



# Keeping your investments safe

3 bodies that protect your investment at Databank

When it comes to investing, it is important to know and understand the governance structures that are in place to protect your investments. At Databank, we are proud to say we have one of the most rigorous and transparent governance structures in the industry. Here are three main bodies which perform different roles to ensure the safety of your funds:

## 1 SECURITIES AND EXCHANGE COMMISSION

The regulator for the investment industry is the Securities and Exchange Commission (SEC). The SEC governs all mutual funds in Ghana and ensures that the investment company complies with the funds' Scheme Particulars. The Scheme Particulars is a document that informs you of all you need to know about the fund, including its objectives, expenses, fees and the fund portfolio.

## 2 INDEPENDENT BOARD OF DIRECTORS

As part of the measures to protect your investments, particularly with mutual funds, a board of directors is crucial for good governance. The directors on the board provide oversight of the fund and represents the interest of you, the shareholder. Some of their key tasks include quarterly meetings with the fund manager to review fund performance and check whether the fund is being managed in line with its Scheme Particulars. The board also monitors cash flow in and out of the fund, the reason for such flows and the expenses incurred in the management of the fund. At Databank, each mutual fund has its own board of directors, with an average of five (5) independent members per board. The directors hold shares in the funds themselves and bring their wealth of expertise from diverse backgrounds to bear on the management of the fund.

## 3 CUSTODIAN BANKS

By law, money deposited with an investment bank, for example Databank, must be held with a custodian bank. No money actually goes to the fund manager directly. So, when the fund manager needs to make an investment, instructions are sent to the custodian to transfer the funds. The issuer of the investment is then required to provide evidence of the receipt to the custodian once the money has been transferred. For example, a certificate of deposit should show the name of the issuer, the tenure of investment and the interest rate.

That certificate will then remain with the custodian. So, the fund manager does not have the ability to divert funds into any other venture than what they have been mandated to do. Databank also works with custodian banks that hold the funds for each mutual fund: Stanbic Bank is the custodian bank for MFund, ArkFund and EdIFund while Standard Chartered Bank is custodian for Epack and BFund.

Don't be a silent investor - ask your investment company about their governance structures. At Databank, we encourage all investors to ask questions about who is handling their money, and how and where their money is being placed. Ask questions and wait for the answers. You can find out more about our governance structures from the Scheme Particulars and Annual Report of each mutual fund on our website ([www.databankgroup.com](http://www.databankgroup.com)). You can also call us on **0302 610610** for more information.

**Invest wisely. Invest with Databank.**



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