



CFA Society
Malaysia

FinTech Forum Series 2021

Part 2:

**Active vs Passive Investing –
Competing vs Complementing**

Webinar Recap

Active vs. Passive: Which is better?

Investors have been debating the merits of "active" versus "passive" investing for a while now. As an emerging market like Malaysia, both active and passive investing **complements** each other. It is vital for investors to **leverage the most valuable attributes** of each market to fill each other's gaps and make smart and nuanced adjustments as time dictates.



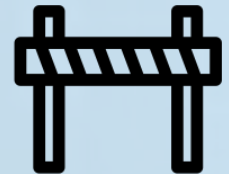
Implications of Passive Investing for Securities Market

The implications of the rapid expansion of passive managed funds have been hotly debated as traditional asset managers are worried that it will distort the market. Traditional active managers need to start **embracing** the DNA of passive investment as the growth of ETFs would benefit investors in Malaysia. The **combination** of both investment approaches would lead to a **holistic investment solution** that is accessible for all.



Biggest Hurdle in Introducing Robo-Advisories to A New Market

Introducing a new product / investment strategy to a new set of audience and market has always been challenging. **Word-of-mouth** has been the biggest promotional tool that can garner interest of a new audience, together with a **strong set of database** and **positive track-record**.



Webinar Recap

How to choose the best robo-advisor?

As with many choices investors face, it really comes down to **personal priorities, timelines, and goals**. It is ideal for investors to analyze the philosophies of each platform by asking the following:

- "Does it match your own beliefs and personal aspirations?"
- "Does it meet your risk to reward portfolio?"
- "How well does the design appeal to you?"
- "How easy is it to use?"



Investing in black swan events

Fund managers need to **educate** clients on long-term financial planning and investing in extreme market volatility. By sharing the **risk estimates**, investors are able to prepare and weather unprecedented market volatility and economic uncertainty, brought about by a global pandemic and other events.

