

InvestCorp Asset Management Limited

Helping you to invest in periods of uncertainty



Mr. Henry Sunkwa-Mills, Managing Director

The novel Coronavirus (COVID-19), has had drastic effects on economies across the world and by default the livelihoods of people across the globe. To date, over 23 million cases have been confirmed of which close to 3% have been fatal.

Market volatility and general uncertainty led to some investors taking a more conservative approach to investing while others began to pull back on investments.

In March, the International Monetary Fund (IMF) announced that investors had redeemed/repatriated approximately USD 83 billion from developing countries since the beginning of the COVID-19 crisis, the largest capital outflow ever recorded, making it clear that we need to increase investment activity in our capital markets with local assets.

In Ghana, the economic shock of the COVID-19 pandemic was felt in several sectors including manufacturing and trade, and can be attributed to containment measures including global lockdowns, supply chain disruptions and weakened demand for commodities such as cocoa and crude oil.

The knock-on effects on livelihoods including loss of jobs, reductions in income, increased emergency liquidity needs amongst others have shone a light on the power of and need for individuals to invest on a regular basis. Our firm is positioned to meet this need, having exhibited our strength as an institution throughout this pandemic.

“We are a firm that

- *innovates,*
- *invests heavily in human capital and*
- *constantly enhances its IT infrastructure*

to enable us deliver our vision to be Africa’s premier investment banking and asset management firm of international repute.”

Henry Sunkwa-Mills

A firm with strong values

InvestCorp Asset Management Limited (InvestCorp) is an indigenous Ghanaian firm licensed by the Securities and Exchange Commission (SEC) and the National Pensions Regulatory Authority (NPRA) to provide asset management services. We are the fund manager of choice for institutions and retail investors seeking a personalized approach to investing.

Our business is to invest funds on behalf of our clients to enable them achieve defined objectives. Objectives that may include planning for retirement, weddings, and education, starting a business and paying for a home, medical bills among others. Majority of these needs (which we refer to as life events) will still exist even in periods of economic uncertainty. We apply our expertise to ensure that our clients’ money is invested in the right securities and with credible issuers,

ensuring safety and appropriate investment returns.

Our core values of innovation, integrity, and leadership, position us as one of the dependable organizations to spearhead the restoration of investor confidence in these times. On a daily basis, we execute investment decisions with unparalleled technical knowledge and modern relationship management to make sure that our clients make the best possible return on their investments. This practice has allowed us to protect our clients’ funds and grow as a firm in a challenging investment environment.

InvestCorp believes in empowering individuals and organizations to make the right investment decisions to match their evolving life and business objectives. Since the beginning of the financial sector crisis, we have embarked on campaigns to educate individuals and institutions, including pension funds, on how to make investment decisions with the safety of their money as a fundamental assessment criteria.

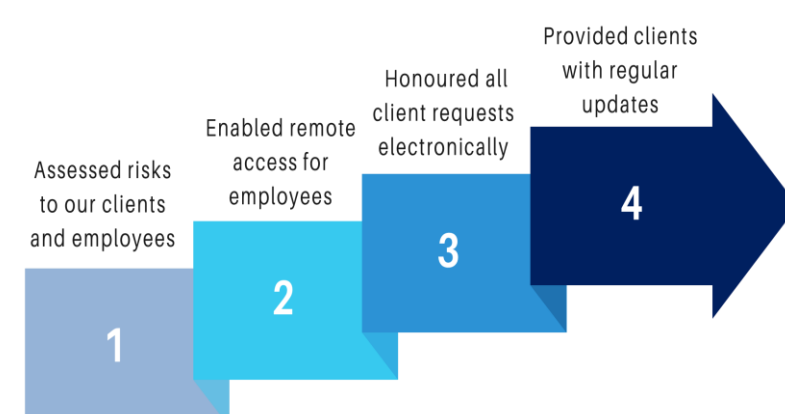
Finally, because of the goodwill we have garnered over the years, we have been able to significantly grow our Assets under Management (AUM) and are currently ranked among the Top 10 asset management firms in Ghana – a feat we do not take lightly and intend to improve upon in the years ahead, in line with our vision to be a leading investment and asset management firm in Africa and beyond.

Navigating the pandemic

Even before the advent of the novel coronavirus pandemic, our business model focused on providing easy and convenient ways for our clients to reach us and manage their investments without having to visit our offices. Hence, we invested heavily in state of the art and solid IT infrastructure which was one of the critical and worthwhile decisions we have made as a firm.

At InvestCorp, we see the combination of research and analytics as very essential in delivering unique value for our clients. Thus, we were already ahead of the curve in determining the impact of the COVID-19 pandemic and put in place measures to mitigate not only its negative effect on our operations but more importantly on our clients’ lives.

Prior to the announcement of the lockdown by His Excellency, the President of Ghana, we begun operating a skeletal staff policy, with emphasis on our primary operations to enable us pay redemptions and also manage investments on behalf of our clients. Upon the announcement, we implemented our Business Continuity Process (BCP) and as a result, started working remotely from our various homes.



Our seamless process provided convenience to our clients - from when they initiated their redemption requests to when they received the funds. Requests were received and honoured electronically, with redemptions processed swiftly and paid out within 48 hours to 5 business days depending on the fund/product invested in. All payments during this time were done via bank and mobile money transfers at subsidized rates.

Surviving the pandemic

Like every client focused business, which is built on deep and personal relationships, we experienced some degree of cooling in our rate of growth. Acquisition of clients for us is largely done through direct marketing especially in the wake of an in-depth financial sector cleanup. Additionally, the lockdown meant that we were unable to meet with potential clients in person. Thus, a switch from direct to online marketing and telesales was warranted although initially difficult for both parties to adjust to. Finally, disruptions to

business and economic activity led to a reduction in funds available for investments in the case of both individuals and organizations due to increased expenditures and reduction in compensation.

On a positive note however, as restrictions were lifted and both individuals and businesses adjusted to the new normal, we experienced an increase in investments from existing clients and investment enquiries from the general public. The need to have contingency funds that we can fall on in the event of another global pandemic has become crystal clear. This was a difficult lesson for many, if not all of us.

Overall, we experienced a combination of negative and positive effects, however, as an innovative firm, we believe we have been able to put in place measures to not only improve our operations but also help secure our clients’ livelihoods today and in the future.

Moving ahead – Starting your Emergency Fund

Building an investment culture is very important especially during times of uncertainty. In Ghana, investor confidence has been greatly affected by the cleanup in the financial sector. The COVID-19 pandemic piled on additional anxiety for many. As we recover from this pandemic as a nation, it is important to create awareness on resilience during volatile times and the preparations needed to create this resilience. This is the responsibility of both the policy makers and those of us entrusted with fiduciary responsibilities.

Being in tune with our clients’ needs, we have consistently put in place structures to ensure the safety of their funds. Nonetheless, investing during a crisis can be daunting for many. It does not have to be the case.

As an investor you need to assess your personal goals/objectives/needs during and after the period of uncertainty. Only when this step is complete can you then align them with your investment decisions. Without professional financial planning experience it may be difficult for you to make the right investments. Today’s investor is inundated with information on the market which can be difficult to sift through or complex to understand – thus the need for a professional investment manager.

At InvestCorp, we provide the clarity you require to make the right investment decisions and build your wealth. Every day, our clients benefit from our timely market insights, risk management prowess and proprietary techniques through our daily market update, allowing them to take charge of their investment journeys through the various products we offer, including mutual funds.

Investing in mutual funds is often less risky and thus very appropriate during periods of uncertainty. Mutual funds provide exposure to specific baskets of securities, rather than a single investment. For example, mutual funds allow you to invest in several sectors and issuers, thus avoiding concentration of your risk in any singular company or sector. If an investment in the fund performs poorly, the strong performance of others can offset the losses of the underperformer.

In view of this, we have created funds that highlight safety to match the season we find ourselves in. For example, the InvestCorp Treasury Securities Fund is targeted at investors who are risk averse. This Fund invests solely in Treasury and Treasury-backed securities and capitalizes on diversification across the yield curve and active management to increase returns to investors. Additionally, it is designed to provide liquidity when required by investors – a perfect risk management solution.

The impact of COVID-19 will likely affect investment patterns for a long while globally. However, it is important to embrace the lessons learned and take advantage of the opportunity to build our wealth on both an individual and national level.

We invite you to join us on this investment journey, glean lessons from the experience of COVID-19 and the financial sector cleanup.