



ECFH Financially Speaking

East Caribbean Financial Holding Company Limited

This week we present another term as we continue our quest to increase your knowledge of investment. This week's term: **Initial Public Offering**

A **Initial Public Offering (IPO)** sometimes referred to as an "offering" or "flotation" is the first sale of stock i.e. common stock or shares by a private company to the public as the company 'goes public'. An **IPO** transforms a business from a privately owned and operated entity into one that is owned by public stockholders. The most common reason for companies to initiate an **IPO** is to raise capital.

What does this mean for you?

With professional financial advice, it is possible to invest i.e. purchase shares in very profitable companies which do yield sizable dividends and show significant growth in the share price. This means that as an investor you benefit not only from the fact that you may receive annual or semi-annual dividend payments but as the company's performance improves so does the share price. Therefore, it is not uncommon for an investor to pay say \$10.00 for a share and see the value move upwards to \$15.00 in about a year or so. For more information on any upcoming **IPOs** or other investment opportunities, feel free to call Bank of Saint Lucia's Wealth & Asset Management Division (WAM) at 456-6104 or ECFH Global Investment Solutions @457-7233.