

Key Messages for IOSCO World Investor Week

Frauds and Scams Prevention

A smart investor:

- Avoids “get rich quick” and “can't lose” schemes; if it looks too good to be true, it probably is
- Researches investment opportunities independently
- Is suspicious of requests to wire money out of the country
- Never discloses personal information on an unexpected call or other communication
- Ensures the use of strong passwords and good data security practices such as two-factor authentication on accounts containing financial data
- Never feels rushed and ignores over-the-top sales pitches and pressure to invest right on the spot

Sustainable Finance

A smart investor:

- Realizes that sustainable finance may be referred to in many different ways, such as environmental, social, and governance (ESG) investing, socially responsible investing, and impact investing
- Reviews an investment's disclosure documents to see how it weighs various ESG or sustainable finance factors
- Considers whether an investment's stated approach to sustainable finance matches the investor's investment goals, objectives, risk tolerance and preferences
- Understands that each sustainable finance investment opportunity is unique, and should be evaluated on its own terms

Investing Basics

A smart investor:

- Verifies that an investment professional is licensed
- Conducts research on a product before investing
- Understands that risk exists in all investments
- Recognizes the power of compound interest
- Recognizes the importance of diversification
- Assesses the impact of fees when choosing an investment
- Plans for and invests according to his/her future needs and goals
- Recognizes the benefit of long-term, regular and diversified investment
- Plans for life's unexpected challenges and investing in uncertain times

ICOs, digital assets, and investing online

A smart investor:

- Understands the risks that are associated with initial coin offerings and crypto-assets in general and is careful in deciding whether to invest in these products
- Does not forget about the importance of due diligence when considering investments in online and digital environments
- Recognizes the red flag warning signs of online investment fraud
- Never invests based solely on a celebrity endorsement
- Understands the methods in which legitimate firms receive money for investments