

BASICS OF Stock Investing



About InvestSmart®



InvestSmart® is a comprehensive investment awareness and literacy campaign under the Securities Commission Malaysia's investor empowerment initiative. It aims to:

- (a) enable more confident and informed retail participation in the capital market.
- (b) provide the public, particularly the next generation of investors, with valuable investment information, presented in a simplified format through new technology and multimedia platforms, supplementing existing investor education channels.

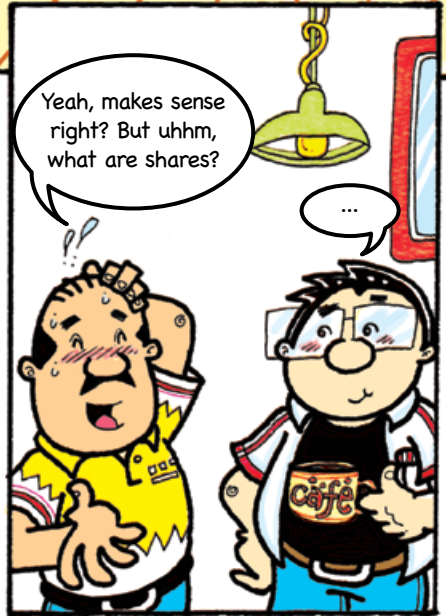
The InvestSmart® approach is guided by three main principles:

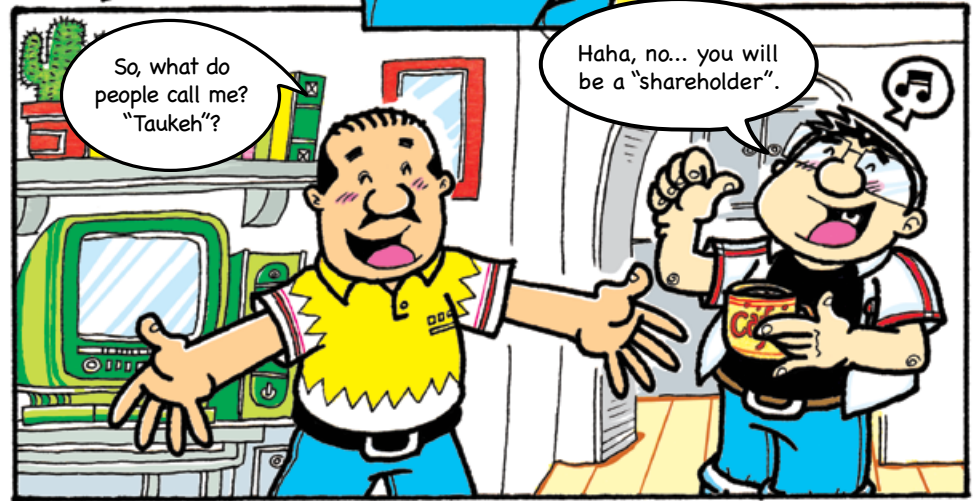
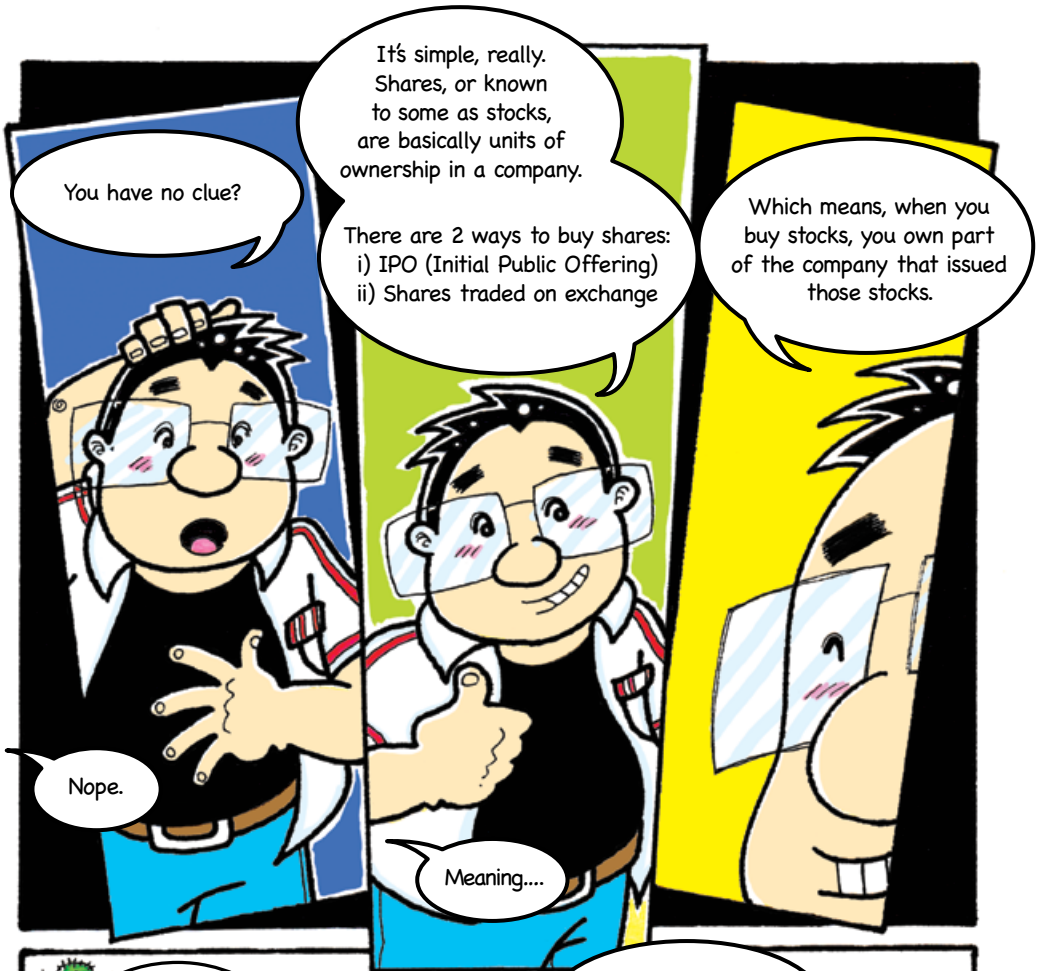
- **Comprehensiveness:**
To target all segments of the Malaysian investing population to educate them with fundamentals of making sound investment decisions.
- **Simplicity:**
To demystify investing by using plain language and employing impactful methods.
- **Multiple modalities:**
To carry out our efforts through multiple channels: both traditional and new media, as well as face-to-face engagements.

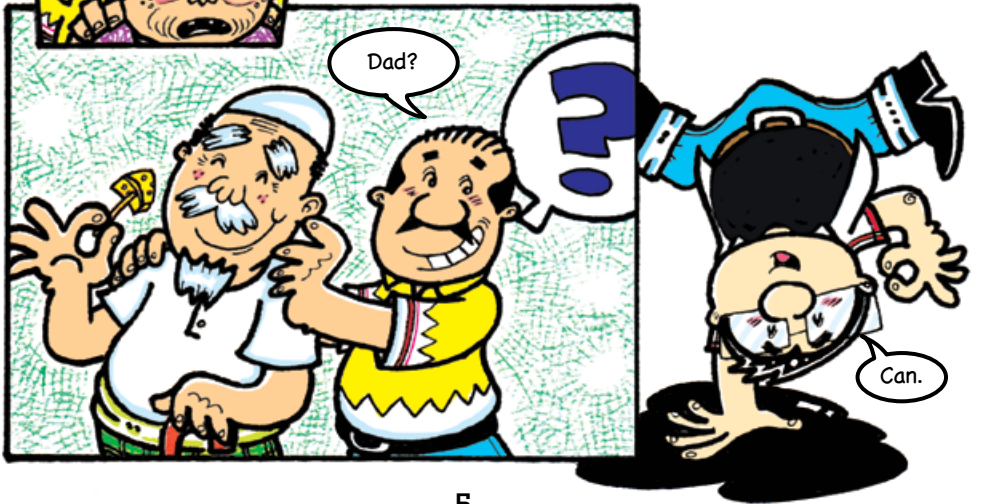
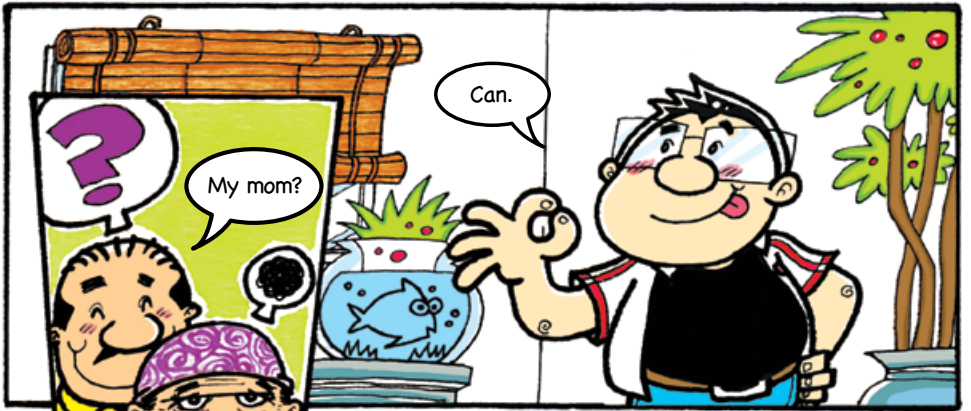
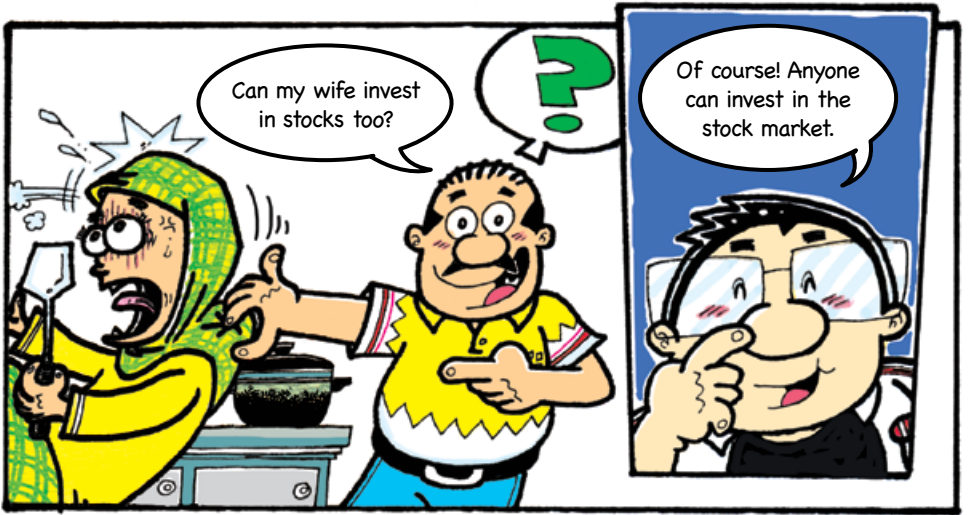


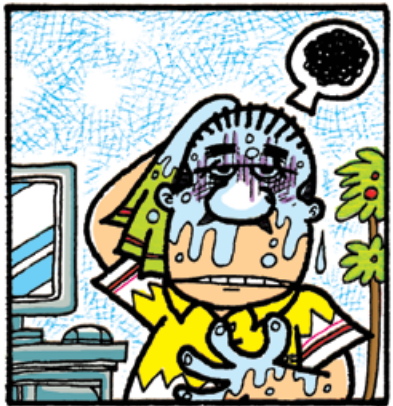
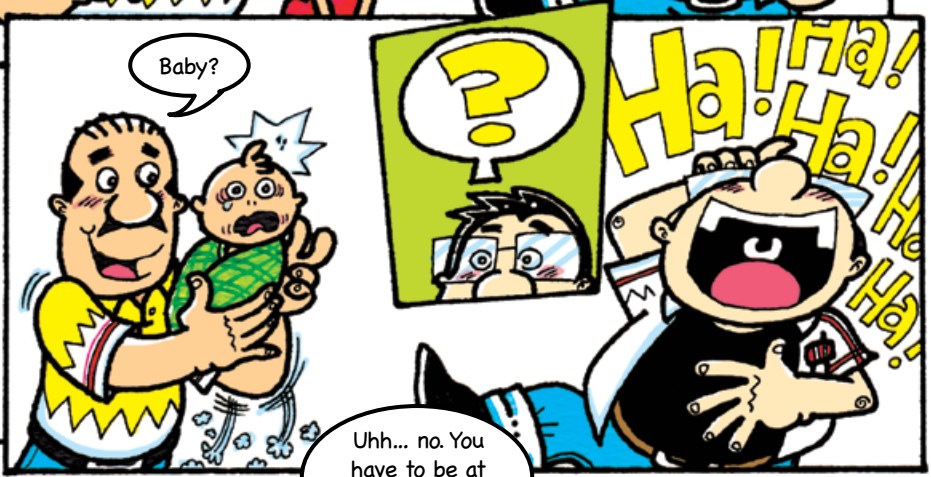
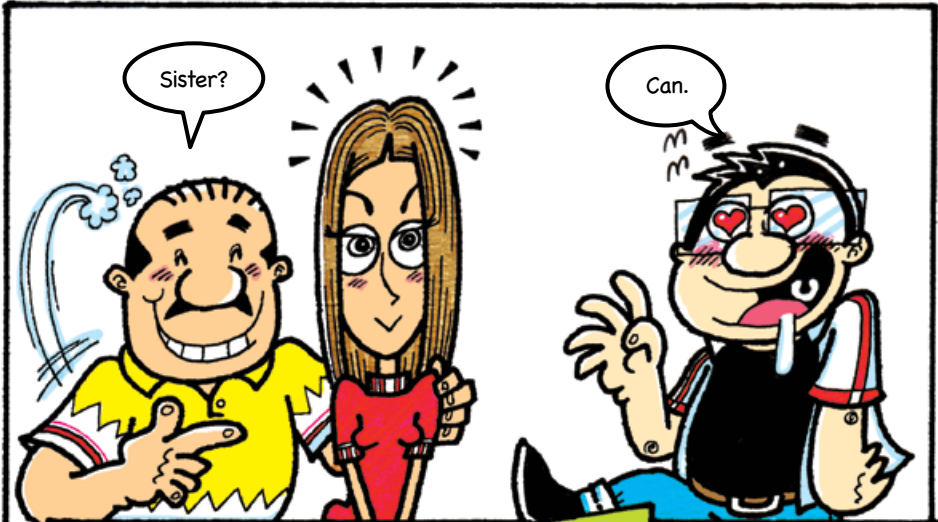
For more information, visit
www.investsmartscom.my or
download our InvestSmart® app from





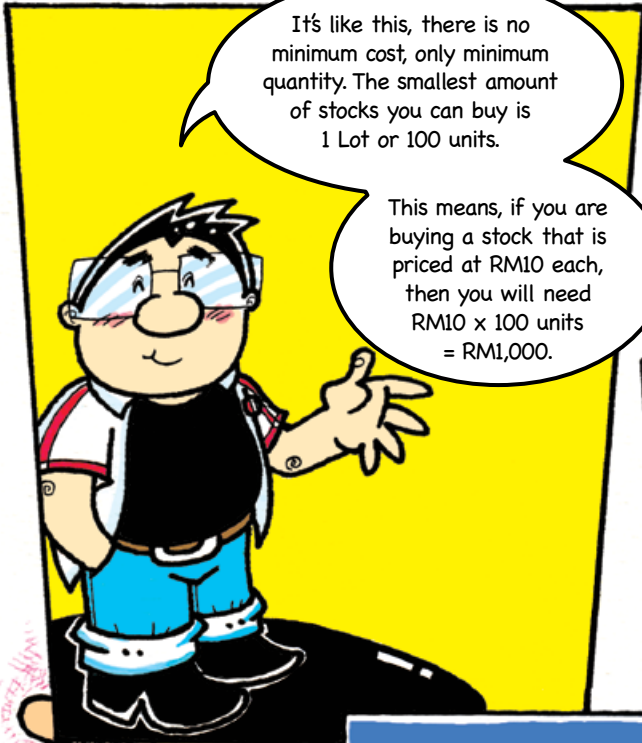








Hmm... ok... but you know, How much can I buy in one transaction?



It's like this, there is no minimum cost, only minimum quantity. The smallest amount of stocks you can buy is 1 Lot or 100 units.

This means, if you are buying a stock that is priced at RM10 each, then you will need $RM10 \times 100 \text{ units} = RM1,000$.



Ahh, I see. So it all depends on the stock price.



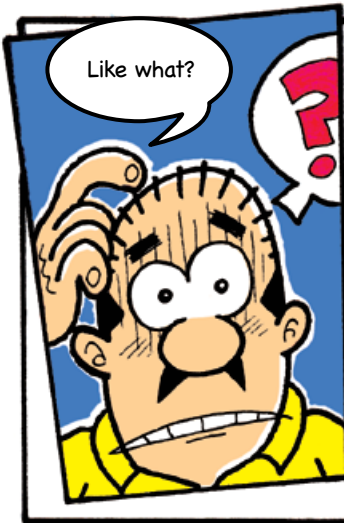
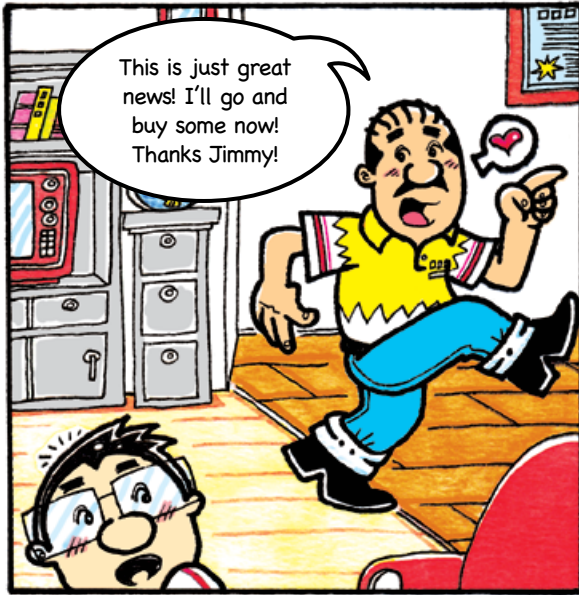
Exactly!

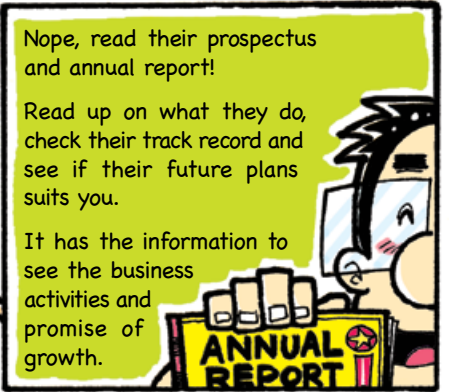
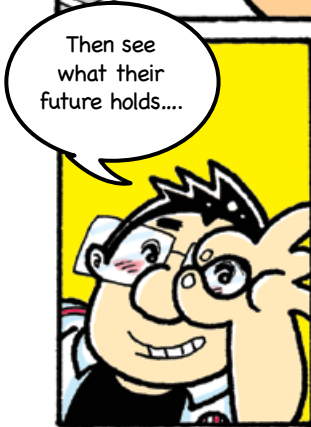



Can I really make money out of stocks?




Technically yes; if you sell your shares higher than the price you bought them. On top of that, the company may also pay you dividends if they are doing well.








I really don't care,
you know... as long as
they make money...



But you should!




Why?



Because you
will own part
of the company,
remember?




Oh....



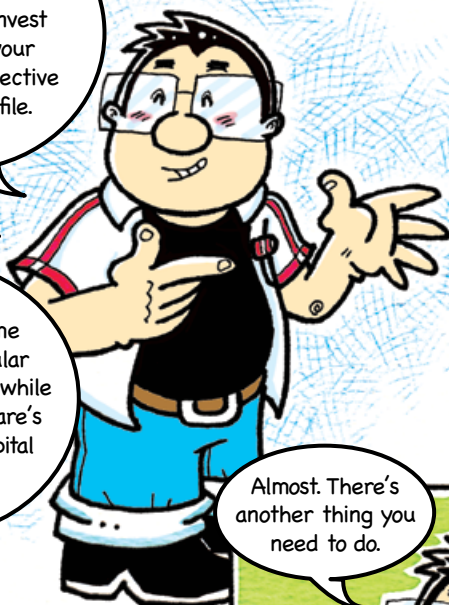
Also, all future plans
come with a certain
amount of risk.




So?



So you've gotta
know if you can
stomach that
much risk.




Whatever it is, make sure the stock that you want to invest in matches your investment objective and risk profile.



So once I know all that, can I go and buy stocks already?


For example, some people want regular payouts (dividends) while some want the share's value to grow (capital appreciation).



Almost. There's another thing you need to do.



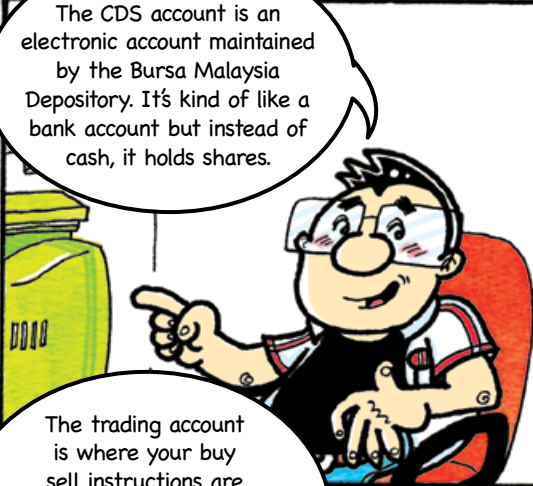
And that is?




To buy/sell shares through Bursa exchange, first you need to open up a CDS account and a trading account.



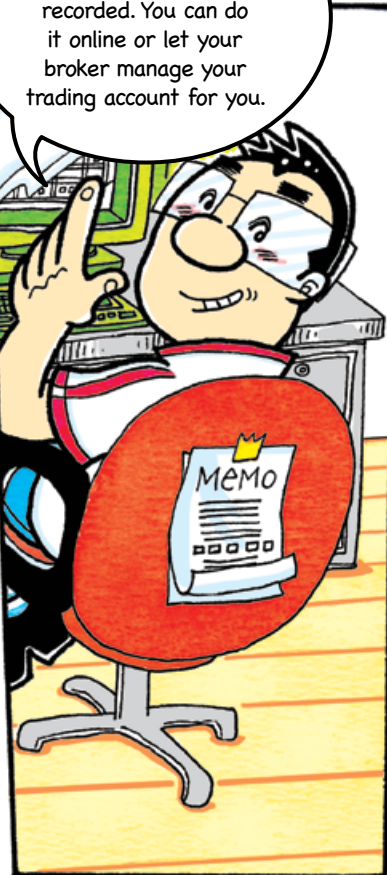
What's that?




The CDS account is an electronic account maintained by the Bursa Malaysia Depository. It's kind of like a bank account but instead of cash, it holds shares.




And the trading account?




The trading account is where your buy sell instructions are recorded. You can do it online or let your broker manage your trading account for you.



Ok so how do I go about opening these accounts?



First, choose the licensed broker you want to deal with that's listed on the Bursa or SC website. (www.bursamalaysia.com/ www.sc.com.my)



What's broken?

Not broken, BROKER, another name for stockbroking company that buy and sell your stocks for you.

Ohhh... ok. Then?

Then, bring your IC to your broker's office and they'll help you open up the accounts!



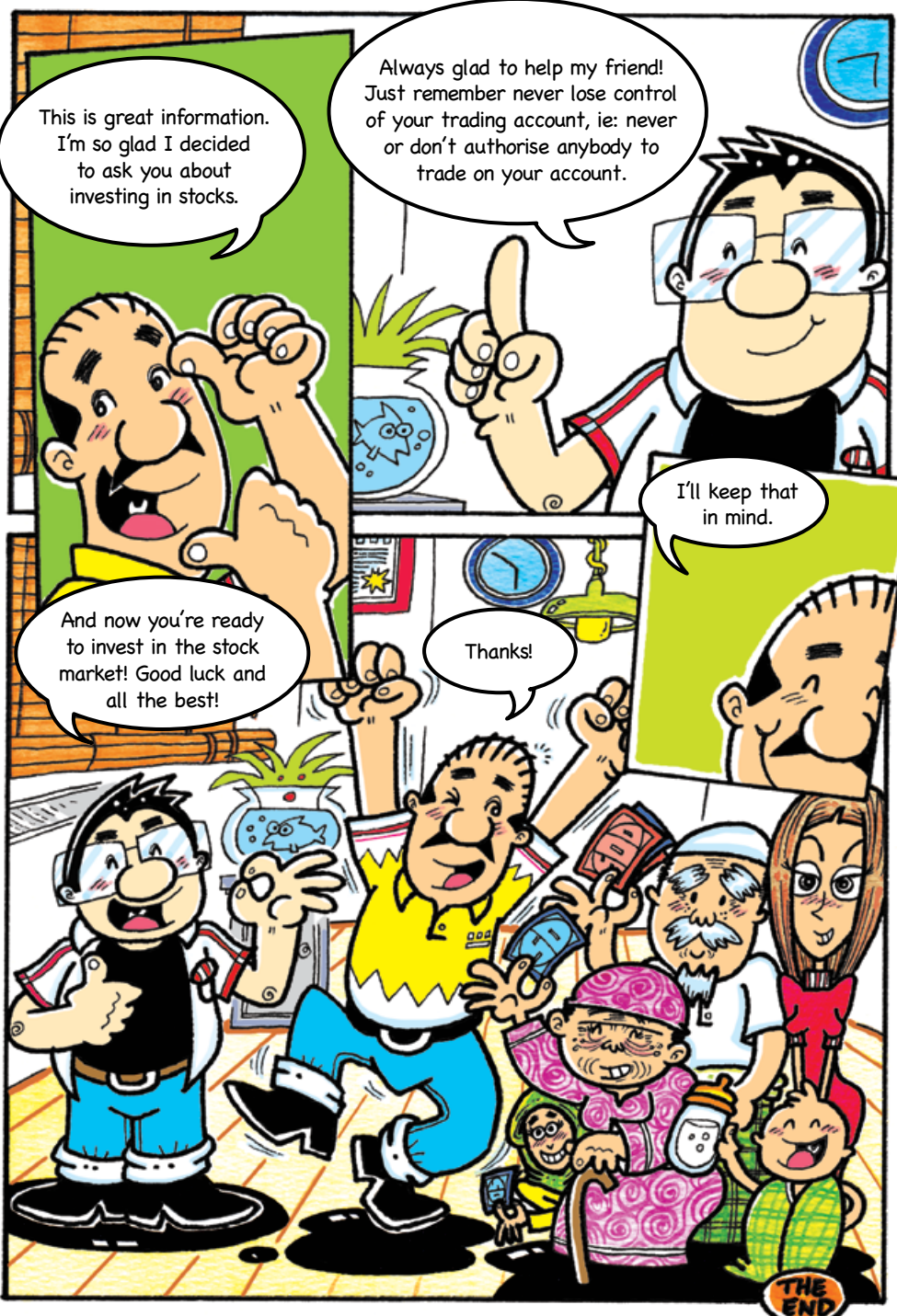
That's it?

Once you open a CDS account, you can buy or sell shares!

Must pay or not?

Of course la.





This is great information. I'm so glad I decided to ask you about investing in stocks.

Always glad to help my friend! Just remember never lose control of your trading account, ie: never or don't authorise anybody to trade on your account.

I'll keep that in mind.

And now you're ready to invest in the stock market! Good luck and all the best!

Thanks!

THE END

