



YOUR RIGHTS AND RESPONSIBILITIES AS AN INVESTOR

“Knowing your basic rights and responsibilities is an essential part of being an informed investor.”

The investments you make today are steps towards your future financial goals. Whether you invest in shares, bonds, convertible notes, units or any other financial product, you make an investment hoping that your investments will grow and help you reach your financial goals. It is important to know that all investments carry risks and it is risk that provides the opportunity for money to grow.

Understanding your basic rights and responsibilities as an investor will help you to manage risk in the best possible way.

As an investor, you have the **Right** to:

1. **Responsible Advice**

If you approach an Investment Advisor for advice, you have the right to receive advice consistent with your financial situation, risk tolerance and investment objectives. Your Advisor also has the responsibility of providing you information about a range of products available for you to invest in. If your Advisor has a conflict of interest, such as a sales commission, or ownership of an investment that could affect his/her advice to you, you have a right to know of any possible conflict and decide whether you want to accept the advice or look for independent advice.

2. **Complete and Accurate Information**

Before you make any investment, you have the right to seek and obtain information about the investment, including disclosure of risks, benefits, information about the company, complaints process, associated costs and fees and all other material facts about the investment.

3. **Ownership**

Investors own a part of a company that has value. In other words, they have a claim on a portion of the assets owned by the company. Shareholders and unitholders own a part of the company that has value. On the other hand, bondholders and convertible noteholders lend money to the company; therefore do not own a part of the company. However, in the case of liquidation, they have a claim on the assets of the company before shareholders and unitholders do.

4. **Transfer of Ownership**

Investors are allowed to sell their shares, bonds and convertible notes on the stock exchange or redeem their units with their respective Unit Trust. Bondholders also have the option to sell their bonds with their respective Bond Registry or on the secondary market on the Stock Exchange.

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5. Dividend/Interest Entitlement

Investors have the right to claim any profits a company declares and pays out in the form of dividends on their shares or receive interest payments on their bonds and convertible notes.

6. Inspect Books and Records

Investors have the right to inspect books and records of a company's audited financial reports, annual report and minutes of annual general meetings.

7. Vote

This power includes electing directors and voting on major decisions that may affect the company, such as, liquidation or mergers. The right to vote usually applies to shareholders and unitholders only. Bondholders and convertible noteholders usually do not have voting rights, however, convertible noteholders may have voting rights once their notes are converted into shares.

While you may be happy to note that you have many rights as a stakeholder in a company that should not lead you to complacency because you also have certain responsibilities to carry out. *It is important to note that all investors may not have the same rights. Read your investment documents and agreements to determine your rights as an investor.*

As an investor, you have the **Responsibility** to:

1. Educate Yourself About Your Investments

Read thoroughly all prospectuses and/or other investment offering documents before making any investment decision. Carefully consider all investment risks, fees and other factors detailed in these documents.

2. Ask Questions

You should clarify any queries you may have with regards to an investment with your preferred unit trust, listed company and/or investment advisor to fully understand all material details of the investment.

3. Monitor Your Investments

Investors should keep track of the status of their investment by reading and understanding the statements they receive for their investment and requesting periodical statements of accounts showing the movements in the account. Know where your money is and how and when you can gain access to it if necessary and most importantly to keep updated with the performance of your investment.

4. Be Vigilant

Be aware of the performance of your investment and decisions/actions of people who are managing your investments. You can do this by keeping up to date with market announcements regarding your investment and keeping informed about any decisions/actions that affect your investment. Attend seminars provided by the unit trusts and stock exchange regarding investments and take every opportunity to ask questions or seek clarification.

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5. Participate and Vote in General Meetings

Participating and voting in annual general meetings is the one of the very few times you can voice your opinions and ask questions regarding your investment in an open forum with other investors. You are able to hear the opinions/concerns of other investors as well.

6. Exercise Your Rights

By exercising your rights and responsibilities as an investor, you are protecting your investment against poor management and wrong actions of the existing management and directors of the company.