The SEC Guide to Saving and Investing

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

Securities and Exchange Commission Zambia | www.seczambia.org.zm

Do Not Wait to Get Started.
YOU CAN DO IT!

IT IS EASIER THAN YOU THINK.

No one is born knowing how to save or to invest. Every successful investor starts with the basics—the information in this brochure. A few people may stumble into financial security—a wealthy relative may die, or a business may take off. But for most people, the only way to attain financial security is to save and invest over a long period of time. Time after time, people of even modest means who begin the journey reach financial security and all that it promises: buying a home, educational opportunities for their children, and a comfortable retirement. If they can do it, so can you!

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Preamble

The Securities and Exchange Commission is the regulator of capital markets in Zambia. It was established by an Act of Parliament, the Securities Act Cap 354 of 1993 which was repealed and continued by the Securities Act Cap41 of 2016.

Our role as regulator is important for ensuring the orderly growth, integrity and development of the Zambian capital markets. Under the functions of the SEC, Section 9(r) mandates the SEC to provide, promote or otherwise support financial education, awareness and confidence with regard to financial products, institutions and services.

In addition, the SEC is a co-implementor of the National Strategy on Financial Education (NSFE). The goal of NSFE is to have *a financially educated Zambian population by 2030*. This goal dovetails with, and supports, Vision 2030: *"making Zambia a prosperous middle-income nation by 2030"*. The objective of the NSFE is that *people throughout Zambia have improved knowledge, understanding, skills, motivation and confidence to help them to secure positive financial outcomes for themselves and their families.*

It is therefore imperative that the SEC alongside other financial stakeholders develop educational content and programmes to support the achievement of its mandate and that of the NSFE.

The successful implementation of the NSFE will make an important contribution to the achievement of the goals of Zambia's National Financial Inclusion Strategy 2017-2022 (NFIS). The vision for the NFIS is to have universal access to, and usage of, a broad range of quality and affordable financial products and services. People who have access to financial products and services are unlikely to make much, if any, use of them if they lack understanding of how the products and services work and of how they and their families can benefit from using them. So, the vision for the NFIS cannot be achieved without significant improvements to the financial capability of the population.

We are confident that ***The SEC Guide to Saving and Investing*** will help you understand how you can achieve your financial wellbeing which is being hoped for you. It is designed to help you understand that money can grow when you save and invest wisely. Knowing how to secure your financial well-being is one of the most important things you will ever need in life. You do not have to be a genius to do it. You just need to know a few basics, form a plan, and be ready to follow it. No matter how much or little money you have, the important thing is to educate yourself about your opportunities. While the SEC, as regulator, enforces the laws that determine how investments are offered and sold to you, these laws have been formulated with the ultimate purpose of protecting investors in the capital markets, but you need to do your part, too. Part of this brochure tells you how to check out investments and the people that sell them so that you do not fall victim to fraud or costly mistakes. No one can guarantee that you will make money from investments you make. But if you get the facts about Saving and Investing and follow through with a smart plan, you should be able to gain financial security over the years and enjoy the benefits of managing your money. Please feel free to contact us with any of your questions or concerns about investing.

This Guide is an adoption and adaptation of the SEC USA publication – The SEC Guide to SAVING and INVESTING.

It always pays to learn before you invest. And congratulations on taking your first step on the road to financial security!

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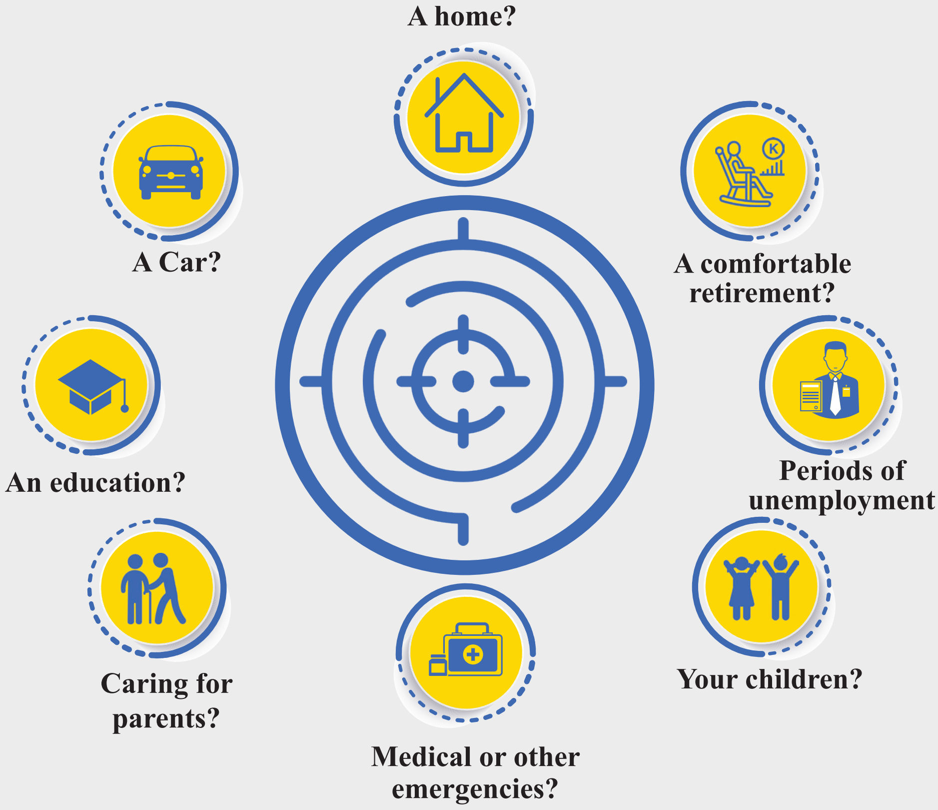
1.0 KEYS TO FINANCIAL SUCCESS

1. Make a financial plan.
2. Pay off any high interest debts
3. Start saving and investing as soon as you have paid off your debts

2.0 Your First Step—Making a Financial Plan

What are the things you want to save and invest for?



Make your own list and then think about which goals are the most important to you. List your most important goals first. Decide how many years you need to meet each specific goal, because when you save or invest you will need to find a savings or investment option that fits your time frame for meeting each goal. An Investment Advisor can help put your financial plan together.

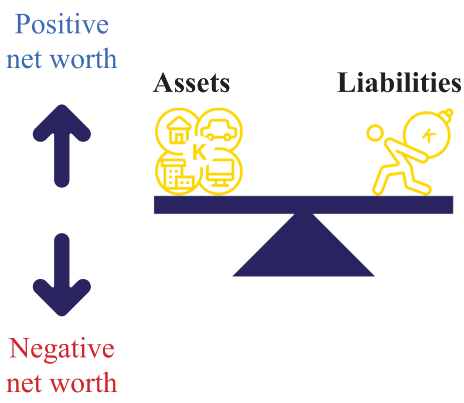
For more information on SEC licensed Financial Advisors visit www.seczambia.org.zm.

If you do not know where you are going, you may end up somewhere you do not want to be. To end up where you want to be, you will need a roadmap, a financial plan.

What do you want to save or invest for?	*By when?*
1	
2	
3	
4	
5	

2.1. KNOW YOUR CURRENT FINANCIAL SITUATION

Sit down and take an honest look at your entire financial situation. You can never take a journey without knowing where you are starting from, and a journey to financial security is no different. You will need to figure out on paper your current situation what you own and what you owe. You will be creating a "net worth statement." On one side of the page, list what you own. These are your "assets." And on the other side list what you owe other people, your "liabilities" or debts.



YOUR NETWORTH STATEMENTS			
Assets	**Current Value**	**Liabilities**	**Amount**
Cash		Mortgage balance	
Checking Accounts		Credit cards	
Savings		Bank loans	
Cash value of life		Car loans	
Insurance		Student loans	
Retirement Accounts		Other	
Real Estate			
Home			
Other Investments			
Personal Property			
TOTAL		**TOTAL**	

Subtract your liabilities from your assets. If your assets are larger than your liabilities, you have a "positive" net worth. If your liabilities are greater than your assets, you have a "negative" net worth. You will want to update your "net worth statement" every year to keep track of how you are doing. Do not be discouraged if you have a negative net worth. If you follow a plan to get into a positive position, you are doing the right thing.

2.2. KNOW YOUR INCOME AND EXPENSES

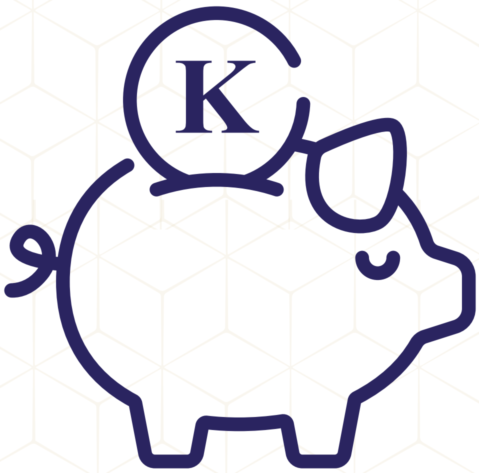
The next step is to keep track of your income and your expenses for every month. Write down what you and others in your family earn, and then your monthly expenses.

2.3. PAY YOURSELF OR YOUR FAMILY FIRST

Include a category for savings and investing. What are you paying yourself every month? Many people get into the habit of saving and investing by following this advice: always pay yourself or your family first. Many people find it easier to pay themselves first if they allow their bank to automatically remove money from their paycheck and deposit it into a savings or investment account.

Any time you have automatic deductions made from your paycheck or bank account, you will increase the chances of being able to stick to your plan and to realise your goals.

Invest



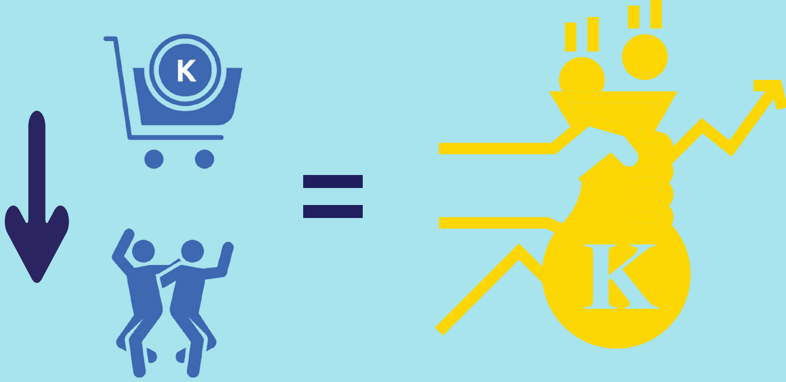
Save

2.4. FINDING MONEY TO SAVE OR INVEST

If you are spending all your income, and never have money to save or invest, you will need to look for ways to cut back on your expenses. When you watch where you spend your money, you will be surprised how small everyday expenses you do, can add up over a year.

KNOW YOUR INCOME AND WHAT YOU SPEND	
MONTHLY INCOME	
MONTHLY EXPENSES	
Savings	
Investments	
Housing	
Rent or Mortgage	
Electricity	
Fuel / Oil	
Telephone	
Water / Sewer	
Taxes	
Furniture	
Food	
Transportation	
Loans	
Insurance	
Education	
Re-creation	
Workers	
Health care	
Gifts	
Others	
TOTAL	

3.0 Small Savings Add Up to Big Money



When you buy a drink every day for K10.00, it is an amount that may look small but adds up to K3,650.00 a year. Now, consider saving that K3,650.00 for just one year, and put it into a savings account or investment such as Unit Trusts earning 22% a year, it would grow to K4,453.00. Assuming you invest the same amount plus the interest earned over 10 years, your investment would grow to:

Principal	Year 1 (@22%)	Year 5 (@22%)	Year 10 (@22%)
3,650.00	4,453.00	9,864.88	26,661.90

That is the power of "compounding." With compound interest, you earn interest on the money you save and on the interest that money earns. Over time, even a small amount saved can add up to big money.
If you are willing to watch what you spend and look for little ways to save on a regular schedule, you can make money grow. You just did it with one drink.

If just a drink can make such a huge difference, start looking at how you could make your money grow if you decided to spend less on other things and save those extra kwachas. If you buy on impulse, make a rule that you will always wait 24 hours to buy anything. You may lose your desire to buy it after a day. And try emptying your pockets and wallet of spare change at the end of each day. You will be surprised how quickly those coins add up!

3.1. PAY OFF CREDIT OR OTHER HIGH INTEREST DEBT

Speaking of things adding up, few investment strategies pay off as well as, or with less risk than, merely paying off all high interest debt you may have.

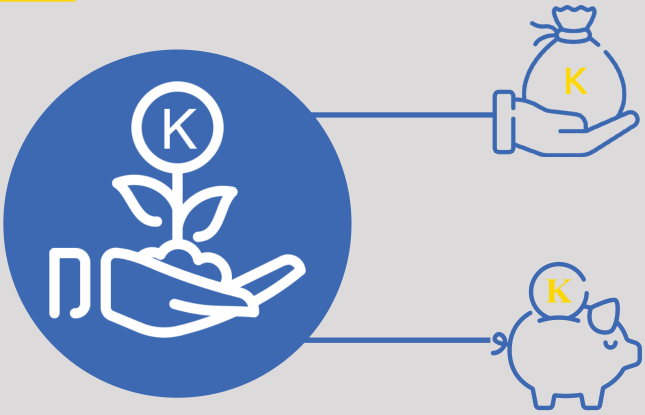
Know What You Owe
It is easy to forget how much you have charged on your ATM card. Every time you use your card, write down how much you have spent and figure out how much you will have to pay in bank charges that month.

Pay Off the debt with the Highest Rate
If you have got unpaid balances on several debt commitments, you should first pay the debt that charges the highest rate. Pay as much as you can toward that debt each month until your balance is once again zero, while still paying the minimum on your other debts. Now, once you have paid off those obligations and begun to set aside some money to save and invest, what are your choices?

4.0 Making Money Grow

4.1. THE TWO WAYS TO MAKE MONEY

There are basically two ways to make money.



1

You work for money.
Someone pays you to work for them or you have your own business.

2

Your money works for you.
You take your money and you save or invest it.

Your money earns money.

When your money goes to work, it may earn a steady paycheck. Someone pays you to use your money for a period of time. When you get your money back, you get it back plus "interest." Or, if you buy shares in a company that pays "dividends" to shareholders, the company may pay you a portion of its earnings on a regular basis. Your money can make an "income," just like you when you are working. You can make more money when you and your money work.

You buy something with your money that could increase in value.

You become an owner of something that you hope increases in value over time. When you need your money back, you sell it, hoping someone else will pay you more for it. For instance, you buy a piece of land thinking it will increase in value as more businesses or people move into your town. You expect to sell the land in five, ten, or twenty years when someone will buy it from you for a lot more money than you paid. And sometimes, your money can do both at the same time— earn a steady pay cheque and increase in value.

4.2. THE DIFFERENCES BETWEEN SAVING AND INVESTING

Saving

Your "savings" are usually put into the safest places, or products, that allow you access to your money at any time. Savings products include savings accounts and checking accounts. Although Unit Trusts/Collective Investment Schemes are an investment product, they tend to be relatively liquid in nature and can therefore be used for savings.

After paying off any high interest debt, most smart investors put enough money in a savings product to cover an emergency, like sudden unemployment. Some make sure they have up to six months of their income in savings so that they know it will absolutely be there for them when they need it.

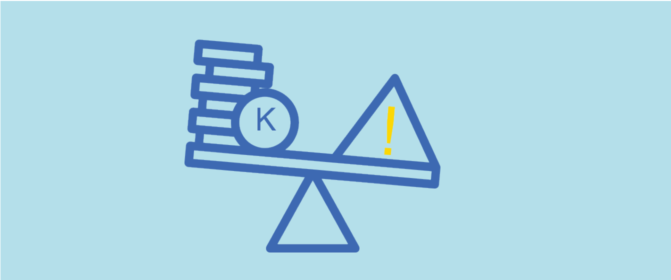
But how "safe" is a savings account if you leave all your money there for a long time, and the interest it earns does not keep up with inflation? What if you save money when it can buy a loaf of bread, but years later when you withdraw that money plus the interest you earned on it, it can only buy half a loaf? This is why many people put some of their money in savings but look to investing so they can earn more over long periods of time, say three years or longer.

Investing

When you "invest," you have a greater chance of losing your money than when you "save." The money you invest in securities, unit trusts, and other similar investments typically is not insured. You could lose your "principal"—the amount you have invested. But you also have the opportunity to earn more money.

THE BASIC TYPES OF PRODUCTS	
Savings	**Investments**
Savings accounts	Bonds (Corporate and Government)
	Shares
	Unit Trusts/Collective Investment Schemes
	Real Estate
	Commodities (gold, silver, copper, maize, cattle etc.)

What about risk?



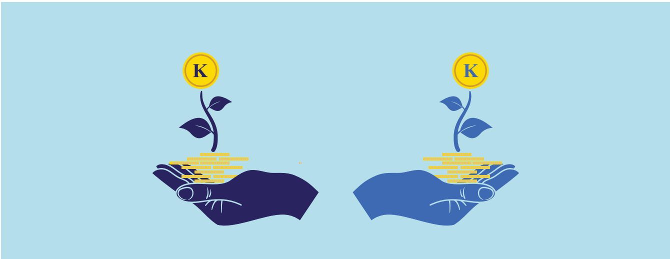
All investments involve taking on risk. It is important that you go into any investment in Shares, Bonds or Mutual Funds with a full understanding that you could lose some or all of your money in any one investment.

It is often said that the greater the risk, the greater the potential reward in investing, but taking on unnecessary risk is often avoidable. Investors best protect themselves against risk by spreading their money among various investments, hoping that if one investment loses money, the other investments will more than make up for those losses. This strategy, called "Diversification," can be neatly summed up as, "Do not put all your eggs in one basket." Investors also protect themselves from the risk of investing all their money at the wrong time by following a consistent pattern of adding new money to their investments over long periods of time.

Once you have saved money for investing, consider carefully, all your options, and think about what diversification strategy makes sense for you. While the SEC cannot recommend any particular investment product, you should know that a vast array of investment products exists—including Shares, Unit Trusts/Collective Investment Schemes (CISs), Corporate and Government Bonds and so on.

Diversification cannot guarantee that your investments will not suffer if the market drops. But it can improve the chances that you will not lose money, or that if you do, it will not be as much as if you were not diversified.

What are the best investments for me?

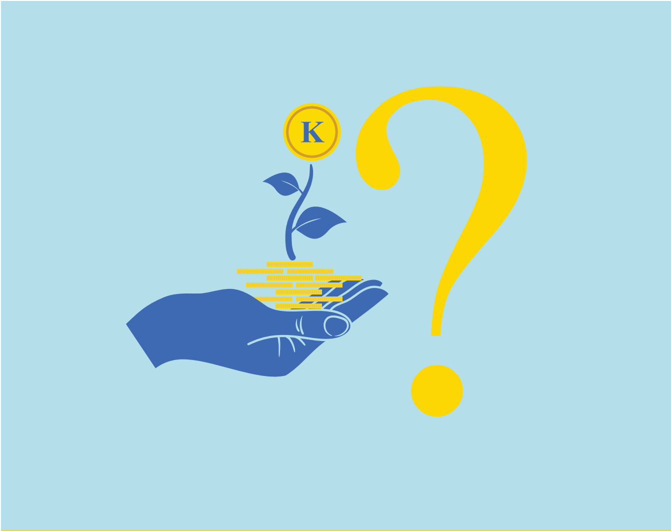


The answer depends on when you will need the money, your goals, and if you will be able to sleep at night if you purchase a risky investment where you could lose your principal. For instance, if you are saving for retirement, and you have 35 years before you retire, you may want to consider riskier investment products, knowing that if you stick to only the "savings" products or to less risky investment products, your money will grow too slowly—or, given inflation and taxes, you may lose the purchasing power of your money. A frequent mistake people make is putting money they will not need for a very long time in investments that pay a low amount of interest.

On the other hand, if you are saving for a short-term goal, five years or less, you do not want to choose risky investments, because when it is time to sell, you may have to take a loss. Since investments often move up and down in value rapidly, you want to make sure that you can wait and sell at the best possible time.

What are investments all about?

When you make an investment, you are giving your money to a company or enterprise, hoping that it will be successful and pay you back with even more money.



Shares and Bonds

Many companies offer investors the opportunity to buy either shares or bonds. The example below shows you how shares and bonds differ.

Let us say you believe that a company that makes automobiles may be a good investment. Everyone you know is buying one of its cars, and your friends report that the company's cars rarely break down and run well for years. You either have an investment professional investigate the company and read as much as possible about it, or you do it yourself.

After your research, you are convinced it is a solid company that will sell many more cars in the years ahead. The automobile company offers both shares and bonds. With the bonds, the company agrees to pay you back your initial investment in ten years, plus pay you interest twice a year at the rate of say 14% a year. If you buy the shares, you take on the risk of potentially losing a portion or all of your initial investment if the company does poorly or the shares market drops in value. But you also may see the share price increase in value beyond what you could earn from the bonds. If you buy the shares, you become an "owner" of the company.

You wrestle with the decision. If you buy the bonds, you will get your money back plus the 14% interest a year. And you think the company will be able to honor its promise to you on the bonds because it has been in business for many years and does not look like it could go bankrupt. The company has a long history of making cars and you know that its shares has gone up in price by an average of 15% a year, plus it has typically paid shareholders a dividend of 2% from its profits each year.

THE MAIN DIFFERENCE BETWEEN SHARES AND BONDS

SHARES	BONDS
If the company profits or is perceived as having strong potential, its share price may go up in value and pay dividends. You may make more money than from the bonds	The company promises to return money plus interest.
Risk: The company may do poorly, and you will lose a portion or all of your investment.	**Risk:** If the company goes bankrupt, your money may be lost. But if there is any money left, you will be paid before stockholders.

4.3. WHY SOME INVESTMENTS MAKE MONEY AND OTHERS DO NOT

You can potentially make money in an investment if:

» The company performs better than its competitors.
» Other investors recognize it is a good company, so that when it comes time to sell your investment, others want to buy it.
» The company makes profits, meaning they make enough money to pay you interest for your bond, or maybe dividends on your shares.

You can lose money if:

» The company's competitors are better than it is.
» Consumers don't want to buy the company's products or services.
» The company's officers fail at managing the business well, they spend too much money, and their expenses are larger than their profits.
» Other investors that you would need to sell to think the company's shares are too expensive given its performance and future outlook.
» The people running the company are dishonest. They use your money to buy homes, clothes, and vacations, instead of using it on the business.
» They lie about any aspect of the business: claim past or future profits that do not exist, claim it has contracts to sell its products when it does not, or make up fake numbers on their finances to dupe investors.
» The brokers who sell the company's shares manipulate the price so that it does not reflect the true value of the company. After they pump up the price, these brokers dump the stock, the price falls, and investors lose their money.
» For whatever reason, you have to sell your investment when the market is down.

5.0 Collective Investment Schemes and Exchange Traded Funds (ETFs)

Because it is sometimes hard for investors to become experts on various businesses—for example, what are the best steel, automobile, or telephone companies—investors often depend on professionals who are trained to investigate companies and recommend companies that are likely to succeed. Since it takes work to pick the Shares or bonds of the companies that have the best chance to do well in the future, many investors choose to invest in Collective Investment Schemes or Unit Trust.

What are Collective Investment Schemes or Unit Trusts.

A Collective Investment Scheme or Unit Trust is a pool of money run by a professional or group of professionals called the "Fund Manager". In a managed fund, after investigating the prospects of many companies, the fund's investment adviser will build a portfolio from the Shares or Bonds of companies including Government Securities. Investors can buy units of the fund. The units rise or fall in value as the values of the assets in the fund rise and fall. Investors may typically pay a fee when they buy or sell their units in the fund, and those fees in part pay the salaries and expenses of the professionals who manage the fund.

Even small fees can and do add up and eat into a significant chunk of the returns a fund is likely to produce, so you need to look carefully at how much a fund cost and think about how much it will cost you over the amount of time you plan to own its shares. If two funds are similar in every way except that one charges a higher fee than the other, you will make more money by choosing the fund with the lower annual costs.

WARNING

Before You Invest Always Check with the SEC which is Your Zambia's Securities Regulator:
Is the investment registered?
Have investors complained about the investment in the past?
Have the people who own or manage the investment been found non-compliant in the past?
Is the person selling me this investment licensed by SEC?
Has the Fund Manager been in trouble with the SEC or other investors in the past?

Do I Need an Investment Professional?

Are you the type of person who will read as much as possible about potential investments and ask questions about them? If so, maybe you do not need investment advice. But if you are busy with your job, your children, or other responsibilities, or feel you do not know enough about investing on your own, then you may need professional investment advice.

Investment professionals offer a variety of services at a variety of fees. It pays to comparison shop. You can get investment advice from most financial institutions that sell investments, including Brokerages, Banks, CISs, and Insurance companies. You can also hire a Broker, an Investment Adviser, an Accountant, a Financial Planner, or other professional to help you make investment decisions.

Some Investment Advisors offer a complete financial plan, assessing every aspect of your financial life and developing a detailed strategy for meeting your financial goals. They may charge you a fee for the plan, a percentage of your assets that they manage, or receive commissions from the companies whose products you buy, or a combination of these. You should know exactly what services you are getting and how much they will cost.

Remember professional Financial Advisers do not perform their services for free. If they are working for you, they are getting paid for their efforts. Some of their fees are easier to see immediately than are others. But, in all cases, you should always feel free to ask questions about how and how much your adviser is being paid. And if the fee is quoted to you as a percentage, make sure that you understand what amount that translates to.

In contrast to Investment Advisers, Brokers make recommendations about specific investments like Shares, Bonds, or Unit Trusts. While considering your overall financial goals, Brokers generally do not give you a detailed financial plan. Brokers are generally paid commissions when you buy or sell securities through them. If they sell you Unit Trusts make sure to ask questions about what fees are included in the mutual fund purchase.

Brokerages vary widely in the quantity and quality of the services they provide for customers. Some have large research staffs, large national operations, and are prepared to service almost any kind of financial transaction you may need. Others are small and may specialize in promoting investments in unproven and very risky companies. And there is everything else in between.

The best way to choose an investment professional is to start by asking your friends and colleagues who they recommend. Try to get several recommendations, and then meet with potential advisers face-to-face. Make sure you get along. Make sure you understand each other. After all, it is your money.

6.0 Opening a Brokerage Account

When you open a brokerage account, whether in person or online, you will typically be asked to sign a new account agreement. You should carefully review all the information in this agreement because it determines your legal rights regarding your account.

Do not sign the new account agreement unless you thoroughly understand it and agree with the terms and conditions it imposes on you. Do not rely on statements about your account that are not in this agreement. Ask for a copy of any account documentation prepared for you by your broker.

The broker should ask you about your investment goals and personal financial situation, including your income, net worth, investment experience, and how much risk you are willing to take on. Be honest. The broker relies on this information to determine which investments will best meet your investment goals and tolerance for risk. If a broker tries to sell you an investment before asking you these questions, that is a very bad sign. It signals that the broker has a greater interest in earning a commission than recommending an investment to you that meets your needs. The new account agreement requires that you make three critical decisions:

i.) Who will make the final decisions about what you buy and sell in your account?

You will have the final say on investment decisions unless you give "discretionary authority" to your broker. Discretionary authority allows your broker to invest your money without consulting you about the price, the type of security, the amount, and when to buy or sell. Do not give discretionary authority to your broker without seriously considering the risks involved in turning control over your money to another person.

ii.) How will you pay for your investments?

Most investors maintain a "current" account that requires payment in full for each security purchase.

iii.) How much risk should you assume?

In a new account agreement, you must specify your overall investment objective in terms of risk. Categories of risk may have labels such as "income," "growth," or "aggressive growth." Be certain that you fully understand the distinctions among these terms and be certain that the risk level you choose accurately reflects your age, experience and investment goals. Be sure that the investment products recommended to you reflect the category of risk you have selected.

When opening a new account, the brokerage firm may ask you to sign a legally binding contract to use the arbitration process to settle any future dispute between you and the firm or your sales representative. Signing this agreement means that you give up the right to sue your sales representative and firm in court.

7.0 How Can I Protect Myself?

ASK QUESTIONS!

You can never ask a dumb question about your investments and the people who help you choose them, especially when it comes to how much you will be paying for any investment, both in upfront costs and ongoing management fees.

Here are some questions you should ask when choosing an investment professional or someone to help you:

» What training and experience do you have? How long have you been in business?
» What is your investment philosophy? Do you take a lot of risks or are you more concerned about the safety of my money?
» Describe your typical client. Can you provide me with references, the names of people who have invested with you and for how long?
» How do you get paid? By commission? Based on a percentage of assets you manage? Another method? Do you get paid more for selling your own firm's products?
» How much will it cost me in total to do business with you?

Your investment professional should understand your investment goals, whether you are saving to buy a home, paying for your children's education, or enjoying a comfortable retirement.

Your investment professional should also understand your tolerance for risk. That is, how much money can you afford to lose if the value of one of your investments declines? An investment professional has a duty to make sure that he or she only recommends investments that are suitable for you. That is, that the investment makes sense for you based on your other securities holdings, your financial situation, your means, and any other information that your investment professional thinks is important.

The best investment professional is one who fully understands your objectives and matches investment recommendations to your goals. You will want someone you can understand, because your investment professional should teach you about investing and the investment products.

8.0 How Should I Monitor My Investments?

Investing makes it possible for your money to work for you. In a sense, your money has become your employee, and that makes you the boss. You will want to keep a close watch on how your employee, your money, is doing. Some people like to look at the stock prices every day to see how their investments have done. That is probably too often. You may get too caught up in the ups and downs of the “trading” value of your investment and sell when its value goes down temporarily—even though the performance of the company is still stellar. Remember, you are in for the long haul. Some people prefer to see how they are doing once a year. That is probably not often enough. What is best for you will most likely be somewhere in between, based on your goals and your investments.

But it is not enough to simply check an investment’s performance. You should compare that performance against an index of similar investments over the same period of time to see if you are getting the proper returns for the amount of risk that you are assuming. You should also compare the fees and commissions that you are paying to what other investment professionals charge. While you should monitor performance regularly, you should pay close attention every time you send your money somewhere else to work.

Every time you buy or sell an investment you will receive a confirmation slip from your broker. Make sure each trade was completed according to your instructions. Make sure the buying or selling price was what your broker quoted. And make sure the commissions or fees are what your broker said they would be.

Watch out for unauthorised trades in your account. If you get a confirmation slip for a transaction that you did not approve beforehand, call your broker. It may have been a mistake. If your broker refuses to correct it, put your complaint in writing and send it to the firm’s compliance officer. Serious complaints should always be made in writing.

Remember, too, that if you rely on your investment professional for advice, he or she has an obligation to recommend investments that match your investment goals and tolerance for risk. Your investment professional should not be recommending trades simply to generate commissions. That is called “churning,” and it is illegal.

9.0 How Can I Avoid Problems?

Choosing someone to help you with your investments is one of the most important investment decisions you will ever make. While most investment professionals are honest and hardworking, you must watch out for those few unscrupulous individuals. They can make your life's savings disappear in an instant.

Securities regulators and law enforcement officials can and do catch these criminals. But putting them in jail does not always get your money back. Too often, the money is gone. The good news is you can avoid potential problems by protecting yourself.

Let us say you have already met with several investment professionals based on recommendations from friends and others you trust, and you have found someone who clearly understands your investment objectives. Before you hire this person, you still have more homework.

Make sure the investment professional and her firm are registered with the SEC and licensed to do business in Zambia. And find out from the regulator whether the investment professional or her firm have ever been disciplined, or whether they have any complaints against them. You will find contact information for securities regulators in Zambia by visiting the website: www.seczambia.org.zm.

You should also find out as much as you can about any investments that your investment professional recommends.

First, make sure the investments are registered. Keep in mind, however, the mere fact that a company has registered and filed reports with the SEC does not guarantee that the company will be a good investment.

Likewise, the fact that a company has not registered and does not file reports with the SEC does not mean the company is a fraud. Still, you may be asking for serious losses if, for instance, you invest in a small, thinly traded company that is not widely known solely based on what you may have read online. One simple phone call to the regulator could prevent you from being defrauded.
Be wary of promises of quick profits, offers to share "inside information," and pressure to invest before you have an opportunity to investigate. These are all warning signs of fraud. Ask your investment professional for written materials and prospectuses and read them before you invest. If you have questions, now is the time to ask.

» How will the investment make money?
» How is this investment consistent with my investment goals?
» What must happen for the investment to increase in value?
» What are the risks?
» Where can I get more information?

Finally, it is always a good idea to write down everything your investment professional tells you. Accurate notes will come in handy if ever there is a problem. Some investments make money. Others lose money. That is natural, and that is why you need a diversified portfolio to minimize your risk. But if you lose money because you have been cheated, that is not natural, that is a problem.

If you experience a problem, sometimes all it takes is a simple phone call to your investment professional. Maybe there was an honest mistake that can be corrected. If talking to the investment professional does not resolve the problem, talk to the firm's manager, and write a letter to confirm your conversation. If that does no not lead to a resolution, you may have to contact the Commission and lodge in a formal complaint by following the guidelines given in the complaints guideline procedure that can be found on the SEC website. Investor complaints are very important to the SEC. You may think you are the only one experiencing a problem, but typically, you are not alone. Sometimes it takes only one investor's complaint to trigger an investigation that exposes a bad broker or an illegal scheme. Complaints can be filed online with us by going to **www.seczambia.org.zm/complaint.**

10.0 Keep in Touch with Us

We hope that you have found this brochure helpful. Please let us know how it can be improved.

We have only covered the basics, and there is a lot more to learn about saving and investing. But you will be learning as you go and over your lifetime. As we said at the beginning, the most important thing is to get started. And remember to ask questions as you make your investment decisions.

Be sure to find out if the person is licensed to sell investments, and if the securities are registered and authorised with us. So, we look forward to hearing from you. And in the years ahead, let us know how well your money is growing.

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