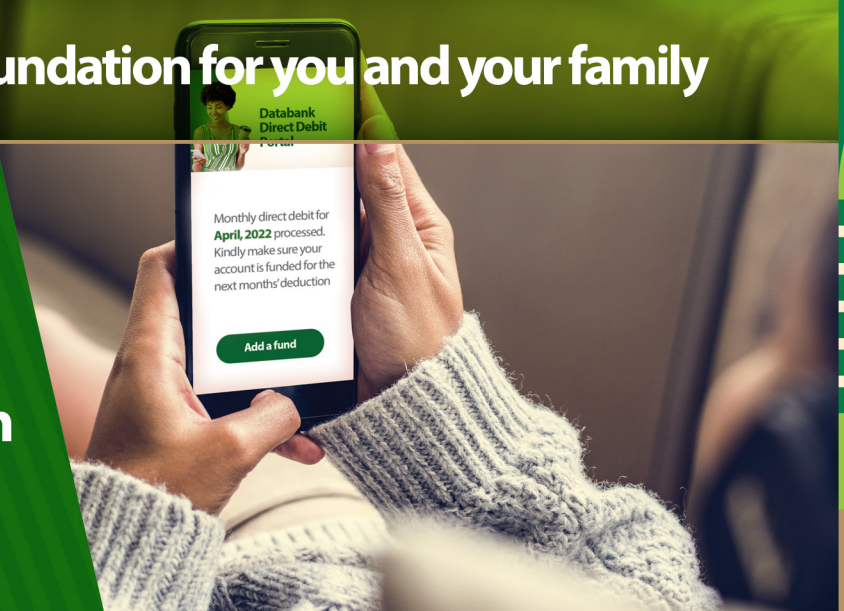


Make investing a habit by setting up a regular investment plan



Why are we often advised to choose short but regular exercise sessions over longer stretches once in a while? According to fitness coaches, leaving long periods between exercising sessions makes the body go out of shape and one would have to work harder to get it back into shape. This means ten minutes of brisk walking every day would be more effective than one hour of rigorous workout once a month.

The importance of regular investing

Just as regular exercise, investing regularly is very important and often more beneficial than occasional lump-sum investing. Here are some of the benefits of regular investing:

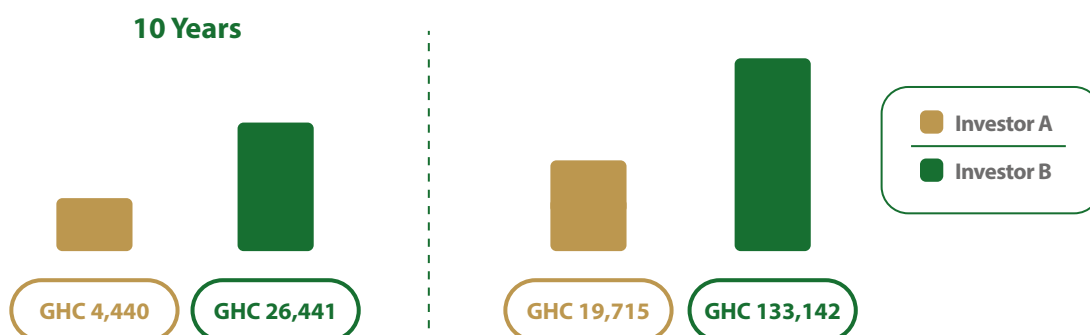
- It helps you stay consistent and develop the discipline of investing.
- You can invest any amount, no matter how small it is.
- You do not have to postpone investing because you do not have a lump sum or a huge amount.
- It prevents you from adopting negative investor tendencies such as timing the market or following the crowd.
- It helps you to reach your investment goal faster as you tend to invest more over time.

How are returns impacted?

Regular investing focuses on making investing a part of your life irrespective of how much you earn. Instead of waiting for a huge gift or bonus, decide to invest a part of your income every month. Let's compare how returns are impacted for a monthly investment of GHC 100 and a GHC 1000 lump sum deposit.

GROWTH OF INVESTMENT

Investor A: Invested GHC 1,000 as a lump sum once **vs**
Investor B: Invests GHC 100 every month



For illustrative purposes only. Investment returns are not guaranteed. Calculation assumed an average annual return of 15%. Results are from the [Databank Investment Calculator](#).

Per this illustration, you're better off doing a monthly contribution if your goal is, for example, to buy land worth GHC 50,000. It would take you about 15 years with monthly deposits of GHC 100 while the lump sum would take more than 20 years to reach the target.

How to make investing a regular part of your life

- 1 **Decide how much you want to invest each month** (*Rule of thumb is at least 10% of your monthly income*).
- 2 If possible, **automate the investment** (*At Databank, we have a Direct Debit system, which moves your money directly from your bank to your investment account on a regular basis*).
- 3 Alternatively, **set reminders** to ensure you do not forget to invest.
- 4 If you have an automatic deduction system, **ensure the account is always funded**.

A note on Databank Direct Debit

You can choose to have your investment deducted directly from your bank either monthly or quarterly with the Databank Direct Debit service. To sign up, please go to bit.ly/mydirectdebit. You can also automate deductions from your Mobile Money wallet on your phone on *6100# (MTN/Vodafone). Be intentional about achieving your investment goals. Set up a regular investment plan today. Contact Databank on **0302 610610** or via email at info@databankgroup.com.

Invest wisely. Invest with Databank.