



2023 ANNUAL REPORT

EDC GHANA FIXED INCOME UNIT TRUST |

EDC GHANA FIXED INCOME UNIT TRUST
2023 ANNUAL REPORT

Notice of Virtual Annual General Meeting (AGM)

NOTICE IS HEREBY GIVEN THAT the **11th Annual General Meeting** of the Unit Holders of EDC Ghana Fixed Income Unit Trust will be held virtually and streamed live on <https://www.edcgghanaagm.com> on **Wednesday, August 28, 2024**, at **11:30 a.m.** for the following purposes:

AGENDA (Ordinary Business)

1. TO RECEIVE THE REPORT of the Fund Manager for the year ended December 31, 2023;
2. TO RECEIVE AND ADOPT the Audited Financial Statements together with the reports of the Trustees and Auditors for the year ended December 31, 2023; and
3. TO AUTHORIZE the Directors of EDC Investments Limited (EIL) to determine the fees of the Auditors for the year 2024.

Dated this 1st August, 2024

BY ORDER OF THE BOARD



Lawfields Consulting
Secretary

NOTES: General

1. The attendance and participation by Unit Holders or their proxies in this year's AGM shall be strictly virtual (by online participation).
2. A Unit Holder 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 Unit Holder. For a proxy to be valid for the AGM, it must be completed and submitted via **trust@umbcapital.com** or deposited at Universal Merchant Bank, SSNIT Emporium Building, Airport, 2nd Floor Corporate Banking – Custody Service not less than 48 hours before the meeting.
3. A copy of the Proxy Form can be downloaded from <https://www.edcgghanaagm.com> and may be filled and sent via email to **trust@umbcapital.com** not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a Unit Holder from subsequently attending and voting at the meeting (via online participation). Where a Unit Holder attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.
5. An electronic version of the Unit Trust's Annual Report consisting of the Financial Statement, Fund Manager, Trustees' and Auditor's Reports for the year ended December 31, 2023, may be accessed at the company's dedicated AGM website at <https://www.edcgghanaagm.com>.
6. Unit Holders are also encouraged to send in any questions in advance of the AGM by mailing them to **trust@umbcapital.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 Unit Holders by email and/or SMS from EDC to give access to the meeting. Unit Holders who do not receive this token can contact our client care team on: **edc-clientservice@ecobank.com** or call **0302634165/0302634150** to be sent the unique token any time before the date of the AGM.

Notice of Virtual Annual General Meeting (AGM)

8. To gain access to the Virtual AGM, Unit Holders 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>**.

EDC INVESTMENTS LTD
(A Member of the Ecobank Group)

Introducing EDC Ghana Growth Trust

Providing access to
global opportunities

ecobank.com

Ecobank
The Pan African Bank

TABLE OF CONTENTS

1	Corporate Information
6	Report of the Fund Manager
8	Report of the Trustee
10	Independent Auditor's Report
15	Portfolio Manager's Report
23	Statement of Comprehensive Income and Distribution
23	Accumulated Net Investment Income
24	Statement of Financial Position
25	Statement of Changes In Equity
25	Statement of Movement in Issued Shares
26	Statement of Financial Assets and Liabilities
27	Statement of Cash Flows
30	Notes to the Financial Statements
42	Proxy Form

CORPORATE INFORMATION

DIRECTORS OF THE FUND MANAGER

Mr. Paul Kofi Mante
Mr. Henry Ampong
Mr. David Ofosu-Dorte

TRUSTEE

Universal Merchant Bank (Ghana) Limited
SSNIT Emporium
Liberation Road
Accra

THE FUND MANAGER

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

AUDITORS

Baker Tilly Andah + Andah
Chartered Accountants
18 Nyanyo Lane, Asylum Down
P. O. Box CT 5443
Cantonments, Accra

BANKERS

Ecobank Ghana Plc

REPORT OF THE FUND MANAGER TO THE UNITHOLDERS OF EDC GHANA FIXED INCOME UNIT TRUST

The Fund Manager presents the audited financial statements of the EDC Ghana Fixed Income Unit Trust for the year ended 31st December 2023.

NATURE OF THE TRUST

The EDC Ghana Fixed Income Unit Trust is an authorised Unit Trust as defined in the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The Fund offers and redeems units to subscribers and from unit holders respectively on an ongoing basis. Units are sold and redeemed at a price computed in accordance with the terms of the scheme particulars.

INVESTMENT POLICY AND OBJECTIVES

The EDC Ghana Fixed Income Unit Trust is a unit trust registered in Ghana. It is licensed by the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590, and authorised to operate as a Unit Trust, in line with the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

EDC Ghana Fixed Income Unit Trust is an open-ended unit trust offered to investors who are seeking current income on a steady basis while preserving capital. The Unit Trust's objective is to outperform short term interest offered on Government securities. The Unit Trust shall be wholly invested in fixed-income securities.

THE MANAGER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial assets and liabilities as at 31 December 2023, statements of financial position, statements of changes in equity, statements of comprehensive income and distribution, statement of movement in issued units for the year then ended, and notes forming part to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with the International Financial Reporting Standards and in the manner required by the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590, the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and the Trust Deed dated 28th February, 2012.

These responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The Manager is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and ensure that the financial statements comply with the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590, the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and the Trust Deed dated 28th February 2012. The Manager is responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager have assessed the Fund's ability to continue as a going concern and have no reason to believe the Fund will not operate into the foreseeable future. The results for the year are as set out on page 11 of this report.

The Manager considers the state of affairs of the Fund to be satisfactory. The statement should be read in conjunction with the statement of the auditor's responsibilities as set out on page 6 and 8, the respective responsibilities of the Manager and the auditor in relation to the financial statements.

DIVIDEND DISTRIBUTION POLICY

The Unit Trust does not distribute income. All income earned are reinvested. Unitholders should be aware that the Unit Trust aims to achieve capital preservation and income, and as such income is reinvested to take advantage of the effects of compounding.

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

REPORT OF THE FUND MANAGER TO THE UNITHOLDERS OF EDC GHANA FIXED INCOME UNIT TRUST

Total Investment as at 31st December is made up as follows: Below are the Allocation Percentages For The Year Ended:

	2023 GH¢	2022 GH¢		%	%
Government Notes and Bonds	1,505,401,305	1,672,472,808	Government Notes and Bonds	101	90
Statutory Agency Bonds	-	97,362,637	Statutory Agency Bonds	-	5
Corporate Bonds	7,043,876	25,655,469	Corporate Bonds	0.5	1
Receivables	72,287,210	72,407,866	Receivables	4.8	4
Cash and cash equivalent	(100,208,683)	910,929	Cash and Cash Equivalent	(6.8)	0
	1,484,523,708	1,868,809,709		100	100

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 23 to 40, which have been prepared on the going concern basis, were approved by the Fund Managers on 30th April, 2024 and were signed on its behalf by:



.....

PAUL KOFI MANTE
Director



.....

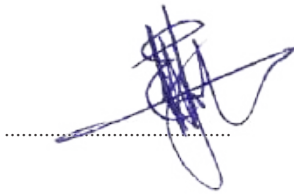
DAVID OFOSU-DORTE
Director

REPORT OF THE TRUSTEES TO THE UNITHOLDERS OF EDC GHANA FIXED INCOME UNIT TRUST

APPROVAL OF FINANCIAL STATEMENTS

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 28th February 2012 and all regulations for the time being in force under the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590 and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

Signed by authorised representative of **Universal Merchant Bank (Ghana)**.



.....

30th April 2024

.....

EDC INVESTMENTS LTD
(A Member of the Ecobank Group)

Introducing EDC Ghana Africa Cash Trust

Unlocking short term fixed
income opportunities in Africa

ecobank.com

Ecobank
The Pan African Bank

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST

BAKER TILLY ANDAH + ANDAH

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of EDC Ghana Fixed Income Unit Trust, which comprise the statement of financial assets and liabilities as at 31 December 2023, statements of financial position, statements of changes in equity, statements of comprehensive income and distribution and statement of movement in issued units for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 23 to 40.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590, the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and the Trust Deed dated 28th February 2012.

BASIS FOR OPINION

We conducted our audit in accordance with the 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 (including International Independence Standards) (the Code) 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.

KEY AUDIT MATTERS

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. They are matters to be addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

We have determined that there are no key audit matters to communicate in our report.

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST

BAKER TILLY ANDAH + ANDAH

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Securities Industry Act, 2016 (Act 929) as amended in Securities Industry Amendment Act 590, the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and the Trust Deed dated 28th February 2012 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.

In preparing the financial statements, the Manager 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 the trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Manager is responsible for overseeing the Fund's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit are 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 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 skepticism throughout the planning and performance of 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 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 entity'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 Fund's 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 Fund to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST

BAKER TILLY ANDAH + ANDAH

- 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 are required to communicate with the Fund Manager and the Trustees 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Part 9 of Schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695), we confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- in our opinion, proper books of account have been kept by the Fund, so far as appears from the examination of those books;
- the Fund's financial statements are in agreement with the books of account.

In our opinion, the Fund generally complied with the relevant provisions of the Securities Industry Act, 2016, Act 929 as amended in Securities Industry Amendment Act 590.

The engagement partner on the audit resulting in this independent auditor's report is SAMUEL ABIAW (ICAG/P/1454)



.....30th April, 024

Baker Tilly Andah + Andah

(ICAG/F/2024/122) Chartered Accountants
18 Nyanyo Lane, Asylum Down
Accra.

EDC Investments Limited
(A member of the Ecobank Group)

SECURE THE FUTURE YOU WANT

Invest in the EDC Ghana Fixed Income Unit Trust
Start with as little as GHs 50.00

Contact us on:

2nd Floor, New Ecobank Head Office,
2 Morocco Lane, Off the Independence Avenue

Telephone: 0302634165

Whatsapp: 0595235065

Email: edc-clientservice@ecobank.com



Terms and Conditions Apply

ecobank.com/swam



Ecobank
The Pan African Bank



PORTFOLIO MANAGER'S

Report

PORTFOLIO MANAGER'S REPORT 2023

GLOBAL ECONOMY

The global economy continued its recovery from Covid, high inflation, low growth, and geopolitical tensions. The year 2023 presented a mixed landscape for the global economy, characterized by a blend of promising growth prospects and persistent challenges such as geopolitical tensions, trade disputes, and the lingering effects of the COVID-19 pandemic. Despite these challenges, several key indicators pointed towards resilience and recovery in various regions. Highlights of the global economy is below:

GROWTH RESILIENCE

The global economy demonstrated resilience despite the challenges, overall GDP growth rate is estimated at 3.2%, surpassing expectations despite initial concerns. This growth was mainly driven by strong performances in emerging markets, particularly in Asia and parts of Africa, buoyed by strong domestic consumption and investment.

DIVERGENT RECOVERY TRAJECTORIES

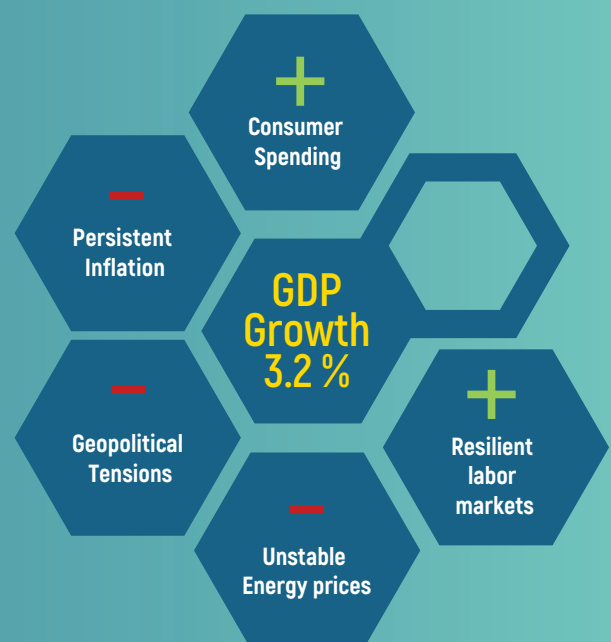
Disparities in regional economic recovery remained pronounced. Advanced economies continue to experience uneven growth patterns. While some countries, notably the United States and parts of Europe, made significant in-roads in rebounding from the covid-induced downturn, others, such as several Latin American countries, continued to deal with economic stagnation and social unrest.

INFLATIONARY PRESSURES

Inflation emerged as a key concern in 2023, caused by supply chain disruptions, rising commodity prices, and expansive fiscal policies adopted by governments globally. Central banks faced the delicate task of balancing inflation containment measures with support for economic expansion, navigating a complex landscape of competing priorities.



Emmanuel Bossman **AMPADU**
Portfolio Manager



PORTFOLIO MANAGER'S REPORT 2023

DIGITAL TRANSFORMATION

The accelerated pace of digitalization continued to reshape industries and businesses, driving innovation and efficiency gains across various sectors. Technologies such as Artificial Intelligence (AI), blockchain, and remote collaboration tools played pivotal roles in facilitating economic adaptation and resilience, heralding a new era of digital transformation.

SUSTAINABLE DEVELOPMENT

Sustainability and climate resilience emerged as central themes in economic policymaking and corporate strategy, reflecting growing recognition of environmental risks and societal imperatives. Efforts to transition towards greener, more inclusive economies gained momentum, with investments in renewable energy, sustainable infrastructure, and carbon-neutral initiatives on the rise.

On the local front Ghana's economy continued its recovery under the IMF program. Key macro indicators showed improvement albeit at a slower pace. Below are key highlights on the Ghanaian economy in 2023.

1. GDP Growth: Ghana's GDP growth in 2023 exhibited resilience, albeit at a moderate pace. The economy expanded by approximately 2.9%, driven by a combination of factors including increased agricultural output, recovery in industrial activity, and robust services sector performance. However, growth was tempered by lingering effects of the COVID-19 pandemic, supply chain disruptions, and fluctuations in global commodity prices. IMF's growth projection points to growth being flat at 2.8% and 4.4%, respectively for 2024 & 2025.

2. Inflation: Inflation generally trended downwards in 2023 even though inflationary pressures lingered, reflecting both domestic and external factors. Consumer price inflation closed 2023 at 23.20%, fueled by rising food prices, elevated energy costs, currency depreciation and base effects. Despite efforts by the Bank of Ghana to manage inflation through monetary policy interventions, structural challenges such as supply constraints and fiscal imbalances posed challenges to achieving price stability.

3. Exchange Rate: The Ghanaian cedi (GHS) experienced volatility against major currencies in 2023, influenced by external market dynamics and domestic macroeconomic fundamentals. While the central bank implemented measures to support exchange rate stability, including foreign exchange interventions and reserve management, the currency remained susceptible to external shocks and speculative pressures. The local currency depreciated by 27.8% in 2023.

4. Fiscal Performance: Ghana's fiscal performance in 2023 reflected efforts to address longstanding fiscal imbalances and enhance revenue mobilization. The government implemented fiscal consolidation measures aimed at containing expenditure, rationalizing subsidies, and improving tax compliance. However, persistent revenue challenges and expenditure pressures, particularly related to social welfare programs and infrastructure investments, resulted in a fiscal deficit of around 6.4% of GDP. Public debt levels remained elevated, hovering around 78% of GDP, highlighting the importance of sustainable debt management strategies.



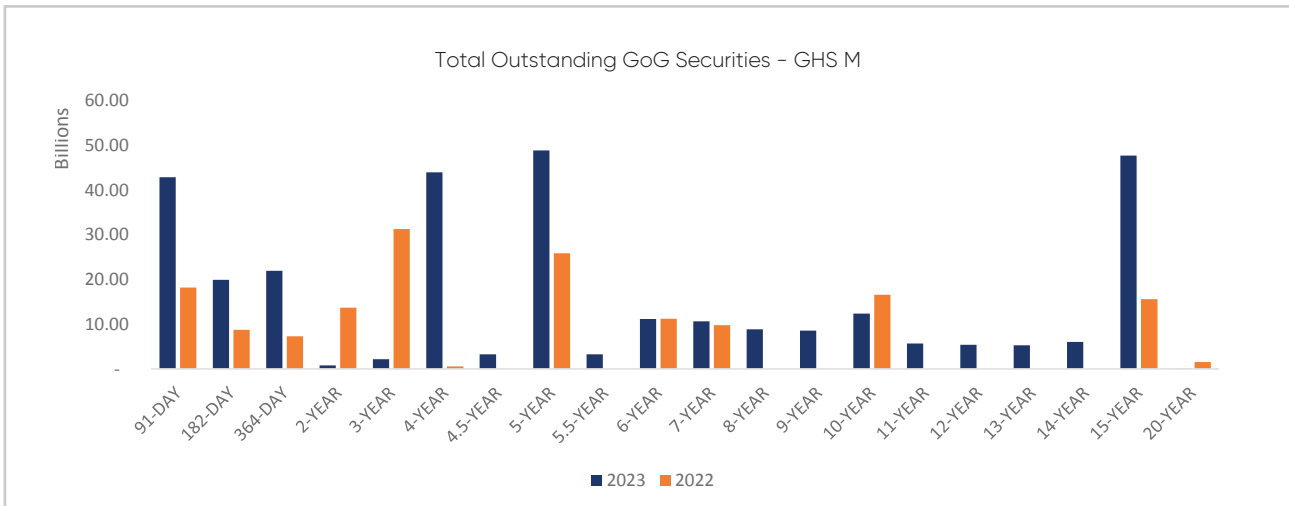
PORTFOLIO MANAGER'S REPORT 2023

5. External Sector: Ghana's external sector performance in 2023 was characterized by a mixed outlook. Despite improvements in export earnings, driven by higher gold and cocoa prices, the trade balance remained under pressure due to increased imports of capital goods and energy-related products. Remittance inflows provided some support to external accounts, mitigating pressures from the current account deficit. Foreign direct investment (FDI) inflows remained subdued, reflecting investor caution amidst global uncertainties and domestic policy reforms.

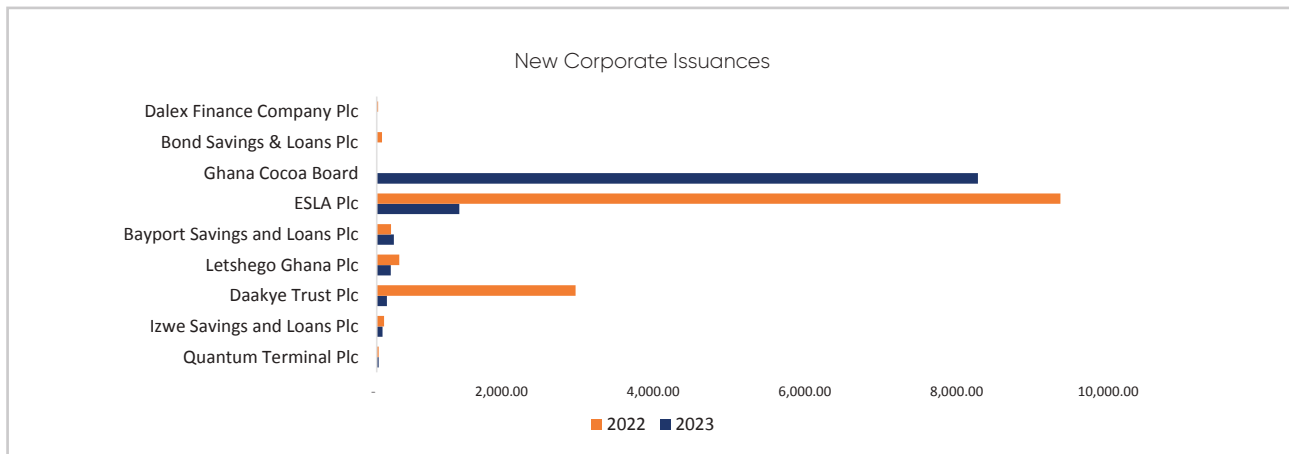
THE FIXED INCOME MARKET IN 2023

On the fixed income market, we continue to see recovery following the DDEP. Market trading activity generally declined in following the debt restructuring; trading activity however has shown marginal improvement subsequently. Treasury bills continue to dominate trading and offer better liquidity and price discovery. The new bonds issued under DDEP have also been relatively illiquid.

As of the end of 2023, the Government of Ghana had an outstanding securities balance of GHS 308 billion, reflecting a 92.8% increase from the 2022 outstanding balance of GHS 160 billion. Of this total, 27.4% is comprised of treasury bills, with the remainder spread across tenors ranging from 2 to 20 years. The outstanding treasury bills surged by 147.8% from GHS 34 billion in 2022, primarily due to treasury bills being the sole financing instrument available in the capital market following the domestic debt exchange program.



There has also been a significant decline in secondary market trading of Government of Ghana Securities, attributable to subdued investor appetite. In 2023, a total of GHS 98 billion was traded, marking a 57% decrease compared to the growth rates of 10.5% in 2022 and 92.6% in 2021.

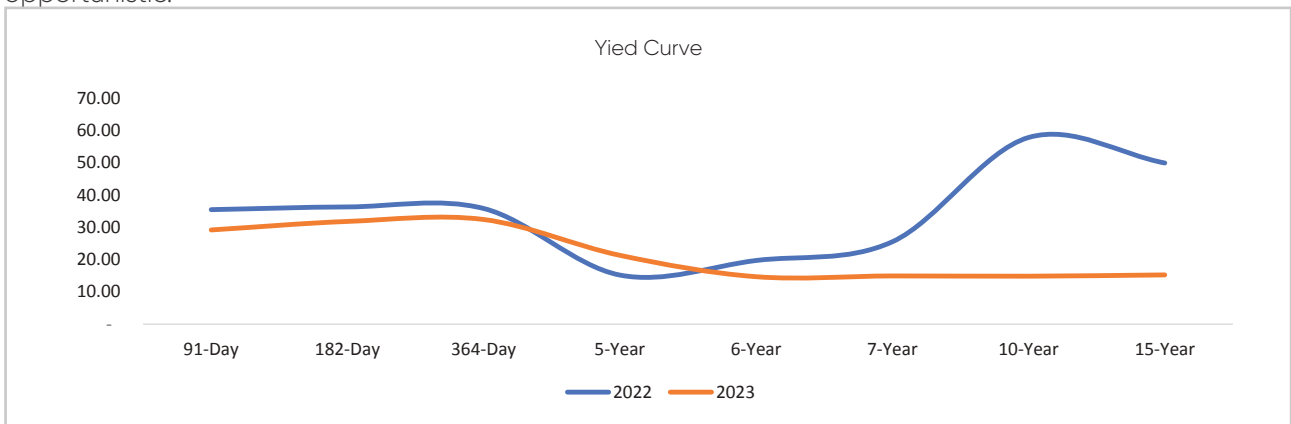


PORTFOLIO MANAGER'S REPORT 2023



Regarding yield activities, there was a general decline in yields on money market instruments, aligning with the downward trend in the policy rate throughout the year. This decline was driven by declining inflation and inflows from IMF. For instance, the yield on the 91-day Treasury Bill decreased by 6.30% to 29.24% by the end of 2023. Similarly, the yield on the 182-day Treasury Bill declined by 4.50% to 31.88%, and the yield on the 364-day Treasury Bill declined by 3.48% to 32.48%.

Yields on government notes and bonds remained elevated trading notches above treasury bill yield. Trading activity however remained muted as most investors preferred to stay short to be agile and opportunistic.



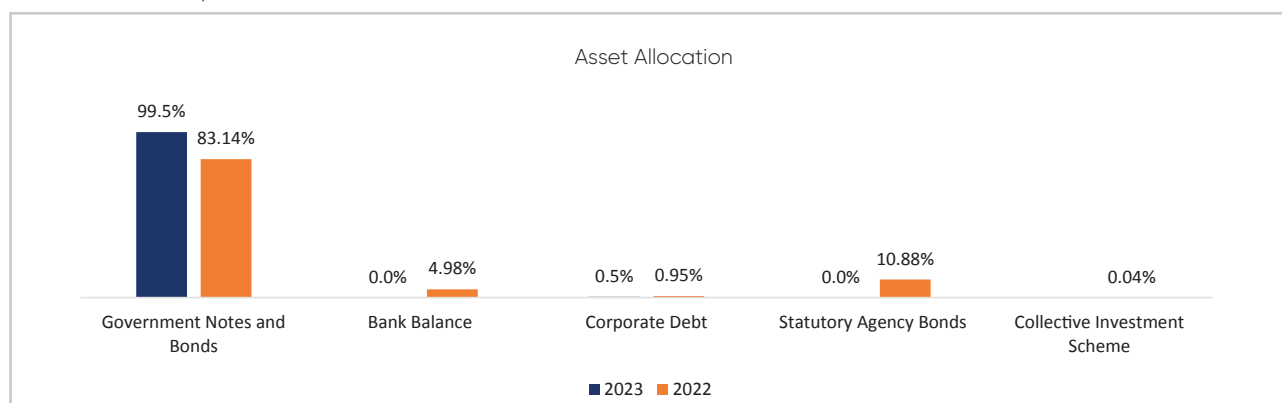
2023 Year-End Treasury Bill Yields

91-Day	182-Day	364-Day
29.24%	31.88%	32.48%

PORTFOLIO MANAGER'S REPORT 2023

PORTFOLIO STRUCTURE

The Objective of the EDC Ghana Fixed Income Unit Trust is to achieve current income on a steady basis while preserving capital. The aim is to outperform short term interest rates being offered on Government Securities (Government of Ghana 1-year Treasury note) net of fees. The Trust invests 100% of its assets in a well-diversified portfolio of fixed income securities.



In 2023, the Trust complied with its mandate by investing 100% of its Assets under Management (AUM) in fixed income securities. Approximately 99.5% of the Trust's assets were allocated to government notes and bonds, 0.5% to quasi-government fixed income securities, and the remainder to other asset classes. The portfolio's liquidity remains challenged following the DDEP and the slowdown in trading activity of government bonds on the secondary; significant portion of the portfolio's liquidity comes from half yearly coupon payments.

PORTFOLIO PERFORMANCE

The Trust performance returned 7% on interest accrual basis but lost 8% on marked to market basis in 2023 relative to benchmark performance of 30.74%. Since its inception in July 2012, the Trust has registered a growth of 382.01%.

	1MONTH	3MONTH	6MONTH	YTD	3YR	5YR	Since Inception
EDC Ghana Fixed Income Fund (AMC)	0.11	0.42	1.89	7.05	41.40	92.95	635.25
Benchmark	2.58	8.24	15.97	30.74	84.09	156.92	756.58
EDC Ghana Fixed Income Fund (MTM)	-12.70	-18.58	-24.26	-8.24	-7.30	26.49	382.01

ASSET UNDER MANAGEMENT

The assets of the Trust experienced a decline in asset under management 2023, declining by about 11.7% from GHS 1.7 billion to GHS 1.5 billion on a marked to market basis. Total subscriptions recorded for the Full Year 2023 amounted to GHS 53 million and total redemptions of GHS 185 million. The client base of the Trust grew by 0.5% from 85,522 in 2022 to 85,968 as at the end of 2023.

OUTLOOK AND STRATEGY

Despite the challenges in the last couple of years, the global economy remains strong underpinned by expansion of economic activity in large economies, despite the tight monetary policy stance. In the years 2024 and 2025 however, growth in global economy is expected to be flat at the 2023 levels. Global inflation has trended downward for most of the last one year only to be halted by rising prices of oil occasioned by geopolitical tensions. The challenge in dealing inflation means central banks are likely to slow the pace of monetary policy loosening and thereby prolong high interest rate environment. Monetary policy easing is

PORTFOLIO MANAGER'S REPORT 2023

likely to begin when central banks are convinced that inflation has properly been anchored. Locally, Ghana's growth momentum continues in 2024. Q1 2024 GDP figures released shows the economy expanded by 4.7%, higher than the 3.1% recorded for the first quarter of 2023. The growth in Q1 2024 is also the highest quarterly growth in nine consecutive quarters. We expect all sectors to expand in the quarters ahead in align with current growth momentum.

Despite significant decline in inflation in the last one year; inflation remain elevated relative to the Central Bank's medium-term inflation target $8\% \pm 2\%$. On the back of rising food prices, weakening of the local currency and rising fuel prices; we foresee inflation staying above the Central Bank's medium term target and government of Ghana year end inflation target of 15%

The Local currency is also expected to weaken on account of strengthening of the USD, deteriorating reserves and speculative demand for USD

Despite all the macroeconomic challenges, we expect compliance with the International Monetary Fund (IMF) program conditions and requirements to exact some discipline and present hope of policy credibility, fiscal control and eventual return of investor confidence.

CONCLUSION

In conclusion, we continue to urge you our valued clients to continue to invest with confidence in the Trust and in your quest to attain financial independence.

We remain committed to enhancing the value of your investments.



EMMANUEL BOSSMAN AMPADU

Portfolio Manager

EDC Investments Limited
(A member of the Ecobank Group)

SECURE THE FUTURE YOU WANT

Invest in the EDC Ghana Fixed Income Unit Trust
Start with as little as GHs 50.00

Contact us on:

2nd Floor, New Ecobank Head Office,
2 Morocco Lane, Off the Independence Avenue

Telephone: 0302634165

Whatsapp: 0595235065

Email: edc-clientservice@ecobank.com

Terms and Conditions Apply

ecobank.com/swam



Ecobank
The Pan African Bank



FINANCIAL

Statements

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023**

REVENUE		2023	2022
	Note (s)	GH¢	GH¢
Interest Income	7	161,170,636	426,739,576
Other Income	8	10,396	-
TOTAL INCOME		161,181,032	426,739,576
EXPENSES			
Fund Management Fees		34,896,744	52,772,626
Trustee Fees		5,670,721	8,544,462
General Administrative Expenses	9	861,245	2,064,871
Audit Fees		97,520	80,000
TOTAL EXPENSES		41,526,230	63,461,959
OPERATING PROFIT		119,654,802	363,277,617
Impairment	10	-	(21,496,190)
Interest on Overdraft		(52,050,914)	(21,364,369)
INCREASE IN NET ASSETS AVAILABLE FOR REDEMPTIONS		67,603,888	320,417,058
OTHER COMPREHENSIVE INCOME (OCI)			
Changes in Fair Value	11	(239,169,075)	(441,779,293)
TOTAL COMPREHENSIVE INCOME		(171,565,187)	(121,362,235)

**ACCUMULATED NET INVESTMENT INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
	GH¢	GH¢
Balance as at 1 January	1,268,979,451	948,562,393
Transfer from income and distribution statement	67,603,888	320,417,058
Balance as at 31 December	1,336,583,339	1,268,979,451


STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2023

FINANCIAL ASSETS		2023	2022
	Note(s)	GH¢	GH¢
Cash and cash equivalents		(100,208,732)	910,929
Non-pledged financial assets at Fair Value through OCI	12	1,562,789,672	1,845,956,062
TOTAL FINANCIAL ASSETS		1,462,580,940	1,846,866,991
Represented by:			
Members' Fund		1,301,444,157	1,613,045,542
Financial & Other Liabilities			
Bank Overdraft	13	100,000,000	204,940,057
Accounts Payables	14	61,136,784	28,881,392
Total Members' Fund & Financial Liabilities		161,136,784	233,821,449
Total Unitholders Fund & Financial Liabilities		1,462,580,940	1,846,866,991

The financial statement on pages 23 to 40 were approved by EDC Investment Limited and signed on its behalf by:



Paul Kofi Mante
Director



David Oforu-Dorte
Director

30th April, 2024

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023**

2023	CAPITAL TRANSACTION	INVESTMENTS INCOME	VALUATION RESERVES	TOTAL
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	785,845,384	1,268,979,451	(441,779,293)	1,613,045,542
Net Income from Operations	-	67,603,888	-	67,603,888
Unit Issued	53,003,618	-	-	53,003,618
Units Redeemed	(193,039,816)	-	-	(193,039,816)
OCI	-	-	(239,169,075)	(239,169,075)
At 31 December	645,811,875	1,336,583,339	(680,948,368)	1,301,444,157

2022	CAPITAL TRANSACTION	INVESTMENTS INCOME	VALUATION RESERVES	TOTAL
	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	1,903,138,540	948,562,393	-	2,851,700,933
Net Income from Operations	-	320,417,058	-	320,417,058
Unit Issued	1,165,808,805	-	-	1,165,808,805
Units Redeemed	(2,283,101,961)	-	-	(2,283,101,961)
OCI	-	-	(441,779,293)	(441,779,293)
At 31 December	785,845,384	1,268,979,451	(441,779,293)	1,613,045,542

**STATEMENT OF MOVEMENTS IN UNITS ISSUED
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	2023	2022
	NO. OF UNITS	NO. OF UNITS
Balance at 1 January	295,630,544	476,588,893
Issued during the year	9,129,837	184,803,109
Redemption during the year	(30,378,321)	(365,761,458)
Balance at 31 December	274,382,060	295,630,544

**STATEMENT OF FINANCIAL ASSETS AND LIABILITIES
AS AT 31ST DECEMBER 2023**

FIXED INTEREST SECURITIES	Market Assets GH¢	Percentage of Net Value (%)	Market Assets GH¢	Percentage of Net Value (%)
STATUTORY AGENCY BONDS				
10-Year Statutory Agency Bonds	-	-	48,757,111	3.03
12-Year Statutory Agency Bonds	-	-	48,605,526	3.01
	-	-	97,362,637	6.04
GOG TREASURY NOTES & BONDS				
2 - Year Fixed Rate Notes	-	-	86,343,749	5.35
3 - Year Fixed Rate Notes	-	-	137,744,501	8.54
4 - Year Fixed Rate Notes	842,952,392	64.77	-	-
5 - Year Fixed Rate Notes	636,968,533	48.94	291,224,062	18.05
6 - Year Fixed Rate Bonds	5,991,023	0.45	268,520,270	16.65
7 - Year Fixed Rate Notes	5,771,107	0.44	154,311,920	9.57
8 - Year Fixed Rate Notes	5,321,818	0.41	-	-
9 - Year Fixed Rate Notes	2,885,882	0.22	-	-
10 - Year Fixed Rate Notes	5,510,550	0.42	273,790,358	16.97
15 - Year Treasury Note	-	-	198,571,800	12.31
20 - Year Fixed Rate Note	-	-	261,966,148	16.24
	1,505,401,304	115.65	1,672,472,808	103.68
CORPORATE BONDS				
5 - Year Fixed Rate Notes	-	-	16,832,630	1.04
6 - Year Floating Rate Notes	3,381,321	0.26	3,383,211	0.21
7 - Year Fixed Rate Notes	3,662,554	0.28	5,439,628	0.34
	7,043,875	0.54	25,655,469	1.59
RECEIVABLES				
Matured Fixed Deposits	72,287,210	5.55	72,287,210	4.48
Receivable from EDC Holdings	-	-	120,656	0.01
	72,287,210	5.55	72,407,866	4.49
Funds on Call	(100,208,732)	(7.69)	910,929	0.06
	(100,208,732)	(7.69)	910,929	0.06
TOTAL FINANCIAL ASSETS	1,484,523,708	114.5	1,868,809,709	115.86
Total Financial & Other Liabilities	(161,136,784)	(12.37)	(233,821,449)	(14.50)
Impairment Provision	(21,942,718)	(1.68)	(21,942,718)	(1.36)
TOTAL INVESTMENT IN FINANCIAL ASSETS	1,301,444,157	100.00	1,613,045,542	100.00

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

	NOTE(s)	2023 GH¢	2022 GH¢
Cash Flows from Operating Activities:			
Operating Profit		119,654,802	363,277,617
Adjustment:			
Interest Accrued from Financial Assets		(75,136,572)	(108,377,470)
Interest on Overdraft		(52,050,914)	(21,364,369)
		(7,532,684)	233,535,778
Changes In Working Capital:			
Total Change in Financial Liabilities		(72,684,665)	21,228,523
Interest Accrued on Overdraft		(2,029,761)	4,940,057
Total Receivables		120,656	(10,806,426)
Net Cash (used in)/Generated from Operating Activities		(82,126,455)	248,897,932
Cash Flow from Financing Activities			
Proceeds from Sale of Units		53,003,618	1,165,808,805
Redemption of Clients' Investment		(193,039,816)	(2,283,101,961)
Bank Overdraft		100,000,000	200,000,000
Net Cash used in Financing Activities		(40,036,198)	(917,293,156)
Cash Flows from Investing Activities			
Net Sale of Financial Assets	15	21,042,991	598,272,333
Net Cash Generated from Investing Activities		21,042,991	598,272,333
Net Decrease in Cash and Cash Equivalents		(101,119,662)	(70,122,891)
Balance at 1st January		910,929	71,033,820
Cash and Cash Equivalents at 31st December		(100,208,733)	910,929

EDC Investments Limited
(A member of the Ecobank Group)

Invest conveniently via USSD



1. Dial ***887*505#**
2. Select EDC Product
3. Enter your EDC account number
4. Enter amount
5. Confirm details
6. Validate Transaction with PIN



Terms and Conditions apply

ecobank.com/swam



Ecobank
The Pan African Bank



NOTES

to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. EDC GHANA FIXED INCOME UNIT TRUST INFORMATION

EDC Ghana Fixed Income Unit Trust is a Unit Trust investment vehicle whose primary objective is to obtain contributions from unit holders and invest the same for their benefit. EDC Ghana Fixed Income Unit Trust is a Unit Trust registered and operating in the Republic of Ghana. The address and registered office of the promoters can be found on page 5 of the financial statements.

The Unit Trust is an open-ended investment Unit Trust primarily involved in investing unitholders contribution by investing in grade debt securities, with the objective of providing members with above-average returns over the medium to long term.

The Investment activities of the Unit Trust are managed by EDC Investments Limited, and the Trustee services of the Unit Trust are delegated to Universal Merchant Bank (Ghana) Limited.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of EDC Ghana Fixed Income Unit Trust have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) except that Impairment of Financial Assets under IFRS 9 financial instruments has not been fully observed.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair values. The financial statements have been prepared and presented in Ghana Cedis (GHS) which is the reporting currency of the Fund rounded to the nearest Cedis.

2.3 Use of estimates and judgement

The preparation of financial statements in conformity with IFRSs requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

2.4 Purchase of Share Units

Applicants complete standard application forms which are sent to the office of the Manager. Telephone or electronic requests must be confirmed in writing. Application for units is at the discretion of the Fund Manager. Cheques are cleared first before the processing of applications by the Manager. Payments for units shall be made in Ghana Cedis; however, applicants can settle their payments with easily convertible currencies but bear the foreign exchange transaction cost

3. INVESTMENT INCOME RECOGNITION

a. Interest Income

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), is recognized in profit or loss, using the 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 and interest paid or payable are recognized in the profit or loss as interest income or interest expense, respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

3.1 Financial Instruments

a. Non-Derivative Financial Instruments

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

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost using the effective interest rate method, less 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 Unit Trust 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 Unit Trust on initial recognition designates at fair value through profit and loss; (b) those that the Unit Trust 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 amortized cost using an effective interest rate method with less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represent the Unit Trust's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on the aging of customers' balances, specific credit circumstances, and the company's receivables' historical experience. Regular way purchases and sales of loans and receivables are recognized on contractual settlement.

Available-for-sale– these are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices. Investment securities and treasury bills with a maturity of 182 days or less are classified as available for sale.

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 recognized directly in equity until the financial asset is derecognized or impaired, at which time the cumulative gain or loss previously recognized in equity is recognized in the profit or loss account.

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

Regular way purchases and sales of available-for-sale financial assets are recognized on trade date, i.e. the date on which the Unit Trust 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 Unit Trust 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 amortized cost using the effective interest rate method. Regular

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

way purchases and sales of financial assets held-to-maturity are recognized on trade date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

b. Derivative financial instruments

A derivative is a financial instrument that changes its values in response to changes in the underlying variable, requires no or little net initial investment, and is settled at a future date. Derivatives are mainly used to manage exposures to foreign exchange, interest rate, and commodity price risk. The classification of derivatives is determined upon initial recognition and is monitored on a regular basis. Derivatives are initially recognized at fair value plus directly attributable transaction costs. These are subsequently measured at fair value on a regular basis and at each reporting date as a minimum. The fair values of exchange-traded derivatives are based on respective market prices, while the fair value of the over-the-counter derivatives is determined using accepted mathematical models based on market data and assumptions. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair values of derivatives that do not qualify for hedge accounting are recognized directly in the income statement.

c. Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Unit Trust has a legal right to set off the amounts and intends either to settle on a net basis or to realize 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 losses arising from a group of similar transactions.

d. Amortised cost measurement

The amortized 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 amortization using the effective interest method, of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

e. Hedge Accounting

Hedge accounting is the method that recognizes the proportionate offsetting effects of a hedging instrument on the changes in the 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 a method generally applies to 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 recognized assets and liabilities. The changes in fair values of hedging instruments are recognized 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 recognized 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 costless impairments, if applicable.

CASHFLOW HEDGES

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as the variability of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

expected interest payments and receipts. The effective part of the changes in the fair value of hedging instruments is recognized against equity, while any ineffective part is recognized 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 recognized against equity are included in the measurement cost of the asset or the liability. Otherwise, the gains or losses previously recognized against equity are removed from equity and recognized 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 of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points 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 the 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 Group uses 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. Financial Assets

Classification and Measurement

Financial Assets have been classified under the following categories: financial assets measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through Profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The Fund may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

The Fund initially recognises financial assets and financial liabilities at fair value through profit and loss on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument.

Financial Assets at Amortized Cost

The Fund recognizes financial assets at amortised cost if the following conditions are met: the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The Fund recognizes assets at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

i. Financial Liabilities

Financial liabilities are contractual obligations to either deliver cash or another financial asset to another accounting entity, or to exchange financial instruments with another entity on potentially unfavorable terms. These may be measured either at fair value through profit or loss, or at amortized cost depending on their sub- categorization.

Financial Liabilities at Fair Value

These are liabilities which are measured at the current market value through the profit or loss subsequent to their initial recognition.

Financial Liabilities Measured at Amortized Cost.

Liabilities which are not measured at current market value fall under this category. These are essentially non- trading liabilities which are not quoted in any active market and are therefore measured at amortized cost.

Determination of Fair Value

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter – bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to EDC Ghana Fixed Income Unit Trust.

3.4 Impairment of Financial Asset

A financial asset or a group of financial assets is considered impaired only if there is objective evidence of impairment as a result of one or more event(s) that have occurred after initial recognition of the asset and the event or events have adverse impact on the estimated future cash flow of such financial asset, or group of financial assets.

The amount of impairment is measured as the difference between the carrying value of the financial asset or group of financial assets and the estimated future cash flows discounted at the original effective interest rate used to originate the financial asset or group of financial assets in question.

Evidence of impairment may include indications that the issuers of Corporate Bonds and Notes as well as Certificates of Deposits in the Fund's Investments Portfolio are experiencing significant financial difficulty, default or delinquencies in the payment of interest and /or principal. It may also include the fact that those debts may be restructured to reduce the burden on the issuers.

The Unit Trust assesses 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 the 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.

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

- I. Significant financial difficulty of the borrower.
- II. A breach of contract, such as default or delinquency in interest or principal repayments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

- III. The Unit Trust granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Unit Trust would not otherwise consider.
- IV. It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.
- V. The disappearance of an active market for that financial asset because of financial difficulties; or
- VI. 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 Unit trust.

The estimated period between losses occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months. In exceptional cases, longer periods are warranted.

vii. 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 recognized in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognized as a component of net gains from financial instruments at FVTPL.

viii. Transfer Values

Transfer values represent the capital sums paid to and from the Unit Trusts on the basis of when the member liability is accepted or discharged a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

ix. Cash and Cash Equivalents

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

x. Fees and Commission

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

4. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS YET TO BE ADOPTED BY THE FUND

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2023, where applicable. The Fund has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

of Interbank offered rates (IBOR) reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by (IBOR) reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

These amendments had no impact on the financial statements of the Fund.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, except as stated, the Fund has not adopted the new and amended standards in preparing these financial statements. The following new and amended standards are not expected to have a significant impact on the Fund's financial statements.

6. RELATED PARTIES AND KEY CONTRACTORS

a. Transactions with Trustee

The Trustee of the Unit Trust is Universal Merchant Bank Limited, a Bank incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana as a Unit Trust Fund Trustee. Under the investment management agreement, the Trustee receives a Trusteeship fee at an annual rate of 0.325% of the net asset value attributable to members of the Unit Trust. The total Trustee fees charged during the year amounted to GH¢ 5,670,721. Included in the payables was a Trustee fee of GH¢ 9,522,153.

b. Fund Managers

EDC Investments Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana is the fund manager of the Unit Trust. It has the responsibility of implementing the investment strategy and objectives as stated in the Unit Trusts' investment management policy manual. Under the unit trust management agreement, the fund managers receive a management fee at an annual rate of 2% of the net asset value attributable to members of the Unit Trust. The management fees incurred during the year amounted to GH¢ 34,896,744. Included in the payables as at 31 December 2023 were fund management fees payable of GH¢ 51,495,793.

c. Transactions with Directors and Key Management Personnel

Directors and key Management Personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Fund. These personnel are the Executive and Non-Executive Directors of the Fund.

Directors' Shareholdings

Name	Number of Units	% Unit of Fund
Mr. Paul Kofi Mante	5,768.41	0.0021%
Mr. Henry Ampong	-	-
Mr. David Oforu-Dorte	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

7. INTEREST INCOME	2023	2022
	GH¢	GH¢
Debt Securities	161,170,636	549,978,097
Realized Loss	-	(123,238,521)
	161,170,636	426,739,576
8. OTHER INCOME	2022	2021
	GH¢	GH¢
Certificates of Deposit	10,396	-
9. GENERAL AND ADMINISTRATIVE EXPENSES	2023	2022
	GH¢	GH¢
AGM Expenses	29,256	50,139
Legal Assistance Cost	7,200	2,552
Bank Charges	86	1,820
Office Stationery	-	36,991
VAT on Audit Fees	-	16,425
Broker Commission	74,703	956,944
Overdraft Processing and Facility Fees	750,000	1,000,000
	861,245	2,064,871
10. IMPAIRMENT	2023	2022
	GH¢	GH¢
Opening Balance	21,942,718	446,528
1% Charge on Matured Bonds	-	(189,973)
30% Charge on Matured FDs	-	21,686,163
	21,942,718	21,942,718
CHARGED to P/L		
1% Charge on Matured Bonds	-	(189,973)
30% Charge on Matured FDs	-	21,686,163
	-	21,496,190

This pertains to matured fixed deposits in Savings and Loans Institutions that had their licenses revoked by the SEC and are currently under receivership. The management has made the decision to allocate 30% as a provision for doubtful debt and 1% on corporate bonds, but no provisions were made for the year 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023**

11. CHANGES IN FAIR VALUE	2023	2022
	GH¢	GH¢
Balance at 1st January	441,779,293	-
Change in Fair Value	239,169,075	441,779,293
	680,948,368	441,779,293

12. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OCI	2023	2022
	GH¢	GH¢
Debt Securities	1,512,445,180	1,795,490,914
Investment Receivable	72,287,210	72,407,866
Impairment	(21,942,718)	(21,942,718)
	1,562,789,672	1,845,956,062

Domestic Debt Exchange Programme (DDEP)

In November 2022 the Government of Ghana announced Domestic Debt Exchange Programme where existing eligible bonds as of balance sheet date would be exchanged with new bonds. The domestic debt exchange programme became necessary because the government debt levels were unsustainable and servicing such debts in line with existing contractual terms imposed a huge challenge to the Treasury. Various amendments were made to the initial exchange memorandum. The latest was issued on February 3, which stated ending date for the domestic debt exchange offer period as 14th February and settlement date being 21st February 2023.

The fund participated in the domestic debt exchange programme by surrendering its existing bonds on 21st February 2023 because the fund invested in Government of Ghana treasury bills and bonds and thus, they qualify as eligible bonds for exchange. A total of GHS 1,604,716,047 existing bonds were exchanged with new bonds maturing each year, beginning in 2027 and ending in 2028.

13. BANK OVERDRAFT	2023	2022
	GH¢	GH¢
Bank Overdraft	100,000,000	200,000,000
Interest Payable on Overdraft	-	4,940,057
	100,000,000	204,940,057

In the latter part of 2022, SEC issued a directive requiring fund managers to value Government notes and bonds on a mark-to-market basis due to high interest and inflation rates. This, coupled with poor financial market performance led to an excess of redemptions over contributions. To meet these high redemption demands, the Board sought a one-year overdraft facility of GHS 200,000,000 from Ecobank Plc to alleviate the problem. The overdraft carries an interest rate of 27.23% per annum, payable monthly in arrears, as well as facility and processing fees of 0.25% each payable upfront. The overdraft facility was renewed in 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

14. ACCOUNTS PAYABLE	2023	2022
	GH¢	GH¢
Fund Manager Fees	51,495,793	22,583,239
Trustee Fees	9,522,153	6,170,700
Audit Fees	97,520	80,000
VAT on Audit Fees	-	16,425
Due to EDC Investment Limited	11,028	11,028
Other Payables	10,289	20,000
	61,136,784	28,881,392

2023	Balance	Purchase/ Sales	Accrued	Change in	Value at
	1/1/2023	at Cost	interest	fair value	31/12/2023
	GH¢	GH¢	GH¢	GH¢	GH¢
GoG Securities	1,672,472,808	2,514,321	74,611,892	(239,169,075)	1,505,401,304
GoG Agency Bonds	97,362,637	-	-	-	-
Treasury Bills	-	-	-	-	-
Corporate Bond	25,655,469	18,528,670	524,680	-	7,043,876
	1,795,490,914	21,042,991	75,136,572	(239,169,075)	1,512,445,180

Analysis of changes in fair value of financial instruments through OCI.

2022	Balance	Purchase/ Sales	Accrued	Change in	Value at
	1/1/2022	at Cost	interest	fair value	31/12/2022
	GH¢	GH¢	GH¢	GH¢	GH¢
GoG Securities	2,218,409,222	(258,987,350)	103,521,144	(390,470,208)	1,672,472,808
GoG Agency Bonds	331,686,146	(186,904,677)	3,890,253	(51,309,085)	97,362,637
Treasury Bills	131,219,945	(131,219,945)	-	-	-
Corporate Bond	44,652,939	(19,963,543)	966,073	-	25,655,469
CIS	1,196,818	(1,196,818)	-	-	-
	2,727,165,070	(598,272,333)	108,377,470	(441,779,293)	1,795,490,914

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

16. TAXATION

The income of an approved Unit Trust Scheme or Mutual Fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended by Act 2017 (Act 941).

The Fund is currently withholding taxes on payments made to Directors and other service providers.

17. TRANSACTIONS THROUGH STOCKBROKERS

The Unit Trust's transactions were through EDC Stockbrokers Limited.

18. EVENTS AFTER THE REPORTING PERIOD

Events subsequent to the balance sheet date are reflected in the Financial Statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31st December 2023.

EDC Investments Limited
(A member of the Ecobank Group)

INVEST CONVENIENTLY VIA THE ECOBANK MOBILE APP

- Log-in to the **Ecobank Mobile App**
- Click **Pay Bill**
- Select **EDC Investment** under the **Investment** option
- Select **Account** and **Product**
- Fill details (EDC account number, amount and email)
- Click **Pay** and input **PIN** to validate transaction

Terms and Conditions apply

ecobank.com/swam



Ecobank
The Pan African Bank

PROXY FORM

I/WE.....of.....being a member of **EDC Ghana Fixed Income Unit Trust (the "Unit Trust")** hereby appoint..... of.....

as my/our proxy to attend on my/our behalf, the **11th Annual General Meeting of the Trust**, to be held at <https://www.edcghanaagm.com> on **Wednesday, August 28, 2024, at 11:30 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.

RESOLUTION	FOR	AGAINST	ABSTAIN
1. TO RECEIVE AND CONSIDER the Reports of the Fund Manager for the year ended December 31, 2023;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. TO RECEIVE AND CONSIDER the Reports of the Trustees, Auditors and the Audited Financial Statements for the year ended December 31, 2023;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TO AUTHORIZE THE DIRECTORS of EDC Investments Limited (EIL) to fix the Auditors for the year 2024;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTES

1. A proxy need not be a Unit Holder of the Unit Trust.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and sent via email to trust@umbcapital.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 Unit Holder from attending the meeting and voting thereat.

Unitholder's Signature Date2023

Ecobank Head Office Building, 2nd Floor
2, Morocco Lane, Off the Independence Avenue
P.O. Box AN 16746
Accra- Ghana
Tel: (233) 0302 610 400 / 634 165
Email: edc-clientservice@ecobank.com