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The Simple Habit That Safeguards Your Clients' Property Wealth

## BUILDING THE FIRM OF TOMORROW

Islamic Fintech and Digital Banking in Malaysia's New Financial Era

The Thin Line Between Investing and Gambling

Rethinking How Property Fits into a Wealth Plan



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# The Thin Line Between INVESTING AND GAMBLING

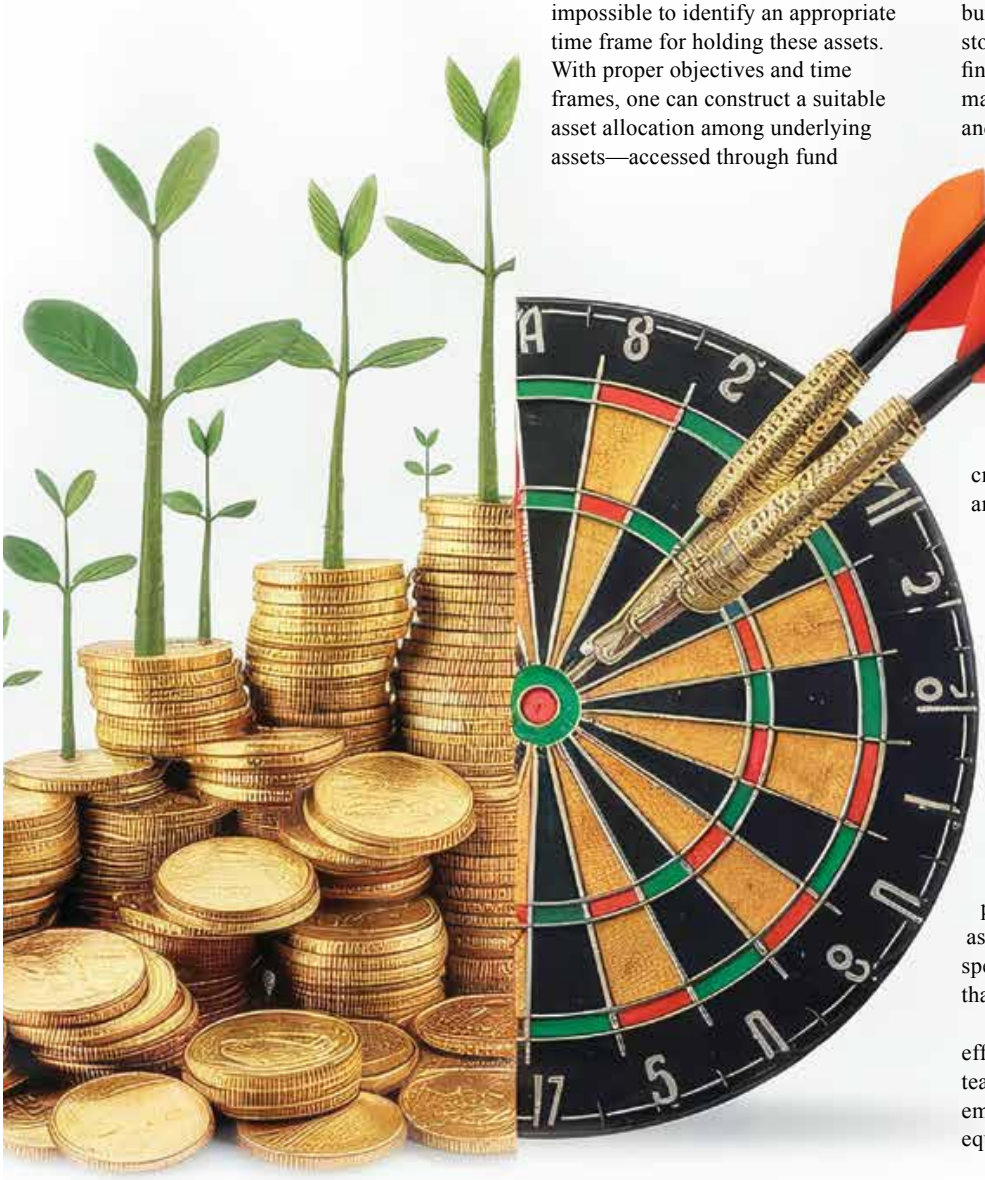
**Speculating or trading may be nice words to use, but if your intention is to earn fast money, you may already be caught in the trap of a 'stock or derivative gambler'.**



Visit any casino and you will find a sizeable crowd inside. Most tables display their minimum and maximum bets—and the amounts can be staggering. Looking at our stock market, one might ask, "Is it simply another venue for gambling?"

Taiping, one of the towns with the heaviest rainfall in Malaysia, is home to old folks who even wager on whether it will rain that day. People gamble during the football World Cup. So, do people gamble in the stock and derivative markets as well? Or do the words 'trading' and 'speculating' merely make us feel more morally at ease? Our objectives and attitudes—our true intentions—deserve honest examination.

> "Without disciplined tracking, clear objectives, and consistent performance evaluation, what begins as investing can gradually drift into speculation—guided more by emotion than by financial strategy."



The stock market is, of course, a marketplace for trading stocks, debentures, REITs, ETFs, derivatives, and more across multiple sectors. Our intention in putting money into it should be examined—whether it is for asset allocation, wealth accumulation, short-term gain, or even excitement. Investing without a clear objective is a red flag in itself. All too often, we hear of someone getting 'burnt' in the market, especially when greed and a gambling attitude take over.

**SETTING CLEAR FINANCIAL GOALS**

Establishing financial goals is the essential first step. Without knowing your goals and objectives, it is nearly impossible to identify an appropriate time frame for holding these assets. With proper objectives and time frames, one can construct a suitable asset allocation among underlying assets—accessed through fund managers via private mandates, actively managed unit trusts, or ETFs or held directly through one's own CDS account.

**WHEN INVESTING QUIETLY TURNS INTO GAMBLING**

Stock picking is an exhaustive process that demands rigorous analytical work. And if picking the right stock is already a mental challenge, knowing when to exit is an entirely separate one. Done poorly, it often becomes a case of 'buying on rumours, selling in panic'.

For those managing their own portfolios, short-term gains can create the illusion of successful investing—but long-term outcomes tell a different story. Some investors even end up financially ruined over time. Without maintaining proper records of profit and loss, it is difficult to accurately assess the true performance of the portfolio.

Investors may suffer net losses over the years yet remain excited by occasional wins, as these victories leave a stronger emotional imprint than repeated small losses. This creates a false sense of competence and encourages overtrading—buying and selling more frequently than any sound strategy would warrant. Over time, decisions become driven less by discipline and more by the pursuit of emotional reward.

This pattern mirrors gambling closely. Intermittent wins generate excitement while the cumulative weight of losses goes unnoticed. Without disciplined tracking, clear objectives, and consistent performance evaluation, what begins as investing can gradually drift into speculation—guided more by emotion than by financial strategy.

Managing a portfolio of stocks effectively requires knowledge, teamwork, discipline, and strong emotional intelligence. Not everyone is equipped with all of these.

## LOSE EXCITINGLY OR GAIN BORINGLY?

Many self-directed investors find stock trading exhilarating. The rapid price movements, the satisfaction of a well-timed call, and the occasional profit can all create a sense of doing well. Yet beneath that excitement, frequent missteps, transaction costs, and emotionally driven decisions may be quietly eroding returns. Some investors appear to be winning in the moment but are losing over time—losing, but doing so excitingly.

Professional fund management, by contrast, rarely offers drama. There are no sharp daily swings to follow, no suspense to speak of. The journey feels slow and uneventful. Yet this structured and disciplined approach is designed precisely to build wealth steadily over the long run. What seems boring today may prove deeply rewarding tomorrow.

In investing, excitement should never be mistaken for success. Sustainable wealth is almost always built through patience, consistency, and sound decision-making—not adrenaline. The better question to ask is simple: would you rather experience the thrill of the moment or the comfort of long-term financial progress?

> "What seems boring today may prove deeply rewarding tomorrow."

## FUND MANAGEMENT — ECONOMIES OF SCALE

Fund management comes at a cost, as it leverages the professional expertise of licensed fund managers supported by dedicated research teams, both locally and internationally. For a modest portfolio—say RM10,000—self-management may be entirely reasonable. But when the portfolio grows to RM1,000,000, the margin for error narrows significantly, and professional management becomes a prudent consideration, as mistakes can be financially consequential.

What about a mid-sized portfolio of several hundred thousand ringgit? Selecting the right stocks and asset classes, deploying appropriate instruments at the right time, and monitoring continuously—all of this demands expertise, research discipline, and sustained attention. By paying a fraction of the cost to access multiple professional fund managers—onshore or offshore—investors can avoid costly missteps while benefiting from structured investment processes. Collective investment vehicles, backed by experienced licensed professionals, also create economies of scale that individual investors cannot replicate on their own.

In today's fast-paced world, time has become an increasingly valuable resource—especially for those with demanding careers or high economic productivity. Even if an investor believes they can outperform professional managers, the time saved through delegation may be redirected towards higher-value pursuits: career advancement, personal development, physical wellbeing, and meaningful relationships. Engaging professional fund management is therefore not merely a financial decision—it is a deliberate allocation of life's most finite resource: time.

## INVESTMENT: SIMPLE IN THEORY, COMPLEX IN PRACTICE

In Q4 2025, the passing rate for the FIMM Combined Examination (FCE) for Unit Trust Consultants stood at 60.8% for postgraduate candidates and 55.3% for degree holders. Unit trusts may appear straightforward to many laymen, yet these results suggest otherwise—even highly educated individuals do not always pass on their first attempt. Investment knowledge is far more complex than it seems.

Insurance, on the surface, often feels complicated. Policies come with technical terms, multiple riders, waiting periods, and exclusion clauses. Yet insurance is fundamentally structured—with careful reading and proper explanation, its mechanics can be understood because the terms are documented in black and white.

Investment creates the opposite illusion. It appears simple: prices go up or down, resulting in gains or losses. But beneath this surface lies a



highly complex ecosystem. Investors must navigate different asset classes, financial instruments, economic cycles, interest rate environments, geopolitical developments, regulatory changes, and technological disruptions. Numbers, human behaviour, sentiment, and global events all shape the market.

Successful investing therefore demands more than intuition or occasional market participation. It requires continuous learning, disciplined analysis, and a structured approach to decision-making. What looks easy from the outside is, in reality, layered with complexity.

For this reason, engaging a licensed investment professional is not merely about convenience—it is about prudence. Just as one would consult a specialist for important legal or medical matters, seeking professional guidance in investment is a responsible step towards safeguarding and growing your financial future.



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