



## PUBLIC ALERT

# Unlicensed Investment Scheme: QZ ASSET MANAGEMENT

The Securities and Exchange Commission (“SEC”) has become aware of an unlicensed, and possible fraudulent investment scheme being promoted as **QZ ASSET MANAGEMENT (“QZAM”)** and its associates/promoters, that are recruiting members of the public on behalf of **QZAM**. We understand that QZAM is being promoted via seminars, presentations and social media referral statements being made that may either be unsubstantiated and/or false and misleading. This includes claims that QZAM invests in stocks and stock indices such as the S&P 500 and the claim that QZAM is regulated in Asia and as such can solicit investments from members of the Zambian Public. It must be noted that QZAM is not regulated in Zambia by the Securities and Exchange Commission nor the other financial sector regulators and as such QZAM is not authorized to conduct or advertise capital market services/products in Zambia.

It is important for members of the public to note that, it is a requirement of the Securities Act, No. 41 of 2016 (“the Securities Act”) that any person engaging or holding out as engaging in the provisions of advice on investments in securities, including advice on subscribing for or purchasing, selling, exchanging or holding of securities to any person in Zambia must be **LICENSED**, unless otherwise properly exempted by Law. Presentations which promote and solicit for funds to be invested in an entity claiming to be trading in stocks, stock indices or other capital market related products qualifies as investment advice in the context of the Securities Act. QZAM promoters and /or representatives are **NOT** licensed or authorized by the SEC to provide investment advice or solicit funds from the Zambian investing public.

The SEC’s regulatory role of licensing or authorization of capital market intermediaries, including Dealers and Investment Advisers ensures the protection of investors through the SEC’s supervision of the marketing and/or dealings by the intermediaries. To this end, the SEC would like to warn the public to be cautious

before placing valued funds with anybody soliciting funds for investment in any schemes and/or other financial products and/or services. Please note that dealing with unauthorized or unlicensed entities or individuals, whether foreign or local, places your investment at great risk.

**The Investing public is advised to be diligent and wary of any investments that offer above average returns or offer guaranteed returns while claiming to invest in volatile assets. To this end, to reduce investment fraud and other related risks, investors are advised to do the following:**

- ✓ **Ask Questions.** Fraudsters are counting on you not asking questions. Do your own due diligence by conducting independent research on the investment scheme or products being offered to you. **Do not be in a hurry to invest.**
- ✓ **Verify that the intermediary, i.e., the Dealer (broker or fund manager) and/or Investment Adviser or the person selling you the product is licensed:** It does not matter whether you know the person socially. As an investor, it is important to deal with a SEC licensed Dealer or Investment Adviser. SEC licensees are required to follow supervisory rules and regulations that are put in place to safeguard the interests of investors by mitigating risk exposures to investments. **Do not shy away from demanding to see a requisite SEC or other regulator's licence.**
- ✓ **Conduct research on a product before you invest:** this enables you to assess the level of risk associated with the investment and the expected return thereby guiding you in selecting the most favourable investment. Unsolicited emails, messages and all manner of adverts should not be the sole basis for your investment decisions. Understand a company's business and its products or services before investing. If need be, consult a duly SEC licensed broker/Dealer and/or Investment Adviser. **Do not fail to ask the right questions.**

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