

# your Financial Independence matters

Issue No: DBNL 004

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## Why should I care about investing?

Did you know that by keeping your money in your wallet or purse instead of investing it, your money will not work for you? By investing your money, you generate more money by earning interest on what you put away.

Whether your goal is to see your children climb the academic ladder from primary school to university, or to retire at 40 in a beach house, investing is essential to getting you where you want to be. As an investor, you can choose from treasury bills, mutual funds such as Databank Epack, ArkFund, MFund, BFund and EdIFund, or even shares of companies listed on the Ghana Stock Exchange. The objective is the same: to grow your money for the future.

The question is: where and how should you invest your money?

### Have an investment objective

Before you start investing, you should have an investment objective. Ask yourself some key questions such as: what is your level of investment knowledge? How much of a risk taker are you with investing? Why do you desire to grow your money? Is it to build/buy a home? Is it towards a comfortable life after retirement? Is it towards your marriage with your amazing soul mate? Is it towards funding higher education or seeing your children through school? Is it so that you can make a social impact? Ask yourself "the what, why and how questions." These will help you to choose the particular type of investment

that will help your money grow to meet your plans.

### Know the investment product for you

Databank provides an array of investment options you can choose from based on your investment goals. If you are planning towards a short-term goal such as buying household appliances or starting a business, then Databank MFund is the best investment option for you. MFund offers you better returns than a savings account, easy access to your funds and preservation of your capital. There is no reason why your money should not grow for you over a short term. For long-term plans such as building your dream home or buying a brand new car, Databank Epack is an option that will work for you. The

Fund gives significant returns on your investment through its exposure to top-performing stock markets across Africa. If you are aiming at a happy retirement, then Databank BFund can help you achieve that. Planning towards a comfortable life after retirement is more than necessary and you should start today no matter your current age. With BFund, you get the stability and security of a money market investment in addition to potential higher returns that come with equity investments. Many of us have realised the steady rising cost of education in Ghana. This is a great concern and that is why Databank offers you EdIFund to help finance educational needs. If you have plans of growing your money in order to fund your child's educational needs,

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## TIPS ON BUILDING WEALTH THROUGH INVESTING

1

### Don't invest based on hear-say

We all receive advice from people around us, but whether an investment referral comes from your sibling, your cousin, your neighbour or even your broker, you shouldn't accept it as law. As an investor, it is very important for you to know the reasons behind that referral. Conduct your own in-depth research of any investment company by reading and asking questions, especially from the Securities and Exchange Commission (SEC), before you even consider investing your hard-earned money. Be an informed investor.

2

### Resolve to learn something

If you're one of those who say "I have no idea how investments work," then it's time to educate yourself. It's simple. Just choose a couple of things you know you don't understand and make it a goal to learn something about them. For instance, you might want to look up the difference between fixed-income securities and equity funds. This will help you better understand the risks and returns associated with each investment.

3

### Spend less than you earn

If you want to build wealth, one important thing you need to do is to spend less than what you earn. This sound obvious, but many people don't live by this while handling their finances. The wider the gap between earning and spending, the greater your potential for financial success. The only thing between your wealth and you is the willingness to act on this enduring wisdom. Wise spending is part of wise investing and it's never late to start.



## Importance of investing at a young age

Many young Ghanaians have big dreams of being wealthy someday, driving the flashiest of cars, living in biggest of mansions, owning the most successful businesses and wearing the finest of clothes. Unfortunately wealth doesn't show up as we get older, neither does it appear in the twinkle of an eye. Wealth is accumulated and grows over time. At this point, you may be wondering... what exactly can I do to accumulate and grow my wealth? The answer is simple: Invest wisely.

Investing your money is essential because it aids in generating more money. As opposed to just saving your money in traditional savings accounts, investing your money involves choosing to use that money to buy equities (shares) or fixed-income investments (treasury bills/bonds) in order to earn returns on your money. Investing at young age is one major lesson taught all over the world. It is a major contributor to accumulating wealth. Compounding interest is your friend and it can be very powerful over time. For example, if you started investing GHC 25 in Databank BFund every month at the age of 18 (GHC 300 per year) until retirement at the age of 65, you would be a millionaire with an investment account worth GHC 1,320,079 (using an average annual return of 15%). As a young person, you may not make much money, but small amounts go a long way to accumulate wealth. That birthday gift in cash or the monthly pocket money you've been spending can be invested in bits to give you that future you've always imagined. As the saying goes, little drops of water make a mighty ocean.

**Invest wisely, Invest with Databank today!**



Money can buy a House.....	But not a Home
Money can buy a Bed.....	But not Sleep
Money can buy a Clock.....	But not Time
Money can buy you a Book.....	But not Knowledge
Money can buy you Medicine.....	But not Health

So you see money isn't everything. And it often causes pain and suffering. I tell you all this because I am your Friend, and as your Friend I want to take away your pain and suffering. So send me all your money.



# Why should I care about investing?

then EdlFund with its two-tier structure is the best investment option for you. Databank cares about your life values and if your goals are to grow your money while making a difference in society then Databank will help you achieve just that. ArkFund is a balanced fund that allows you to align your investment choices with your life values.

## Research on the investment market

When it comes to investing, historical trends matter, but past performances of the stock market is not a guarantee of future performances. The stock markets have their cycles. Markets go up and down. There are recessions and depressions. This is why investing should be considered for the long term. Investing over the long term allows you to grow your portfolio, weather the storms and make gains. As an investor, it is important to make informed investment decisions. You need to research an investment firm before investing your money with them. It is important for you to understand the type of investment you are signing on to, the regulations or limitations around it, the risks involved as well as any associated fees among others.

Don't forget that through investing, you can build real wealth over a long period. So if you have plans to invest your money, start now while you still have time on your side!



## Young Leaders Mentorship Program Twenty Sixteen

Databank Foundation's Young Leaders Mentorship Program (YLMP) welcomed 45 new Senior High School (SHS) students and 26 junior mentors to the 2016/2017 cohort. This took place on Saturday, November 5, 2016 at the Databank head office in Adabraka.

YLMP seeks to build an understudy system where people who have gained lessons and experience in specific fields, share their acquired knowledge with others. The occasion was graced by Google Ghana's Country Manager, Estelle Akofio-Sowah. As the guest speaker, she spoke on the theme "Leveraging opportunities to transform your future."

All YLMP participants from the 2015/2016 cohort as well as committed mentees were awarded. Over the course of last year's mentoring program, some participants engaged themselves in leadership roles in their various schools. Lucy Brown, Girls' prefect for Kinbu Senior High; Abdul Nyandu, Boys' Prefect for Holy Trinity Senior High School and Priscilla Akofa Agbenu, Assistant Girls' prefect for Accra High School were great examples to the new cohort. Databank Foundation could not be more proud of their achievements and recognized their efforts in a very special way. The event created the opportunity for outgoing and incoming YLMP mentors to interact through a mentorship training session facilitated by Rev. Daniel Ogbarmey Tetteh.

The Foundation's initiative to inculcate the skill of leadership in young Ghanaians continues to bring out Databank's values of leadership, excellence, humility and integrity. Indeed, leadership is the capacity to translate our vision into reality.



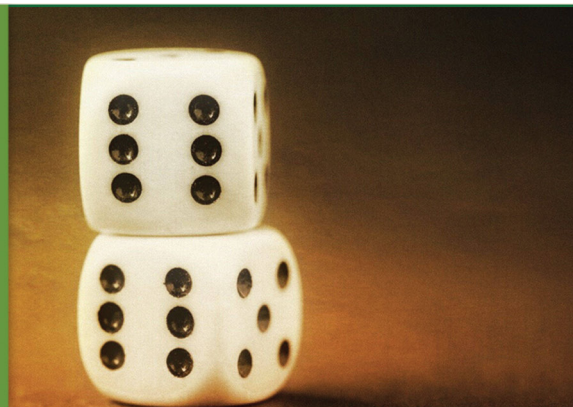
Participants: Young Leaders Mentorship Program 2016



## Interest rate watch

Ghana's medium to long-term growth prospects are promising. In the IMF's projection, inflation is expected to drop to 10% in 2017 and 6% in 2021. These developments are anticipated to reduce the pressure on returns expected from an investment. We say, now is a good time to invest in bonds over the long term to secure current high interest rates.

# Great returns don't happen by chance



If someone told you that a one-time investment of GHC 100 made in October 1996 would grow to over GHC 28,000 today, would you have believed? Very few would. But that is the Epack story (see graph below). Over the last 20 years, Epack has helped many Ghanaians realize their dreams of owning a home, starting a business and paying for their child's university education – just to name a few.

## Growth of GHC 100 (From inception to February 28, 2017)



We'd also love to help you achieve your financial goals. Call us today to find out how you can start investing with Epack. Be a part of the Epack story over the next 20 years.

## Enjoy the Epack difference:



Research-based  
investment  
decisions



Demonstrated  
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performance



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### Partner locations (GTBank branches)

Accra (Airport: 0577 702012 . East Legon: 0577 702013  
Lapaz: 0577 739461 . Madina: 0577 739462 . Osu: 0577 702014)  
Ashaiman: 0577 702015 . Cape Coast: 0577 702016  
Tamale: 0577 702017 . Tarkwa: 0577 702010

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Leadership