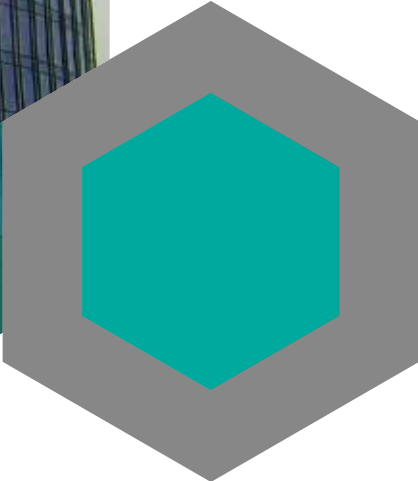


**EDC GHANA
BALANCED FUND
LIMITED**



**20
19** ANNUAL
REPORT



ANNUAL REPORT AND **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING (AGM)

Ecobank Head Office Building, 2nd Floor
2, Morocco Lane, Off the Independence Avenue
P.O. Box AN 16746
Accra- Ghana
Tel: (233) 0302634165 / 0302634150
Email: edc-clientservice@ecobank.com

Notice is hereby given that the **11th Annual General Meeting** of the Shareholders of **EDC Ghana Balanced Fund Limited** will be held virtually and streamed live online on <https://www.edcgghanaagm.com> on **Wednesday September 16th, 2020 at 9:00 a.m.** for the following purposes:

Ordinary Business:

1. To receive and consider the Audited Financial Statements together with the reports of Directors, Fund Manager and Auditors for the year ended December 31, 2019;
2. To appoint the following as Directors of the Company:
 - 2.1. Ms. Shirley Dontoh
 - 2.2. Ms. Shirley Obeng Adu
 - 2.3. Mr. Edem Dewotor
3. To authorize the Directors to determine the fees for the Auditors for the year 2020;
4. To approve the Board of Directors' fees for the year 2020;

Special Business:

5. To authorize the change of the name of the Company from EDC Ghana Balanced Fund Limited to EDC Ghana Balanced Fund PLC;
6. To authorize the amendment of the Company's Constitution to provide for the holding of all meetings, including Annual General Meetings by virtual means where the Directors deem it necessary so to do.

NOTES

General:

1. In compliance with imposition of Restriction Act 2020 (Act 1012), the Registrar General's Department and Securities and Exchange Commission directives and guidelines on holding virtual Annual General Meeting (AGM) and as part of measures to contain COVID-19, attendance and participation by members or their proxies in this year's AGM of the company, shall be strictly virtual (by online participation).
2. A member is entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING (VAGM) (cont'd)

via email to **admin@lawfieldsconsulting.com** or deposited at the EDC office, Second Floor of the Ecobank Head Office, not less than 48 hours before the meeting.

3. A copy of the Proxy Form can be downloaded from **<https://www.edcghanaagm.com>** and may be filled and sent via email to **admin@lawfieldsconsulting.com** not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.
5. An electronic version of the Company's Annual Report consisting the Financial Statement, Directors', Fund Managers and Auditors Reports for the year ended 31st December 2019 may be accessed at the Company's dedicated AGM website at **<https://www.edcghanaagm.com>**
6. Members are also encouraged to send in any questions in advance of the AGM by mailing them to **edc-clientservice@ecobank.com**. Answers to the questions will be provided at the AGM.

Accessing and Voting at the Virtual AGM

7. To access and vote at the Virtual AGM, a unique token number will be sent to shareholders by email and/or SMS from **September 1st, 2020** to give access to the meeting. Shareholders who do not receive this token can contact our client care team at **edc-clientservice@ecobank.com** or call **0302634165 / 0302634150** to be sent the unique token any time before the date of the AGM.
8. To gain access to the Virtual AGM, shareholders must visit **<https://www.edcghanaagm.com>** and input their unique token number on the portal to join in and vote electronically during the meeting.
9. Further assistance on accessing the meeting and voting electronically can be found on **<https://www.edcghanaagm.com>**

Dated this 13th day of August, 2020

BY ORDER OF THE BOARD

**Lawfields Consulting
Secretary**

CONTENTS

Notice of Annual General Meeting - AGM	3
Corporate information	7
Board of Directors	8
Report of the Directors	9
Chairman's Statement	10
Fund Manager's Portfolio	12
Independent Auditor's Report	17
Statement of Assets and Liabilities	19
Statement of Comprehensive Income	22
Statement of Movement in Net Assets	23
Statement of Changes in Equity	24
Statement of Movement in Issued Shares	24
Portfolio Summary	25
Cash Flow	26
Notes to the Financial Statements	27
Proxy Form	47

EDC Investments limited

Secure the future you want

Invest in the EDC Ghana Balanced Fund
Start with as little as GH¢ 20.

Contact us on :2nd Floor, New Ecobank Head Office,
2 Morocco Lane, Off the Independence Avenue
Telephone: 0302634165
Email: edc-clientservice@ecobank.com



Terms and Conditions Apply

ecobank.com/swam



Ecobank
The Pan African Bank

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Richard Adu-Poku - Chairman
Mr. David Ofusu-Dorte - Director
Mr. William Mensah - Director
Mr. Paul Kofi Mante - Director

REGISTERED OFFICE

Ecobank Head Office Building, 2nd Floor
2, Morocco Lane,
Off the Independence Avenue
P.O. Box AN 16746
Accra-Ghana

INVESTMENT MANAGER

EDC Investments Limited
Ecobank Head Office Building, 2nd Floor
2, Morocco Lane,
Off the Independence Avenue
P.O. Box AN 16746
Accra-Ghana

CUSTODIANS

Republic Bank Ghana Limited
No, 35, Sixth Avenue
North Ridge
P.O. Box CT 4603
Cantonment, Accra

AUDITORS

John Kay and Co.
Chartered Accountants
7th Floor, Trust Towers
Farrar Avenue, Adabraka
P.O. Box 16088
Accra

BANKERS

Ecobank Ghana Limited
Ring Road Central
Accra

BOARD OF DIRECTORS



Richard **Adu-Poku**
Director and Chairman



David **Ofosu-Dorte**
Director



Paul **Mante**
Director



William **Mensah**
Director

REPORT OF THE DIRECTORS

TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED

The Board of Directors presents the report and audited financial statements of EDC Ghana Balanced Fund Limited for the year ended 31 December, 2019.

FINANCIAL STATEMENTS

The results for the year are set out in the attached financial statements. The Board of Directors considers the state of the affairs of the company to be satisfactory.

NATURE OF BUSINESS

EDC Ghana Balanced Fund Limited is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund. The object of EDC Ghana Balanced Fund Limited is to invest contributions, in

the form of money, made by its members for their mutual benefits, and to hold and arrange for the management of securities and other properties acquired with such contributions.

DIVIDEND DISTRIBUTION POLICY

The fund does not distribute dividend. All income earned are reinvested. Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

i. **Investment Distribution:**

Total Investment as at 31 December 2019 is made up as follows:

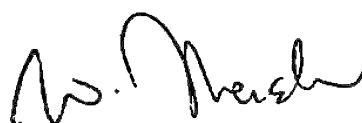
	2019	2018
	GH¢	GH¢
ASSETS		
Equities	28,378,379	35,262,121
Ghana Government Securities	15,276,221	18,435,142
Fixed Deposits	3,953,237	5,604,209
Corporate bonds	11,457,877	10,874,921
Non-Sovereign Bond	5,352,878	10,213,769
Cash and cash equivalent	723,583	6,784,732
	-----	-----
	65,142,175	87,174,894
	=====	=====

ii. Below are the Asset Allocation Percentages for the year ended:

	2019	2018
	(%)	(%)
ASSETS		
Equity/Stocks	44	40
Ghana Government Note & Bond	23	21
Fixed Deposits	6	6
Corporate bonds	18	13
Non – Sovereign Bond	8	12
Cash & Cash Equivalent	1	8
	----	----
	100	100
	===	===

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 15th June, 2020 and signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR

CHAIRMAN'S STATEMENT

INTRODUCTION

I warmly welcome all shareholders to the 11th annual General Meeting of the EDC Ghana Balanced Fund. Your fund is 11 years and we are again grateful for entrusting us with the oversight responsibility of the Fund over the past years and even in these unusual times of a Pandemic.

THE ECONOMIC ENVIRONMENT IN 2019 AND THE ADVENT OF COVID 19

The Ghanaian economy maintained its growth trajectory as GDP recorded an increase of 6.8% compared to 6.3% in 2018. This was propped by growth in all 3 sectors of the economy. Overall growth in the Services sector was 7.6%, driven by expansion of the ICT, Health and Social Work subsectors. The Agriculture and Industry sectors also posted growths of 4.5% and 6.4% respectively.

On price developments, inflationary expectations remained anchored throughout the year with inflation closing 2019 at 7.90% after declining by 200 basis points in the year under review to fall within the Central Bank's target of 8%+/-2%. The decline was largely driven by non-food inflation, supported by the tight monetary stance taken by the Bank of Ghana. The stable inflationary pressures allowed the Central Bank to keep the Monetary Policy Rate (MPR) unchanged at 16%.

Increased growth and economic activities were projected to be maintained in 2020, however, the advent of the novel COVID-19 pandemic has rendered growth and targets unachievable. Government thus reassessed its economic forecasts as GDP is expected to decline from 6.8% to 1.5% on the back of general lockdown restrictions and decreased economic activities. Over the past weeks Government has had to ease earlier restrictions imposed in a bid to boost economic growth.



Richard Adu-Poku
Director and Chairman

FUND PERFORMANCE

At the end of 2019, the fund returned a Compounded Annual Growth Rate (CAGR) of 18.5% yielding a cumulatively return of 512% since inception against a benchmark return of 282%.

For full year 2019, the Fund returned 2.02% against a benchmark return of 2.63%. This performance can be attributed to losses recorded on the stock market. Performance of the Ghana Stock Exchange Composite Index further declined in 2019 by recording a return of -12.25% compared to -0.29% in 2018; the second consecutive year of loss despite positive financial years posted by banking stocks and MTNGH

Your Fund, thus, registered Asset Under Management (AUM) of GHS 64.68 Mn, a 26% decline from 2018 AUM of GHS 87.40 Mn. The Fund's portfolio distribution stood at 44% Equity to 66% Fixed Income.

Over a 5-year period, your Fund has returned 92.24% versus a benchmark return of 63.28%. We remain committed to you and look forward to an improved 2020.

CHAIRMAN'S STATEMENT (cont'd)

2020/2021 OUTLOOK

The raging impact of COVID-19 is expected to linger to the end of the year, thus affecting Ghana's GDP growth which is projected to close the year 2020 around 1.5%. According to Economic Intelligence Unit (EIU), growth in the Sub-Saharan Africa is expected to contract by 3.2%. Indirect taxes and revenue from commodities like cocoa and gold are expected to be the main drivers of government revenue as other sources of government revenue such as oil receipts and direct taxes recover from their COVID-19 induced slump.

Government expenditure and debt levels are expected to stay elevated and make it difficult for government to stay within the deficit ceiling of 5%. Inflation is expected to decline and stay within the Central Bank's medium term target of 8%+/-2% as COVID-19 induced prices are corrected.

Following two years of price corrections on the equities market, we believe the stock market is poised for a rebound late in 2020 to be buoyed by high growth levels after COVID-19.

Ladies and Gentlemen, as Chairman of the Fund, I sincerely share in your concern on the performance of the fund over the past 2 years as returns posted have been below inflation figures. This is very typical of mutual funds with equity component where performances are usually cyclical. We are of the view that this bearish season will fade away. As such, we believe this is the time to pick up some more shares and ride the current storm in expectation of increased returns. We appreciate your custom over the years as we seek to maximize shareholders' value.



Richard Adu-Poku - Chairman

Increased growth and economic activities were projected to be maintained in 2020, however, the advent of the novel COVID-19 pandemic has rendered growth and targets unachievable.

Over a 5-year period, your Fund has returned 92.24% versus a benchmark return of 63.28%. We remain committed to you and look forward to an improved 2020.

FUND MANAGER'S STATEMENT

TO EDC GHANA BALANCED FUND SHAREHOLDERS

EDC GHANA BALANCED FUND ECONOMIC ENVIRONMENT IN 2019

Ghana experienced firm economic growth in 2019, growing at a relatively faster pace compared to 2018. The GDP growth for the quarters of 2019 averaged 6.5%, compared to 6.3% in 2018. The Composite Index of Economic Activities measured by the central bank recorded an annual growth of 18.3% as against 11.4% in 2018.

The provisional budget estimated that total revenue and grants in 2019 amounted to GHS 53.48 billion, as compared to the projected target of GHS 53.5 billion. Additionally, total expenditures and arrears clearance totaled at GHS 68.5 billion, 0.7% below the target of GHS 68.0 billion. Consequently, a fiscal deficit of 4.8% of GDP was recorded, slightly above the target of 4.7% but below the fiscal rule of 5%.

In relation to external sector developments, the economy recorded a balance of trade of 3.4% compared to 2.8% of GDP in 2018, underpinned by growths in major export commodities. Imports increased from USD 13.1 billion in 2018 to USD 13.3 billion in 2019 while exports increased by 4.6% year on year from 14.94 bn USD to 15.63 bn USD.

This together with the capital and financial account led to an overall balance of payment surplus of 2% compared to a deficit of 1% registered in 2018 whereas Gross International Reserves increased from 7 bn USD (3.6 months of import cover) in 2018 to 8.4 bn USD (4 months of import of cover) at the end of 2019.

The local currency depreciated by 12.9% in 2019 compared to 8.4% in the prior year. The strengthening of the USD and its spillover effects as well as increased domestic demand exerted pressure on the Cedi.



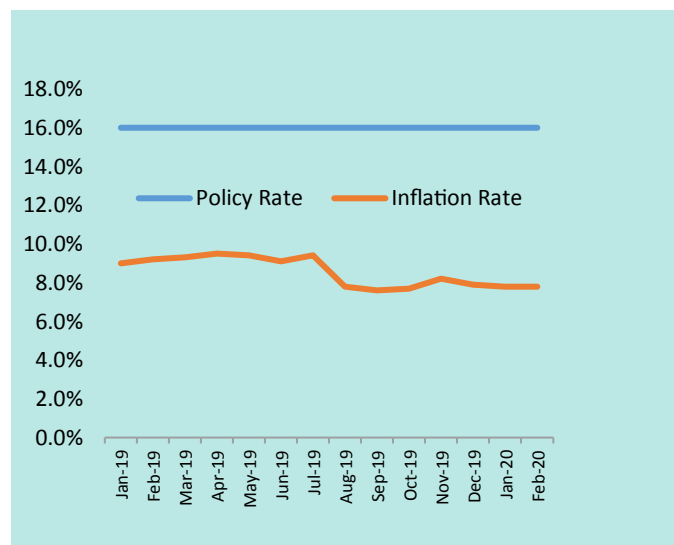
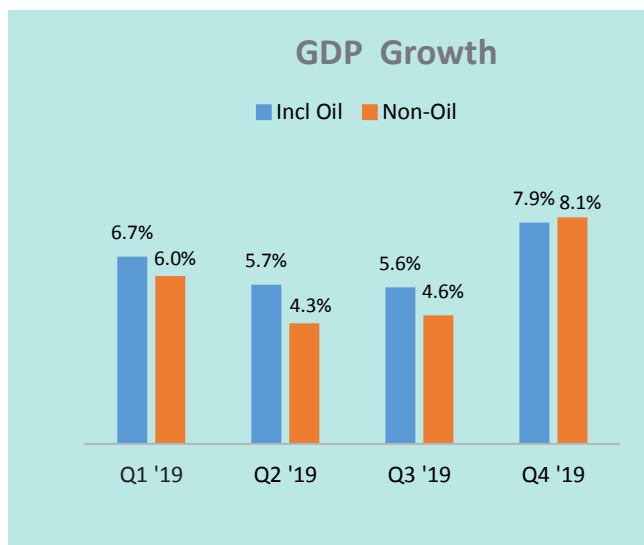
Emmanuel Bossman Ampadu
Portfolio Manager

Headline inflation remained broadly in single digits anchored within the central bank's target of 8.0% and trended downwards from 9.4% at the end of 2018 to 7.9% in 2019; the lowest since 2012. This 150 bps decline in inflation was in large part driven by lower food prices amidst stable non-food prices. On account of the steady decline in headline and core inflation as well as other real sector indicators, the monetary policy stance remain unchanged at 16% since January 2019 from the initial 20%.

The Composite Index of Economic Activities measured by the central bank recorded an annual growth of 18.3% as against 11.4% in 2018.

FUND MANAGER'S STATEMENT

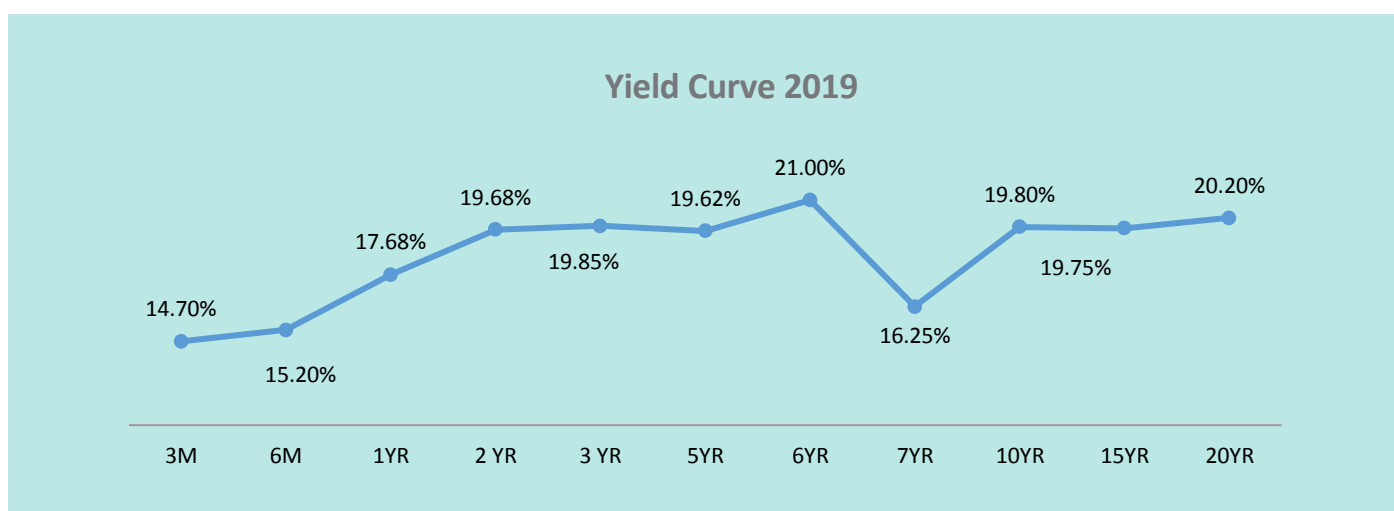
TO EDC GHANA BALANCED FUND SHAREHOLDERS (cont'd)



THE FIXED INCOME MARKET

Treasury yields increased in 2019, ranging from 300bps for the 5-year bond to 10bps for the 91-Day treasury bill. This was largely driven by foreign exchange pressures that forced foreign investors to seek higher yields to cushion returns against foreign exchange risks. The government

also took the opportunity to lengthen the yield curve to provide a benchmark for long-term bonds by issuing its maiden 6-year and 20-year bonds in 2019. However, Ghana's yield curve is not normal, and issuances in 2020 have attempted to correct the yield curve.



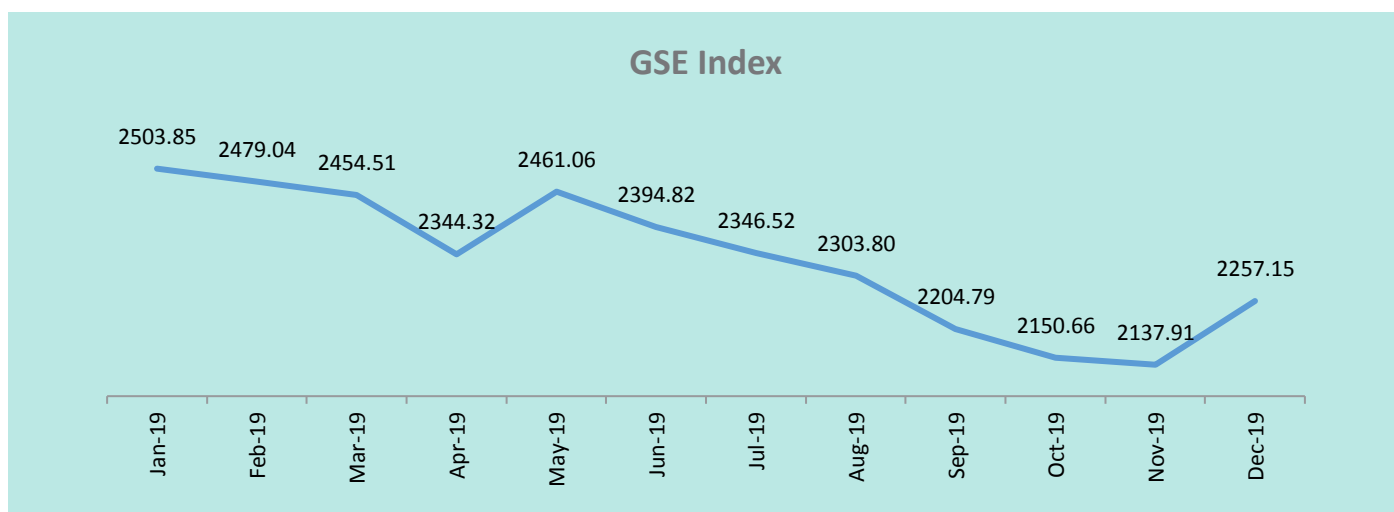
THE STOCK MARKET

The Ghanaian equity market declined for the second consecutive year on the back of adverse market sentiments. The contagion of the financial sector clean up lingered as the general liquidity constraints led to the dumping of stock by retail investors regardless of

company's financial performance. In addition, the Cedi's depreciation in 2019 (13% depreciation against the USD) led to increased yields on the Fixed Income market and served as a good alternative to foreign investors. These phenomena resulted in the bourse, closing the year at -12.25% compared to the -0.29% returned in 2018.

FUND MANAGER'S STATEMENT

TO EDC GHANA BALANCED FUND SHAREHOLDERS (cont'd)



The decline in the GSE-CI was mainly as a result of a fall in stock values in the finance, agriculture, distribution and information technology sectors, as well as the food and brewery sub-sectors. As a result, market capitalization on a year-on-year basis declined by 14.87% due to losses recorded by a significant number of stocks.

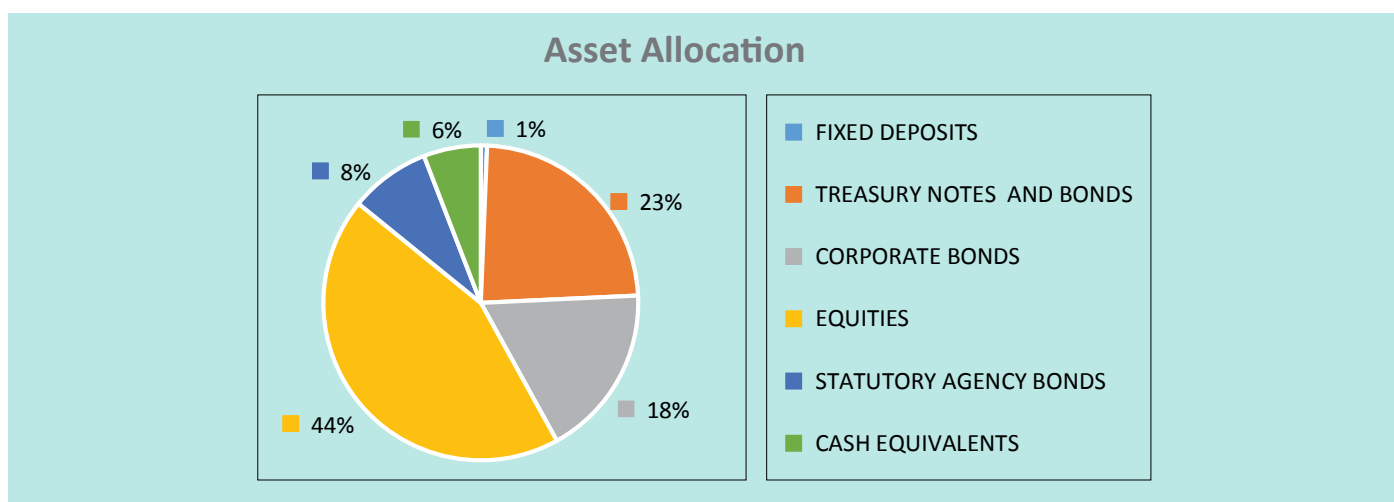
FUND PERFORMANCE AND PORTFOLIO STRUCTURE

In anticipation of a relatively stable equity market in 2019, the Fund increased its tactical equity asset allocation to 44% compared to 40% in 2018, against a fixed income allocation of 56%. The Fund recorded its highest returns in 2019 in May and December, with 3.2% and 3.4% respectively.

Due to the fragility of the stock market in 2019, the fund

returned a full year return of 2.02% against a benchmark return of 2.84%. The adverse performance on the stock market together with increased redemptions on the fund was contained as we tactically sold of low coupon bonds while picking up high coupon-high yielding bonds. Nevertheless, we are of the view that our tactical balance in keeping an equity exposure between the ranges of 40%-45% situates the fund in a position to record high return during market turnaround.

Since the inception of the fund in April 2009, the Fund has recorded a cumulative return of 512.26%, significantly outperforming the benchmark of 297.59%. As such, the Fund has since inception, registered a Compounded Annual Growth Rate (CAGR) of 18.5%, outperforming the benchmark CAGR of 13.4%.



FUND MANAGER'S STATEMENT

TO EDC GHANA BALANCED FUND SHAREHOLDERS (cont'd)

Performance %	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	Since Inception
EDC Ghana Balanced Fund	3.38	1.89	0.13	2.02	2.02	50.28	92.24	512.26
*Benchmark	3.57	3.44	1.69	2.84	2.84	45.68	68.69	297.59

ASSETS UNDER MANAGEMENT

The Net Asset Value of the Fund as at the end of 2019 was GHS 64,684,155.55 compared to GHS 86,521,665 at the end of 2018, representing a 25.2% decline in the Fund's AUM. Total subscriptions to the Fund stood at GHS 7,368,210.05, while total redemptions amounted to GHS 31,486,409.73. As such, net outflow from the Fund was GHS 24,118,199.68 at the end of 2019. The relatively low total value of subscriptions in 2019 compared to GHS 72,606,659.59 in 2018 reflects general flight to safety.

225 new shareholders joined the Fund during the year, representing an increase in shareholder base between 2018 and 2019 of 1.4%, thereby bringing the total shareholder base to 15,887 in 2019 from 15,662 in 2018.

COVID 19 DEVELOPMENT, OUTLOOK & STRATEGY

Being unaware of a global pandemic that awaits in 2020, the government of Ghana set out to achieve the macro economic targets below in 2020 to maintain the growth trajectory recorded in the last 3 years.

- Overall real GDP growth of 6.8%
- Non-Oil real GDP growth of 6.7%
- End period inflation of 8%
- Overall Fiscal deficit of 4.7% of GDP and to remain within the fiscal rule of 5% of GDP
- Primary surplus of 0.7% of GDP and
- Gross Internal Reserves to cover not less than 3.5 months of import cover

However due to the COVID 19 pandemic, government imposed restrictions on the movement of people and

has had to provide details on the macro-fiscal impact while reassessing its forecast. GDP is thus expected to decline from 6.8% to 1.5% and the following impact to be experienced by the economy;

- Significant short falls in the petroleum receipts of 5.6 bn GHS and corresponding shortfall in the Annual Budget Funding Amount of 3.5 bn GHS
- Shortfall in import duties and tax revenues of 2.2 bn GHS (excluding oil tax and import duties)
- Tight financing conditions and
- Increased health related expense

The total estimated fiscal impact is 9.5 bn GHS, translating into 2.5% of GDP. It is also estimated that fiscal deficit will increase by 60% from GHS 18.9 bn to GHS 30.2 Billion. This translated into a fiscal deficit gap of 7.8% of GDP from the initial projection of 4.7%. Primary Balance will correspondingly worsen from a surplus of GHS 2.8 bn (0.7% of GDP) to a deficit of GHS 5.6 bn (1.4% of GDP). This could be exacerbated if the cost of cleaning the financial sector and COVID 19 impact turn out to be larger than expected.

The cedi is likely to depreciate at a gradual pace that can allow business to plan appropriately, buoyed by the central bank's decision to inject about USD 715 mn into the market to support the GHS in 2020. In addition, the USD 3 bn Eurobond is expected to boost reserves and import cover. Inflation is expected to fall back within the central bank's target of 8% +/- 2% in 2020 on the back of tighter fiscal policies barring any unexpected price hikes. Recovery in prices was expected on the stock market

FUND MANAGER'S STATEMENT

TO EDC GHANA BALANCED FUND SHAREHOLDERS (cont'd)

on the back of solid performance from financial stocks and MTN in 2019. This has however not been the case as COVID-19 induced liquidity squeeze has resulted in both Foreign Portfolio Investors and local retail investors dumping their positions and thereby depressing prices further. In addition, increasing yields on the fixed income market have rendered the risk-return dynamics on the stock market unattractive. The combined effect of the above means stocks have become cheap and may be poised for a rebound.

We continue to urge our valued clients to continue to invest with confidence as we remain committed to you and appreciate your custom.



Emmanuel Bossman Ampadu

Portfolio Manager

”

Recovery in prices was expected on the stock market on the back of solid performance from financial stocks and MTN in 2019. This has however not been the case as COVID-19 induced liquidity squeeze has resulted in both Foreign Portfolio Investors and local retail investors dumping their positions and thereby depressing prices further.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED



John Kay & Co.

7th Floor, Trust Towers
Farrar Avenue, Adabraka
P. O. Box 16088
Airport, Accra

Tel: +233 (0) 302 235 406
+233 (0) 302 238 370
Fax: +233 (0) 302 238 371
E-mail: jkayal@yahoo.com

OPINION

We have audited the accompanying financial statements of EDC Ghana Balanced Fund Limited, which comprise the statement of financial position at 31 December 2019, the statement of comprehensive income and the statement of movement in Net Assets for the year then ended, Cashflow statements and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 38.

In our opinion, the financial statements give a true and fair view of the financial position of EDC Ghana Balanced Fund Limited as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act, 2019 (Act 992).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting

Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Fund's financial reporting process.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED (cont'd)



John Kay & Co.

7th Floor, Trust Towers
Farrar Avenue, Adabraka
P. O. Box 16088
Airport, Accra

Tel: +233 (0) 302 235 406
+233 (0) 302 238 370
Fax: +233 (0) 302 238 371
E-mail: jkayal@yahoo.com

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KEY AUDIT MATTER

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We have determined that, there are no matters to report under key audit matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of accounts have been kept by the Fund so far as it appears from our examination of those books, and

The Mutual Fund's Statement of Assets and liabilities and income and Distribution Accounts are in agreement with the books of Account.

The engagement partner on the audit resulting in this Independent Auditor's Report is **John Armstrong Yao Klinogo (ICAG/P/1116)**

For and on behalf of John Kay & Co. (ICAG/F/2020/128)
Chartered Accountants
Accra.

15th June, 2020

STATEMENT OF FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2019

EQUITY INVESTMENTS

	Shares	Price Per Share GH¢	Market Value GH¢	Percent Of Net Assets %
Banking				
Ecobank Ghana Limited	330,096	8.09	2,670,477	4.19
Ecobank Transnational Incorporated	3,489,226	0.08	279,138	0.44
Ghana Commercial Bank	731,300	5.10	3,729,630	5.86
Standard Chartered Bank	274,106	18.40	5,043,550	7.92
CAL Bank	2,999,971	0.89	2,669,975	4.19
Societe Generale Ghana	1,381,333	0.72	994,560	1.56
COMMUNICATION				
MTN Ghana	8,000,000	0.70	5,600,000	8.79
FINANCIAL SERVICES				
State Insurance Company	119,900	0.08	9,592	0.02
Enterprise Insurance	532,591	1.65	878,775	1.38
FOOD, BEVERAGES & HOUSEHOLD PRODUCTS				
Guinness Ghana Breweries Ltd	78,320	1.69	132,361	0.21
Fan Milk Ltd	330,006	4.12	1,359,624	2.13
Patterson Zochonis Comp. Ltd	377,400	0.38	143,412	0.23
Unilever Ghana Ltd	112,695	16.40	1,848,198	2.90
AGRO-PROCESSING				
Benso Oil Palm Plantation	111,600	2.86	319,176	0.50
OIL & GAS				
Ghana Oil Company	559,460	1.70	951,082	1.49
Total Petroleum Ghana Ltd	582,943	3.00	1,748,829	2.75
	20,010,947		28,378,379	44.56
TREASURY NOTES & BONDS				
1-Year Fixed Rate Note			-	-
2-Year Fixed Rate Note			3,071,469	4.82
3-Year Fixed Rate Note			3,889,566	6.11
5-Year Fixed Rate Note			4,887,171	7.67
6-Year Fixed Rate Bond			217,077	0.34
7-Year Fixed Rate Bond			230,982	0.36
10-Year Fixed Rate Note			2,378,407	3.73
15-Year Fixed Rate Note			601,549	0.94
			15,276,221	23.97
Non - Sovereign Bond				
10 Year ESLA Bond			5,352,878	8.40

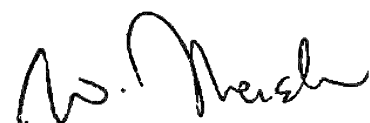
STATEMENT OF FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2019 (cont'd)

	Market Value GH¢	Percent Of Net Assets %
CORPORATE BOND		
3 -Year Fixed Rate Unsecured	1,459,658	2.29
3 -Year Floating Rate Senior Unsecured Note	-	-
5 -Year Unsecured Fixed Rate	4,075,945	6.40
5 -Year Floating Rate Senior Unsecured Note	1,737,165	2.73
6 -Year AFB Floating Rate Senior Unsecured Note	3,581,112	5.62
7 -Year Floating Rate AFB Corporate Bond	607,535	0.95
	-----	-----
	11,461,415	17.99
	-----	-----
FIXED DEPOSIT		
365-Day Fixed Deposit	415,326	0.65
	-----	-----
	415,326	0.65
	-----	-----
FUNDS ON CALL		
Funds on Call	723,583	1.14
	-----	-----
	723,583	1.14
	-----	-----
Accounts Receivable	3,537,911	5.55
	-----	-----
TOTAL FIXED INCOME INSTRUMENTS	36,767,334	57.70
	-----	-----
TOTAL ASSETS	65,145,713	102.26
	=====	=====
Impairment Provision	(3,538)	(0.01)
Net Current Liabilities	(1,436,738)	(2.25)
	-----	-----
TOTAL NET ASSETS	63,705,437	100
	=====	=====

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2019

ASSETS	Note (s)	2019 GH¢	2018 GH¢
Cash & Cash Equivalents	12	723,583	6,784,732
Non-Pledged financial assets at fair value through profit & loss	11	64,422,130	80,394,646
Provision for impairment		(3,538)	(4,484)
TOTAL ASSETS		65,142,175 =====	87,174,894 =====
REPRESENTED BY:			
LIABILITIES			
Account payables	13	1,436,738	653,229
Owners Fund	19	63,705,437	86,521,665
Total Owners Fund & Liabilities		65,142,175 =====	87,174,894 =====



Director

15th June, 2020



Director

15th June, 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 GH¢	2018 GH¢
REVENUE			
Interest income	9	6,696,876	9,012,091
Dividend income		1,421,532	396,906
Net Gains(loss) through financial instrument at fair value through profit and loss		(4,552,677)	(6,644,101)
Realized gain		(184,820)	610,139
		-----	-----
Total Revenue		3,380,911	3,375,035
		-----	-----
EXPENSES			
Fund Management fees		1,834,908	2,262,627
Custodian fees		112,637	119,883
Directors Emolument		33,750	32,000
General Administrative Expenses	20	66,952	46,570
Audit Fees		16,560	13,800
		-----	-----
Total Operating Expenses		2,064,807	2,474,880
		-----	-----
Operating Profit Before Tax		1,316,104	900,155
Impairment Provision		(3,538)	(4,484)
		-----	-----
INCREASE IN NET ASSETS AVAILABLE		1,312,566	895,671
		=====	=====

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 GH¢	2018 GH¢
Balance As At 1 January	30,152,166	29,256,495
Net Income	1,312,566	895,671
	-----	-----
Balance At 31 December	31,464,732	30,152,166
	=====	=====

STATEMENT OF MOVEMENTS IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 GH¢	2018 GH¢
CHANGES IN NET ASSETS FROM OPERATIONS		
change in:		
Net investment income	1,312,566	895,671
	-----	-----
Net change in net assets from operations	1,312,566	895,671
	-----	-----
CHANGE IN NET ASSETS FROM CAPITAL TRANSACTIONS		
Proceeds from Issue of shares	7,365,707	72,665,199
Share Redemptions	(31,494,501)	(35,831,643)
	-----	-----
Net changes in net assets from capital transactions	(24,128,794)	36,833,556
	-----	-----
Net Additions in Net Assets from Capital Transactions	(22,816,228)	37,729,227
	=====	=====
Analysis of changes in Net Assets for the year		
At 1 January	86,521,665	48,792,438
Net Additions to Net Assets	(22,816,228)	37,729,227
	-----	-----
At 31 December	63,705,437	86,521,665
	=====	=====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	CAPITAL TRANSACTION	INVESTMENTS	TOTAL
	GH¢	GH¢	GH¢
December 2019			
AT 1 January 2019	56,369,499	30,152,166	86,521,665
Net Income From operation	-	1,312,566	1,312,566
Share Issue	7,365,707	-	7,365,707
Share Redemption	(31,494,501)	-	(31,494,501)
	-----	-----	-----
	32,240,705	31,464,732	63,705,437
	=====	=====	=====
December 2018			
AT 1 January 2018	19,535,944	29,256,495	48,792,439
Net Income From operation	-	895,671	895,671
Share Issue	72,665,199	-	72,665,199
Share Redemption	(35,831,644)	-	(35,831,644)
	-----	-----	-----
	56,369,499	30,152,166	86,521,665
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 No. of Shares	2018 No. of Shares
Balance as at 1 January		144,040,635	87,515,393
Net Shares Issued/(Redeemed) During the Year	15	(39,835,775)	56,525,242
		-----	-----
Balance at 31 December		104,204,860	144,040,635
		=====	=====

PORTOFOLIO SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2019

DESCRIPTION	POSITION AS AT 31.12.18 No. of Shares	VALUE AS AT 31.12.18 GH¢	POSITION AS AT 31.12.19 No. of Shares	VALUE AS AT 31.12.19 GH¢	PURCHASE AS AT 31.12.19 GH¢	SALES AS AT 31.12.2019 GH¢
Banking						
Ecobank Ghana Limited	330,096	2,475,720	330,096	2,670,476	-	-
Ecobank Transnational Incorporated	3,489,226	558,276	3,489,226	878,775	-	-
Ghana Commercial Bank	803,000	3,693,800	731,300	3,729,630	30,600	66,972
Standard Chartered Bank	273,506	5,743,626	274,106	5,043,550	11,040	-
CAL Bank	3,384,229	3,316,544	2,999,971	2,669,974	-	331,204
Societe Generale Ghana	1,381,333	1,035,999	1,381,333	994,559	-	-
Communication						
MTN	10,099,200	7,978,368	8,000,000	5,600,000	-	1,809,365
Financial Services						
State Insurance Company	119,900	22,781	119,900	9,592	-	-
Enterprise Insurance	532,591	1,193,003	532,591	279,138	-	-
Food, Beverages & Household Products						
Guinness Ghana Breweries Ltd	78,320	170,737	78,320	132,360	-	-
Fan Milk Ltd	327,406	2,619,248	330,006	1,359,624	10,712	-
Patterson Zochonis Comp. Ltd	377,400	154,734	377,400	143,412	-	-
Unilever Ghana Ltd	112,695	2,003,717	112,695	1,848,198	-	-
Agro-Processing						
Benso Oil Palm Plantation	111,600	568,044	111,600	319,176	-	-
Oil & Gas						
Ghana Oil Company	559,460	1,745,515	559,460	951,082	-	-
Total Petroleum	582,943	1,982,006	582,943	1,748,829	-	-
	22,562,905	35,262,118	20,010,947	28,378,375	52,352	2,207,541

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	GH¢	GH¢
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets attributable to unit holders	1,312,566	895,671
Adjusted for:		
Interest Receivable	(1,080,867)	(3,022,056)
Change in investment	4,737,496	6,645,101
Dividend	(1,421,532)	(396,906)
Change in liabilities	783,509	293,509
Interest income	(5,616,009)	(5,990,035)
Change in receivables	-	(22,000)
	-----	-----
Net Cash Flow from Operating Activities	(1,284,837)	(1,596,716)
	-----	-----
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income	5,616,009	5,990,035
Dividend income	1,421,532	396,906
(Purchase) /Sales of financial assets	12,314,941	(37,074,419)
	-----	-----
Net Cash flow from investing activities	19,352,482	(30,687,478)
	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	7,365,707	72,665,199
Amount paid on redemption of units	(31,494,501)	(35,831,644)
	-----	-----
Net Cash flow from financing activities	(24,128,794)	36,833,555
	-----	-----
Net increase (decrease) in cash and cash equivalent	(6,061,149)	4,549,361
Cash and cash equivalent at 1 January	6,784,732	2,235,371
	-----	-----
Cash and cash equivalent at 31 December	723,583	6,784,732
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. REPORTING ENTITY

EDC Ghana Balanced Fund Limited is a mutual fund investment company whose primary object is to obtain contributions from members and invest same for their benefit. EDC Ghana Balanced Fund Limited is a limited liability company and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 2 of the annual report.

2. BASIS OF ACCOUNTING

a. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and the Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695)

b. Functional and Presentation Currency

The financial statements are presented in Ghana Cedi (GH¢) which is the organisation's functional and presentation currency.

c. Use of Estimates and Judgment

The preparation of financial statements in conformity with International Financial Reporting Standard (IFRS) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the year in the preparation of the Fund's financial statements.

i. Contributions

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day. Securities that are actively traded an over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities for which, market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors. Debt securities are valued at amortized cost.

ii. Investment income recognition

(a) Interest income

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable are recognized in the profit or loss as interest.

(b) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date that shareholders approve the payment of dividend.

(c) Pooled investment income

Income arising from the underlying investment of the pooled investment that is reinvested within the pooled investment is reflected in the unit price. Such income is reported within the change in market value.

iii. Financial Instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise loans and receivables, held-to-maturity and available-for-sale. Trustees determine the appropriate classification of its financial assets and liabilities at initial recognition.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Non-derivative financial instruments are derecognized when the rights to receive cash flows from the financial assets have expired or where the Scheme has transferred substantially all risks and rewards of ownership.

Non-derivative financial instruments are categorized as follows:

Loans, advances and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those classified as held for trading and those that the Scheme on initial recognition designates at fair value through profit or loss; (b) those that the Scheme upon initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are carried at amortised cost using effective interest rate method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the Scheme's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on aging of customer's balances, specific credit circumstances, and the company's receivables historical experience. Regular way purchases and sales of loans and receivables are recognised on contractual settlement. Available-for-sale – These are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as (a) loans and receivables, (b) held to maturity, (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative

gain or loss previously recognised in equity is recognised in the profit or loss account. However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Scheme's right to receive payment is established.

Regular way purchases and sales of available-for-sale financial assets are recognised on trade-date, i.e. the date on which the Scheme commits to purchase or sell the asset.

Held-to-maturity – Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Were the scheme to sell more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available-for-sale. Treasury bills with an original maturity of more than 182 days, treasury notes and other government bonds are classified as held-to-maturity.

Held-to-maturity assets are carried at amortised cost using effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognised on trade-date, i.e. the date on which the Scheme commits to purchase or sell the asset.

(b) Financial Liabilities

Financial liabilities, other than trading liabilities and financial liabilities designated at fair value, are carried at amortised cost using the effective interest method. Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Financial liabilities are derecognised when they are redeemed or otherwise extinguished.

(c) Off setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the scheme has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

losses arising from a group of similar transactions.

(d) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(e) Hedge Accounting

Hedge accounting is the method that recognises the proportionate offsetting effects of a hedging instrument on the changes in value of the hedged item. Hedge accounting applies only when a hedging relationship can be demonstrated between a hedged item and a hedging instrument. Such method generally applies for transactions that are carried out to eliminate or mitigate risks. The effectiveness of such hedges is demonstrated at inception and verified at regular intervals and at least on a quarterly basis, using prospective and retrospective testing. Recognition of hedged transactions depends on the hedged categories.

Fair value hedges

Fair value hedges are used to mitigate foreign currency and interest rate risks of recognised assets and liabilities. The changes in fair values of hedging instruments are recognised in the income statement. Hedged items are also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

The fair values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters and dealer quotes for similar instruments. When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

Cash flow hedges

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions as well as

the variability of expected interest payments and receipts. The effective part of the changes in fair value of hedging instruments is recognised against equity, while any ineffective part is recognised immediately in the income statement. When the hedged item results in the recognition of a non-financial asset or liability, the gains or losses previously recognised against equity are included in the measurement cost of the asset or the liability. Otherwise the gains or losses previously recognised against equity are removed from equity and recognised in the income statement at the same time as the hedged transaction.

(f) Effective Interest Rate

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

(g) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible. Where no such active market exists for the particular asset, the trustees use a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models or other valuation techniques commonly used by market participants.

(h) Impairment of financial assets

The directors assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Scheme about the following loss events:

Significant financial difficulty of the borrower;

- A breach of contract, such as default or delinquency in interest or principal repayments;
- The Scheme granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Scheme would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets including:
 - Adverse changes in the payment status of borrowers; or
 - National or local economic conditions that correlate with defaults on the assets of The Scheme.
- The estimated period between a loss occurring and its identification is determined by trustees for each identified portfolio.

v. Foreign Currency

Transactions in foreign currencies during the period are converted into Cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Cedis at exchange rates ruling at the financial year-end.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into Cedis at the exchange rates at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

vi. Transfer Values

Transfer values represent the capital sums paid to and from the pension schemes on the basis of when the

member liability is accepted or discharged.

vii. Cash and cash equivalents

Cash and cash equivalents comprises deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the Fund in the management of short term commitment, other than cash collateral provided in respect of security borrowing transactions.

viii. Fees and Commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

4 . APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

Impact of Initial Application of IFRS 16 Leases

In the current year, the Mutual Fund has not applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3(W).

The date of initial adoption is 1 January 2019, however IFRS 16 is not applicable to the Mutual Fund reporting

i. Impact of the New Definition of a Lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4. The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

ii. Impact on Lessee Accounting

Former Operating Lease

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Company's financial statements.

iii. Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

These changes have had no impact on the financial statements on the Mutual Fund.

i. Impact on the statement of cash flows

The application of IFRS 16 has an impact on the statement of cash flows of the Company. Under IFRS 16, lessees must present:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Company has opted to include interest paid as part of financing activities); and
- Cash payments for the principal portion for a lease liability, as part of financing activities.
- The adoption of IFRS 16 did not have an impact on net cash flows.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Amendments to IFRS 9 Prepayment features with negative compensation

The Mutual Fund has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI. The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(c) Amendments to IAS 28 Long-term interests in associates and joint ventures

The Mutual Fund has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Fund applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the fund does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(d) Annual Improvements to IFRS Standards 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

The Fund has adopted the amendments included in the Annual Improvements to IFRS Standards 2015-2017 Cycle for the first time in the current year. The adoption of these amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes

The amendments clarify that the entities should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entities originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRS 3 Business combinations

The amendments clarify that when the entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

IFRS 11 Joint arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

(e) Amendments to IAS 19 Employee benefits plan Amendment, Curtailment or Settlement

The entity has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(f) IFRIC 23 Uncertainty over income tax treatments

The entity has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

5. NEW AND REVISED STANDARDS in issue not yet effective

At the date of authorisation of these financial statements, the entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17

Insurance Contracts

Conceptual Framework

Amendments to References to the Conceptual Framework

Amendments to IFRS 3

Definition of a Business

Amendments to IAS 1 and IAS 8

Definition of Material

IFRS 10 Consolidated Financial Statements and IAS 28

(amendments)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the entity in future periods, except as noted below:

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is likely to bring significant changes to an entity's processes and systems, and will require much greater co-ordination between many functions of the business, including finance, actuarial and IT.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the entity's financial statements.

Amendments to References to the Conceptual Framework

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

Amendments to IFRS 3 Definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine

whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of obscuring material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term material to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Mutual Fund anticipate that the application of these amendments may have an impact on the mutual Fund's financial statements in future periods should such transactions arise.

6. RELATED PARTIES AND KEY CONTRACTORS.

a. Fund Managers

The Directors of the Fund appointed EDC Investments Limited, an investment management company incorporated in Ghana and duly licensed by the security and exchange Commission of Ghana as a Mutual Fund Manager, to implement the investment strategy and objectives as stated in the Funds investment management policy manual. Under the investment management agreements, the investment managers receive a management fee not exceeding 2.5% per annum of the Fund's average daily net assets value on a monthly basis and paid at the end of each month based on the number of days within the period.

The Board and the Manager by mutual agreement can authorize the Management fee to be calculated and paid at periods other than monthly intervals provided the interest of the shareholders is not jeopardized. The management fees incurred during the year amounted to GH¢ 1,834,908. Included in the payables as at 31 December 2019 were fund management fees of GH¢ 1,360,358.

b. Fund Custodians

The Directors of the Fund appointed Standard Republic Bank Limited, a Limited liability company incorporated in Ghana and duly licensed by the security and exchange Commission of Ghana to provide custody services to the Fund managers. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of the custodian shall be entitled to a transaction charge of GH¢ 5 per transaction and a safekeeping fee of thirteen 13 basis points (0.13%) per annum. The custodian shall also be entitled to GH¢50 per month per securities account. The fees are inclusive of communication charges relating to the conduct of normal business of the net asset value in accordance with guidelines on fees and charges issued by the security and exchange Commission of Ghana. The Custodian fees Charged during the year amounted to GH¢ 112,637 Included in the payables as at 31 December 2019 were custodian fees of GH¢ 22,527.

7. SHARE PURCHASES

	2019 GH¢	2018 GH¢
Balance at 1 Jan	56,269,499	19,435,943
Members Contribution during the year	7,365,707	72,665,199
	-----	-----
	63,635,206	92,101,142
Redemptions	(31,494,501)	(35,831,643)
	-----	-----
	32,140,705	56,269,499
	=====	=====

8. REDEMPTIONS

	2019 GH¢	2018 GH¢
Redemptions	31,494,501	35,831,643
	-----	-----
	31,494,501	35,831,643
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTEREST INCOME

	2019 GH¢	2018 GH¢
Cash and cash equivalents	44,695	247,542
Debt securities	6,558,027	6,714,641
Held-to-maturity	94,154	2,049,908
	-----	-----
	6,696,876	9,012,091
	=====	=====

10. FINANCIAL INSTRUMENT

a). Analysis of changes in fair value of financial instrument through profit or loss.

31 December 2019	Balance 1/1/19 GH¢	Purchase/ (Sales) GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/19 GH¢
Quoted Share Ghana Government Securities	35,262,121	(2,331,065)	-	(4,552,677)	28,378,379
Corporate bonds	18,435,142	(3,792,342)	633,421	-	15,276,221
Non – Sovereign Bond	10,879,405	281,143	300,867	-	11,461,415
Fixed and Time Deposits	10,213,769	(5,007,470)	146,579	-	5,352,878
	5,604,209	(1,675,693)	24,721	-	3,953,237
	-----	-----	-----	-----	-----
	80,394,646	(12,525,427)	1,105,588	(4,552,677)	64,422,130
	=====	=====	=====	=====	=====
31 December 2018	Balance 1/1/18 GH¢	Purchase/ (Sales) GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/18 GH¢
Quoted Share Ghana Government Securities	19,874,624	22,033,599	-	(6,646,102)	35,262,121
Corporate Bonds	14,122,199	2,959,679	1,353,264	-	18,435,142
Non – Sovereign Bond	-	10,093,751	785,654	-	10,879,405
Fixed and Time Deposits	719,875	9,089,144	404,750	-	10,213,769
	12,200,089	(7,085,837)	489,957	-	5,604,209
	-----	-----	-----	-----	-----
	46,916,787	37,090,336	3,033,625	(6,646,102)	80,394,646
	=====	=====	=====	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 GH¢	2018 GH¢
Debt Securities	16,814,293	39,550,073
Quoted Equity Investments	28,378,379	35,262,121
Held-To-Maturity Securities	19,229,458	5,582,452
	-----	-----
	64,422,130	80,394,646
	=====	=====

12. CASH AND CASH EQUIVALENTS

	2019 GH¢	2018 GH¢
Cash and Funds on Call	723,583	6,784,732
Treasury Bills	-	-
	-----	-----
	723,583	6,784,732
	=====	=====

13. PAYABLE UNDER SERVICE LEVEL AGREEMENTS

	2019 GH¢	2018 GH¢
Management fees	1,382,885	599,243
Audit fees	16,560	13,800
Board Expenses	9,600	7,800
EDC Investment	24,691	-
VAT on Audit fees	3,002	2,415
Custody Fees	-	29,971
	-----	-----
	1,436,738	653,229
	=====	=====

14. UNREALIZED GAINS/(LOSSES) ON INVESTMENT

	2019 GH¢	2018 GH¢
Market Value of Investments	28,378,379	35,262,121
Cost of Investments	(32,931,056)	(41,906,223)
	-----	-----
	(4,552,677)	(6,644,102)
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. CAPITAL TRANSACTIONS

	2019	2018
	No. of Shares	No. of Shares
New Issues	12,222,112	113,761,315
Redemptions	(52,057,887)	(57,236,073)
	-----	-----
	(39,835,775)	56,525,242
	=====	=====

16. TAXATION

Income of approved unit trust scheme or mutual fund is exempt from tax under the income tax act 2015 (Act 869) as amended.

17. PURCHASE AND SALE OF LONG-TERM SECURITIES

	2019	2018	2019	2018
	PURCHASE	PURCHASE	SALES	SALES
	GH¢	GH¢	GH¢	GH¢
Benson Oil Palm Plantation	-	-	-	-
Ghana Commercial Bank Ltd	30,600	2,665,664	66,972	404,000
Ecobank Ghana Limited	-	1,519,587	-	228,000
Ecobank Transnational Inc	-	44,254	-	-
Standard Chartered Bank	11,040	4,783,306	-	-
CAL Bank Ltd.	-	2,315,744	331,204	-
State Insurance Company	-	-	-	-
Enterprise Group Ltd.	-	-	-	407,000
Uniliver Ghana Ltd	-	97,412	-	67,916
Fan Milk Ltd	10,712	3,733,764	-	-
Societe Generale Ghana	-	-	-	324,720
Standard Chartered Bank	-	-	-	-
Ghana Oil Company Ltd	-	-	-	-
Total Petroleum Ltd	-	1,044,394	-	151,500
MTN	-	7,878,567	1,809,365	388,300
	-----	-----	-----	-----
	52,352	24,082,692	2,207,541	1,971,436
	=====	=====	=====	=====

18. TRANSACTIONS THROUGH STOCK BROKERS

The fund's transactions were done through EDC Stockbrokers Limited, IC Security and Bullion Securities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. OWNERS' FUNDS

	2019	2018
	GH¢	GH¢
Accumulated net investment income	31,464,732	30,152,166
Stated capital registered	100,000	100,000
Movement on shares issued	32,140,705	56,269,499
	-----	-----
	63,705,437	86,521,665
	=====	=====

20. GENERAL ADMINISTRATIVE EXPENSES

	2019	2018
	GH¢	GH¢
Legal Fees	9,600	9,600
Stationery/Printing	18,155	2,409
Marketing and Promotion	-	700
Board Expense	12,945	8,450
AGM Expenses	15,431	11,374
VAT on Audit Fees	3,002	2,415
Bank charges	7,819	11,713
	-----	-----
	66,952	46,661
	=====	=====

21. DIRECTORS' SHAREHOLDING

	SHARE	PERCENT OF FUNDS
David Ofosu-Dorte	44,800	0.042
Richard Adu-Poku	6,687	0.006
William Mensah	24,145	0.023
Paul Kofi Mante	126,334	0.121

22. EVENT AFTER REPORTING PERIOD

It is envisioned that COVID 19 pandemic will most likely have an impact on the economy, and as a result the Expected Credit Loss (ECL) provisions relating to forward looking information will be impacted. The Fund is, however not able to produce a reliable estimate of this impact at this point.

The Directors are not aware of any other material events that have occurred between the date of the financial statement and the date of this report.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on 15th June, 2020



Republic Bank (Ghana) Limited

Monday August 24, 2020.

The Manager
EDC Ghana Balanced Fund
2 Morocco Lane
Off Independence Avenue
Ministerial Area,
Accra.

Our Ref: 20200824EDCBFD

REPORT OF THE CUSTODIAN TO THE INVESTORS OF EDC GHANA BALANCED FUND

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I 1695 and attach a statement of holdings of securities in custody with Republic Bank Custody Services for the above fund as at December 31, 2019.

Respective Investment Restrictions imposed on the Fund and the Responsibility of Custodians

Pages 12 of the funds regulations specify the fund's investment restrictions. Our responsibility is to express an independent opinion on the statement of holdings based on our audit.

Opinion

In our opinion, the statement of holdings is in agreement therewith and gives a true and fair view of the state of affairs of the Fund as at December 31, 2019 and the manager, **EDC Investment Limited** has managed the fund for the year ended December 31, 2019 in accordance with,

- (a) The limitations imposed on the investment and borrowing powers of the managers, and
- (b) Provisions pursuant to the above mentioned regulations

Yours faithfully,


Audrey Smith Dadzie
Head, Republic Bank Custody Services


Gerald Quansah
Operations Manager



Portfolio Valuation

08/01/2020 9:59:17 AM

Account Code : SKP67-EGBF
Mailing Address : No. 5, 2nd Ridge Link,
north Ridge Accra
p.o. Box An 16746
accra-north

Account Name : HFCN/ EDC GHANA BALANCED FUND LTD

Report Date :31.12.19
Reported in GHS

Security Code	Security Description	Holdings	Book Cost GHS	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
Distribution							
GOIL	Ghana Oil Company Limited	559,460.00	639,940.80	1.70	GHS	951,082.00	1.39
TOTAL	Total Petroleum Ghana Limited	582,943.00	2,285,268.28	3.00	GHS	1,748,829.00	2.56
		1,142,403.00	2,925,209.09			2,699,911.00	3.95
Finance							
CAL	Cal Bank Limited	2,999,971.00	3,230,021.72	0.89	GHS	2,669,974.19	3.91
EBG	Ecobank Ghana Limited	330,096.00	1,763,454.85	8.09	GHS	2,670,476.64	3.91
ETI	Ecobank Transnational Incorporated	3,489,226.00	2,086,447.91	0.08	GHS	279,138.08	0.41
GCB	Ghana Commercial Bank	731,300.00	4,080,354.78	5.10	GHS	3,729,630.00	5.46
SCB	Standard Chartered Bank Ghana Limited	274,106.00	6,150,737.22	18.40	GHS	5,043,550.40	7.38
SSB	Societe Generale Ghana Limited	1,381,333.00	911,835.40	0.72	GHS	994,559.76	1.46
		9,206,032.00	18,222,851.87			15,387,329.07	22.53
Food And Beverage							
FML	Fanmilk Ghana Limited	330,006.00	4,979,510.26	4.12	GHS	1,359,624.72	1.99
GGBL	Guinness Ghana Brewery Limited	78,320.00	426,844.00	1.69	GHS	132,360.80	0.19
		408,326.00	5,406,354.26			1,491,985.52	2.18
Insurance							
EGL	Enterprise Group Ltd.	499,591.00	1,233,178.33	1.65	GHS	824,325.15	1.21
MTN IPO	Mtn Ghana Limited	8,000,000.00	6,240,944.07	0.70	GHS	5,600,000.00	8.20
SIC	Sic Insurance Company Limited	119,900.00	45,562.00	0.08	GHS	9,592.00	0.01
		8,619,491.00	7,519,684.41			6,433,917.15	9.42
Manufacturing							
BOPP	Benso Oil Palm Plantation Limited	111,600.00	466,392.04	2.86	GHS	319,176.00	0.47
PZC	Patterson Zochonis (ghana) Limited	377,400.00	343,434.00	0.38	GHS	143,412.00	0.21
UNIL	Unilever Ghana Limited	112,695.00	1,420,907.61	16.40	GHS	1,848,198.00	2.71

Republic Bank Ghana Ltd.

P.O.Box CT 4603, Accra



Republic Bank Limited

Security Code	Security Description	Holdings	Book Cost GHS	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
		601,695.00	2,230,733.65			2,310,786.00	3.39
Total Equities		19,977,947.00	36,304,833.28			28,323,928.74	41.47

Security Code	Security Description	Holdings	Book Cost GHS	Int Rate	Purchase Date	Accrual Days	Accrued Interest	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
Finance											
3YR BOND	3YR FXD RATE UNSECRD BOND S&L NOTE @ 20.50% DUE	1,443,400.00	1,443,400.00	20.50	13/Dec/2017	19	15,445.17	1.01	GHS	1,458,845.17	2.14
MTN~SKP67-EGBF	13.12.2020										
AFB 5YR BOND -	5 YEAR AFB NOTES AT 20 PER DUE 24.09.2023	1,500,000.00	0.00	20.00	04/Oct/2019	99	81,369.86	1.05	GHS	1,581,369.86	2.31
SKP67-EGBF											
AFB 5YR BOND-S67	5 YEAR AFB NOTES AT 20PER DUE 24.09.2023	1,500,000.00	0.00	20.00	21/Jun/2019	99	81,369.86	1.01	GHS	1,517,333.65	2.22
AFB 6YR T17~SKP67-EGBF	6 YR AFB FLOATING RATE NOTE @ 18.83% DUE 22.05.2024	2,000,000.00	2,000,000.00	18.83	22/May/2018	40	41,271.23	1.02	GHS	2,041,271.23	2.99
AFB5YR_~SKP67-EGBF	AFB 5 YR FLOATING NOTE @ 19.08% DUE 11.07.22	142,000.00	142,000.00	19.08	11/Jul/2017	174	12,951.34	1.09	GHS	154,951.34	0.23
DLXPLC_5YR~SKP67-EGBF	5 YR DALEX FIN & LEASING PLC NOTE PROG. @ 21% DUE 31.05.2023	4,000,000.00	4,000,000.00	21.00	31/May/2018	32	73,643.84	1.02	GHS	4,073,643.84	5.96
EDEN 3YR FL~SKP67-EGBF	3YR EDENDALE FLOATING RATE SECURE NOTE @ 16.83% DUE 06.05.19	1,000,000.00	1,000,000.00	16.83	06/May/2016	240			GHS		
IZWE A10 FLR~SKP67-EGBF	3 YEAR IZWE FLOATING RATE BOND @ 17.33% DUE 29.10.2018	235,700.00	235,700.00	17.33	29/Oct/2015	429			GHS		
		11,821,100.00	8,821,100.00				306,051.30			10,827,415.10	15.85
Govt Debt-Notes And Bonds											
AUC1426_5YR~SKP67-EGBF	5 YEAR GOG BOND @ 21% DUE 23.03.2020	189,000.00	209,664.65	21.00	30/Mar/2015	100	10,903.85	1.06	GHS	199,903.85	0.29
AUC1475_5YR~SKP67-EGBF	5 YEAR GOG BOND @ 24.75% DUE 01.03.2021	125,000.00	154,749.50	24.75	07/Mar/2016	121	10,284.17	1.08	GHS	135,284.17	0.20
AUC1491_5YR~SKP67-EGBF	5YR GOVT BOND @ 24.5% DUE 21.06.2021	467,000.00	598,683.55	24.50	27/Jun/2016	9	2,828.94	1.01	GHS	469,828.94	0.69
AUC1495_5YR~SKP67-EGBF	5 YR GOVT BOND @ 24.75% DUE 19.07.2021	46,400.00	59,886.58	24.75	25/Jul/2016	163	5,142.56	1.11	GHS	51,542.56	0.08
AUC1511_10YR~SKP67-EGBF	10 YEAR GOG BOND @ 19.00% DUE 02.11.2026	360,300.00	395,664.30	19.00	28/Aug/2017	51	9,591.50	1.03	GHS	369,891.50	0.54
AUC1528_3YR~SKP67-EGBF	3 YEAR GOG BOND @ 21.5% DUE 09.03.2020	332,500.00	349,541.64	21.50	13/Mar/2017	114	22,388.94	1.07	GHS	354,888.94	0.52
AUC1531_15YR~SKP67-EGBF	15 YEAR GOG BOND @ 19.75% DUE 15.03.2032	271,000.00	299,151.15	19.75	03/Apr/2017	93	13,674.70	1.05	GHS	284,674.70	0.42
AUC1531_7YR~SKP67-EGBF	7 YEAR GOG BOND @ 19.75% DUE 25.03.2024	220,000.00	220,000.00	19.75	03/Apr/2017	93	11,101.24	1.05	GHS	231,101.24	0.34
AUC1548_5YR~SKP67-EGBF	5YR GOG BOND @ 18.25% DUE 25.07.2022	384,000.00	390,046.20	18.25	31/Jul/2017	156	30,034.29	1.08	GHS	414,034.29	0.61

Republic Bank Ghana Ltd.

P.O.Box CT 4603, Accra



Republic Bank Limited

Security Code	Security Description	Holdings	Book Cost GHS	Int Rate	Purchase Date	Accrual Days	Accrued Interest	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
AUC1576_5YR~SKP67	5YR GOV'T BOND @ 16.50% DUE 06.02.2023 -EGBF	3,400,000.00	3,264,437.89	16.50	12/Feb/2018	142	218,851.65	1.06	GHS	3,618,851.65	5.30
AUC1582_3YR~SKP67	3 YR GOV'T NOTE @ 16.50% DUE 22.03.2021 -EGBF	900,000.00	900,000.00	16.50	26/Mar/2018	100	40,796.70	1.05	GHS	940,796.70	1.38
AUC1589_2YR~SKP67	2 YR GOV'T NOTE @ 16.0% DUE 11.05.2020 -EGBF	2,000,000.00	2,000,000.00	16.00	14/May/2018	51	44,835.16	1.02	GHS	2,044,835.16	2.99
AUC1590_3YR~SKP67	3 YR GOV'T BOND @ 16.25% DUE 17.05.2021 -EGBF	1,500,000.00	1,500,000.00	16.25	21/May/2018	44	29,464.29	1.02	GHS	1,529,464.29	2.24
AUC1615_2YR-SKP67	2 YEAR GOVT NOTE AT 19.50PER DUE 09.11.2020	150,000.00	163,794.47	19.50	17/Oct/2019	51	4,098.21	1.03	GHS	155,046.98	0.23
AUC1623_2YR~SKP67	2 YR GOV'T NOTE @ 19.75% DUE 04.01.2021 -EGBF	797,600.00	799,763.60	19.75	08/Jan/2019	177	76,599.18	1.10	GHS	874,199.18	1.28
AUC1623_3YR~SKP67	3 YR GOV'T BOND @ 20.00% DUE 03.01.2022 -EGBF	700,000.00	700,000.00	20.00	08/Jan/2019	177	68,076.92	1.10	GHS	768,076.92	1.12
AUC1627_6YR~SKP67	6 YR GOV'T BOND @ 21.00% DUE 27.01.2025 -EGBF	200,000.00	200,000.00	21.00	04/Feb/2019	149	17,192.31	1.09	GHS	217,192.31	0.32
AUC1643_3YR~SKP67	3 YR GOVT BOND @ 19.70% DUE 23.05.2022 -EGBF	300,000.00	300,000.00	19.70	27/May/2019	37	6,007.42	1.02	GHS	306,007.42	0.45
AUC1647_10YR4	10 YR GOVT BOND AT 19.80PER DUE 11.06.2029	2,000,000.00	2,000,000.00	19.80	24/Jun/2019	9	9,791.21	1.00	GHS	2,009,791.21	2.94
AUC1652_15YRC	15 YR GOVT BOND AT 20.00PER DUE 10.07.2034	300,000.00	300,000.00	20.00	29/Jul/2019	156	25,714.29	1.09	GHS	325,714.29	0.48
		14,642,800.00	14,805,383.53				657,377.53			15,301,126.29	22.42
Insurance											
7YR AFB FLR~SKP67-	7 YR AFB FLOATING RATE BOND @ 21.34% DUE 20.03.2024 EGBF	575,148.00	575,148.00	21.34	22/Mar/2017	103	34,635.25	1.06	GHS	609,783.25	0.89
		575,148.00	575,148.00				34,635.25			609,783.25	0.89
LOCAL GOV'T & STATUTORY AGENCY SECURITY											
ESLA_10YR~SKP67-	10 YR ESLA BOND @ 19.50% DUE 27.10.2027 EGBF	4,956,299.04	5,245,382.12	19.50	08/Nov/2017	56	148,688.97	1.03	GHS	5,104,988.01	7.47
ESLA_10YRAA	10 YR ESLA BOND AT 19.85PER DUE 15.06.2029	250,000.00	250,000.00	19.85	28/Jun/2019	5	681.66	1.00	GHS	250,681.66	0.37
		5,206,299.04	5,495,382.12				149,370.63			5,355,669.67	7.84
Total Bonds		32,245,347.04	29,697,013.65				1,147,434.72			32,093,994.32	47.00

Security Code	Security Description	Holdings	Book Cost GHS	Int Rate	Purchase Date	Accrual Days	Accrued Interest	Market Value GHS	% Total Mkt Value
Call Deposits									
TR08102019112158	EDC STOCK BROKERS AT OPER	968,319.67	968,319.67	0.01	07/Mar/2018	665	176.42	968,496.09	1.42
		968,319.67	968,319.67				176.42	968,496.09	1.42
Fixed Deposits									



Security Code	Security Description	Holdings	Book Cost GHS	Int Rate	Purchase Date	Accrual Days	Accrued Interest	Market Value GHS	% Total Mkt Value
TR26082019155540	1827 DAY CBG FD AT 7.50 PER DUE 27.11.2023	390,605.56	390,605.56	7.50	26/Nov/2018	401	32,184.83	422,790.39	0.62
		390,605.56	390,605.56				32,184.83	422,790.39	0.62
Total Deposits		1,358,925.23	1,358,925.23				32,361.25	1,391,286.48	2.04

Security Code	Security Description	Book Cost	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
Cash						
0022435478011	HFCN/ EDC GHANA BALANCED FUND - TXN ACCT	300,000.00	300,000.00	GHS	300,000.00	0.44
0022435478027	HFCN/ EDC GHANA BALANCED FUND LTD- CALL	635,122.99	635,122.99	GHS	635,122.99	0.93
		0.00			935,122.99	1.37
Total Cash at Bank		0.00			935,122.99	1.37

Security Code	Security Description	Book Cost	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
Receivables						
0022435478011D	002-0022435478011 Dividend	0.00			2,294.78	0.00
		0.00			2,294.78	0.00
Total Cash Receivables		0.00			2,294.78	0.00

Security Code	Security Description	Book Cost	Market Price	Price Ccy	Market Value GHS	% Total Mkt Value
Fixed Deposit Receivables						
0022435478011FI	002-0022435478011 Fixed Deposit Interest	0.00			482,913.17	0.71
0022435478011FR	002-0022435478011 Fixed Deposit Redemption	5,093,710.77			5,093,710.77	7.46
		0.00			5,576,623.94	8.17
Total Fixed Deposit Receivables		0.00			5,576,623.94	8.17



Total Portfolio	53,582,219.27	73,389,605.92	1,179,795.97	68,323,251.24	100.00
------------------------	---------------	---------------	--------------	---------------	--------

Summary Report

	Book Cost	Market Value
Bonds	29,697,013.65	32,093,994.32
Cash at Bank	935,122.99	935,122.99
Cash Receivables	0.00	2,294.78
Deposits	1,358,925.23	1,391,286.48
Equities	36,304,833.28	28,323,928.74
Fixed Deposit Receivables	5,093,710.77	5,576,623.94

Exchange Rates to GHS

GHS	Ghanaian Cedi	1.00
BMD	Bermuda Dollar	0.23
BWP	Botswana Pula	0.23
CAD	Canadian Dollar	0.23
CHF	Swiss Franc	0.23
CYP	Cyprus Pounds	0.23
EGP	Egyptian Pound	6.64
EUR	Euro	6.20
GBP	Great British Pounds	7.27
HKD	Hong Kong Dollar	0.00
KES	Kenyan Shillings	0.23
KW	Zambian Kwacha	0.23
MD	Morroco Deram	0.23
MUR	Mauritius Rupees	0.23
MWK	Malawi Kwacha	0.23
NGN	Naira	0.23
SAR	Rand	0.23
TZS	Tanzinian Schillings	0.23
USD	United States Dollars	5.54
USH	Ugandan Shillings	0.00
XOF	Cfa Franc	0.23
ZAR	Rand	0.23
ZMK	Zambian Kwacha	0.23

Stock Market Indices

----- End of Report -----

EDC Investments Limited

We have many options to secure your future

Top ups through desired bank's internet banking platform, mobile money, cash and cheque deposits through the banks, scan to invest through our QR or Merchant ID and invest through the pay bill option on the Ecobank mobile app.



Kindly ensure to quote your unique EDC account number for every deposit. Deposits without a corresponding EDC account number cannot be invested.

EDC Ghana Balanced Fund



53853050
EDC GHANA BALANCED FUND

Follow these steps to depositing via QR Code:

1. Select **'Pay Merchant'** on the Ecobank Mobile App dashboard
2. Select which merchant you wish to use (**Mastercard or Visa**)
3. Focus your camera on the QR code to scan
- 4.*Input the beneficiary account name and unique EDC account number (mandatory)
5. Input your amount and PIN and select **PAY**

Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group.

Contact us:

2nd Floor, New Ecobank Head Office, 2 Morocco Lane,
Off the Independence Avenue
Telephone: 0302634165 | Email: edc-clientservice@ecobank.com

ecobank.com/swam



Ecobank
The Pan African Bank

PROXY FORM

EDC Ghana Balanced Fund Limited
 Ecobank Head Office Building, 2nd Floor
 2, Morocco Lane, Off the Independence Avenue
 P.O. Box AN 16746
 Accra- Ghana
 Tel: (233) 0302634165 / 0302634150
 Email: edc-clientservice@ecobank.com

I/We.....of.....being a member(s) of EDC Ghana Balanced Fund Limited (the “Company”) hereby appoint.....of.....as my/our proxy to attend on my/our behalf, the **11th Annual General Meeting** of the Shareholders of **EDC Ghana Balanced Fund Limited** will be held virtually and streamed live on <https://www.edcghanaagm.com> on **Wednesday September 16, 2020 at 9:00 a.m.** for the following purposes and to vote on my/our behalf on matters as directed below:

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an ‘X’ in the appropriate space

RESOLUTIONS	FOR	AGAINST
1. To receive and consider the Audited Financial Statements together with the reports of Directors, Fund Manager and Auditors for the year ended December 31, 2019;		
2. To appoint the following as Directors of the Company: a. Ms. Shirley Dontoh b. Ms. Shirley Obeng Adu c. Mr. Edem Dewotor		
3. To authorize the Directors to determine the fees for the Auditors for the year 2020		
4. To approve the Board of Director’s fees for the Auditors for the year 2020		
5. To authorize the change of the name of the Company from EDC Ghana Balanced Fund Limited to EDC Ghana Balanced Fund PLC		
6. To authorize the amendment of the Company’s Constitution to provide for the holding of all meetings, including Annual General Meetings by virtual means where the Directors deem it necessary so to do.		

Shareholder’s SignatureDate2020

Notes

1. A proxy need not be a member of the Company.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed, scanned and sent via email to: admin@lawfieldsconsulting.com not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required.
5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a shareholder from attending the meeting and voting thereat.

Ecobank Securities, Wealth and Asset Management

Join the EDC family today

Register quickly and conveniently online today

Investing with us just got easier!

There's no need to visit us in-branch to join our investment family. With our new online registration, you can join us wherever and whenever you like!

For more information contact us at:

Email: edc-clientservice@ecobank.com

Tel: 0302 634 165

Register today at

www.ecobank.com/swam



Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EEDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group.

ecobank.com



Ecobank
The Pan African Bank