



12

12 questions to ask before investing

Who is on the board of directors?

“Governance and leadership are the yin and the yang of successful organisations.”
– Mark Goyder

As an investor, you may think that knowing who is on the Board of Directors of a company is not relevant information. To many, investing is about the ability of the company to generate attractive returns on the investment and a Board of Directors is not directly involved in this. This couldn't be further from the truth. In protecting your investments, a Board of Directors is key for good governance.

The nature and the role of a Board of Directors

A Board of Directors refers to a **group of elected persons who represent the interest of shareholders**. If you invest in a mutual fund, you can consider yourself a shareholder in that company. Therefore, the Board of Directors is there to protect your interest and your investment.

In Ghana, every public company is legally required to name a Board of Directors. This Board **meets regularly (monthly or quarterly) to review the work of the company**. The Board is also expected to have a mix of internal and external members to the company. However, it is generally agreed that to ensure the independence of the board, there should be a majority of external/non-executive members (directors who are not employed by the company).

In an investment company, such as Databank, **the role of the Board of Directors** is, generally, to:

- Ensure the Fund Manager sticks to investment guidelines
- Review Fund performance and check whether it is being managed in line with Scheme Particulars
- Monitor cash flow in and out of the fund
- Assess how the fund is being marketed to the public
- Ensure decisions taken will not adversely impact the assets of the funds, among others

Independent Board of Directors

If you needed to choose someone to represent you at a company meeting, would you choose an employee of the company or an external person like yourself to speak for you? Chances are that you would select a non-employee since the employee may consider the interest of the company first before thinking of how it affects you. This is why an independent Board (with majority non-executive members) is crucial for good governance.

If they perform their role well, a Board of Directors can **help the Fund Manager to avoid making bad investment decisions**, which will affect your money. They also act as a **check for the company to ensure that customers' funds are not misappropriated**. Being the representatives of the shareholder, the Board helps the company understand the needs of the customer and how they can meet those needs within their parameters.

Who represents you on the Boards at Databank

Databank's mutual funds are governed by two sets of boards: the Board for Databank Asset Management Services Limited (DAMSEL), which is the fund manager, looks at the performance of the group of Databank mutual funds; the designated boards for each mutual fund focus on a specific mutual fund. The average membership on the Boards is five (5) members, including the chairman. Apart from the CEO, all the other members on the Board are non-executive members (i.e., are not employed by Databank). The full profiles of the members of the mutual funds boards is available on the Databank website at www.databankgroup.com. However, the members of each mutual fund board are listed below for easy reference.

ArkFund	BFund	EdIFund	Epack	MFund
<ul style="list-style-type: none"> Joyce Aryee (Chairman) Kojo Addae-Mensah* Adelaide Kastner Kwadwo Asante-Abedi Naomi Adjepong 	<ul style="list-style-type: none"> Kojo Addae-Mensah* (Chairman) Stephen Adei Adelaide Ahwireng Elizabeth Zormelo Kwadwo Asante-Abedi 	<ul style="list-style-type: none"> Israel Titi-Ofei (Chairman) Hazel Berrard-Amuah Robert Hinson Rosalyn Darkwa 	<ul style="list-style-type: none"> Keli Gadzekpo (Chairman) Kojo Addae-Mensah* Adelaide Ahwireng Estelle Akofio-Sowah George Otoo Charles Amoako 	<ul style="list-style-type: none"> Benjamin Gogo (Chairman) Kojo Addae-Mensah* Stephen Adei Daniel Seddoh Preba Greenstreet

*CEO and Executive member

How you can get to know your Directors

You can find out who the directors are on your investment company's board(s) by checking the company website or by asking for it. What should you be on the lookout for? Check if the majority of the members on the Board are employed by the company and whether they have members of diverse backgrounds. Potential red flags to look out for are cases where the Board primarily consists of top executives employed by the company, family members of the founder or no clear information on the Board at all.

At Databank, corporate governance is key and since boards are an integral part of this, we will continue to strive towards independent boards that accurately represent the shareholder. Please contact us on 0302 610610 or send us an email at info@databankgroup.com if you have any questions.

Invest wisely. Invest with Databank.

