

# smartinvestor

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# Millennials

WEALTH  
CREATION  
FOR

Effective strategies to help  
Gen Y and Gen Z investors  
start building up wealth

**DON'T LET A  
CAREER CHANGE  
BE YOUR  
UNDOING**

**5 DIFFERENT  
TYPES OF  
INCOME**

**GOLD SHINES  
AS MARKETS  
TURN BEARISH**

**THE SMART MONEY  
BEHIND CONSOLIDATION  
& FINANCING SMES**



*an investment by*  
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VENTURE CAPITAL

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MORNINGSTAR

**Awards  
2020**

**TOP PERFORMING FUNDS  
RECOGNISED AT 2020 MORNINGSTAR  
FUND AWARDS MALAYSIA**

**T**he Coronavirus pandemic has disrupted the lives of hundreds of millions of people as entire countries, Malaysia included, have been on lockdown in recent weeks.

Tragically, over 20,000 people have so far lost their lives. Apart from the human cost, the pandemic has also taken a heavy toll on economic activity around the world. The sudden slowdown has seen millions lose their jobs, and threatens to tip the global economy into recession.

The pandemic has also wreaked havoc on equity markets, with stocks around the globe including Malaysia getting hammered as the fallout spreads into equities, mutual funds, bonds and money markets. Some quarters have suggested the Coronavirus outbreak is the "Black Swan" event that everybody feared but nobody anticipated.

Governments around the world have responded to the economic disruption with massive stimulus packages and money printing.

However, one asset class – gold – has outperformed during this volatile period. In fact, demand for physical gold in the form of coins and bars among Malaysians have spiked in recent months, even before the Coronavirus contagion hit the equity market. Read our feature on gold and why investors are adding it to their holdings as they seek a safe haven asset.

Our Special Focus this month looks at the journey of wealth creation by Malaysia's millennials. We highlight the problems they'll face as they start investing, potential pitfalls, and strategies they need to put in place to start building up their net worth.

*Lee Min Keong*  
Executive Editor

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**We welcome readers' thoughts on investing, the markets, the economy, this magazine or other related matters. Write to us at [smartinvestor@inovatif.com.my](mailto:smartinvestor@inovatif.com.my) or fax to 03-7803 9807, please include your name and contact number.**

# Contents

SPECIAL FOCUS

MILLENNIALS & WEALTH



- 24 INVESTING QUANDARY FOR GIG ECONOMY MILLENNIALS**  
Rising number of gig workers face various obstacles to investing for the future
- 28 NEXT ERA WEALTH MANAGEMENT**  
Millennials' approach to investing is influenced by technology and their value systems
- 30 P2P INVESTING IDEAL FOR MILLENNIALS**  
P2P financing a popular investment option for tech savvy millennials
- 32 INVEST WHILE YOU'RE STILL YOUNG**  
If you start investing early, you will never worry about money in your retirement
- 34 INVESTMENT OPTIONS FOR YOUNG INVESTORS**  
Millennials need to know what investment options best suit their financial goals
- 38 INVESTMENT PITFALLS TO AVOID**  
Investment mistakes that can derail your financial goals
- 42 HOW MILLENNIALS CAN INCREASE THEIR NET WORTH**  
For many millennials, attaining a high net worth seems like an illusive dream
- 45 DON'T LET A CAREER CHANGE BE YOUR UNDOING**  
You can embrace a mid-career change if you plan ahead before taking the plunge

## MONEY

### 53 5 DIFFERENT TYPES OF INCOME

Representing the income progression of most wealthy people who started off with very little

## THE RADICAL COLUMNIST

### 56 WE WILL GET THROUGH THIS!

The Coronavirus pandemic offers opportunities in a depressed market

## PROPERTY

### 58 GOING GLOBAL WITH THE PROPERTY INVESTMENT LIFE CYCLE

Six stages of the property investment life cycle and how you can profit from it

## TECH LIFESTYLE

### 60 BUILDING A BUSINESS? INVEST IN THE BEST

Things to consider when buying a new computer for individual or business use

## LEADERSHIP

### 63 ETHICAL LEADERSHIP: WHY IT MATTERS

Unethical leadership often lead to irreparable and systemic damage

## HEALTH

### 66 MANAGING A QUARTER LIFE CRISIS

This new phenomenon is happening to young adults in their 20s and 30s

66





# ETHICAL LEADERSHIP: WHY IT MATTERS

Unethical leadership be it in society, organisations or corporations often lead to irreparable and systemic damage

Oscar Wilde's *The Picture of Dorian Gray* tells the story of a man who places beauty above all else, so much so that he sells his soul to remain beautiful forever.

The artist who paints Gray's portrait, Basil Hallward, is obsessed with his subject's appearance and, when the young man meets Lord Henry Wotton, the elder insists that there is nothing more important in life than beauty.

Realising he will grow old and lose his loveliness, Dorian Gray wishes

that the painting could age while he himself retains its youth. He gets his wish. However, every time Gray does an immoral or corrupt act, the painting ages badly and even begins to emit a repugnant stench as Gray grows more emboldened by the power of his beauty and blind to his corrupt spirit.

As the painting grows uglier, Gray believes that by putting an end to his immoral behaviour he can make the image beautiful again, but it doesn't work, because he feels no guilt. In

the end, he destroys the portrait, and when servants call the police after hearing a scream, they come to find Gray on the floor with a stab wound to his chest. The body has now aged, while the painting has been restored to the pristine condition in which it was first painted.

Wilde's celebrated novel was first published in in 1890. The message that underpins the vibrant and brutal drama of the story points to the dangers of putting self-interest and pleasure above all else, and



*The picture of Dorian Gray.*

how unbridled selfishness can be destructive in ways we never imagine.

Dorian Gray was a man who came to believe so much in his own image that he could do no wrong. However, in the end – as a great many historical leaders discovered – his actions eventually caught up with him and there was a heavy price to pay.

The protagonist had lost his sense of humanity, virtue, and respect for others. Through the power of his image, Gray also became increasingly entitled: the more he got away with, the bolder he became, until his luck run out and he lost everything dear to him in the end.

### Lessons from Dorian Gray

From a leadership perspective, there are strong parallels to the story of Dorian Gray. Leaders can enjoy a position of substantial authority:

people stop to hear them speak; they often have the final say on decisions; and they also wield substantial influence over their followers.

But the pitfalls of having too much self-belief – and abusing the power of that delusion – can have disastrous consequences, which is why ethical leadership is crucial for organisations and individual leaders themselves.

What does it mean to be an ethical leader? At its foundation, ethical leadership is driven by a respect for the dignity and rights of others. Espousing values such as openness, honesty, fairness, justice and humility, an ethical leader sets a good example and holds everyone – and more so themselves – to a high standard for the benefit of the people they serve.

The primary importance of ethical leadership is that, if everybody follows the example of the leader,

“ Ethical leaders build trust, credibility and respect, which encourages trust, loyalty and investment from customers, clients and partners. ”

it leads an organisation to grow, develop and thrive in ways that can be maintained indefinitely. Ethical leaders build trust, credibility and respect, which encourages trust, loyalty and investment from customers, clients and partners.

On the flipside, unethical leadership can lead to often

irreparable and systemic damage. A leader driven by their own image, power and gain might hold an advantage that lasts longer than seems fair – but the momentum doesn't hold forever as people become disengaged, demoralised, eventually losing respect for an individual they previously admired.

## Unethical CEOs

There are several recent examples of unethical leadership that demonstrate the inevitable fall that comes from self-centred, immoral behaviour. Martin Shkreli – former CEO of Turing Pharmaceuticals – hiked the price of a life-saving drug overnight that had cost users less than US\$20 for more than six decades.

When Shkreli acquired and raised the price of Daraprim to US\$750, there was an immediate backlash as he struggled to defend his position that priced millions out of vital medication that they relied on.

Investigations into Shkreli's business ventures revealed that his sole concern was making as much money for himself as possible, reportedly on occasion to pay back angry investors whom he had allegedly misled. In December 2015, Shkreli was arrested by the FBI for securities fraud, and he later stepped down as CEO of Turing Pharmaceuticals.

Other high-profile examples include Elizabeth Holmes, founder of Theranos; Dan Price, co-founder of Gravity Payments; and Travis Kalanick, co-founder of Uber – all of whom have been investigated over allegations of unethical leadership.

In his book, *Rights of Man*, the English American writer and activist Thomas Paine wrote, "Whatever is my right as a man is also the right of another; and it becomes my duty to guarantee as well as to possess."



“ In the home and in our communities, organisations and the nation itself, we need ethical leaders if we are to improve, lead better lives, and realise the fullness of what we are capable. No-one has the right to take for themselves anything that's meant for the prosperity of all. ”

## Example to others

If ethical leadership is anything at all, it's the desire and will to act in a way that avoids self-gain at the expense of others' well-being. Especially with national leadership, millions will look to a single leader for guidance on how to act and conduct themselves, and what it means to be a good citizen

who contributes positively to society.

Any country led by an unethical leader is surely bound to suffer the consequences as a result. Whether it's held back socially, economically, culturally or in all these ways, the benefits of a few at the expense of the many will ensure that any progress a nation has made will be pushed back in ways that makes everyone suffer.

In the home and in our communities, organisations and the nation itself, we need ethical leaders if we are to improve, lead better lives, and realise the fullness of what we are capable. No-one has the right to take for themselves anything that's meant for the prosperity of all.

An ethical leader, then, is someone who knows they are there to serve and better the lives of others and acts in accordance with that value. For the sake of all our futures, we need more ethical leadership, and to get it, we all need to use our voices to demand it. <sup>51</sup>



Roshan Thiran is the founder and CEO of the Leaderonomics Group (<http://www.leaderonomics.org>). He believes everyone can be a leader and make a dent in the

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