



# The Observer

*Deloitte is holding the inaugural Asia Pacific Conduct Watch Survey to gain insights into the region's attitudes and capabilities towards whistleblowing. Senior Management, 'C-Suite', or Board level individuals with some form of responsibility or oversight related to whistleblowing are encouraged to participate in this survey. The survey results will be published on 23 June 2023 in the 2023 Asia Pacific Conduct Watch Survey Report.*



Please click the [link](#) or scan the QR code on the right to access the survey.

**31.03.2023**

## ❖ Two mistakes to avoid in investing

Some market gurus advise that you should hold onto your stocks for the long term – the term 'long term' itself is subjective. Some say for at least three years - and never sell, no matter what. In today's dynamic risk-laden uncertain world, three years is an eternity.

You should not take a passive approach. You should spend time keeping up with stock prices, news on the companies you have invested in, and even what analysts are saying about some of the stocks you own, especially when you find yourself losing a couple of hundred ringgit when stock prices drop.

What you should do is consider selling if the stock price dropped significantly or if you read about changes within the company that you feel are not good. The better advice is to invest for the long term but to monitor and stay alert for changes that may impact the companies you invest in.

The better advice will be to take the passive approach to investing when you invest in funds, but the passive approach can hurt your finances a lot when you're investing in individual stocks.

### **Monitor**

You must monitor a company's performance if you are going to invest in a single stock.

Firstly, monitoring is more than just monitoring the share price movements, it's not just about deciding whether to buy or sell. Monitoring is about spending quality time monitoring your portfolio and understanding what problems a business has, how the industry is doing, and overall trends. Knowing these things on a weekly basis can help you make a more level-headed decision as to when to sell the stock and when to hold onto it. And such decisions are not exact sciences that guarantee that you will make money, but they sure will reduce the risk of substantial losses.

Paul Samuelson said that "Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas." Paint dries in a day or two which may be too frequent to monitor your investments. And it takes a long time for grass to grow, and that time horizon is too long to leave your investments untended. The answer is somewhere in-between. A weekly health check is good enough though established blue chips may be left unmonitored for longer than a week.

Don't put your money in a stock and never look at it again. Instead, look at it again and again.

### **Diversify**

Secondly, it is all about diversification. Never invest substantial portions of your money into stocks in the same sector. A diversified portfolio spreads your risk across unrelated sectors. If one sector suffers, chances are that another sector will prop you up. That way, your money would be more spread out and more insulated from the risks of investing in individual stocks in the same sector.

Diversification is akin to the age-old advice - never put all your eggs in one basket. Those who invested the bulk of their investments in the gloves sector may have suffered unless they were able to exit in a timely manner.

### **Portfolio range**

Of course, there is a constraint to the number of stocks you can monitor effectively. The portfolio of stocks you can effectively monitor by spending quality time directly correlates to the time you can afford for such quality monitoring.

As a rule of thumb, five to ten stocks sound just about right. But we often end up with many more stocks in our portfolio. When faced with a buffet of stocks on the stock exchange, we want to taste a bit of everything. A bit of this and a bit of that – they all look good.

But when our portfolio attains unmanageable constituent stocks, we must be strictly and unemotionally disciplined. If we ever find ourselves with say thirty stocks and time is a constraint for quality monitoring, there should be a culling process to limit our portfolio to a lower manageable number. It is about quality monitoring and not about cursory monitoring.

**Devanesan Evanson**  
**Chief Executive Officer**

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### **MSWG AGM/EGM Weekly Watch 3 – 7 April 2023**

For this week, the following are the AGMs/EGMs of companies in the Minority Shareholders Watch Group's (MSWG) watch list.

The summary of points of interest is highlighted here, while the details of the questions to the companies can be obtained via MSWG's website at [www.mswg.org.my](http://www.mswg.org.my).

<b>Date &amp; Time</b>	<b>Company</b>	<b>Quick-take</b>
06.04.23 (Thur) 10.30 am	KLCC Property Holdings Berhad (AGM)	The Group delivered a profit of RM793.3 million (excluding fair value adjustments )for FY2022, representing a 17.9% growth compared to 2021 thanks to improved performance in the retail and hotel segments since the transition to the endemic phase.  For FY2022, KLCCP distributed a total dividend of 38 sen per Stapled Security, up 13.1% from last year's distribution of 33.60 sen.
07.04.23 (Fri) 10.00 am	Harn Len Corporation Bhd (EGM)	Harn Len has proposed to acquire a 100% stake in Almal Resources Sdn Bhd (ARSB) from Datuk Mohamed Nizam bin Mohamed Jakel for RM54.72 million, of which 60% of the purchase consideration will be paid in cash while the remaining 40% will be satisfied via the issuance of 31.27 million new shares at 70 sen per share. ARSB owns 100% stake in Pahang Coconut Valley Corporation Sdn Bhd, which owns the rights to a 60-year lease of 4,050.96 acres of plantation land in Rompin, Pahang.

<b>One of the points of interest to be raised:</b>	
<b>Company</b>	<b>Points/Issues to Be Raised</b>
KLCC Property Holdings Berhad (AGM)	The Group had initiated a capability inventory review to align with the areas of excellence towards supporting the Strategic Framework – 6 core capabilities areas were identified and will be rolled out by Q1, 2023. (Page 26 of IAR)  a) What are the 6 core capabilities areas? Please explain each of them.  b) Are there any other core capabilities that will be rolled out in FY 2023 and if so, what is the timeline for each of them?  c) Will there be any delay in the roll-out of the core capabilities that were targeted to be rolled out by Q1 2023? If yes, what is the reason for the delay?

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**DISCLOSURE OF INTERESTS**

•With regard to the companies mentioned, MSWG holds a minimum number of shares in all the companies covered in this newsletter.

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