



|| **DATABANK EDUCATIONAL INVESTMENT FUND**

Investing in your child's education



As a parent, you want to know that your child's education will be taken care of – both now and in the future. However, with the cost of quality education increasing at a higher rate than most people's income, it gets a little harder each year to pay the bills and still have enough money to set aside for your child's future education. So how do you give your child the quality education you desire for them, without being stressed on a daily basis? Databank Educational Investment Fund offers you the solution.

WHAT IS DATABANK EDUCATIONAL INVESTMENT FUND

Databank Educational Investment Fund (EdIFund) is a mutual fund created to help you invest towards financing their educational needs – both current and long-term. EdIFund's innovative two-tier structure offers you the complete package when saving for education: A short-term investment component (Tier 1) for current and recurring educational needs, a long-term investment component (Tier 2) for future educational needs, and a built-in Life and Total Permanent Disability insurance cover to protect your investment in the event of tragedy.

HOW THE FUND WORKS

EdIFund has three key components that make it a first in the Ghanaian mutual fund industry:

- Tier 1 is designed to help you meet your current and recurring educational needs, while aiming to give you a better return than if you left your money in a savings account or invested in a 91-day Treasury bill. Funds in Tier 1 are invested primarily in fixed-income securities with the option to invest not more than 30% in equities. This investment strategy helps to minimize the fluctuation of returns within this Tier. There is a recommended minimum holding period of three months for investments made into Tier 1.
- Tier 2 is ideal when saving for your child's future educational needs. With a longer-term outlook, the Fund manager is seeking a higher return on funds invested within this Tier. As such, up to 60% of funds within Tier 2 may be invested in equity investments, which have historically outperformed fixed-income investments. Equity investments are simply investments in companies that are listed on the Ghana Stock Exchange or other stock exchanges in countries across Africa. To ensure that your money benefits from the Fund Manager's stock selection, Tier 2 has a recommended minimum holding period of 5 years.
- An embedded life and total permanent disability insurance cover is also included in Tier 2. This insurance cover will match your funds in Tier 2 up to GHC 20,000. This blend of a two-tiered strategy combined with the insurance cover makes Databank Educational Investment Fund a first in the mutual fund industry.



|| BENEFITS OF THE FUND

EdIFund offers you what we like to call the three “P’s” of a great mutual fund:

1. PEACE OF MIND

At Databank, we understand how stressful it can be worrying about how to balance your daily budgets and still invest in a manner that ensures your child will receive the quality education you desire for him or her. With EdIFund, you can go beyond just hoping for a quality education for your child, and actually take concrete steps toward achieving that goal. EdIFund offers you both stability and the potential for growth in the same investment. Stability will come from maintaining a well-diversified portfolio of fixed-income securities within the Fund, while the growth potential will come from identifying and investing in companies with quality management teams, competitive positions, regular profits and good cash flow positions.

2. PROTECTION

Databank has partnered with Ghana’s leading and most trusted insurance provider, Enterprise Life Assurance Company, to offer EdIFund’s Tier 2 investors an embedded life and total permanent disability insurance cover. This ensures that in the event of your death or total permanent disability, your balance (including deposits and returns) in the Tier 2 portion of the account is not only covered, but matched up to a maximum of GHC 20,000. The policy ensures there is no shortfall in the planned savings amount when death arises or a disability occurs. Your child can still realize his or her dream of a better education. Additionally, you don’t need to worry about intrusive medical questions or checkups to qualify for the insurance. As long as your monthly premiums are paid, and the account balance is GHC 100 or more, your insurance cover is guaranteed. In the event of a claim, Databank will also handle the claims process with the insurance company. Your next of kin only needs to provide us with the required documentation, and we’ll take care of the rest.

3. PROVEN FUND MANAGEMENT EXPERIENCE

Databank has been successfully managing people’s investments and creating wealth for Ghanaians, both on a local and international scale, for the last two decades. We manage your investments as though it were our own money. In fact, all our fund managers are personally invested in the funds they manage. The team has one goal: Build and protect your wealth patiently and responsibly over time to achieve a long-term investment performance that is among the best of our competitor peer groups. Our Fund Managers use a team approach to manage all Databank mutual funds, including Databank Educational Investment Fund. This helps ensure information and ideas are shared, discussed and debated. They use their knowledge and experience, as well as creativity, imagination and entrepreneurial spirit to identify unique investment ideas they believe will provide you – the investor – with attractive returns over time. At Databank, managing your money is our first priority, and your investment in EdIFund will be no different.

WHY INVESTING REGULARLY MATTERS

The table below shows the cost of a four-year undergraduate degree (excluding accommodation, food and transportation) at a range of universities – both local and international. It also indicates the amount you would need to save on a monthly basis to meet your target. For example, if you want to set aside money for your child's future university education (e.g., a four-year Business degree at University of Ghana), you would need to invest GHC 75 per month if you had a 15-year time frame, or GHC 113 if you had a 10-year investment timeframe. The key message: start as early as you can, and be consistent!

TABLE: MONTHLY INVESTMENT REQUIRED FOR FOUR-YEAR UNDERGRADUATE DEGREE

MONTHLY INVESTMENT AMOUNT					
NUMBER OF YEARS BEFORE UNIVERSITY	UNIVERSITY OF GHANA	CENTRAL UNIVERSITY	ASHESI UNIVERSITY	UNIVERSITY OF TORONTO (CANADA)	LONDON SCHOOL OF ECONOMICS (U.K.)
Tuition per year	3,414.00	4,160.00	21,528.00	50,925.00	98,350.00
Tuition for 4 years	13,656.00	16,640.00	86,112.00	203,700.00	393,400.00
20	56.90	69.33	358.80	848.75	1,639.17
19	59.89	72.98	377.68	893.42	1,725.44
18	63.22	77.04	398.67	943.06	1,821.30
17	66.94	81.57	422.12	998.53	1,928.43
16	71.13	86.67	448.50	1,060.94	2,048.96
15	75.87	92.44	478.40	1,131.67	2,185.56
14	81.29	99.05	512.57	1,212.50	2,341.67
13	87.54	106.67	552.00	1,305.77	2,521.79
12	94.83	115.56	598.00	1,414.58	2,731.94
11	103.45	126.06	652.36	1,543.18	2,980.30
10	113.80	138.67	717.60	1,697.50	3,278.33
9	126.44	154.07	797.33	1,886.11	3,642.59
8	142.25	173.33	897.00	2,121.88	4,097.92
7	162.57	198.10	1,025.14	2,425.00	4,683.33
6	189.67	231.11	1,196.00	2,829.17	5,463.89
5	227.60	277.33	1,435.20	3,395.00	6,556.67
4	284.50	346.67	1,794.00	4,243.75	8,195.83
3	379.33	462.22	2,392.00	5,658.33	10,927.78
2	569.00	693.33	3,588.00	8,487.50	16,391.67
1	1,138.00	1,386.67	7,176.00	16,975.00	32,783.33

This example is for illustrative purposes only. The cost of education presented above is based on the information provided on the websites of the above institutions as at July 2014. As indicated on their websites, their fees are subject to change, so please contact the educational institution directly about their current fees.

TOP 10 QUESTIONS & ANSWERS ON EDIFUND

1. What is Databank Educational Investment Fund?

Databank Educational Investment Fund (EdiFund) is a mutual fund created to help parents and guardians invest for their child's short- and long-term educational needs. The Fund is also ideal for individuals seeking to further their education.

2. Why should I invest in EdiFund?

- **Peace of mind** – With EdiFund, you can go beyond just hoping for a quality education for you or your child, and enjoy the peace of mind that comes from knowing you're actually taking concrete steps toward achieving that goal
- **Protection** – in the event of death or total permanent disability, your balance (including deposits and returns) in the Tier 2 portion of the account is not only covered, but matched up to a maximum of GHC 20,000.
- **Proven fund management experience** – EdiFund is backed by Databank's 20-year track record of successfully managing people's money through mutual funds, equity and fixed-income investments.

3. What's the minimum investment amount in EdiFund?

The minimum initial investment into EdiFund is GHC 200. If you opt to do a regular investment plan, the minimum monthly contribution is GHC 20.

4. How do I qualify for the insurance cover?

Once you have GHC 100 or more in Tier 2 of EdiFund, you will automatically qualify for the insurance cover. There is no medical exam or questionnaire that's required.

5. How much of my investment is covered in the event of death or total permanent disability?

The insurance policy will cover your investments in Tier 2 (only) that are GHC 100 or more, and will match the amount up to GHC 20,000 in case of your death or total permanent disability. For example, if your Tier 2 balance is GHC 2,000 at the time of your death or disability, you will receive an additional GHC 2,000. Likewise, if your Tier 2 balance is GHC 20,000 or more, Databank will pay you an additional GHC 20,000.

6. How old do I need to be to invest in EdiFund?

Investors must be 18 years or older. Anyone below that age will require a parent or guardian to open the account in trust for him or her.

7. Can I access the funds in my investment anytime I need money?

Yes. While you can access your funds at any time, it is recommended that each contribution remains in Tier 1 for at least 3 months and at least five years in Tier 2 before withdrawing. This is to ensure you can realize potential gains from your money remaining invested.

8. Can the money withdrawn be paid directly to the institution? (e.g., foreign universities)

Databank can't transfer funds directly to your designated institution. However, you can instruct us to issue a cheque in the name of the institution during the redemption process. Payments outside Ghana can't be undertaken by Databank as our licence doesn't allow for this feature.

9. What is the process for making a claim?

You or your next of kin must notify Databank of the event triggering the claim (i.e., death or disability). Databank will provide the requestor with the claims form to complete and a list of required documentation.

All paperwork must be submitted to Databank, who will in turn forward it to Enterprise for processing. If all paperwork is in order, you or your next of kin will receive the claim payment within 5 business days.

10. How much does the insurance policy cost?

The monthly cost of the insurance is 0.081% of the value in your Tier 2 investment. For example, if your Tier 2 balance is GHC 1,000, we would deduct 81 pesewas from your Tier 2 EdiFund investment to cover the cost of your insurance. The cost of insurance will change based on the value of your account each month.



GETTING STARTED IS AS EASY AS 1-2-3

Quality education doesn't have to be limited to those who are considered wealthy. We believe that by

- (1) knowing how much you need to invest;
- (2) investing regularly toward that goal, and
- (3) making EdIfund the fund of choice, you can enjoy the peace of mind that comes from knowing your child's education is being catered for.

Sign up for Databank Educational Investment Fund today.
Call or visit one of our branches to get started.

FOR MORE INFORMATION, CONTACT DATABANK AT THE FOLLOWING ADDRESSES:

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Databank Educational Investment Fund (EdiFund) seeks to help people invest toward their educational needs by investing in fixed-income securities and equities in Ghana and across Africa using a two-tier structure. Tier 1 is for investors with short-term educational needs and has a recommended minimum holding period of 3 months. Tier 2, which has a recommended minimum holding period of 5 years, is designed for investors with longer-term educational needs, and offers an embedded life and total permanent disability insurance cover that will match funds held in Tier 2 to a maximum of GHC 20,000. The Fund agrees to adhere to the claims procedures set out in the insurance policy and will make claims due on behalf of clients. The Fund charges a front-load fee of 0.75% for Tier 1, and an exit load (fee) ranging from 1% to 5% for Tier 2. Clients receive proceeds of their disinvestment after 1 working day for Tier 1, and 5 working days for Tier 2. Please note that the exit load is calculated using the date of each deposit and not the date of your original investment into Tier 2. The value of Databank Educational Investment Fund may rise and fall. Past performance does not guarantee future returns. Please read the prospectus or scheme particulars before investing.

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