



Education



Tutoring – a vital part of the learning process from which musicians master skills and knowledge. Through various interactive channels, the SFC provides the public with knowledge and guidance to help them understand the principles of investing and make informed choices.



Education

Market volatility and the growing sophistication of investment products pose major challenges to today's investors. As a responsible regulator, we take a proactive role to help investors gain a better understanding of the investment environment including market mechanics, new product features and risks, and how players interact.

We keep a close watch over potential risks and challenges that might affect investors in their investment decisions and issue advice and guidance on topical issues. We also issue generic educational materials on new product types that target retail investors as they are introduced to the market.

By broadening the scope and depth of investment knowledge among the investing public, investors can use this knowledge to make informed choices and manage their risks. We believe that a more inquisitive investor culture helps the public keep market participants on their toes as well as helping the individual investor make informed choices.

The mass media is a key tool for effective communication to investors: we reach out to the public through newspapers, television, radio, periodicals and our Dr Wise education column. Our InvestEd website for investors at www.InvestEd.hk is easy to navigate and regularly updated.

We conduct regular surveys to get a feel for the investment market and the public's financial know-how. The findings help us target education to address any knowledge gaps and misconceptions among investors.

We intend to extend the breadth and depth of our investor education efforts during 2008 with more funding and new initiatives, making extensive use of the mass media and targeting different segments of society.

Themes and campaigns

We started the new year with the theme 'Know Your Risk' and a host of activities to bring attention to investment topics where we feel education is needed. Each January is designated 'Investor Education Month' and a cluster of initiatives are rolled out to stress investor education at the beginning of the year, when many investors re-assess and plan their portfolios. The following activities took place this year:



Contestants face intense competition in the 'Investment Triathlon'.

- A cross-media financial knowledge quiz was a highlight this year. This proved hugely popular and marked a successful collaboration with the print, radio and TV media. The 'Investment Triathlon' not only tested investors' wits, but also put the spotlight on key investment issues. We brought together people from different walks of life, such as dentists, housewives, accountants, teachers and surveyors, to compete for cash prizes, attracting more than 600 entries. The final was broadcast on Cable TV.
- Snappy time check messages were broadcast on Commercial Radio One to help highlight important but easily-remembered issues for investors.
- Commuters were able to conveniently view our video on the common fallacies about warrants which was screened on RoadShow on board 1,600 buses.
- Five-minute segments on topical issues were broadcast during two prime-time shows on the Radio Television Hong Kong's Putonghua Channel.
- Experienced practitioners spoke on topics such as investment strategies and market risks at a series of four seminars co-organised with LiPACE of the OUHK.
- Financial planning workshops were run in collaboration with the Institute of Financial Planners of Hong Kong, targeting secondary school teachers.
- Feature articles in Sing Tao Daily's Investment Weekly magazine enabled us to explore topical issues in greater depth. Our articles were also carried in other newspapers and magazines.

Topical issues

During the year, we took a proactive approach in providing investors with information and timely advice on a range of topical issues:

- New types of investment funds – this year saw Hong Kong launch a number of new investment funds or funds with innovative features, such as Islamic funds, 130/30 funds, commodities index funds and listed closed-end funds. In order to provide timely and up to date product education to investors, we published concurrently investor leaflets and feature articles, and posted FAQs on our InvestEd website to educate and inform investors about the risks and mechanisms of these new products.
- Complex structured products – we also saw an increase in complex structured products being made available in the market, such as equity-linked instruments (ELIs). We therefore published a leaflet to remind investors that ELIs are not low risk products, which was complemented by feature articles explaining in detail some common special features of ELIs.



Our educational TV dramas 'Wising up with Experience' receive good responses from audiences.

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The SFC works closely with universities on investor education.



A radio show on investor education.

- Safeguarding investors' interests – investors were reminded how to avoid losses from fraudulent conduct by encouraging them to use more secure Investor Participant accounts to gain better control over their stock holdings and transactions.

Reaching out to the public

Other major investor education programmes rolled out last year to reach out to the public included:

- Hot topics for investors were mooted during a 15-week series on Commercial Radio One. Market professionals and SFC representatives were on hand to give investors advice and raise the public's risk awareness during the 30-minute show 'Investing 101'. The broadcast covered hot topics such as IPOs and structured products and at the end of each session, callers who correctly answered questions related to the episode were given a souvenir.
- A new series of investor leaflets were published to raise awareness in key areas, such as choosing a broker, investing in IPOs, making a complaint, fund investing, index tracking ETFs, hedge funds and ELLs.
- A series of seven seminars were organised jointly with the OUHK and the Hong Kong Society of Financial Analysts. The aim was to arm investors with pragmatic information about stock analysis and risk management. Video excerpts were aired on the OUHK's 'Open for Learning' television show.

- We met with community groups – for example the elderly and students – upon their invitation to talk about financial planning and proper investment attitude.

Cyber initiatives

We continued to make good use of our InvestEd website to promote education – our hits last year were up 30 per cent. The following content was added last year:

- The InvestEd website carried an English-dubbed version of our popular educational TV dramas, 'Wising up with Experience', in its 'Studio' section.
- 12 monthly Dr Wise articles on hot topical issues.
- 14 additional animation videos on various topics were rolled out under the 'Features & Dr Wise' section.
- We set up a new 'Overseas Investors' section on the InvestEd website to help overseas investors understand the Hong Kong stock, fund and warrant markets.
- We produced materials in Mainland Simplified Chinese to help investors from across the border gain a familiarity with the Hong Kong securities market.

We have started a revamp of the InvestEd website to make it easier to navigate and more interactive. The new look site will be rolled out during 2008.

Investor alert

Urgent warnings to the public are issued when we notice suspicious practices or misdeeds that warrant attention. Our Alert List on the InvestEd website warns investors of any suspected scams or suspicious activities that come to our attention. Last year we also took the following steps:

- A public warning was put out against a suspected boiler room operator, which put up a false notice on its website that the SFC and Police had raided its offices and frozen its bank accounts. There was no real business in Hong Kong. Details of the company and its modus operandi were communicated to the public.
- Investors were cautioned about an investment scheme offered by a company which seemed too good to be true – it claimed to provide a lucrative return of up to 25 per cent a month. We stressed that the mutual fund plan in question was not authorised by the SFC, nor were its staff licensed.

The investing community also drew upon our expertise throughout the year. A total of 5,896 enquiries were received from the investing public.



A wide range of leaflets are published for investor education.



A preview of our new InvestEd website.