

**HFC INVESTMENT SERVICES**

**HFC Equity Trust**

**2007**

**Annual Report & Financial Statements**

## **THE MANAGER**

<b>Name:</b>	HFC Investment Services Limited (HFCISL)
<b>Country of Incorporation:</b>	Ghana
<b>Registration Number:</b>	50,533
<b>Nature of Corporate Form:</b>	Limited liability, wholly-owned subsidiary of the HFC Bank (Ghana) Ltd.
<b>Registered Office:</b>	Ebankese No. 35 Sixth Avenue, North Ridge P. O. Box CT. 4603 Cantonments, Accra
<b>Principal Place of Business:</b>	HFC Bank (Ghana) Ltd., Ridge Branch 6 Sixth Avenue, West Ridge Ridge Ambassadorial Enclave, Ridge, Accra
<b>Date of Incorporation:</b>	7TH JULY 1993 (Name changed from Home Finance Investment Fund Limited to HFC Investment Services Limited on 1ST OCTOBER +2001).
<b>Capitalization (as at December 31 2007)</b>	
<b>Authorized:</b>	1,000,000 (One million) Ordinary shares of no Par value
<b>Issued:</b>	100,000 shares
<b>Auditors:</b>	PANNELL KERR FORSTER CHARTERED ACCOUNTANTS Farrar Avenue Accra.

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of Unitholders will be held at the National Theater, Accra at 10:00am on 24th July, 2008 to transact the following businesses:

### AGENDA

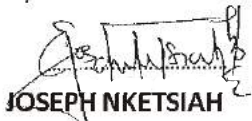
1. To receive the report of the Manager for the Year 2007.
2. To receive the Audited Statement of Income and Expenditure and Distribution Statement of HFC Equity Trust for the financial year ended December 31, 2007 together with the Trustees and Auditors reports thereon.
3. To authorize the Manager to fix the remuneration of the Auditors for Year 2008.

A Unitholder has the right to appoint a proxy to attend and vote on his/her behalf at the Meeting. Such a proxy need not be a Unitholder. A copy of the instrument appointing the proxy may be deposited at any time prior to the commencement of the Meeting at the principal place of business of the Manager.

HFC Investment Services Limited  
6 Sixth Avenue, West Ridge  
Ridge Ambassadorial Enclave, Ridge  
Accra

Dated 6th May 2008

By Order of the Manager.



**JOSEPH NKETSIAH**

For: HFC Investment Services Limited

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trust Deed requires the Trustees to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the Unit Trust. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently,
- Make judgments and estimates that are responsible and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained them in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Investment Trust will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Unit Trust, which will ensure that the financial statements comply with the Trust Deed and Securities Industry Law, 1993 (PNDCL 333). They are also responsible for safeguarding the assets of the Investment Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The statements should be read in conjunction with the statement of the Auditors' responsibilities as set out on page 14, the respective responsibilities of the Trustees and the Auditors in relation to the financial statements.



## REPORT OF THE TRUSTEES TO THE UNITHOLDERS OF THE HFC EQUITY TRUST

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 1st December 2006 and all regulations for the time being in force under the Securities Industry Law, 1993 (PNDCL 333).

Dated this.....30<sup>th</sup>..... Day of.....APRIL.....2008

For: **MERCHANT BANK (GHANA) LIMITED**

## **MANAGER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2007**

### **REVIEW OF YEAR 2007**

#### **Introduction**

The economy continued its macroeconomic stability in spite of the high crude oil prices in 2007. The macroeconomic indicators continued its relatively stable trend, with government sustaining its efforts to place the economy firmly on the path of continued disinflation, and bring inflation into the middle single digit range along with some monetary tightening to anchor inflation expectations to underpin financial stability and growth.

#### **□ Inflation**

The headline inflation, measured as year-on-year changes in the consumer price index, began the year 2007 at 10.9%, declined steadily to reach 10.1% in October but picked up to end the year 2007 at a rate of 12.7% compared to the year 2006 figure of 10.5%, thus failing to achieve a single digit target for the year. This high rate of 12.7% resulted mainly from higher crude oil prices and increases in electricity and water tariffs during the year.

The build-up in inflationary pressures as a result of the upward adjustment in prices of petroleum products resulted in increased transport fares, which triggered the hike in inflation rates for the fourth quarter of 2007. This contributed significantly to the rise in the consumer price index (CPI) for the last quarter of 2007.

#### **□ Interest rate**

The Bank of Ghana (BoG) prime rate remained stable at 12.5% for the first nine months of 2007. It was however re-adjusted by the BoG Monetary Policy Committee to 13.5% in November 2007 to contain the inflationary pressures that were building up.



The benchmark 91-day Treasury bill began the year at 9.96%. It had fallen to 9.64% by the end of the second quarter but inched up to close the year at 10.62%. The 182-day was quoted at 10.49% at the beginning of the year but closed the year 2007 at 10.80% after a decline to 10.21% by the end of the second quarter. The 1-year Treasury note started trading at a rate of 13.0% but declined steadily to close the year at 12.30%. The decline in the quoted rates of treasury instruments between the second and third quarter was partly attributable to the downward movement of the rate of inflation.

#### Exchange rates

The foreign exchange rate market remained relatively stable in 2007 notwithstanding marginal fluctuations. The depreciation of the cedi against the major international currencies was relatively marginal for the first three quarters of the year. The fourth quarter of year 2007 however saw a sharp decline in the value of the cedi against the US dollar and Euro by 4.0% and 17.5% respectively.

#### Real GDP growth

In spite of the energy supply disruptions and load shedding and the eventual effects on economic activities, the GDP growth was robust and resilient. The Ghanaian economy achieved a GDP growth rate of 6.3 percent for the year 2007, a slight deviation from the initial forecast of 6.5 percent.

## FINANCIAL MARKET ENVIRONMENT

#### Stock Market Review-2007

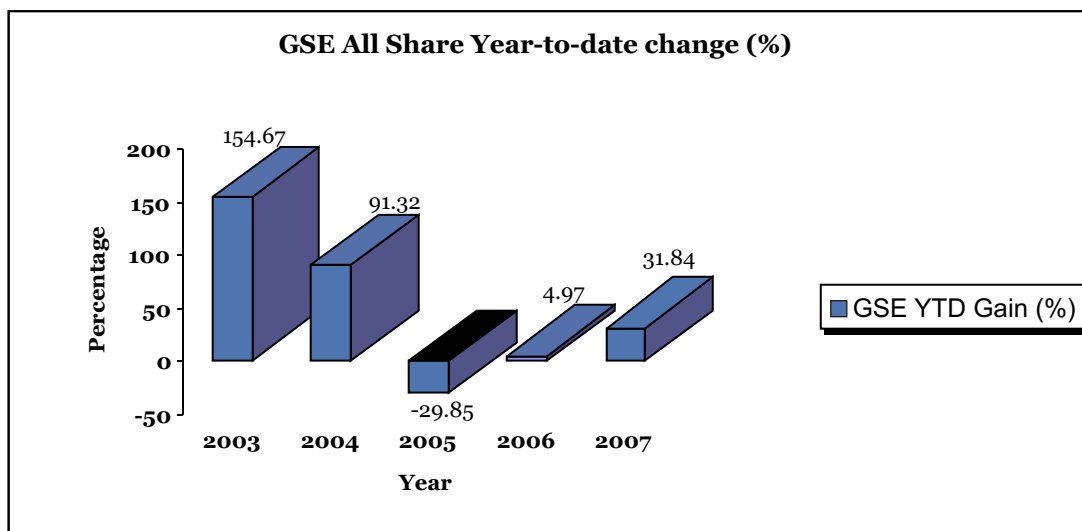
Following the stock market's bearish performance in 2005 and a slight rebound in 2006, a strong recovery was recorded in the year 2007. The GSE All-share index recorded a year to date gain of 31.84%, the highest ever within the last three (3) years. Falling interest rates on money market instruments generated investors' interest in the activities of the stock exchange.



Overall, three IPOs namely, Ghana Oil Company Ltd (GOIL), SIC Company Ltd and Golden Star Resources (GSR) were registered in the year. The Government took advantage of the growing investor confidence in the market to sell its Golden Jubilee savings bond to raise an amount of GH¢50 million over a maturity period of five (5) years.

**Table 1:**

Year	2003	2004	2005	2006	2007
<b>GSE Year-to-date Gain (%)</b>	154.67	91.32	(29.85)	4.97	31.84



Out of thirty-two (32) companies listed on the stock exchange, twenty-three (23) recorded price changes in year 2007. In all, there were seventeen (17) equity gainers and six (6) losers as at the end of December 31, 2007. SG-SSB and CAL Bank were the largest price gainers recording more than 100 percent at the end of the year.

Total market capitalization rose by 9.95% from GH¢11,249.60 million in 2006 to GH¢12,368.60 million in 2007.



### □ Fund Performance and Outlook for 2008

The HFC Equity Trust once again outperformed the market benchmark by 2.35 percentage points to close the year at a yield of 34.19%. The Trust started the year 2007 with a net fund value of GH¢529,393.86. The continual investor confidence in the Trust resulted in a significant growth in the third and fourth quarters to close the year 2007 with a net fund value of GH¢950,872.09, representing a 79.62% increase of the previous year's value.

The Bank of Ghana directive to banks to meet a certain minimum capital requirement by year 2012 is expected to generate a lot of activities in the stock market particularly banking stocks quoted on the bourse through rights and new public issues. Expect your manager to make good investment decisions regarding these impending developments in the financial services sector.

We expect the size of the fund (HFC Equity Trust) to double by close of year 2008. The manager would continue restructuring the investment portfolio to generate maximum returns for our Unitholders.

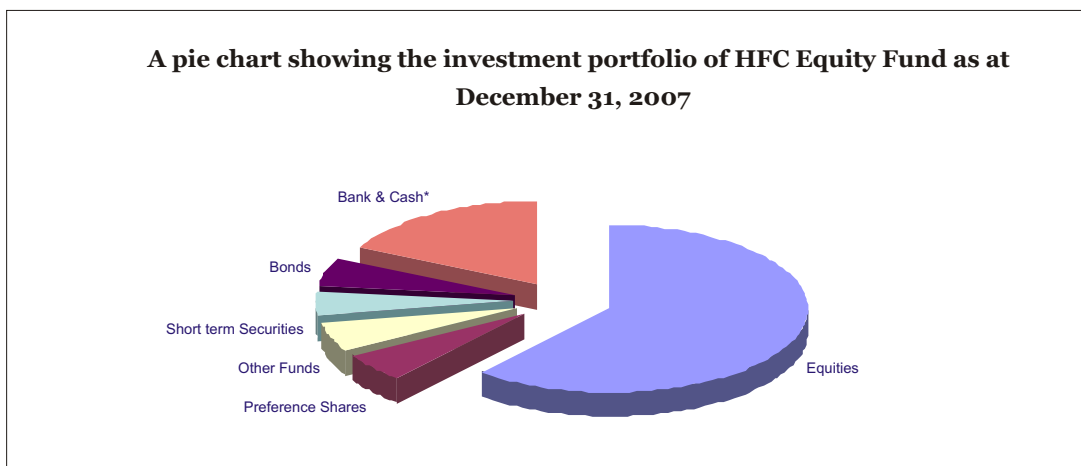
HFC Equity Trust is a capital market fund with a great potential for value appreciation when allowed to grow in the long-term. We advise that you maintain your investments over a long period, bearing in mind that it operates in a market that is characterized by short term volatilities in the prices of shares, hence the need to hold on and be patient as the market rebounds after such volatilities.

**Table 2: Investment Portfolio as at December 31, 2007.**

Type	Proportion
Equities	61.06%
Preference Shares	5.71%
Other Funds	5.31%
Short term Securities	4.92%
Bonds	5.61%
Bank & Cash*	17.38%
	<b>100.00%</b>

\*The proportion of cash balances was made up of some cash provisions for the purchase of the then new IPOs on offer (SIC and GSR).

**Fig2**



**Table 3: Growth in Net Fund Value**

Year	Fund Value (GH¢'000)	% Change
2003	-	-
2004	-	-
2005	690.00	-
2006	529.39	(23.28)
2007	950.87	79.62



Fig3

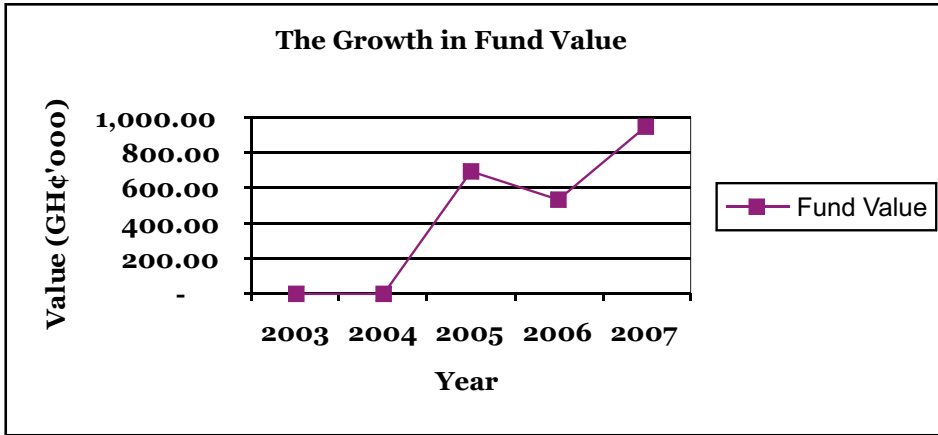


Table 4: Top 10 Equities

Stock	%
CAL	12.59
EIC	9.43
EBG	6.70
SCB	5.88
SPL	5.21
GCB	5.03
GOIL	4.63
GGBL	2.72
SG-SSB	2.31
GWEB	2.11
	<b>56.61</b>

Fig4

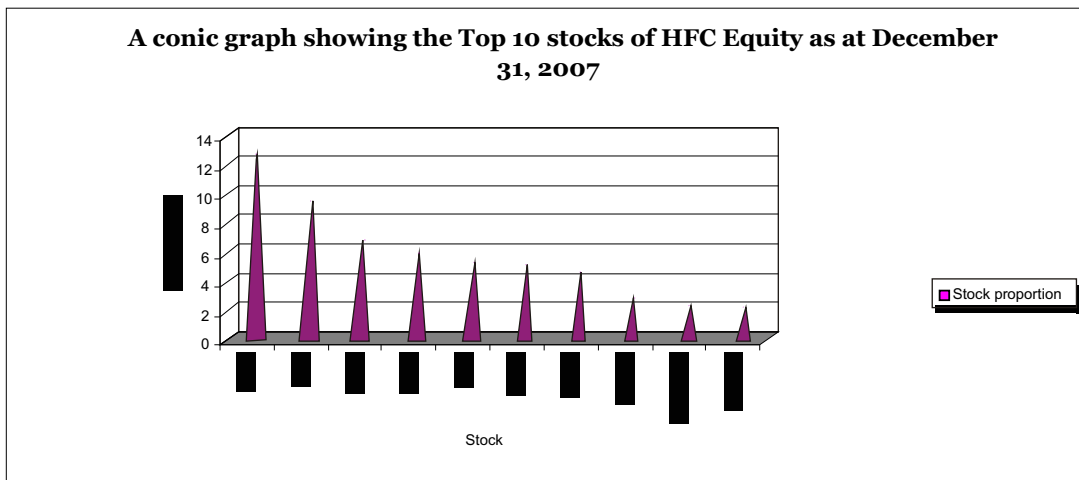
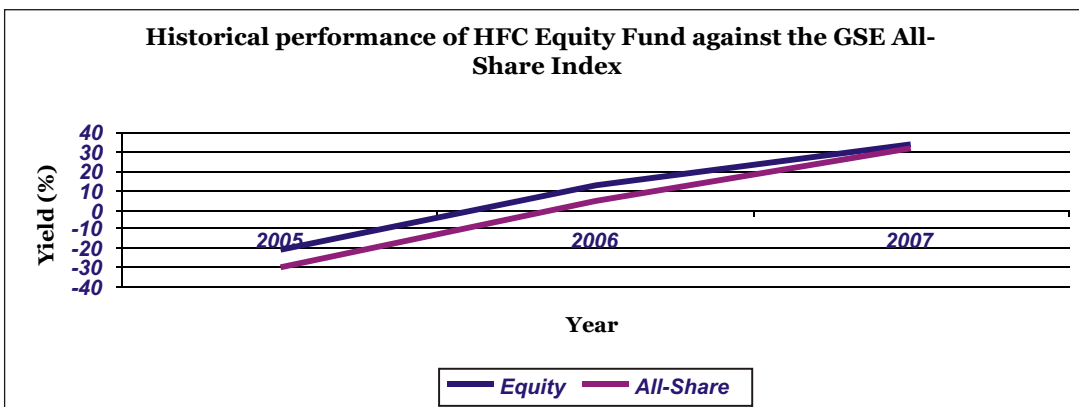


Table 5: HFC Equity Fund Vs. All-Share Index

Type	2005	2006	2007
Equity	-21.25	12.46	34.19
All-Share Index	-29.89	4.97	31.84

Fig5





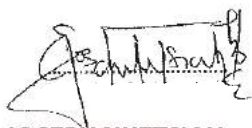
## TRANSACTIONS AND VALUE OF HFC EQUITY TRUST HOLDINGS IN EQUITIES AS AT DECEMBER 31, 2007

Equity	No. of Shares as at Dec 31, 2006	Mkt price GH¢	Value (GH¢)	Purchases	Pur Val (GH¢)	Sales	No. of Shares as at Dec 31, 2007	Market price (Dec 31, 07)	Value (GH¢) (end of 2007)	Dividend	Returns (%)
Aluworks (ALW)	20000	0.7251	14,502.00	7075	5,402.77	-	27075	0.71	19,223.25	1,297.73	3.10
Cal Bank (CAL)	272108	0.2205	59,999.81	-	-	-	272108	0.44	119,727.52	1,531.56	102.10
Ecobank Ghana (EBG)	31834	1.3519	43,036.38	-	4,902.47	-	31834	2	63,668.00	606.20	49.35
Enterprise Insurance Company (EIC)	65000	0.8818	57,317.00	4000	-	-	69000	1.3	89,700.00	1,482.00	46.55
Ecobank Transnational Inc. (ETI)*	1000	2.2700	2,270.00	-	-	-	2200	1.2815	2,819.30	-	24.20
Fan Milk (FML)	10000	1.8002	18,002.00	-	43,556.94	-	10000	2.39	23,900.00	460.00	35.32
Ghana Commercial Bank (GCB)**	-	0.6150	-	45651	-	-	48106	0.995	47,865.47	267.30	10.51
Guinness Ghana Breweries Ltd (GGBL)	21000	0.9248	19,420.80	-	-	-	21000	1.23	25,830.00	825.22	37.25
Ghana Oil Company (GOIL)	-	-	-	142,068	-	-	142068	0.31	44,041.08	-	34.23
Golden Web (GWEB)	364000	0.0550	20,020.00	-	3,696.47	-	364000	0.055	20,020.00	-	-
Standard Chartered Bank (SCB)	2000	15.8000	31,600.00	150	8,835.27	-	2150	26	55,900.00	2,600.00	65.74
SG - SSB	10000	0.6000	6,000.00	7600	-	-	17600	1.25	22,000.00	414.00	51.09
Starwin Products Limited (SPL)	900000	0.0550	49,500.00	-	-	-	900000	0.055	49,500.00	828.00	1.67
Unilever Ghana Ltd (UNIL)	272	1.5000	408.00	-	-	-	272	2.11	573.92	25.70	46.97
Average (return)			322,076.00						584,768.54	10,337.72	36.29

\* and \*\* embarked on a bonus and rights issue respectively within the period under review

## ECONOMIC OUTLOOK FOR 2008

Your manager would not relent in its efforts to constantly track stocks that have the potential for value appreciation. We shall continue to select stocks that will earn good returns to our valued Unitholders and strive once again to give you good returns in the year 2008.



**JOSEPH NKETSIAH**  
GENERAL MANAGER



## **REPORT OF THE AUDITORS TO THE UNIT HOLDERS OF HFC EQUITY TRUST ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007**

We have audited the accompanying Balance Sheet of HFC Equity Trust as at 31st December 2007 and the related statements of Income and Expenditure Account for the year then ended. These financial statements have been prepared under the accounting policies set out therein.

### **Respective Responsibilities of Trustees and Auditors**

The Trustees of the Equity Trust are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of Opinion**

We have conducted our audit in accordance with International Standards on Auditing. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the Equity Trust circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we required in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

The financial statements are in agreement with the books of account, which in our opinion have been properly kept. We obtained the information and explanations we required. In our opinion the financial statements give a true and fair view of the state of affairs of the Equity





Trust as at 31 December 2007 and of the Income and Expenditure Account for the year then ended and have been properly prepared in accordance with the Securities Industry Law, 1993 (PNDCL 333) and Ghana National Accounting Standards.

PANNELL KERR FORSTER  
CHARTERED ACCOUNTANTS

Farrar Avenue  
Accra.

25th April 2008.



**HFC EQUITY TRUST  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 GH ¢	2006 GH ¢
<b>INCOME</b>		<u>51,320</u>	<u>50,633</u>
<b>LESS: EXPENSES</b>			
Management Fees	2	11,083	10,716
Auditors Remuneration		4,900	3,450
Other Expenses	3	<u>15,756</u>	<u>9,054</u>
		<u>31,739</u>	<u>23,220</u>
<b>NET INCOME</b>		19,581	27,413
Less Interest Paid on Disinvestments		<u>(18,711)</u>	<u>0</u>
<b>PROFIT TRANSFERRED TO DISTRIBUTION ACCOUNT</b>		<u>870</u>	<u>27,413</u>

**DISTRIBUTION STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

<b>BALANCE AT 1 JANUARY</b>	(93,359)	(120,772)
Prior Year Adjustments	38,029	0
<b>NET PROFIT FOR THE YEAR</b>	<u>870</u>	<u>27,413</u>
<b>BALANCE AT 31 DECEMBER</b>	<u>(54,460)</u>	<u>(93,359)</u>

**BALANCE SHEET AS AT 31 DECEMBER 2007**

		2007	2006
	NOTES	GH ¢	GH ¢
<b>ASSETS</b>			
Investments	5	<b>907,897</b>	483,197
Deferred Expenditure	6	<b>5,901</b>	9,272
Accounts Receivable	7	<b>27,280</b>	16,205
HFC Unit Trust Current Account		<b>1,468</b>	0
Bank Balances	8	<b>33,653</b>	17,089
		<b>976,199</b>	525,763
<b>LIABILITIES</b>			
Accounts Payable	9	<b>29,597</b>	25,147
HFC Unit Trust Current Account		<b>0</b>	8,382
		<b>29,597</b>	33,529
		<b>946,602</b>	492,234
Stated Capital	10	<b>847,400</b>	575,018
Distribution Account		<b>(54,460)</b>	(93,359)
Capital Surplus	11	<b>153,662</b>	10,575
		<b>946,602</b>	492,234

Signed for HFC Investment Services Limited..... 29/04/1, 2008.



GENERAL MANAGER



DIRECTOR

**HFC EQUITY TRUST  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 GH ¢	2006 GH ¢
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the year	<u>870</u>	<u>27,413</u>
<b>Changes In Working Capital</b>		
Decrease In Accounts Receivable	11,075	(11,814)
(Decrease) In Deferred Expenditure	(3,371)	3,372
Decrease In Accounts Payable	<u>4,450</u>	<u>156</u>
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<u><b>13,024</b></u>	<u><b>19,127</b></u>
<b>INVESTING ACTIVITIES</b>		
Sale of Long Term Investment	5,571	147,801
Purchase of Long Term Investment	<u>(455,547)</u>	<u>(5,000)</u>
<b>Net Cash used in Investing Activities</b>	<u><b>(449,976)</b></u>	<u><b>142,801</b></u>
<b>FINANCING ACTIVITIES</b>		
Increase / (Decrease) In Capital Account	272,382	(201,123)
Increase / (Decrease) in Capital Surplus	<u>150,287</u>	<u>3,375</u>
	<u><b>422,669</b></u>	<u><b>(197,748)</b></u>
Net Increase in Cash and Cash Equivalents	<u><b>(14,283)</b></u>	<u><b>(35,820)</b></u>
Balance at 1 January	<u><b>47,936</b></u>	<u><b>83,756</b></u>
	<u><b>33,653</b></u>	<u><b>47,936</b></u>
<b>Cash And Cash Equivalents</b>		
Bank and Cash Balances	<u><b>33,653</b></u>	<u><b>17,089</b></u>
Short Term Investments	<u><b>0</b></u>	<u><b>30,847</b></u>
	<u><b>33,653</b></u>	<u><b>47,936</b></u>

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2007

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Equity Trust and which have been used in preparing these financial statements are set out below and in accordance with Ghana National Accounting Standards.

#### a. Basis of Accounting

The Equity Trust prepares the financial statements under the historical cost convention as modified by the revaluation of listed investments.

#### b. Investments:

##### i) Government Securities

Government Securities comprise treasury bills and bonds which are debt securities issued by the government of Ghana. These securities are stated at cost.

##### ii) Listed Securities

Listed Securities are initially recognized at cost and subsequent re-measured at fair value (market price).

Unrealised gains or losses arising from the changes in the fair value are recognised in equity. On disposal the fair value adjustment accumulated in equity are recognised in the income statement.

Dividends from listed securities are accounted for on cash basis.

### 2. MANAGEMENT FEES

This is based on 2% of the fair market value of the total assets owned by the Trust.

	<b>2007</b>	2006
	<b>GH ¢</b>	GH ¢
<b>3. OTHER EXPENSES comprise of the following:</b>		
Bank Charges	<b>608</b>	568
Manager's Reimbursable Expenses	<b>14,255</b>	5,957
Stationary Expenses	<b>893</b>	2,526
Sundry Expenses	<b>0</b>	3
	<u><b>15,756</b></u>	<u>9,054</u>
<b>4. MANAGEMENT FUND</b>		
This is transferred in accordance with the Trust Deed. The Trustees shall be paid out of this fund.		
<b>5. INVESTMENTS</b>		
Shares in Listed Securities	<b>731,834</b>	322,076
Preference Shares	<b>50,000</b>	50,000
Bonds	<b>50,000</b>	50,000
HFC Unit Trust	<b>29,936</b>	30,274
Fixed Deposit	<b>16,127</b>	0
Call	<b>30,000</b>	0
Treasury Bills	<b>0</b>	30,847
	<u><b>907,897</b></u>	<u>483,197</u>
<b>6. DEFERRED EXPENDITURE</b>		
Amount Deferred	<b>16,859</b>	16,859
Less Amount Amortized	<b>(10,958)</b>	(7,587)
	<u><b>5,901</b></u>	<u>9,272</u>

This refers to advertising expenditure incurred by the Trust. The expenditure is a mortgaged over a period of five (5) years.

**7. ACCOUNT RECEIVABLE**

Treasury Bills	<b>0</b>	2,095
Bonds	<b>11,201</b>	6,187
Call	<b>1,400</b>	0
Fixed Deposits	<b>14,679</b>	7,923
	<b><u>27,280</u></b>	<b><u>16,205</u></b>

**8. BANK BALANCES**

Cash at Bank	<b>33,258</b>	816
Call Account	<b>395</b>	16,273
	<b><u>33,653</u></b>	<b><u>17,089</u></b>

**9. ACCOUNTS PAYABLE**

Amount Due to Managers	<b>2 4,697</b>	21,697
Accrued Charges	<b>4,900</b>	3,450
	<b><u>29,597</u></b>	<b><u>25,147</u></b>



## 10. CAPITAL ACCOUNT

	2007		2006	
	Units	GH ¢	Units	GH ¢
Balance at 1st January	8,064,687	575,018	8,064,687	776,141
Value of Units Sold and Converted	<u>2,950,907</u>	<u>336,048</u>	<u>2,223,622</u>	<u>16,799</u>
	11,015,594	911,066	10,288,309	792,940
Value of Units Disinvested	<u>803,934</u>	<u>(63,666)</u>	<u>(4,772,147)</u>	<u>(217,922)</u>
Value of the Trust Fund at 31 December	<u>11,819,528</u>	<u>847,400</u>	<u>5,516,162</u>	<u>575,018</u>

## 11. CAPITAL SURPLUS

	2007	2006
	GH ¢	GH ¢
Balance at 1/01/07	10,575	7,200
Prior Year Adjustment	(38,029)	0
Net Increase In the value of shares	181,116	3,375
Balance at 31/12/07	<u>153,662</u>	<u>10,575</u>

This arose as a result of the revaluation of the listed securities by the Managers of the Equity Trust.



## ADMISSION FORM

**Annual General Meeting to be held at the National Theater, Accra at 10:00 am on 24th July 2008.**

A Unitholder who is unable to attend an Annual General Meeting (AGM) is allowed to vote by proxy. The Proxy form on the next page has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

Provision has been made on the form for the Chairman of the meeting to act as your proxy, but if you wish, you may insist in the blank space on the form (marked\*\*) the name of any person whether a Unitholder or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.

Please sign the proxy form on the next page and post it so as to reach the address in the front not later than 17th July, 2008.

If executed by a Body Corporate, the proxy form should bear its common seal or be signed on behalf by a director.

### IMPORTANT:

- a) The name of the Unitholder must be written in BLOCK LETTERS on the Proxy form where marked (\*\*)
- b) This admission form must be produced by the Unitholder or his/her proxy in order to obtain admission to the Annual General Meeting.
- c) Unitholders or their Proxies are requested to sign the admission form before attending the meeting.
- d) In case of joint holders, each joint holder should sign.



## HFC EQUITY TRUST / Proxy Form

Annual General Meeting to be held at the National Theater, Accra at 10:00 am on Thursday, 24th July, 2008.

I/we\*\* \_\_\_\_\_ being a Unitholder(s) hereby appoint  
 \_\_\_\_\_ or failing him/her the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 21st July 2008 and at any adjournment thereof

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008

\_\_\_\_\_  
 Unit Holder(s) Signature

Resolution	For	Against
To adopt the 2007 Manager's Report		
To approve the accounts and distribution statement for the financial year ended 31st December, 2007.		
To authorize the Manager to Fix the Auditor's Remuneration		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

**(Do not complete this form if you will attend the meeting)**



## HFC ASSET MANAGEMENT

We are professionals in:

- Provident Fund Management
- Individual Client Investment Services
- Fund Management For Groups & Institution (Churches, Investment Clubs, NGO's, Etc)
- Endowment Fund Management

What You receive:

- High Returns on your Investments
- Benefits from the expertise of our competent Investment Managers
- Low and highly competitive management fees
- Quarterly Reports on your Investment
- Provident Fund statements for individual members within a fund
- Ability to use your Investment to secure a wide variety of loans (including mortgage loans) from HFC BANK
- Ability to use your investment statement to support visa application
- Holding a Diversified Portfolio with one competent Investment Manager
- The peace of mind that comes with leaving the management of your finances to professionals!

With Us, Your Future Cash Flows Are Secured!! Talk To Us!

021 683891-3

Isl@hfcbank.com

## HFC BROKERAGE SERVICES LTD

We undertake the following:

- Brokerage Services
- Portfolio Management
- Research, and
- Corporate Finance

Timely Delivery and Value Addition is our Hallmark



## FINANCIAL ADVISORY

HFC-ISL provides advisory services for corporate clients in the following areas:

- ❶ **Public Offering:** HFC-ISL provides quality and efficient advisory and marketing services for clients who desire to raise capital by offering equity or debt instrument to the investing public in public offer of shares, notes and bonds. HFC-ISL ensures that all such instruments meet the legal requirements of the SEC, and where such instruments are to be listed on the stock market, the legal and procedural requirements of the Ghana Stock Exchange as well.
- ❷ **Private Placement:** HFC-ISL is a significant market player in the private placement of debt (short and medium term) and equity instrument by offering such instruments directly to a number of sophisticated institutional investors which include insurance companies, trusts and collective investment schemes, or as it frequently does, fully underwrite the entire issue.
- ❸ **Investment Banking:** HFC-ISL also provides a wide range of advisory services in mergers, acquisitions, corporate defence activities, restructuring, Management Buyout (MBO) and Leveraged Buyout (LBO) deals.
- ❹ **Feasibility Studies:** HFC-ISL undertakes the preparation of financial feasibility studies for clients and also reviews and refines feasibility reports presented by clients seeking funds for the implementation of business projects. We propose viable options available to the client, and consult with the client to select the option that best suits the goals and objectives of the business.