# 2023 ANNUAL REPORT

# EDC GHANA RETIREMENT FUND PLC

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# EDC GHANA RETIREMENT FUND PLC
## 2023 ANNUAL REPORT

# Notice of Virtual Annual General Meeting (AGM)

**NOTICE IS HEREBY GIVEN** that there will be an Annual General Meeting of the Shareholders of the **EDC GHANA RETIREMENT FUND PLC** which will be held **VIRTUALLY via an audio visual conferencing facility** on **Wednesday, 28th August, 2024,** at **3:00 PM GMT** to transact the following business:

## ORDINARY BUSINESS:

1. TO RECEIVE THE REPORTS of the Fund Manager for 2023;
2. TO RECEIVE THE REPORTS of the Directors for 2023;
3. TO RECEIVE AND ADOPT the Audited Financial Statements for the year ended December 31, 2023 by the Auditor;
4. TO APPOINT/RE-APPOINT/RATIFY the appointment of, the Auditors for the 2024 fiscal year;
5. TO FIX THE AUDITOR'S REMUNERATION for the ensuing year; and
6. TO APPROVE Board fees.
7. TO RE-APPOINT the following as directors of the Fund
   (a) Isabel Boaten (b) Evelyn Biriwaa Ofei

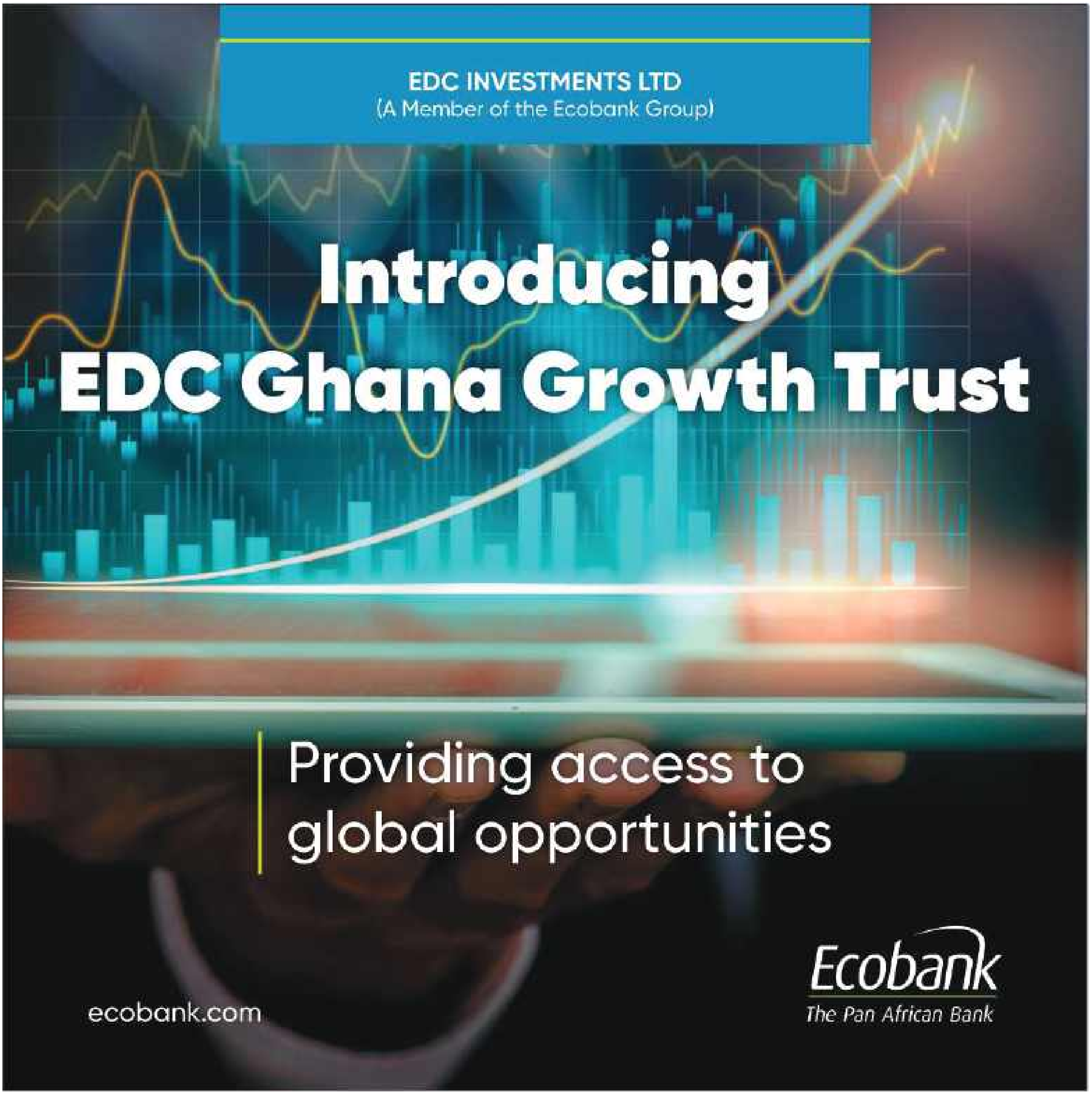
## Special Business:

NONE

## **NOTES:** General

1. A member/shareholder of the Fund entitled to attend, and vote is entitled to appoint a Proxy to attend and vote instead of him or her. A Proxy need not be a member. For the Proxy Form to be valid for the purposes of the meeting, it must be completed and deposited at the Registered Office of the Fund Manager, 2nd Floor, Ecobank Ghana Head Office, 2 Morocco Lane, off Independence Avenue, Accra, Ghana or sent via mail to edc-clientservice@ecobank.com not less than 48 hours before the appointed time of the meeting.
2. The appointment of a proxy will not prevent a member from attending and voting at the Meeting via online participation. Where a member attends the Meeting by online participation, the proxy appointment shall be deemed revoked.
3. An electronic version of the Proxy Form, the Fund's Annual Reports, and Procedure for the Online Meeting will be sent to your registered email address with the Fund.
4. Accessing and Voting at the Virtual AGM: To participate in the AGM, you are required to pre-register by clicking on the registration link that will be sent to your registered email address. After registration, you will receive a confirmation email and/or SMS with the meeting login credentials to be used on the day of the meeting. Shareholders who do not receive the credentials can contact EDC Investment Ltd on telephone number 0302 610 400 / 634 165 or by email at edc-clientservice@ecobank.combefore the date of the AGM to be sent the details.

1st August, 2024
By Order of the Board,
Nathan Tete Tei
Company Secretary


EDC INVESTMENTS LTD
(A Member of the Ecobank Group)
Introducing
EDC Ghana Growth Trust
Providing access to
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# CORPORATE INFORMATION

| | |
|---|---|
| **BOARD OF DIRECTORS** | Isabel Louisa Boaten (Chairman)<br>Evelyn Biriwaa Ofei<br>Charlotte Amankwah<br>Paul Kofi Mante<br>Edem Komla Dewotor |
| **REGISTERED OFFICE** | 2 Morocco Lane,<br>Off Independence Avenue Accra |
| **FUND MANAGER** | EDC Investments Limited<br>2 Morocco Lane,<br>Off Independence Avenue<br>P. O. Box CT 2609 Accra |
| **CUSTODIAN** | Stanbic Bank Ghana Limited<br>Stanbic Heights<br>215 South Liberation Link<br>Airport City, Accra |
| **AUDITORS** | John Kay and Co.<br>7th Floor, Trust Towers<br>Farrar Avenue, Adabraka<br>P.O. Box 16088<br>Airport, Accra<br>Email: info@johnkay.net |
| **BANKERS** | Stanbic Bank Ghana Limited<br>Ecobank Ghana Plc |
| **SECRETARY** | Nathan Tete Tei<br>T2 Manet Villa Estate<br>East Airport, Accra<br>P. O. Box CT 1282<br>Cantonment, Accra |

# REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF EDC GHANA RETIREMENT FUND LIMITED

In accordance with section 136 of the Companies Act, 2019 (Act 992), the directors have the pleasure in presenting their report and the financial statements of the Fund for the year ended 31 December 2023.

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2023, the statement of profit or loss for the year ended, statement of changes in equity for the year ended, statement of movement in net assets for the year ended, statement of cash flows for the year ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are 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 directors have made an assessment of the fund's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

## FINANCIAL RESULT AND DIVIDEND

The results for the year are set out in the financial statements from pages 20-41. The Fund does not distribute dividend. All income earned are reinvested.

Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

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

| | 2023 | Percentage | 2022 | Percentage |
|---|---|---|---|---|
| **ASSETS** | GH¢ | % | GH¢ | % |
| Money Market Securities | 3,098,851 | 57 | 52,380 | 91 |
| Cash and Cash Equivalent | 2,358,899 | 43 | 5,481 | 9 |
| | **5,457,750** | **100** | **57,861** | **100** |

## NATURE OF BUSINESS

EDC Ghana Retirement Fund Plc is a fund registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund and is regulated by the Unit Trusts and Mutual Funds Regulations L.I 1695.

EDC Ghana Retirement Fund Plc ("The Fund") is an open-end mutual fund that invests primarily in a regionally diversified portfolio of listed equities and fixed income investments.

## INTEREST REGISTER

During the year under review, no director had any interest in contracts and proposed contracts with the fund, hence there were no entries recorded in the Interests Register as required by sections 194 (6), 195 (1) (a) and 196 of the Companies Act 2019, (Act 992).

# REPORT OF THE BOARD OF DIRECTORS
# TO THE MEMBERS OF EDC GHANA RETIREMENT FUND LIMITED

## AUDITOR'S REMUNERATION

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs John Kay & Co. agreed with the directors to charge a fee inclusive of VAT, Covid Levy, NHIL and GET Refer to note 10 of this financial statement for the amount payable.

## CORPORATE SOCIAL RESPONSIBILITY

The Fund did not contribute to corporate social responsibility during the year under review.

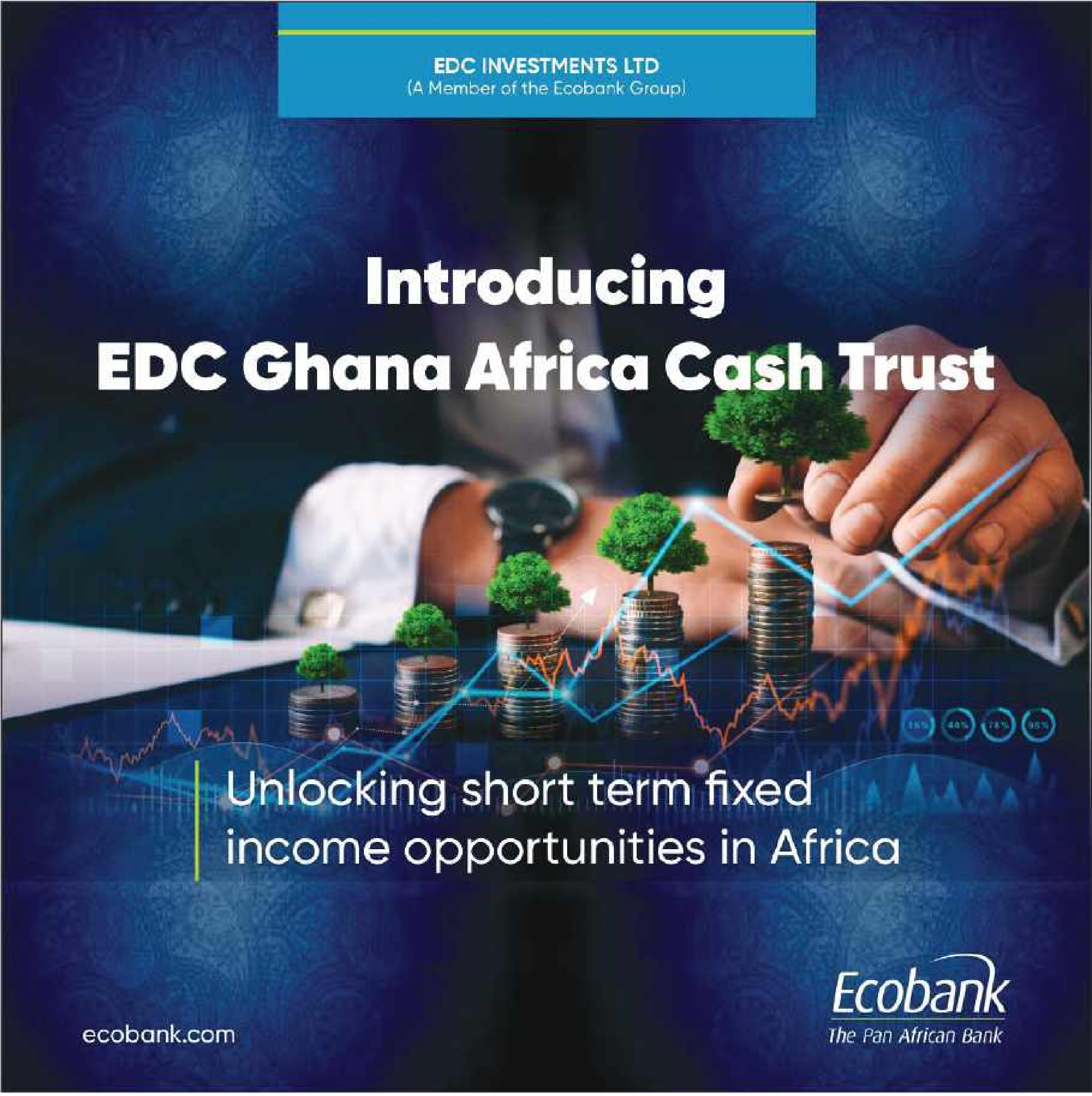
## BUILDING THE CAPACITY OF DIRECTORS

There was no new appointment to the board during the year, the existing directors undertake regular review of industry information and liaise with the appropriate regulators to enable effective direction to management. This includes attendance of industry and corporate governance related seminars since their appointment.

## APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the fund as indicated above were approved by the Board of Directors on 30th April 2024 and are signed on its behalf by:

| | |
|---|---|
| ........................................ | ........................................ |
| **Paul Kofi Mante** | **Isabel Boaten** |
| (Director) | (Director) |


EDC INVESTMENTS LTD
(A Member of the Ecobank Group)
Introducing
EDC Ghana Africa Cash Trust
Unlocking short term fixed
income opportunities in Africa
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The Pan African Bank
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# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF EDC GHANA RETIREMENT FUND PLC

JK John Kay & Co.
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Farrar Avenue, Adabraka
P. O. Box 16088
Airport
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+233 (0) 302 238 370
Fax: +233 (0) 302 238 371
E-mail: jkayal@yahoo.com

## OPINION

We have audited the accompanying financial statements of EDC Ghana Retirement Fund Plc, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss for year ended, statement of changes in equity for the year ended, statement of movement in net assets for the year ended, statement of cash flows for the year ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20-41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of EDC Ghana Retirement Fund Plc as at 31 December 2023, Fund's financial performance and its movement in net assets for the year ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992)

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement 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 have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF THE BOARD OF EDC INVESTMENTS LTD FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Fund's financial reporting process.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF EDC GHANA RETIREMENT FUND PLC

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis 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 or the purpose of expressing an opinion on the effectiveness of the Fund'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.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### KEY AUDIT MATTERS

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

### 1.INCOME RECOGNITION

The Fund generates income largely from the investment of the assets of the fund made up of members subscription of shares as well as the undistributed portion of the assets of the fund brought forward from the previous accounting period. Some of these investments straddle the end of the accounting period. Some of these investments straddle the end of the accounting year under review and hence a key consideration for the appropriate recognition of the income of the scheme is the cut-off date.

The income of the fund for the year should be recognised only if they accrue or are derived during the year up to and including the year-end date being 31st December 2023.Income that accrues beyond this date should be recognised in the following accounting year.

## INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF EDC GHANA RETIREMENT FUND PLC

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

To ensure that in recognizing income, the cut-off date has been taken into consideration, the audit team performed the following procedures:

1. Reviewed the design and implementation of the Fund's income recognition procedure to determine the adequacy of controls over the Fund's investment valuation procedures and income recognition at the year- end.
2. Obtained evidence of the existence and accuracy of interest income thereon of a sample of significant investments whose maturity dates are after the year-end by reviewing their particulars and recomputing the expected year-end interest income; and
3. Evaluated the adequacy of the accounting policies and the disclosures on income recognized in the Fund's statement of changes in net assets available for the benefits.

### OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the Report of Directors. The other information 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Gilbert Adjetey Lomofio (ICAG/P/1417)

John Kay & Co

.....................................................................

For and on behalf of **John Kay & Co.** (ICAG/F/2023/128)
Chartered Accountants
Accra
30th April 2024


EDC Investments Ltd
(A member of the Ecobank Group)
A BETTER WAY TO INVEST
Invest through the Pay Bill option on 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 in details (EDC account number, amount and email)
Click Pay and input PIN to validate transaction
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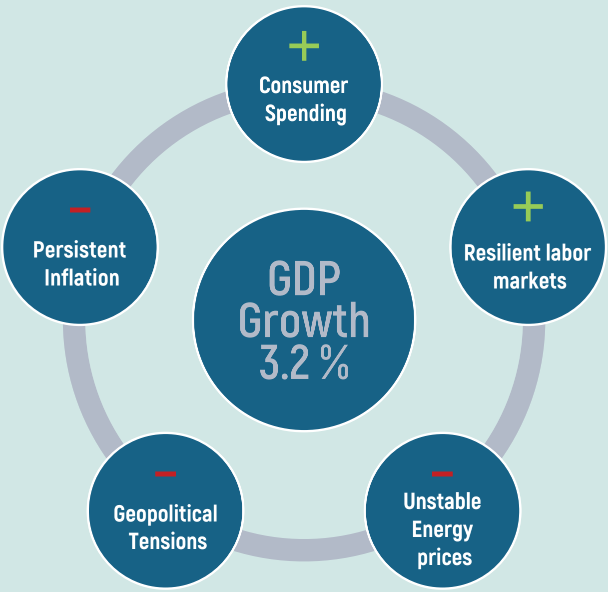
# CHAIRMAN'S Report

# CHAIRMAN'S REPORT TO THE FUND

ISABEL **BOATEN**




## DEAR SHAREHOLDERS,

I am delighted to welcome you to the 7th Annual General Meeting of the EDC Ghana Retirement Fund PLC. On behalf of the Board and Management of EDC Investments Ltd., I want to express my sincere appreciation for steadfast support and continuous interest in the Fund. I will begin my report by outlining key developments in the global and domestic economy. Following this, I will discuss the Fund's performance and conclude with insights into the macroeconomic environment for 2024.

## GLOBAL ECONOMIC REVIEW:

As we reflect on the past year, it is essential to acknowledge the significant changes and challenges within the global and domestic economic landscapes. The global economy experienced moderate growth in 2023, with an estimated GDP growth of 3.2 percent. This growth was supported by a robust recovery in several major economies, despite headwinds from persistent inflation, geopolitical tensions, and fluctuating energy prices. The United States and the European Union saw steady economic expansion driven by consumer spending and resilient labor markets. Emerging economies, particularly in Asia, showed strong growth, with China and India leading the way. These countries benefited from increased domestic consumption, digital transformation, and infrastructure investments, with fiscal support playing a crucial role in China's GDP growth. Conversely, growth in Sub-Saharan Africa decelerated to 2.5 percent, down from 3.6 percent in 2022, due to rising conflict and violence across the region, which dampened economic activity. These global and regional developments have significantly influenced our strategic decisions and investment approach.

## CHAIRMAN'S REPORT TO THE FUND

Amid favorable global supply developments, inflation has been decreasing faster than anticipated, approaching pre-pandemic levels for both headline and core inflation. This improvement is attributable to diminishing price shocks, particularly in the energy sector, easing labor market tightness, and an increased labor supply, partly due to immigration. Wage growth has remained moderate, preventing the onset of escalating price-wage cycles. Near-term inflation expectations have declined in major economies, while long-term expectations have remained stable.

Central banks worldwide have played a crucial role in these positive inflationary trends by implementing various monetary policies. The US Federal Reserve increased interest rates multiple times throughout the year to bring inflation closer to its 2 percent target. This tightening of monetary policy had a cooling effect on the housing market and consumer borrowing but contributed to price stabilization. Meanwhile, the European Central Bank faced the challenge of cautiously raising rates to address inflationary pressures without stifling economic growth.

### DOMESTIC ECONOMIC REVIEW:

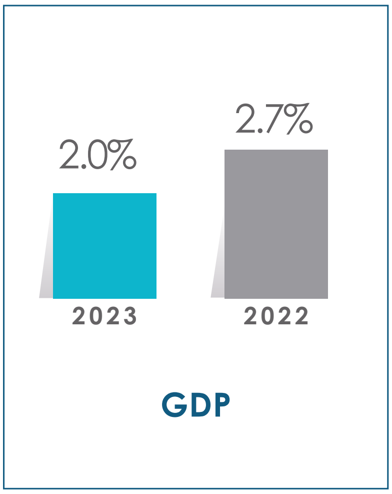
Ghana's real GDP grew by 2 percent in 2023, with the services and agriculture sectors driving this increase. This was a slight decline from the 2.7 percent growth rate observed in the same period of 2022. Additionally, non-oil GDP growth fell to 2.1 percent in Q3 2023, compared to 3.3 percent in the corresponding period of the previous year.

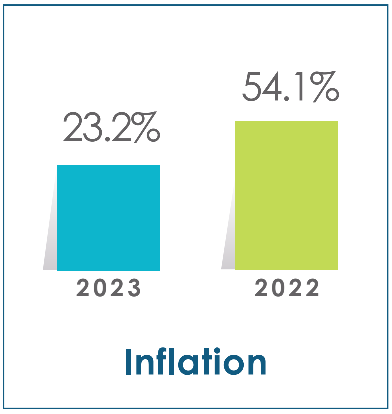
Domestic inflation saw a notable decline in 2023, thanks to stringent monetary policy, a relatively stable exchange rate, and increased efforts to absorb excess liquidity. Headline inflation decreased by 30.9 percentage points to 23.2 percent in December 2023, down from 54.1 percent in December 2022. This reduction was driven by easing inflation in both food and non-food sectors. In response to earlier high inflation rates, the Monetary Policy Committee (MPC) raised the Monetary Policy Rate (MPR) three times during the year, resulting in a total increase of 300 basis points to 30 percent by year-end. Additionally, the Cash Reserve Ratio was increased by 2 percentage points to 14 percent to further address inflationary pressures.

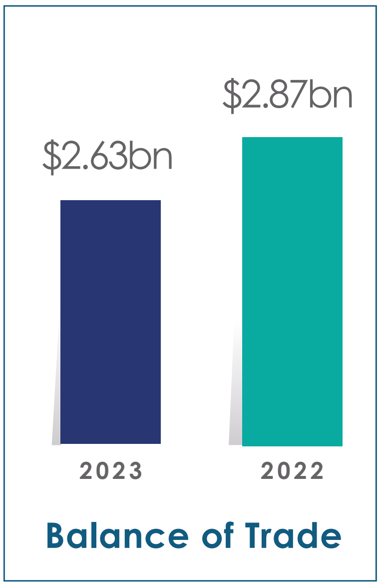
In the trade sector, Ghana achieved a surplus of US$2.63 billion, a slight decrease from the US$2.87 billion surplus recorded in 2022. This decline was primarily due to a larger reduction in exports compared to imports. Export revenues fell by 4.9 percent to US$16.64 billion, largely due to decreases in crude oil and cocoa product exports.

The Cedi experienced depreciation against major trading currencies throughout 2023. It initially depreciated by 20.8 percent against the United States Dollar (USD) in January but then saw a moderated depreciation of 7.2 percent in the following months. This partial stabilization followed the receipt of the first tranche of the International Monetary Fund (IMF) Extended Credit Facility (ECF), the domestic gold purchase program, and foreign exchange

### KEY STATISTICS ON GHANA



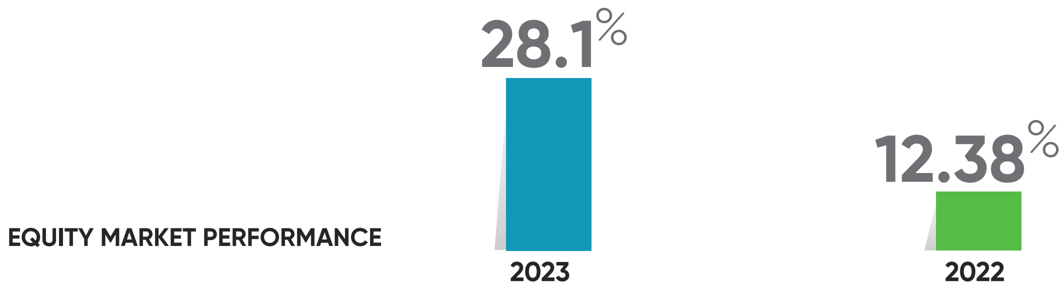



## CHAIRMAN'S REPORT TO THE FUND

purchases from mining and oil companies. Overall, the Cedi depreciated by 27.8 percent against the USD over the course of the year.

**INTEREST RATES:**
Interest rates generally exhibited a downward trend at the short end of the yield curve, while rates on longer-dated securities remained stable. This stability in longer-dated rates was partly due to the lack of new bond issuances at the long end of the curve, particularly in the post the Domestic Debt Exchange Program (DDEP) era. Specifically, the 364-day Treasury bill rates decreased from 36.06% in December 2022 to 32.97% in December 2023. Conversely, the Interbank Weighted Average Rate (IWAR) increased to 30.19% in December 2023 from 25.51% in December 2022, aligning with the Monetary Policy Rate.

**EQUITY MARKET IN 2023:**
At the close of 2023, the Ghana Stock Exchange Composite Index (GSE-CI) stood at 3,130.23 points, representing a 28.1 percent increase for the year (2022: - 12.38 percent). This strong performance was driven by a heightened interest in equities. Non-financial stocks led the market's gains, while financial stocks lagged, impacted by the Domestic Debt Exchange Programme (DDEP). This shift is evident from the GSE-Financial Stocks Index (GSE-FSI), which ended the year with a decline of 7.4 percent, compared to a 4.6 percent drop in the previous year. Additionally, the market capitalization rose by 14.5 percent, reaching GH¢73.89 billion, up from GH¢64.51 billion in 2022.




**FUND PERFORMANCE:**
The EDC Ghana Balanced Fund reported a year end return of 4.5 percent, a reduction from the previous year's return of 9.4 percent. The Fund recorded a marginal decline of 0.72 percent in the number of active clients from 10,477 in 2022 to 10,402 in 2023. However, the Fund concluded the year with a size of GHS 103 m representing a marginal year-on-year growth of 2.3 per cent from GHS 99 m in 2022.

The EDC Ghana Retirement Fund ended the year with a return of 17.13%, up from 14.47% in 2022. Assets under management grew to GHS5.43 million in 2023 from GHS56,287.91 in 2022. During the same period, the fund's size grew to, marking a significant increase of 95.47% compared to the asset size of in December 2022.

**OUTLOOK AND STRATEGY:**
The Global economic outlook for 2024 remains cautiously optimistic, with global growth projected at 3.2 percent. Inflation is expected to trend downwards, primarily driven by faster disinflation in advanced economies, while emerging economies are anticipated to experience a slower disinflation process. However, several key factors warrant attention in 2024: central bank policies in response to inflationary pressures, intensifying regional conflicts potentially triggering new commodity price hikes and geoeconomic fragmentation, which could adversely affect international cooperation and reverse supply-side gains achieved in recent years. These elements could significantly alter the global macroeconomic landscape.

Domestically, the International Monetary Fund (IMF) has projected Ghana's economy to expand by 2.8 percent for 2024, driven by improving fiscal and external positions as well as a favorable inflationary trend. However, there are significant upside risks to the inflation outlook, particularly due to potential elevated

## CHAIRMAN'S REPORT TO THE FUND

government expenditure related to the upcoming elections in December. This underscores the need for strict implementation of the 2024 budget and a tight monetary policy stance to sustain the disinflation process.

### CONCLUSION:

As we move forward, our focus remains on navigating the complexities of the market with agility and foresight. In 2024, we will prioritize bolstering portfolio resilience by targeting investments in companies that demonstrate strong market endurance and by seeking out high-growth sectors that promise substantial returns. This strategy is designed to not only generate robust financial performance but also to ensure alignment with your long-term investment goals.

We deeply appreciate your unwavering support and confidence in our vision. With your partnership, we are poised to continue striving for excellence to help you reach your retirement goals.

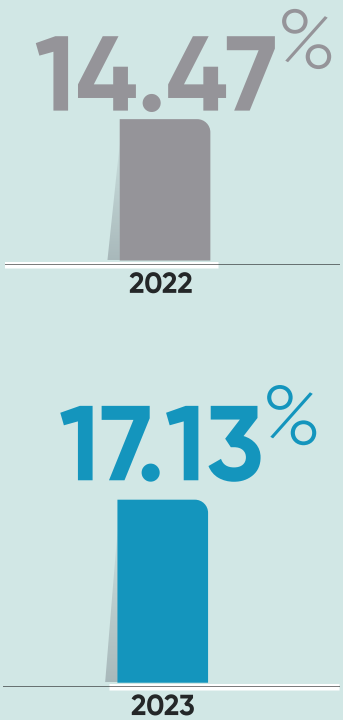
Isabel **Boaten**
Chairman

# PORTFOLIO MANAGER'S Report

# PORTFOLIO MANAGER'S REPORT

Emmanuel **OWUSU**

## FUND PERFORMANCE




## INTRODUCTION

I am pleased to present the Portfolio Manager's Report for the EDC Ghana Retirement Fund for the year ended December 31, 2023. This report provides an overview of the Fund's performance, the market environment, our investment strategies, and our outlook for the future.

## FUND PERFORMANCE

The EDC Ghana Retirement Fund delivered a strong performance in 2023, achieving a return of 17.13 percent. This marks a significant improvement from the 14.47 percent return recorded in 2022. Our focus on prudent asset allocation and strategic investment decisions has contributed to this outturn, ensuring consistent growth for our shareholders.

## MARKET OVERVIEW

The macroeconomic environment in 2023 experienced several notable developments. Headline inflation decreased significantly, ending the year at 23.2 percent, down from 54.1 percent in December 2022. This reduction was driven by easing inflation in both the food and non-food sectors. In response to the high inflation rates earlier in the year, the Monetary Policy Committee (MPC) raised the Monetary Policy Rate (MPR) three times, resulting in a total increase of 300 basis points to 30% by year-end.

The Ghanaian Cedi depreciated against major trading currencies throughout 2023. After an initial depreciation of 20.8% against the US Dollar in January, the rate of depreciation moderated to 7.2% in subsequent months. Interest rates generally

# PORTFOLIO MANAGER'S REPORT

showed a downward trend at the short end of the yield curve, while rates on longer-dated securities remained stable. This stability was partly due to the absence of new bond issuances following the Domestic Debt Exchange Program (DDEP).

The Ghana Stock Exchange Composite Index (GSE-CI) posted a return of 28.1 percent, a significant improvement compared to the -12.38 percent performance in 2022. Non-financial stocks led the market's gains, while financial stocks lagged due to bearish investor sentiment, a fallout from the Domestic Debt Exchange Program (DDEP).

## ASSET ALLOCATION

As of December 31, 2023, the Fund's asset allocation was as follows: 36% in fixed deposits, 20% in treasury bills, and 44% in cash. To support our strategy of entering other African markets, we increased our cash allocation to the CFA. This will enable us to take positions in fixed income securities in the UEMOA region in the coming year.

## RISK MANAGEMENT

In managing the Fund's portfolio, we employed several strategies to mitigate risks:

- Yield Curve Positioning: We remained at the short end of the yield curve to navigate the uncertainties following the DDEP.
- Increased Exposure to Bank Fixed Deposits: This decision helped us manage interest rate risk effectively and provided a stable source of income.

## FUTURE STRATEGIES

Looking ahead to 2024, we have activated the Fund's pan-African mandate by venturing into Cote d'Ivoire. This strategic move aims to diversify the portfolio, enhancing its resilience to country-specific economic shocks.

Additionally, we plan to restructure the portfolio to better align with the long-term objectives of our investors, who are using the Fund to build a retirement nest egg. This restructuring will ensure the Fund remains fit for purpose and continues to deliver robust returns.

## CONCLUSION

We thank our shareholders for their continued trust and support. The EDC Ghana Retirement Fund remains committed to prudent management and strategic growth to ensure long-term value for our investors.

I wish you a sucessful and fulfilling 2024.

**Emmanuel Owusu**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# FINANCIAL Statements

## STATEMENT OF FINANCIAL ASSETS
## AS AT 31ST DECEMBER 2023

| FIXED INTEREST SECURITIES | Market Value GH¢ | Percentage of Net Asset (%) |
|---|---|---|
| TREASURY BILLS | | |
| 91-Day Treasury Bill | 650,362 | 12 |
| 182-Day Treasury Bill | 463,866 | 9 |
| 91-Day Fixed Deposit | 1,664,349 | 31 |
| Negotiable Certificate of Deposit | 320,274 | 6 |
| | **3,098,851** | **58** |
| Cash and Cash Equivalent | 2,358,899 | 45 |
| | 2,358,899 | 45 |
| Total Investment Securities | 5,457,750 | 103 |
| Total Liability | (164,292) | (3) |
| **Total Net Investments** | **5,293,458** | **100** |

## STATEMENT OF FINANCIAL POSITION
## AS AT 31ST DECEMBER 2023

| FINANCIAL ASSETS | NOTE(s) | 2023 GH¢ | 2022 GH¢ |
|---|---|---|---|
| Financial assets at amortized cost | 7 | 1,984,623 | - |
| Financial assets at FVOCI | 8 | 1,114,228 | 52,380 |
| Cash and cash equivalent | 9 | 2,358,899 | 5,481 |
| Total Assets | | 5,457,750 | 57,861 |
| **Liabilities** | | | |
| Account payables | 10 | (164,292) | (13,184) |
| Total Liabilities | | (164,292) | (13,184) |
| **Assets less Liabilities** | | **5,293,458** | **44,677** |
| Represented By: | | | |
| Members' fund | 11 | 5,293,458 | 44,677 |
| **Total Members' Fund** | | **5,293,458** | **44,677** |

**Paul Kofi Mante**
Director

**Isabel Boaten**
Director

## STATEMENT OF PROFIT OR LOSS
## FOR THE YEAR ENDED 31ST DECEMBER 2023

| | NOTE (s) | 2023 | 2022 |
|---|---|---|---|
| **REVENUE** | | GH¢ | GH¢ |
| Interest Income | 13 | 433,224 | 3,392 |
| Total Revenue | | 433,224 | 3,392 |
| | | | |
| **EXPENSES** | | | |
| General Expenses | 14 | (176,326) | (7,237) |
| Total Expenses | | (176,326) | (7,237) |
| | | | |
| Net Investments Income before Capital Gains | | 256,898 | (3,845) |
| Net Realised Capital Gain/(Loss) | | - | - |
| Net Investments Income | | 256,898 | (3,845) |
| | | | |
| **Increase in net assets available for benefits** | | **256,898** | **(3,845)** |
| | | | |
| **Other Comprehensive Income** | | | |
| Gain/Loss on T'bill | 15 | 50,208 | 2,380 |
| **Total Comprehensive Income** | | **307,106** | **(1,465)** |

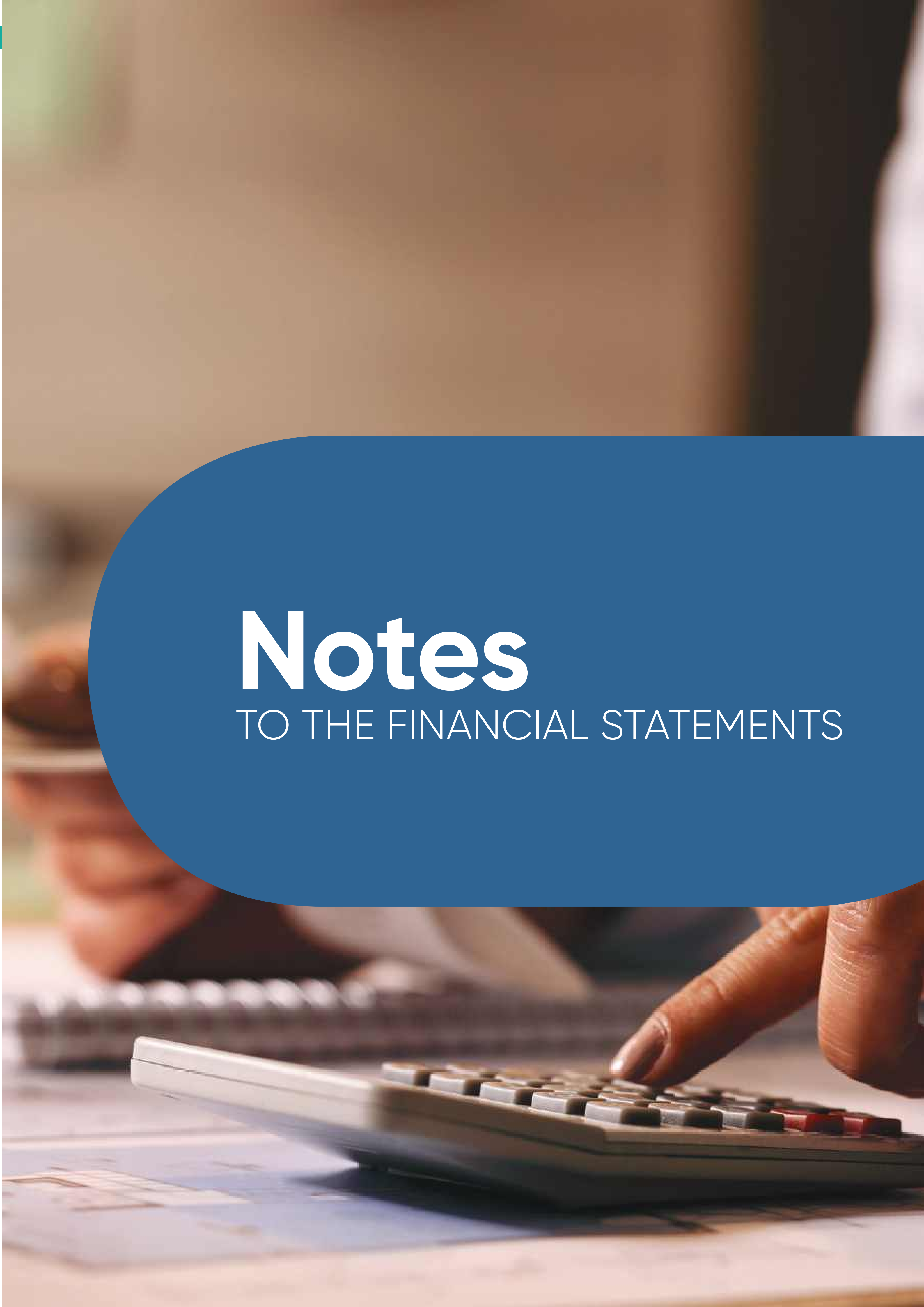
## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31ST DECEMBER 2023

| 2023 | CAPITAL TRANSACTIONS | INVESTMENT INCOME | REVALUATION RESERVE | TOTAL |
|---|---|---|---|---|
| | GH¢ | GH¢ | GH¢ | GH¢ |
| At 1 January | 107,614 | (65,317) | 2,380 | 44,677 |
| Net Income from Operations | - | 256,898 | - | 256,898 |
| Reversal of Gain/Loss | - | - | (2,380) | (2,380) |
| Gain/Loss on T'bill | - | - | 50,208 | 50,208 |
| Share Issue | 5,341,601 | - | - | 5,341,601 |
| Shares Redemption | (397,546) | - | - | (397,546) |
| **At 31 December** | **5,051,669** | **191,581** | **50,208** | **5,293,458** |

| 2022 | CAPITAL TRANSACTIONS | INVESTMENT INCOME | REVALUATION RESERVE | TOTAL |
|---|---|---|---|---|
| | GH¢ | GH¢ | GH¢ | GH¢ |
| At 1 January | 67,431 | (61,472) | - | 5,959 |
| Net Income from Operations | - | (3,845) | - | (3,845) |
| Reversal of Gain/Loss | - | - | - | - |
| Gain/Loss on T'bill | - | - | 2,380 | 2,380 |
| Share Issue | 43,608 | - | - | 43,608 |
| Shares Redemption | (3,425) | - | - | (3,425) |
| **At 31 December** | **107,614** | **(65,317)** | **2,380** | **44,677** |

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

| | 2023 | 2022 |
|---|---|---|
| **Cash Flow from Operating Activities** | **GH¢** | **GH¢** |
| Net Investment income before capital gain/(loss) | 307,106 | (1,465) |
| **Adjusted for:** | | |
| Net Unrealised Gain/ (loss) | (50,208) | - |
| Net Realised Gain/(loss) | (2,380) | (2,380) |
| Interest receivable | (59,624) | - |
| | 194,894 | (3,845) |
| Change in: | | |
| Liabilities | 151,108 | 7,184 |
| Net cash flow from Operating Activities | **346,002** | **3,339** |
| | | |
| **Cash Flow from Investing Activities** | | |
| (Purchase) /Sales from financial assets | (2,936,639) | (40,893) |
| Cash flows from investing activities | (2,936,639) | (40,893) |
| | | |
| **Cash Flow from Financing Activities** | | |
| Proceeds from issue of shares | 5,341,601 | 43,608 |
| Amount paid on redemption of shares | (397,546) | (3,425) |
| Cash flows from financing activities | 4,944,055 | 40,183 |
| | | |
| **Net increase (decrease) in cash and cash equivalents** | **2,353,418** | **2,629** |
| | | |
| **Analysis of changes in cash and cash equivalents for the year** | | |
| At 1 January | 5,481 | 2,852 |
| Net additions to net assets | 2,353,418 | 2,629 |
| **At 31 December** | **2,358,899** | **5,481** |



# Notes
TO THE FINANCIAL STATEMENTS

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

### 1. REPORTING ENTITY

EDC Ghana Retirement Fund Plc is a mutual fund investment fund whose primary objective is to obtain contributions from members and invest same for their benefit. EDC Ghana Retirement Fund Plc is a limited liability Fund and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the fund can be found on page 2 of the financial statements.

The Fund was established on 30 September 2014 and operates in accordance with the Unit Trust and Mutual Fund Regulation (L.I.1695). The Fund shall be marketed as "EDC Ghana Retirement Fund Plc", which means it will invest in a combination of listed equities, fixed income securities, as well as alternative investments to achieve its investment objective. The investment activities shall be managed by EDC Investments Limited.

### 2. BASIS OF ACCOUNTING

#### (a) Basis of Preparation
These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

#### (b) Functional and Presentation Currency
These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.

(c) Use of estimates and judgement
In preparing these financial statements, the mutual fund's management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Interest received or receivable and interest paid or payable are recognised in the profit or loss as interest income or interest expense, respectively.

#### (b) Financial Instruments
Financial assets and financial liabilities are recognised in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### (i) Financial Assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of

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

assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

### a. Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), 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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

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

For purchased or originated credit-impaired financial assets, the Fund recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

### b. Debt Instruments Classified as at FVTOCI

Corporate bonds held by the Fund are classified as at FVTOCI. Fair value is determined in the manner described in note 3(d)iii. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

### c. Equity Instruments Designated as at FVTOCI

On initial recognition, the Fund may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Fund has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

### d. Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Fund designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch')

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

that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3(d)iii.

### Foreign Exchange Gains and Losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk.
Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Fund recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### i. Significant Increase in Credit Risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that

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

is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Fund's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Fund's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Fund presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Fund assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Fund considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Fund becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Fund considers the changes in the risk that the specified debtor will default on the contract.

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

### ii. Definition of Default

The Fund considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely

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

to pay its creditors, including the Fund, in full (without taking into account any collateral held by the Fund).

Irrespective of the above analysis, the Fund considers that default has occurred when a financial asset is more than 90 days past due unless the Fund has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-Impaired Financial Assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event;
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-Off Policy

The Fund writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and Recognition of Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Fund's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Fund is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Fund expects to receive from the holder, the debtor or any other party.

If the Fund has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Fund measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Fund recognises an impairment gain or loss in profit or loss for all financial instruments with a

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

corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### Derecognition of Financial Assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Fund has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### (ii) Financial Liabilities and Squity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Fund are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Fund's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Fund's own equity instruments.

### Compound Instruments

The component parts of convertible loan notes issued by the Fund are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Fund's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

### (Ii) Financial Liabilities and Equity

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in

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

equity will be transferred to retained profits/other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

i. Financial Liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Fund, are measured in accordance with the specific accounting policies set out below.
Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.
A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.
- A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Fund's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

(ii) Financial Liabilities and Equity

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.
However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Fund that are designated by the Fund as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described in note 3(d)iii.

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

### Financial Liabilities Measured Subsequently at Amortised Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### Financial Guarantee Contract Liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

### Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

### Derecognition of Financial Liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Fund exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Fund accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

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

(iii) Financial Instrument Fair Valuation

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under IFRS 13 are described as follows:

**Level 1:** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme has the ability to access.

**Level 2:** - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;

(iii) Financial Instrument Fair Valuation

- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** -Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(e) Derivative Financial Statements and Hedging Activities

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into, and are subsequently remeasured at their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Fund uses foreign currency forward exchange contracts to limit its exposure to foreign exchange risk on highly probable forecast foreign currency sales transactions. The Fund designates these derivatives as hedges – that is, a hedge of foreign exchange risk associated with highly probably forecast sales transactions.

The Fund designates and documents, at the inception of a hedging transaction, the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk in the hedged item is the risk being hedged with the hedging instrument.

Hedge accounting is only applied when the Fund expects the derivative financial instrument to be highly effective in offsetting the designated hedged foreign currency risk associated with the hedged item.

The full fair value of a hedging derivative is classified as a non-current asset or liability where the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability where the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains/(losses) – net'.

Amounts recognised in other comprehensive income are reclassified to profit or loss in the periods when the forecast sales take place and are included within 'other gains/(losses) – net'.

When a foreign currency forward exchange contract expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction ultimately affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately transferred to profit or loss within 'other gains/(losses) – net'.

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

(f) Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

(g) Transfer Values

Transfer values represent the capital sums paid to and from the mutual fund on the basis of when the member liability is accepted or discharged.

(h) Cash and Cash Equivalents

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

(i) Fees and Commission

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

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

There are a number of new standards and interpretations that were issued and become effective 1st January 2023. However, these standards and interpretations do not have any impact on the financial reporting of the fund and hence the fund does not adopt and disclosed them in these financial statements.

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Fund's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### 6. RELATED PARTIES AND KEY CONTRACTORS

a. Fund Managers

The Directors of the Fund appointed EDC Investments Limited, an investment management fund incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Fund's investment management policy manual. Under that investment management agreement, EDC Investments Limited receives a management fee at an annual rate of 2.5% of the net asset value attributable to members of the Fund. The Management fees charged during the year amounted to GH¢68,909.

b. Fund Custodians

The Directors of the Fund appointed Stanbic Bank (Ghana) Limited, Custody Services a Limited Liability Fund incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.25% of the net asset value attributable to members of the Fund. The Custodian fees charged during the year amounted to GH¢6,983.

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

**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. The Fund did not make any loans to Directors or any key Management member during the period under review.

| **Directors' Emoluments** | **2023** | **2022** |
|---|---|---|
| | **GH¢** | **GH¢** |
| Directors' Remuneration | 41,400 | - |

| **7. FINANCIAL ASSETS AT AMORTISED COST** | **2023** | **2022** |
|---|---|---|
| | **GH¢** | **GH¢** |
| Fixed Deposit | 1,664,349 | - |
| Negotiable Certificate of Deposit | 320,274 | - |
| | **1,984,623** | **-** |

| **8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | **2023** | **2022** |
|---|---|---|
| | **GH¢** | **GH¢** |
| 91-Day Treasury Bill | 650,362 | - |
| 182-Day Treasury Bill | 463,866 | 52,380 |
| | **1,114,228** | **52,380** |

| **9. CASH AND CASH EQUIVALENTS** | **2023** | **2022** |
|---|---|---|
| | **GH¢** | **GH¢** |
| Cash and bank balances | 2,358,899 | 5,481 |
| | **2,358,899** | **5,481** |

| **10. PAYABLE UNDER SERVICE LEVEL AGREEMENTS** | **2023** | **2022** |
|---|---|---|
| | **GH¢** | **GH¢** |
| Audit fees | 47,000 | 12,000 |
| Custody fee | 6,983 | 109 |
| Management Fees | 68,909 | 1,075 |
| Director's fee and Sitting allowance | 41,400 | - |
| | **164,292** | **13,184** |

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

| 11. MEMBERS' FUNDS | 2023 | | 2022 | |
|---|---|---|---|---|
| | No. of Shares | GH¢ | No. of Shares | GH¢ |
| Balance at Jan 1 | 107,49) | 107,614 | 69,446 | 67,431 |
| Issue of Shares | 9,097,064 | 5,341,601 | 47,960 | 43,608 |
| Redemption of Shares | (681,887) | (397,546) | (9,912) | (3,425) |
| Gain/Loss on T'bill | – | 50,208 | – | 2,380 |
| Accumulated profit | – | 191,581 | – | (65,317) |
| **Balance at Dec 31** | **8,522,671** | **5,293,458** | **107,494** | **44,677** |

| 12. SHAREHOLDERS HOLDING | SHARES | % OF FUND |
|---|---|---|
| Isabel Louisa Boaten | – | – |
| Evelyn Biriwaa Ofei | – | – |
| Charlotte Amankwah | – | – |
| Paul Kofi Mante | – | – |
| Edem Komla Dewotor | 8,739 | 0.1025 |

| 13. INTEREST INCOME | 2023 | 2022 |
|---|---|---|
| | GH¢ | GH¢ |
| Treasury Bill | 311,830 | 654 |
| Fixed Deposit | 119,743 | - |
| Other Income | 1,651 | 2,738 |
| | **433,224** | **3,392** |

| 14. GENERAL EXPENSES | 2023 | 2022 |
|---|---|---|
| | GH¢ | GH¢ |
| Custody fees' | 6,983 | 109 |
| Fund Management fees | 68,909 | 1,075 |
| Directors' Fees and Sitting allowance | 41,400 | – |
| Audit fees | 35,000 | 6,000 |
| Bank charges | 234 | 20 |
| Other expenses | 2,400 | 3 |
| Broker Commissions | 1,500 | 30 |
| Printing & Stationery | 19,900 | – |
| | **176,326** | **7,237** |

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

## 15. FINANCIAL INSTRUMENTS

Analysis of changes in fair value of financial instruments through other comprehensive Income

| 2023 | Balance 01/01/22 | Purchases/Sales | Change in fair value | Accrued Interest | Value 31/12/23 |
|---|---|---|---|---|---|
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Bal b/d | 52,380 | (52,380) | - | - | - |
| Treasury Bill | - | 1,064,019 | 50,208 | - | 1,114,227 |
| Fixed Deposit | - | 1,925,000 | - | 59,624 | 1,984,624 |
| | **52,380** | **2,936,639** | **50,208** | **59,624** | **3,098,851** |

| 2022 | Balance 01/01/21 | Purchases/Sales | Change in fair value | Accrued Interest | Value 31/12/22 |
|---|---|---|---|---|---|
| | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Equities | - | - | - | - | - |
| 91-Day T-bill | 9,107 | (9,107) | - | - | – |
| 182-Day T'bill | - | 50,000 | 2,380 | - | 52,380 |
| | **9,107** | **40,893** | **2,380** | **-** | **52,380** |

## 16. TAXATION

Income of approved unit trust scheme or mutual fund is exempt from tax under the income tax act, 2015 (act 896) as amended.

## 17. FINANCIAL RISK MANAGEMENT

### (a). Asset/Portfolio/Credit Risk

Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund. The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the SEC guidelines and the Fund's investment policy statement.

### (b). Liquidity Risk

Liquidity risk is the risk that the fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Scheme's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial asset

| 31 December 2023 | |
|---|---|
| **Financial Assets** | **3 Months or less (GH¢)** |
| Government Securities | 1,114,228 |
| Bank Securities | 1,984,623 |
| **Total** | **3,098,851** |

The following are contractual maturities of financial Liabilities

| 31 December 2023 | |
|---|---|
| **Financial Liabilities** | **3 Months or less (GH¢)** |
| Expenses Payable | 164,292 |
| **Total** | **164,292** |

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

### (c). Fair value of financial assets and liabilities
Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the Directors expect would be available to the Fund at the balance sheet date. The fair values of the Fund's financial assets and liabilities approximate the respective carrying amounts.
The fair value hierarchy is as follows:
- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- **Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on 0observable market data.

The fair values of the Fund's investments at FVTPL and FVTOCI approximates its carrying amounts.

### (d) Market risk
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

### (e) Equity Price risk
Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Scheme's policy over equity price risk is to minimise its exposure to equities and only deal with equities that meets the standards set out in the SEC guidelines and the Scheme's investment policy statement. Keen attention is paid to the equity market to realize capital gains on equity securities.

### (f) Interest Rate risk
Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

### (g) Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of Fund behaviour. Operational risks arise from all of the Fund's operations and are faced by all pension schemes.
The Scheme's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Scheme's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of the following policies and standards;
1. governing rules and trust deed;
2. investment policy statement;
3. requirements for the reporting of non-compliance with regulatory and other legal requirements; training and professional development;
4. ethical and business standards;
5. risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a program of annual reviews undertaken by the external auditor. The results of these reviews are discussed with the Directors.

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

### 18. GOING CONCERN

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

### 19. EVENTS AFTER REPORTING PERIOD

Events subsequent to the Statement of Financial Position 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.

### 20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the directors of the Fund and Authorised for issue on 30th April 2024

# REPORT OF THE CUSTODIAN TO THE INVESTORS
## OF THE EDC GHANA RETIREMENT FUND PLC

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Stanbic Bank

EDC Ghana Retirement Fund PLC
2nd Floor, Ecobank Head Office
2 Morocco Lane, Off Independence Avenue
Ridge, Accra-Ghana

16th May 2024

Attn: Portfolio Manager

Dear Sir/Madam

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF EDC GHANA RETIREMENT FUND PLC**

We as **Custodians** of the **EDC Ghana Retirement Fund PLC** write to confirm to investors, the Statement of Holdings of the Fund as at the close of business on 29th December 2023.

In our assessment based on our records, the Statement of Holdings reflects a true and fair view of the state of affairs of the Fund as at the referenced date.

Find attached to this letter, a copy of the Statement of Holdings as at 29th December 2023.

Thank you.

Yours faithfully,

DocuSigned by:
5E87B81811CF425...

Richmond Addae
Specialist, Investor Services

DocuSigned by:
6CFDE74A23674B0...

Eunice Amoo-Mensah
Head, Investor Services

Stanbic Bank Ghana LTD, Stanbic Heights, 215 South Liberation Link, Airport City,
PO Box CT 2344 Cantonments, Accra, Ghana Website: www.stanbicbank.com.gh
SWIFT: SBICGHAC Telex: 2755 STNBICGH
Tel. Switchboard: +233 (0) 302 610690 Fax: +233 (0) 302 687669
Email: stanbicghana@stanbic.com.gh

GHANA PENSION FUND REPORT ADHOC | Ghana Pension Fund Report

Adhoc

Client : 8P15004691

Client Name : EDC GHANA RETIREMENT FUND PLC

SCA Reference: 150046910002

SCA Name : STD NOMS/TRUST ACCT/EDC GHANA RETIREMENT FUND PLC

Cash Account : 9040002305059

Valuation Date: 31-Dec-2023

Fixed Deposits

| Investment Type | Value Date | Maturity Date | Tenor | Days Held | Last Interest | Next Interest | Rate | Cost | Market Value | Maturity Value |
|---|---|---|---|---|---|---|---|---|---|---|
| ACB/FD/91/240109/20.00 | 10-10-2023 | 9-01-2024 | 91.00 | 82.00 | N/A | 9-01-2024 | 20.00 | 185,000.00 | 193,312.33 | 194,224.66 |
| ACB/FD/91/240117/20.00 | 18-10-2023 | 17-01-2024 | 91.00 | 74.00 | N/A | 17-01-2024 | 20.00 | 100,000.00 | 104,054.79 | 104,986.30 |
| ACB/FD/91/240129/20.00 | 30-10-2023 | 29-01-2024 | 91.00 | 62.00 | N/A | 29-01-2024 | 20.00 | 150,000.00 | 155,095.89 | 157,479.45 |
| UBA/FD/91/240129/21.00 | 30-10-2023 | 29-01-2024 | 91.00 | 62.00 | N/A | 29-01-2024 | 21.00 | 150,000.00 | 155,350.68 | 157,853.42 |
| FBN/FD/91/240129/20.00 | 30-10-2023 | 29-01-2024 | 91.00 | 62.00 | N/A | 29-01-2024 | 20.00 | 180,000.00 | 186,115.07 | 188,975.34 |
| FNB/FD/91/240129/21.50 | 30-10-2023 | 29-01-2024 | 91.00 | 62.00 | N/A | 29-01-2024 | 21.50 | 210,000.00 | 217,669.32 | 221,256.58 |
| CAL/FD/91/240311/22.00 | 11-12-2023 | 11-03-2024 | 91.00 | 20.00 | N/A | 11-03-2024 | 22.00 | 200,000.00 | 202,410.96 | 210,969.86 |
| FBN/FD/91/240321/22.00 | 21-12-2023 | 21-03-2024 | 91.00 | 10.00 | N/A | 21-03-2024 | 22.00 | 450,000.00 | 452,712.33 | 474,682.19 |
| Grand Total | | | | | | | | 1,625,000.00 | 1,666,721.37 | 1,710,427.80 |

Treasury Bills

| Investment Type | Value Date | Maturity Date | Tenor | Days Held | Last Interest | Next Interest | Price | Cost | Market Value | Face Value | Mark to Market |
|---|---|---|---|---|---|---|---|---|---|---|---|
| GOG-BL-25/03/24-A6403-1882-0 | 28-12-2023 | 25-03-2024 | 88.00 | 3.00 | N/A | 25-03-2024 | 93.9074 | 500,000.00 | 501,252.84 | 536,750.00 | 470,789.63 |
| GOG-BL-25/03/24-A6327-1869-0 | 26-09-2023 | 25-03-2024 | 181.00 | 96.00 | N/A | 25-03-2024 | 95.2962 | 424,008.64 | 457,292.18 | 486,762.00 | 437,347.76 |
| GOG-BL-05/02/24-A6358-1875-0 | 7-11-2023 | 5-02-2024 | 90.00 | 54.00 | N/A | 5-02-2024 | 97.2185 | 140,000.00 | 146,300.00 | 150,500.00 | 142,405.92 |
| FDH-BL-29/02/24-C0841-20.5 | 4-09-2023 | 29-02-2024 | 178.00 | 118.00 | N/A | 29-02-2024 | 20.5000 | 300,000.06 | 320,954.09 | 316,172.79 | 320,954.09 |
| Grand Total | | | | | | | | 1,364,008.70 | 1,425,799.11 | 1,474,012.00 | 1,371,497.40 |

Equity

| Security Name | Number of Shares | Cost Value | Current Rate | Market Value |
|---|---|---|---|---|

Nothing To Report.

| Security Name | Number of Shares | Unit Price | Cost Value | Current Rate | Market Value |
|---|---|---|---|---|---|

Nothing To Report.

Bonds

| Issue Date | Bond Name | Value Date | Maturity Date | Tenor | Days Held | Last Interest | Next Interest | Rate | Cost | Face Value | Market Value | Net Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

Nothing To Report.

Receivable

| Security Name | Total Receivable |
|---|---|

Total Investments

CALL 425,249.35

| Cost Value | Market Values | Net Maturity Value | Mark To Market |
|---|---|---|---|
| 3,414,258.05 | 3,517,769.83 | 3,609,689.15 | 3,507,174.55 |

PREPARED BY: DOROTHY DENKYIRAH

APPROVED BY: ESTHER DANKWA

STANBIC BANK GHANA LTD – Consolidated Accounts Summary

# PROXY FORM

Annual General Meeting of EDC Ghana Retirement Fund Plc to be held on **Wednesday, 28th August, 2024 at 10:00 a.m.** via audio visual conferencing facility.

I/We.........................................................................of................................................................,being a Shareholder(s) hereby appoint the Chairperson of the Annual General Meeting[1] or................................................................................ of........................................................................................as my/our proxy to vote on my/our behalf in respect of all matters and resolutions to be submitted for consideration and approval at the Annual General Meeting of the Company to be held **VIRTUALLY via an audio visual conferencing facility** on **Wednesday, 28th August, 2024 at 3:00 p.m.** and at any adjournment thereof, and in the event of a poll, to vote for me/us as indicated below, or if no such indication is given, as my/our proxy thinks fit[2].

| RESOLUTION | FOR | AGAINST | ABSTAIN |
|---|---|---|---|
| 1. Approve the Audited Financial Statements for the year ended December 31, 2023 | | | |
| 2. Appoint/re-appoint/ratify the appointment of, the Auditors for the 2024 fiscal year | | | |
| 3. Fix the Auditor's remuneration for the 2024 fiscal year | | | |
| 4. Approve the fees of Board Directors and Company Secretary | | | |
| 5. Re-appoint the following as directors of the Fund;<br>a. Isabel Boaten<br>b. Evelyn Biriwaa Ofei | | | |

Shareholder's Signature ................................................ Date ....................................2022

[1] If any proxy other than the Chairperson of the Annual General Meeting is preferred, strike out the words "the Chairperson of the Annual General Meeting or" and insert the name and address of the proxy desired in the space provided. A shareholder may appoint one or more proxies to attend and vote in his/her stead. Any alteration made to this form of proxy must be initialed by the person(s) who sign(s) it.

[2] IMPORTANT: If you wish to vote for a particular resolution, tick the appropriate box marked "for". If you wish to vote against a particular resolution, tick the appropriate box marked "against". If you wish to abstain from voting on a particular resolution, tick the appropriate box marked "abstain".

[3] This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case if the appointer is a corporation, must be either under seal or executed under the hand of an officer or attorney or other person duly authorised to sign the same.

## NOTES

1. A proxy need not be a Shareholder of the Fund.
2. Unless otherwise instructed, the proxy will vote at his/her discretion.
3. To be valid, this form must be signed and sent via email to edc-clientservice@ecobank.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 authorised officer.
6. The completion of and return of a proxy form does not prevent a Shareholder from attending the meeting and vote thereat.

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