 8% return or dividend is more worth it. My risk appetite is higher, so I chose stock market to maximise my profit.*  
-Capital Market Investor, Penang

*It is sufficient for me if the return is at least 7%.*  
-Capital Market Investor, Klang Valley

*I invested in UTS but have divested it since it's not making any profitable return.*  
-Non-Capital Market Investor, East Malaysia

*It kept going down. I kept losing money, so I sold it off.*  
-Capital Market Investor, Johor

*With ASNB, I can withdraw the dividends anytime for emergencies. That is my preference.*  
-Mature ASNB Investor, Penang

Figure 4.5b: Reason for Not Considering UTS

Figures 4.5a and 4.5b indicate a prevailing consensus that UTS represent high-risk, high-return investment options. UTS investors generally view these investments as suitable for long-term growth, understanding that substantial returns often require a considerable amount of time.

Interestingly, perceptions of UTS vary among different investor segments. Among ASNB investors, UTS is less favoured compared to ASNB products due to the perception of limited withdrawal flexibility offered by UTS. However, among investors who hold both UTS and PRS, UTS is preferred over PRS especially because of its greater flexibility in withdrawals.

### 4.2.3 Perception towards PRS

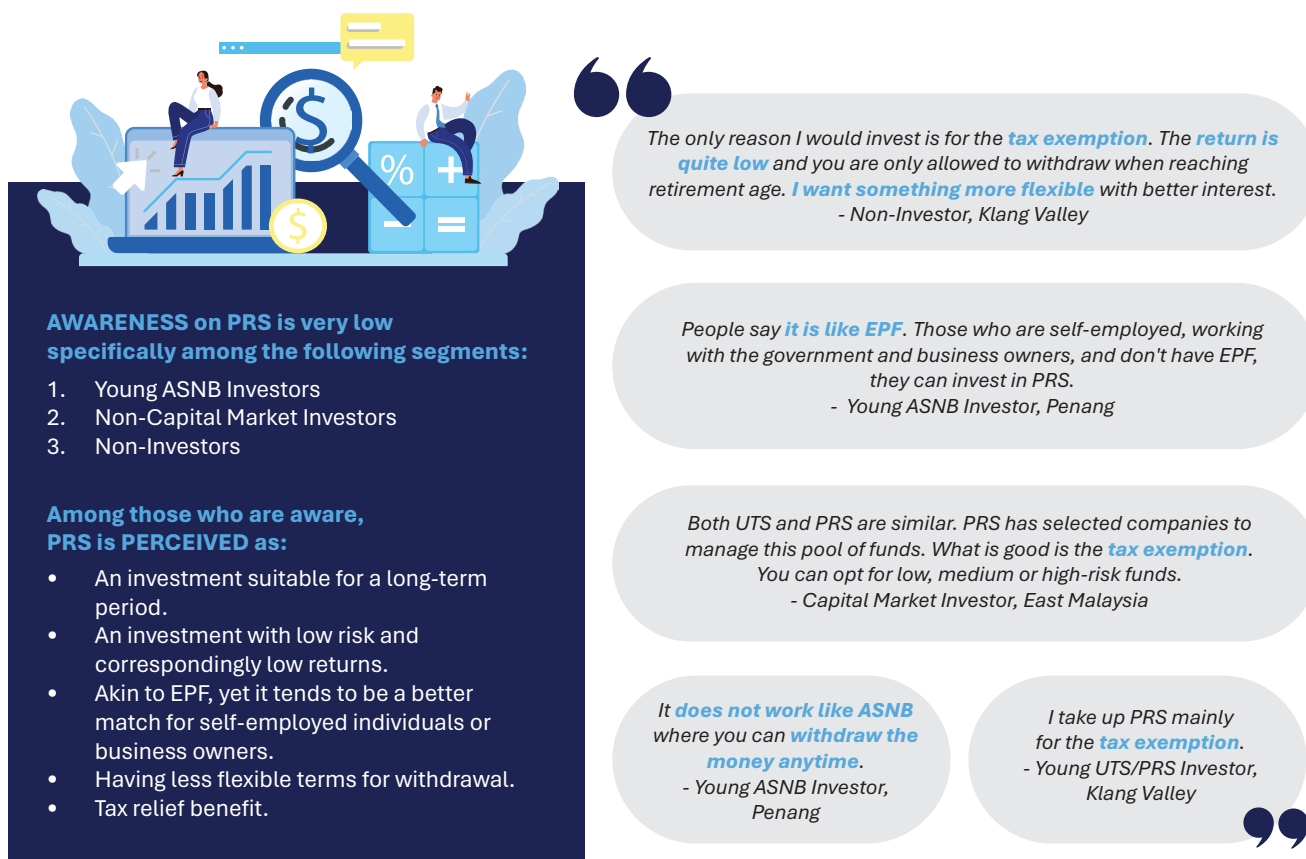


Figure 4.6a: Perception towards PRS

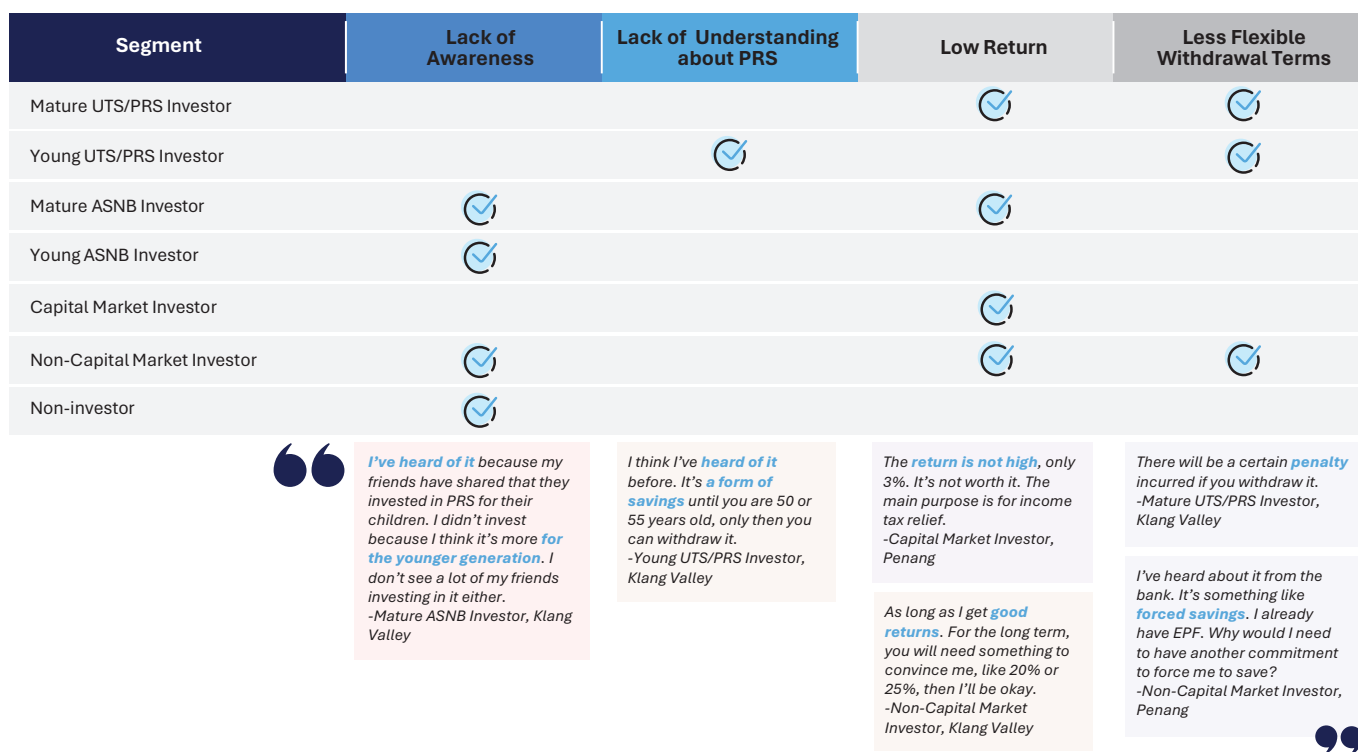


Figure 4.6b: Reason for Not Considering PRS

Awareness of PRS remains very low, particularly among Young ASNB Investors, Non-Capital Market Investors and Non-Investors. Those who aware, perceived PRS as long-term investment with low risk, but with low returns and less flexible withdrawal terms.

While similar to EPF, PRS is seen as a better choice for self-employed individuals or business owners, offering tax relief benefits (Figure 4.6a). However, due to concerns on low returns and penalties for early withdrawal, Non-PRS investors are hesitant to invest in PRS (Figure 4.6b).

Addressing current concerns and misconceptions about UTS and PRS is crucial. Investors prioritise factors such as cash accessibility, withdrawal flexibility and performance when considering these investment options.

By providing clear and accurate information and designing targeted engagement strategies, financial institutions and policymakers can increase awareness and understanding among the public, building confidence and encourage wider participation in UTS and PRS investments.



## CHAPTER 5: DIGITALISATION



# KEY TAKEAWAYS



## **Rise in usage of online platforms.**

Online platforms have emerged as the second most preferred investment channels for both UTS and PRS investors. There is a consensus of satisfaction regarding the features and functions of online platforms.



## **Cautious approach to advanced technology.**

While acknowledging the benefits of technology, Malaysians are cautious about utilising advanced features such as robo-advisors or AI platforms for financial or investment decisions.



## **Human interaction critical in the 'Buy' phase.**

While digital platforms or media primarily serve as information provider, human involvement is crucial in offering tailored expertise and emotional support where technology lacks. Both capital market and non-capital market investors prefer testimonials, professional consultations, as well as advice from trusted friends or family for financial or investment decisions.



# DIGITALISATION

Digitalisation is reshaping the investment management landscape, offering both opportunities and challenges for UTS and PRS in Malaysia. By analysing investor preferences and attitudes towards technology, we can better understand how digitalisation enhance the adoption and effectiveness of UTS and PRS investments.

## 5.1 Investment Channels

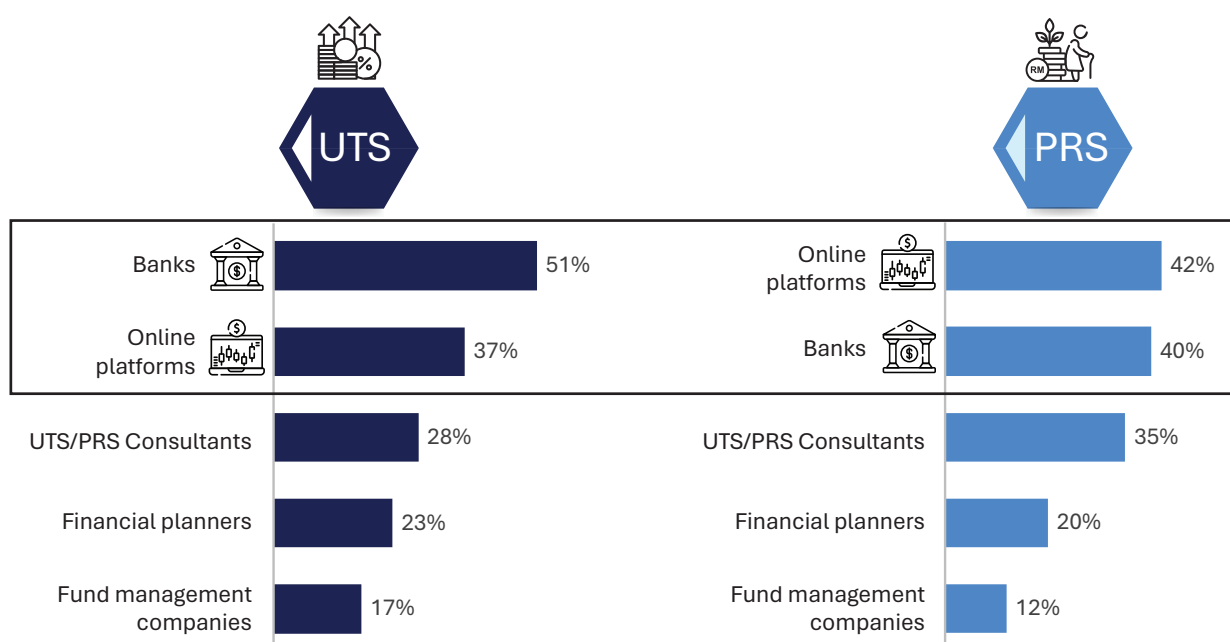
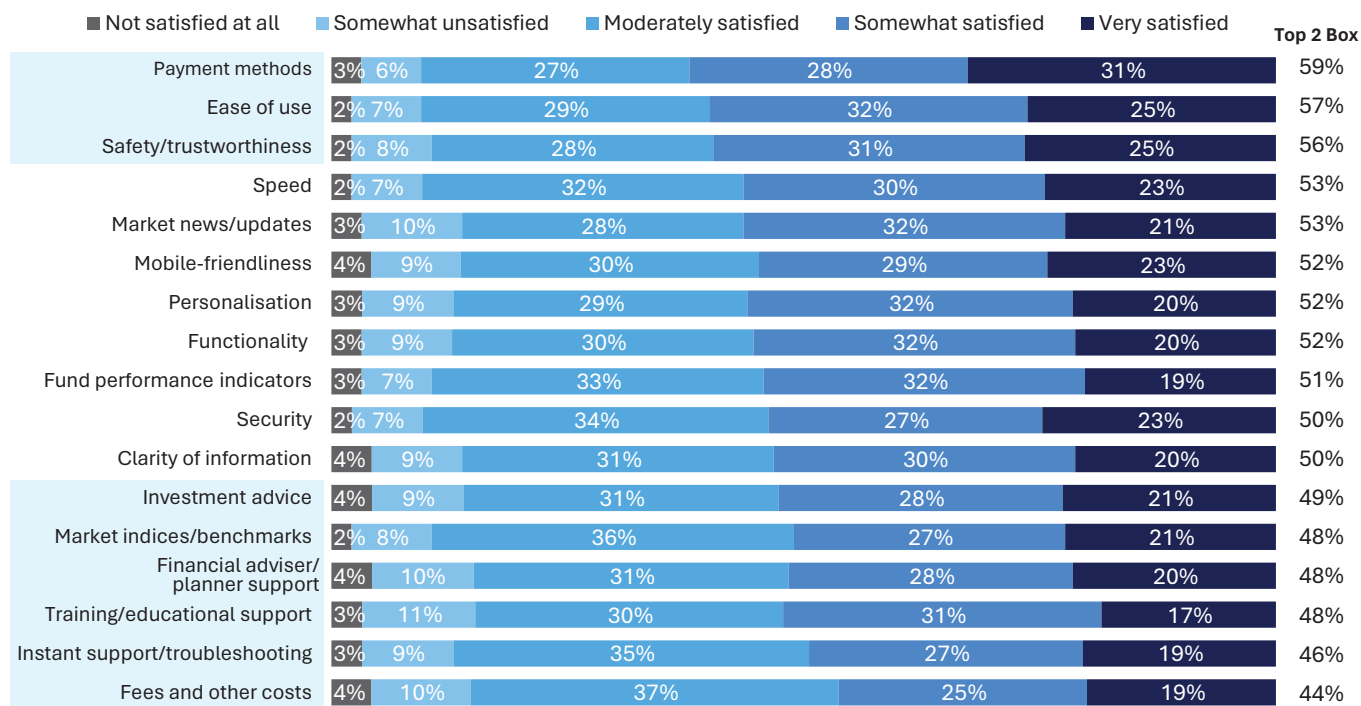


Figure 5.1a: UTS/PRS Investment Channels

Online platforms and banks have become the top two (2) preferred investment channels for both UTS and PRS investors (Figure 5.1a), with a significant 37% of UTS investors and 42% of PRS investors using online platforms for their investments. Meanwhile, 51% of UTS investors and 40% of PRS investors rely on banks. This shift towards digital channels highlights the growing importance of technology in facilitating investment transactions and access to financial products.



Note: "I don't know" and "Not applicable" answers are not shown in the chart

Figure 5.1b: Satisfaction with Investment Online Platforms

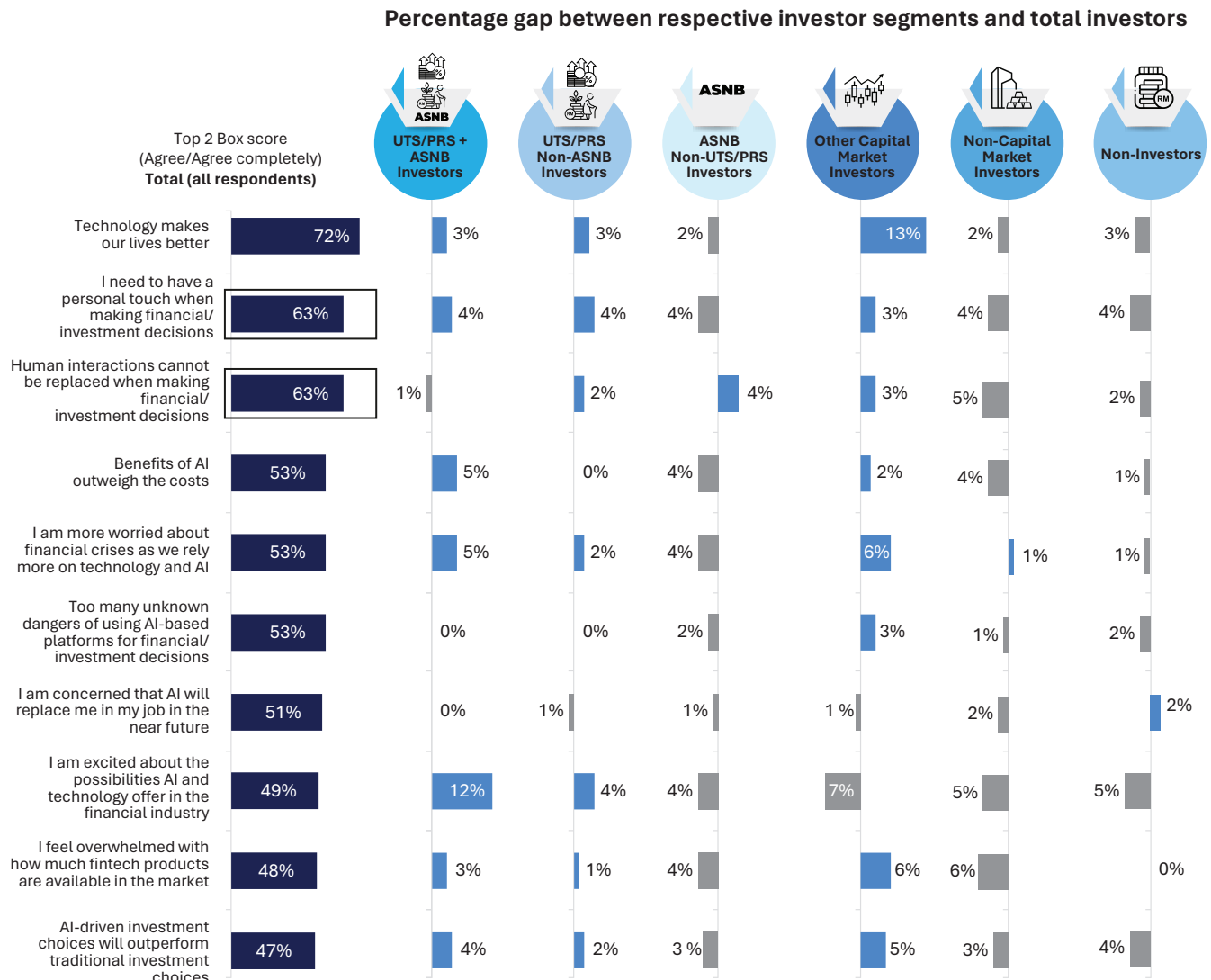
Online platform users express a high level of satisfaction with features provided by these digital tools (Figure 5.1b). Payment methods, ease of use and safety/trustworthiness emerge as the top three (3) areas of satisfaction, with 59%, 57% and 56% of users respectively, rating these aspects positively. This indicates that these platforms effectively meet the needs and expectations of investors in terms of convenience, usability and security.

Contrary to the above, respondents are less satisfied with the investment advice, market indices/benchmarks, financial adviser support, training/education and instant troubleshooting. This shows that technology has limitations in providing personalised guidance. Human involvement is crucial in offering tailored expertise and emotional support where technology lacks. This is further underscored by respondents' attitude towards technology as highlighted in the next section.

## 5.2 Technology in UTS and PRS Investment

While Malaysians recognise the benefits of technology for financial or investment decisions, they exhibit a more cautious approach when it comes to advanced features such as robo-advisor or AI platforms.

## 5.2.1 Acceptance towards Technology in Investing

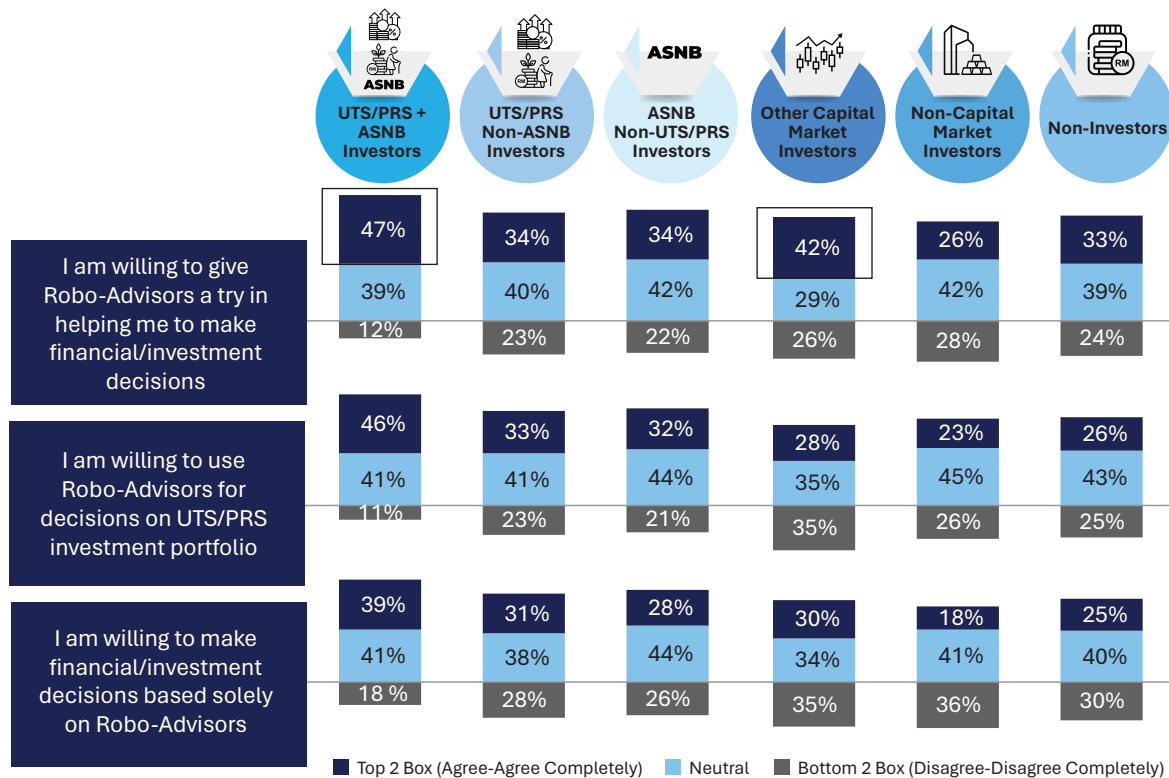


**Figure 5.2: Attitude towards Technology**

Human interaction remains critical (Figure 5.2), especially during the investment buying phase (further details are explained in Section 5.4.2). Investors across all segments value the expertise, guidance and personal touch provided by financial professionals and trusted individuals. PricewaterhouseCoopers' (PwC) 2023 report highlighted that although robo-advisors and AI can be integrated in the investment industry, the hybrid - human and technology - approach is favoured<sup>9</sup>, i.e. investors will get the best of both worlds – convenience of automation and human expertise.

<sup>9</sup> PwC Asset and Wealth Management Revolution 2023: The New Context

## 5.2.2 Robo-Advisors



Note: "I don't know" and "Not applicable" answers are not shown in the chart

Figure 5.3: Attitude towards Robo-Advisors

According to PwC's 2023 report, the total assets managed by robo-advisors is predicted to reach USD5.9 trillion by 2027 globally. However, based on their observation, in some markets, the adoption of robo-advisors has been slow and requires more work in ensuring the technology works.<sup>10</sup> This is true to Malaysia's context where Malaysians (investors and non-investors) are generally sceptical in relying on robo-advisors for financial or investment decisions (Figure 5.3). UTS/PRS+ASNB Investors and Other Capital Market Investors show a relatively higher receptiveness to these technologies with 47% and 42% respectively, expressing their willingness to give robo-advisors a try. However, among these early adopters, there is a reluctance to rely solely on these tools for investment decision-making.

## 5.2.3 Concerns on Technology and Robo-Advisors/AI

The main concerns surrounding technology and AI in the context of investment management revolve around security and protection. Emphasis needs to be placed on regulation, proven track records and human oversight in the adoption of any AI-driven solutions. While some investors are open to exploring new investment opportunities, they prefer to wait for these technologies to mature and demonstrate better effectiveness before embracing it fully (Figure 5.4).

<sup>10</sup> PwC Asset and Wealth Management Revolution 2023: The New Context

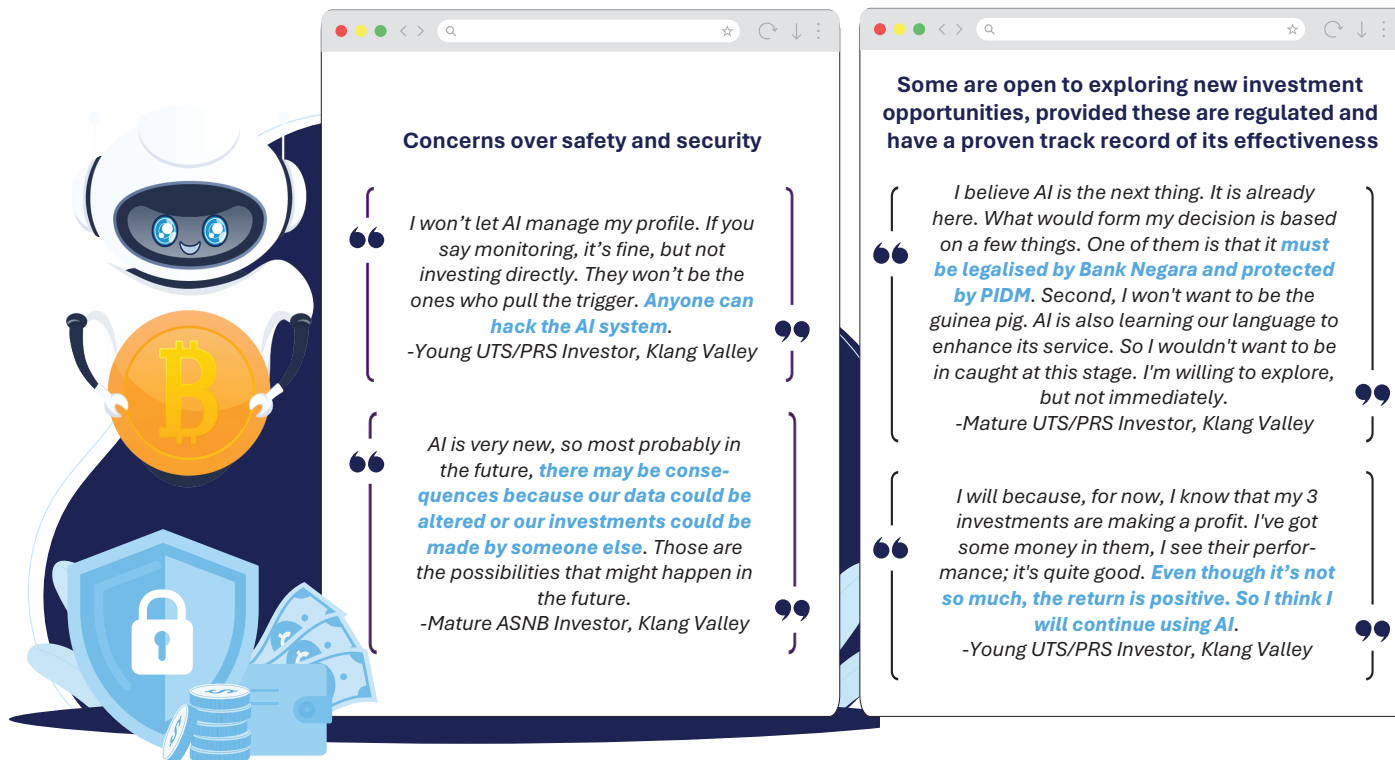


Figure 5.4: Main Concerns on Technology and AI

### 5.3 Digital Banking

Awareness and understanding of digital banking vary across different investor segments, especially among the Young ASNB Investors, who exhibit low awareness (Figure 5.5). It is often equated with online or electronic banking services.

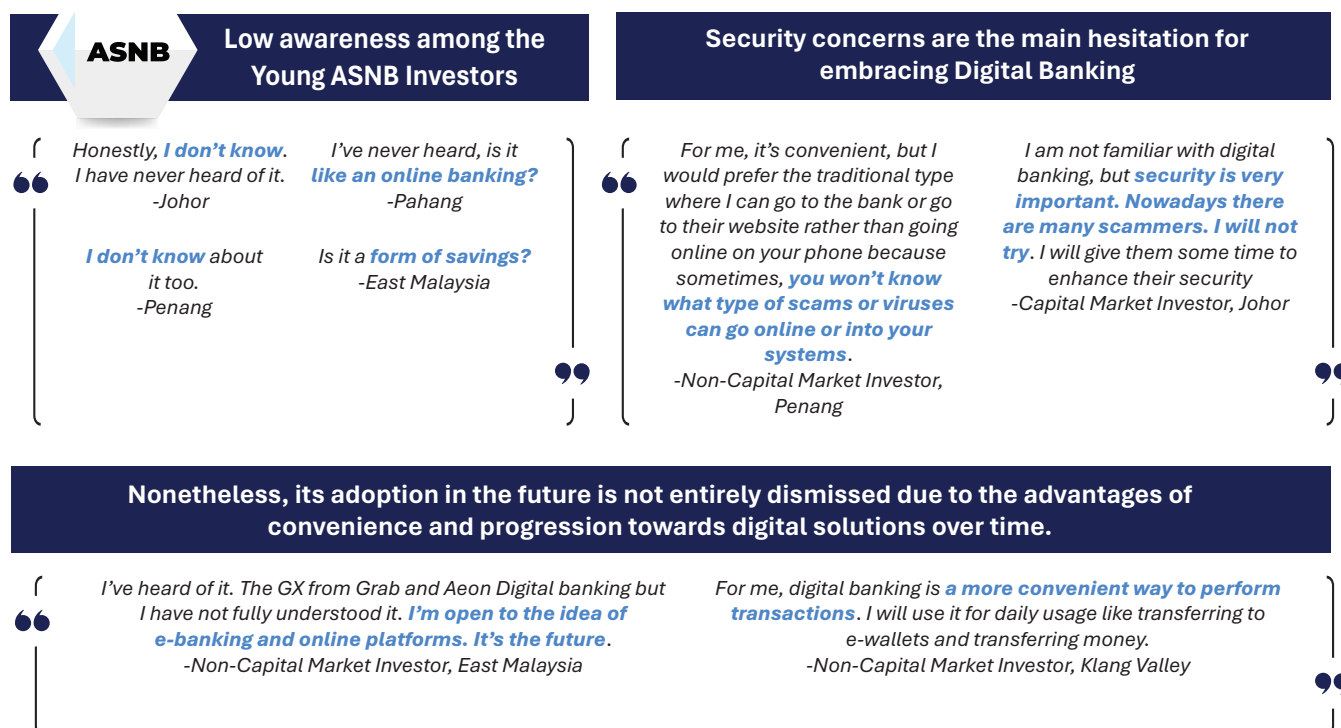


Figure 5.5: Perception on Digital Banking

Malaysians in general are becoming digitally savvy when it comes to online and mobile banking due to the accessibility and ease of usage since the Covid-19 pandemic. Notwithstanding, many are still in the dark and equate digital banking to online or electronic banking.



True digital banking involves financial institutions offering financial services solely through a digital platform, leveraging on highly digitalised and automated workflows to connect the front, middle and back-end processes, which then allows seamless integration for data-centric work. This will reduce costs, while achieving higher efficiency and better customer experience.<sup>11</sup>

For many, security concerns remain a primary hesitation for adopting digital banking, although the advantages of convenience and digital progression over time may lead to increased adoption.

<sup>11</sup> Deloitte, Banking on Digital

<https://www2.deloitte.com/content/dam/Deloitte/my/Documents/financial-services/my-fsi-the-edge-banking-on-digital-infographic.pdf>

## 5.4 Reaching Out Strategies

### 5.4.1 Sources of Information

Total (all respondents)		Age Group					Ethnic Group				Household Income		
		18-29	30-39	40-49	50-59	60-65	Malay	Chinese	Indian/ Other	Other Bumiputera	T20	M40	B40
Internet/social media	54%	56%	55%	53%	44%	43%	57%	50%	57%	47%	56%	53%	55%
Friends/family	49%	49%	48%	44%	65%	59%	47%	53%	40%	59%	43%	50%	52%
Financial consultants/ agents/brokers	46%	40%	47%	51%	56%	52%	44%	50%	40%	42%	53%	50%	38%
Investment talks/seminars	26%	24%	28%	24%	27%	20%	25%	27%	27%	22%	36%	25%	22%
Broadcast media (TV/radio)	22%	20%	25%	22%	18%	25%	26%	15%	30%	19%	20%	22%	24%
Email	19%	20%	21%	16%	12%	9%	19%	18%	24%	17%	23%	18%	18%
Influencers/high profile personalities	19%	23%	18%	17%	16%	14%	23%	15%	16%	9%	19%	19%	19%
Newspapers/magazines/ books	16%	16%	14%	18%	19%	11%	15%	18%	17%	14%	24%	14%	17%
Billboards	12%	12%	14%	13%	10%	9%	15%	8%	13%	9%	12%	13%	12%
AI-driven platforms	11%	13%	12%	10%	7%	7%	12%	10%	10%	6%	15%	12%	10%
SMS	10%	11%	10%	10%	3%	9%	12%	6%	13%	11%	9%	9%	12%

Figure 5.6a: Sources of Information for Investment Products (By Demographic)







Total (all respondents)		<div><div><div></div><div>UTS/PRS + ASNB Investors</div></div><div><div></div><div>UTS/PRS Non-ASNB Investors</div></div><div><div></div><div>ASNB Non-UTS/PRS Investors</div></div><div><div></div><div>Other Capital Market Investors</div></div><div><div></div><div>Non-Capital Market Investors</div></div><div><div></div><div>Non-Investors</div></div></div>					
Internet/social media	54%	54%	50%	52%	53%	65%	55%
Friends/family	49%	42%	44%	47%	47%	57%	60%
Financial consultants/agents/brokers	46%	51%	51%	42%	58%	40%	40%
Investment talks/seminars	26%	35%	24%	23%	41%	27%	18%
Broadcast media (TV/radio)	22%	24%	16%	23%	19%	23%	26%
Email	19%	28%	18%	19%	18%	16%	13%
Influencers/high profile personalities	19%	20%	22%	18%	21%	18%	18%
Newspapers/magazines/books	16%	22%	13%	15%	24%	19%	12%
Billboards	12%	15%	12%	12%	12%	14%	11%
AI-driven platforms	11%	18%	12%	9%	18%	11%	7%
SMS	10%	12%	9%	10%	13%	9%	9%

Figure 5.6b: Sources of Information for Investment Products (By investor segments)



In today's digital age, the internet and social media are the primary sources of information for investors and non-investors seeking investment information. According to the Department of Statistics' 2022 ICT Use and Access by Individuals and Household Survey Report, usage of the internet has risen by 1.1% to 96% in 2022 from 94.9% (2021), with participating in social media being the most popular activity among Malaysians (recorded at 99.2%). In addition, other usages of the internet have also gained popularity such as searching for information, communication, civics and politics, e-Government, entertainment, as well as online shopping (e-Commerce).<sup>12</sup>

While the internet or social media has become the prevalent channel in sourcing information, the medium is less preferred by respondents aged 50 years and above. This segment, along with Bumiputeras tend to favour word-of-mouth information. Conversely, the T20 segment exhibits stronger preference in consulting professional advisors (Figure 5.6a).

In terms of investor segments, word of mouth is effective for reaching Non-Capital Market Investors and Non-Investors. Multiple touchpoints, including investment talks/seminars and financial advisors, are preferred by UTS/PRS+ASNB Investors and Other Capital Market Investors. AI-driven platforms are generally less popular, but still more receptive among these two (2) investor segments (Figure 5.6b).

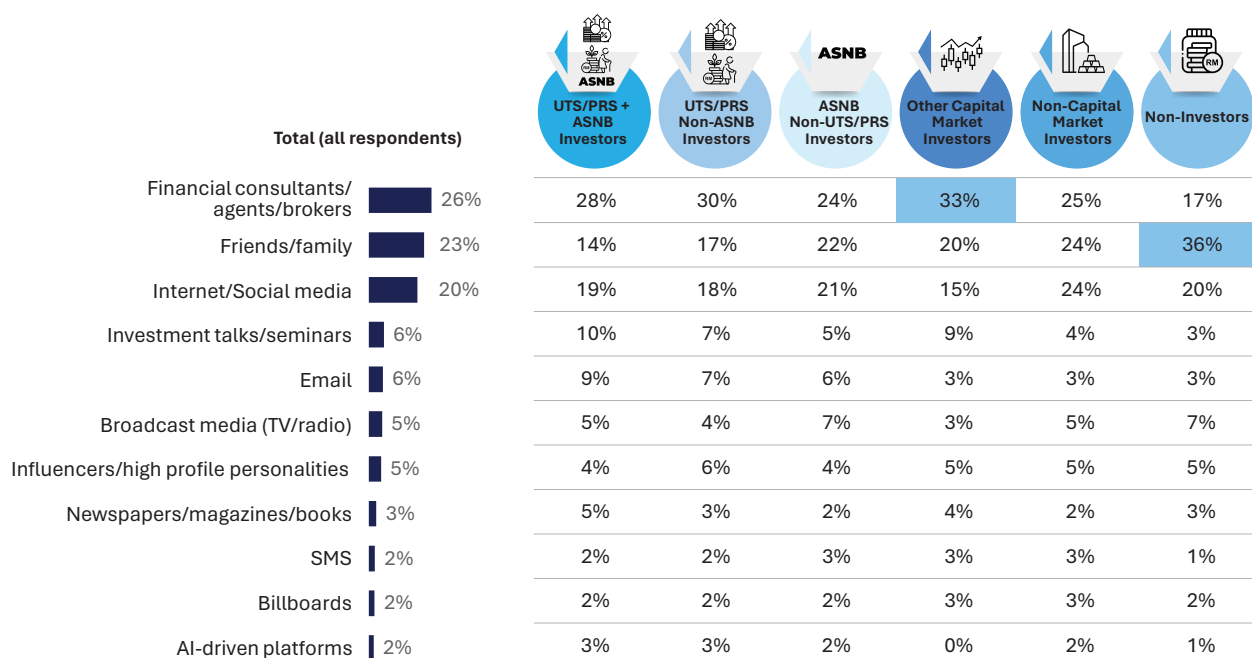


Figure 5.6c: Most Trusted Source (Rank 1)

Although the internet is the most sought-after source of information, financial consultants are the most trusted source, especially among Other Capital Market Investors (Figure 5.6c). This coincides with Section 5.2.1 where human interaction remains indispensable for investors and non-investors looking for information and decision-making.

<sup>12</sup> Department of Statistics Malaysia, 2022 ICT Use and Access by Individuals and Households Survey Report

## 5.4.2 UTS and PRS Investment Journey

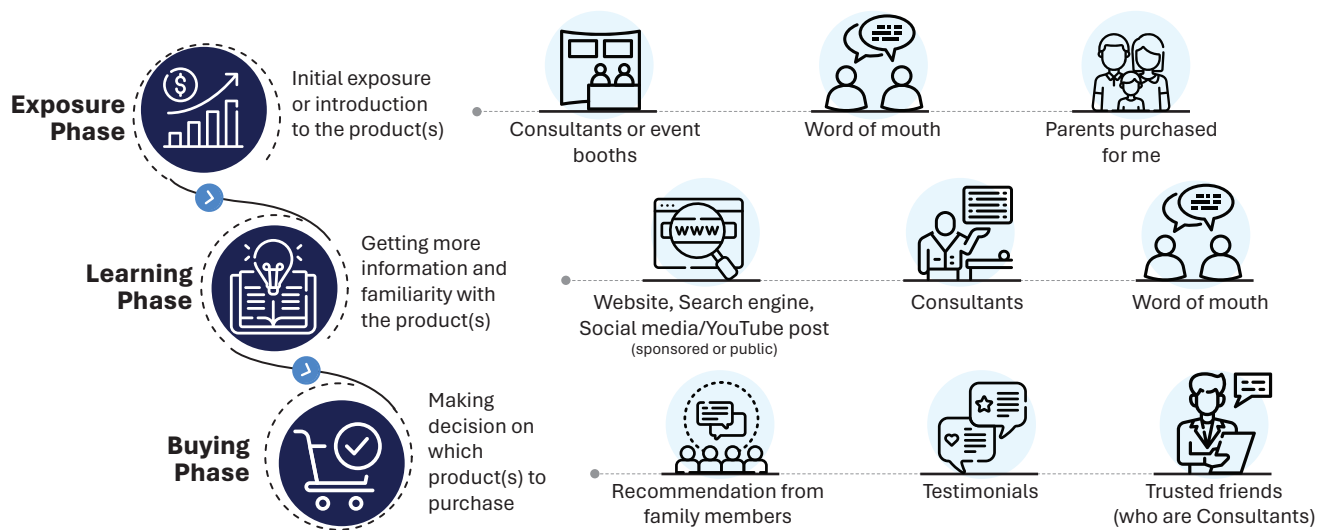


Figure 5.7a: Investment Phases and Touchpoints

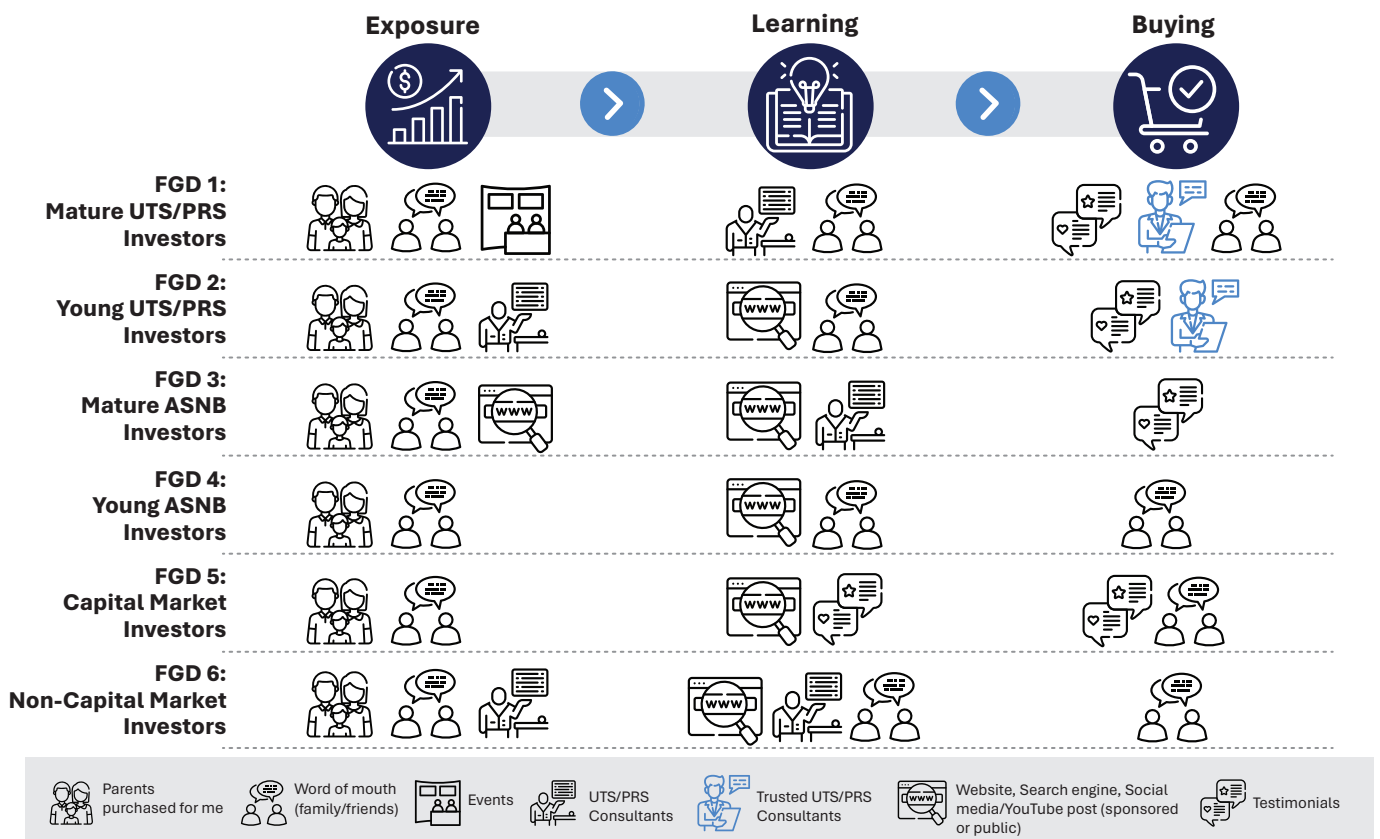


Figure 5.7b: Investment Phases and Touchpoints by Investor Segments

Figures 5.7a and 5.7b illustrate the investment journey, covering three (3) crucial phases and their prevalent touchpoints, that an individual will go through when investing in UTS and PRS. Word of mouth and testimonials play a crucial role in the exposure and buying/decision-making phases, while online platforms and professionals i.e. UTS/PRS Consultants, are important in building knowledge and familiarity in the learning phase.



## **CHAPTER 6:**

# **WAY FORWARD AND RECOMMENDATIONS**

# WAY FORWARD AND RECOMMENDATIONS

Our study has provided insights into the key characteristics, preferences and behaviours of different investor segments, enabling a deeper understanding on how to effectively engage and educate them about various investment products. This chapter explores key takeaways from the study and outlines a path forward to unlock the full potential of the Malaysian investment market.

## 6.1 Proposed Strategies

This survey identifies distinct profiles among investor segments, each with unique characteristics and investment preferences as detailed in Figure 6.1.

Different investor segments require tailored approaches to attract further investment or initiate investment in UTS and/or PRS. For UTS/PRS investors, the key focus should be on getting them to expand their existing portfolios. Industry players should regularly communicate with them (via email or financial advisor) in introducing/exposing them to new products, as well as AI platforms available in the market.

Non-UTS/PRS investors (i.e. ASNB Non-UTS/PRS Investors and Other Capital Market Investors) need education and familiarity with available products. This can be achieved by word-of-mouth, digital channels (Google search and official websites), social media platforms (such as YouTube, TikTok, etc.), and investment seminars where financial experts share their knowledge and guidance.

To raise awareness among Non-Capital Market Investors and Non-Investors, it is best to leverage on word-of-mouth, events, booths or social media (such as YouTube, TikTok, etc.). Social media contents should use simple and layman terms, to expose and raise awareness about UTS and PRS, as well as to educate on associated scams/frauds.



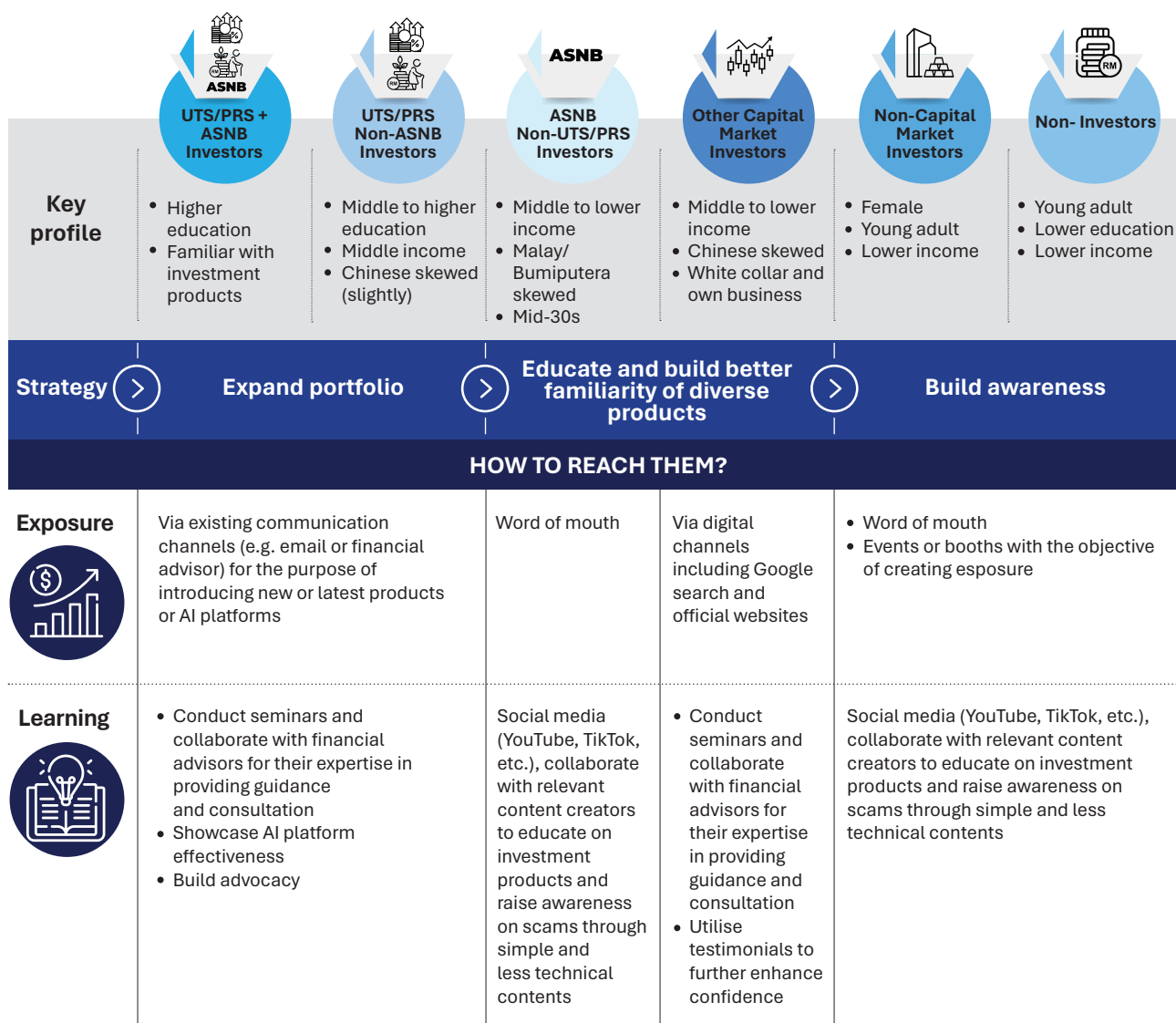

























Figure 6.1: Proposed Strategies by Investor Segments and Profiles

## 6.2 Proposed Action Plans

Collaboration among stakeholders – fund management companies (FIMM Members and Distributors), Consultants, regulators (e.g. FIMM, SC) and other related agencies (e.g. SIDREC, SIDC, etc.) – is crucial to reaching out to every potential investor segment, whether expanding investments of existing investors or attracting new ones.

Table 6.1 outlines the next steps for coordinated efforts among stakeholders to create awareness and enhance knowledge among the public, both investors and non-investors, about investment opportunities and risks.

Phase	Action Plans	FIMM	Members/ Distributors	Consultants
<b>Exposure</b> 	▶ Enhance the visibility of diverse investment products (e.g. UTS, PRS, etc.) through small events or booths.			
	▶ Strengthen relationship with existing investors to foster advocacy and raise awareness of investment products.			
<b>Learning</b> 	▶ Leverage various touchpoints and execution approaches within digital platforms to educate and familiarise individuals with diverse investment products.			
	▶ Develop a website/portal that offers detailed information on different investment products (e.g. benefits, risks, etc.)			
	▶ Engage content creators/influencers (through TikTok, YouTube, etc.) to highlight various investment products using simple language, targeting younger investors.			
	▶ The contents should emphasise the importance of saving for emergencies and unprecedented circumstances, as well as for long-term planning to manage ongoing inflation.			
	▶ Collaborate with both conventional and online news media to publish regular articles (less technical/simple but informative) on both investment approaches and current scams.			
<b>Buying</b> 	▶ Where feasible and allowed, include testimonials from actual investors on experience and learnings.			
	▶ Equip and upskill Consultants, including having a relevant checklist (e.g. immediate needs, goals, impact of risk, etc.) for investor engagement to recommend suitable products or approaches.			

**Table 6.1: Proposed Action Plans for Industry Stakeholders**



# ACKNOWLEDGEMENT

**The publishing of the FIMM 2024 Survey on UTS and PRS Potential Segments Report was made possible with the support and cooperation of many industry stakeholders. FIMM wishes to extend our appreciation to the following:**

Securities Commission Malaysia  
Affin Bank Berhad  
Affin Islamic Bank Berhad  
AHAM Asset Management Berhad  
Amanah Saham Nasional Berhad  
AmBank (M) Berhad  
AmBank Islamic Berhad  
AmFunds Management Berhad  
Areca Capital Sdn. Bhd.  
Bank Islam Malaysia Berhad  
Bank Kerjasama Rakyat Malaysia Berhad  
Bank of China (Malaysia) Berhad  
Berjaya Mutual Sdn. Bhd.  
Bill Morrisons Wealth Management Sdn. Bhd.  
BIMB Investment Management Berhad  
CIMB Investment Bank Berhad  
Eastspring Investments Berhad  
Hong Leong Asset Management Berhad  
Hong Leong Bank Berhad  
Hong Leong Islamic Bank Berhad  
HSBC Bank Malaysia Berhad  
HSBC Amanah Malaysia Berhad  
iFast Capital Sdn. Bhd.  
Industrial and Commercial Bank of China (Malaysia) Berhad  
Kedah Islamic Asset Management Berhad  
Kenanga Investors Berhad  
Kuwait Finance House (Malaysia) Berhad  
Legacy Advisory Sdn. Bhd.  
MBSB Bank Berhad  
MIDF Amanah Asset Management Berhad  
OCBC Al-Amin Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Opus Asset Management Sdn. Bhd.  
Permodalan BSN Berhad  
Pheim Unit Trusts Berhad  
Phillip Mutual Berhad  
PMB Investment Berhad  
Principal Asset Management Berhad  
Public Bank Berhad  
Public Mutual Berhad  
RHB Asset Management Sdn. Bhd.  
RHB Bank Berhad  
RHB Islamic Bank Berhad  
RHB Investment Bank Berhad  
Saham Sabah Berhad  
TA Investment Management Berhad  
Uno Advisers Sdn. Bhd.



# ABBREVIATIONS

<b>AI</b>	Artificial Intelligence
<b>AKPK</b>	Agensi Kaunseling dan Pengurusan Kredit
<b>ASNB</b>	Amanah Saham Nasional Berhad
<b>CA</b>	Current Account
<b>CAGR</b>	Compound Annual Growth Rate
<b>ECF</b>	Equity Crowd Funding
<b>EPF</b>	Employees Provident Fund
<b>ETBS</b>	Exchange Traded Bonds and Sukuk
<b>ETF</b>	Exchange Traded Fund
<b>FD</b>	Fixed Deposit
<b>FGD</b>	Focus Group Discussion
<b>FIMM</b>	Federation of Investment Managers Malaysia
<b>FinTech</b>	Financial Technology
<b>FMUTM</b>	Federation of Malaysian Unit Trust Managers
<b>ICMR</b>	Institute for Capital Market Research Malaysia
<b>IPO</b>	Initial Public Offering
<b>Ipsos</b>	Ipsos Sdn. Bhd.
<b>MCO</b>	Movement Control Order
<b>MdI</b>	Malaysian Department of Insolvency
<b>NAV</b>	Net Asset Value
<b>Nielsen</b>	NielsenIQ (Malaysia) Sdn. Bhd.
<b>P2P</b>	Peer-to-Peer Lending
<b>PRS</b>	Private Retirement Schemes
<b>PwC</b>	PricewaterhouseCoopers International Limited
<b>REIT</b>	Real Estate Investment Trusts
<b>SA</b>	Savings Account
<b>SC</b>	Securities Commission Malaysia
<b>SIDC</b>	Securities Industry Development Corporation
<b>SIDREC</b>	Securities Industry Dispute Resolution Center
<b>SPS2024</b>	Survey on UTS and PRS Potential Segments
<b>UPM</b>	Universiti Putra Malaysia
<b>UTS</b>	Unit Trust Schemes

# TEAM MEMBERS



## **Federation of Investment Managers Malaysia (FIMM)**

19-06-1, 6th Floor  
Wisma Tune, 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

- Kaleon Leong Rahan
- Heow Yen Fen
- Lim Foong Ying
- Yong Yan Ying
- Izma Es Othman
- Wan Nor Bahirah Wan Hamzah
- Nur Suhailah Mohd Sofi
- Belinda Yeo Yee Hwa



## **Ipsos Sdn. Bhd.**

23rd Floor, Centrepont North  
Lingkar Syed Putra,  
Mid Valley City  
59200 Kuala Lumpur

- Wan Nuradiah Wan Mohd Rani
- Jackson Tan
- Nadihan Mohamed
- Atticus Poon
- Aina Hannani

