



## TO FINANCIAL INDEPENDENCE

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## CREATE AN EMERGENCY FUND

*"Having an emergency fund is a key component in attaining victory over your finances"- Anon*

A common piece of advice most investors get from financial experts and advisors is that, regardless of age or income, having an emergency fund in place to fall back on when financial emergencies occur is imperative. Many people associate investing with long-term planning, and often disregard the importance of short-term investing. The reality is, emergencies that require our financial attention could occur at any point in our lives, so being prepared for these moments is just as important as planning towards our long-term financial needs.

The first step in determining how much you should tuck away in preparation for emergencies is to calculate your average monthly expenses. Ideally, you should have the equivalent of three to six months' worth of your salary tucked away in an emergency account to cater for such occurrences. This number, however, should be unique to the investor.

It also helps to develop a list of things that you would constitute as emergencies to help you determine when it's necessary to spend. As such, combining your other investments with money that has been set aside for your emergency fund is therefore not recommended. The temptation to dip into your emergency account to indulge in little pleasures that could set you back can be tough to manage. Instead, take a balanced approach. Set aside money for discretionary spending, so you can reward yourself along the way and keep what needs to be invested tucked away and out of immediate reach.

At Databank, we are committed to growing your money and helping you achieve financial independence. A key to measuring financial independence is the ability to cover short-term emergencies with cash, rather than taking on debt from loans and borrowing. Databank Money Market Fund (MFund) is the ideal solution for creating an emergency fund, as it is designed to preserve your capital while offering better returns than a savings account. MFund also gives you easy access to your money as well as the peace of mind that comes with knowing that you're covered in the event of a financial emergency. Start building your emergency fund today.

**Invest wisely. Invest in MFund.**