



HFC INVESTMENT SERVICES

unittrust

HFC Investment Services Limited

A Subsidiary of HFC Bank (Ghana) Limited



annual report '10

Planned Investment - A Guaranteed future



HFC INVESTMENT SERVICES LIMITED

HFC UNIT TRUST

2010

Annual Report &
Financial Statements

THE MANAGER

Name:	HFC Investment Services Limited (HFC-ISL)
Country of Incorporation:	Ghana
Registration Number:	50,533
Nature of Corporate Form:	Limited liability, wholly owned by-HFC Bank (Ghana) Ltd.
Registered Office:	Ebankese No. 35 Sixth Avenue, North Ridge P. O. Box CT. 4603 Cantonments, Accra
Date of Incorporation:	7th JULY 1993 (Name changed from Home Finance Investment Fund Limited to HFC Investment Services Limited on 1ST OCTOBER 2001).
Capitalization (as at December 31, 2008)	
Authorized:	1,000,000 (One million) Ordinary shares of no Par value
Issued:	100,000 shares
Auditors:	PriceWaterHouseCoopers Chartered Accountants UNA Home, Accra





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Notice of Annual General Meeting

HFC Unit Trust

NOTICE IS HEREBY GIVEN of the 17th Annual General Meeting of Unitholders of the HFC Unit Trust to be held at the National Theatre, Accra on the 28th day of June, 2011 at 12.00 p.m. to transact the following business:

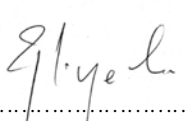
AGENDA

1. To receive the Report of the Manager for the Year 2010.
2. To receive the Audited Income and Expenditure Statement of the HFC Unit Trust for the Financial Year ended 31st December, 2010 together with the Trustees and Auditors reports thereon.
3. To Authorize the Manager to fix the remuneration of the Auditors for the Year 2011.

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

HFC Investment Services Limited
No. 48A Sixth Avenue,
North Ridge, Accra

Dated this 11th day of May 2011
By Order of the Manager


.....

PETER LARBI-YEBOAH

For: HFC Investment Services Limited



Statement of Trustee's Responsibilities

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

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

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Unit Trust, which will ensure that the financial statements comply with the Trust Deed and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695). They are also responsible for safeguarding the assets of the Investment Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

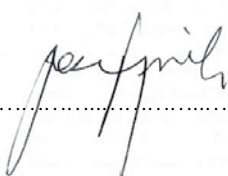
The statements should be read in conjunction with the statement of the Auditors' responsibilities as set out on page 14, the respective responsibilities of the Trustees and the Auditors in relation to the financial statement.



Report of the Trustee to the Unitholders of the HFC Unit trust for the year ended 31 December 2010

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 14th May, 1991 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Dated this 9th Day of May 2011


.....

For: MERCHANT BANK (GHANA) LIMITED



HFC Unit Trust Fund Manager's Report for the year ended 31 December 2010

ECONOMIC OVERVIEW

Introduction

Following the downturn in 2009, characterized by the decline in business activities and consumer confidence, the global economy saw a slight recovery in the year 2010. It was expected that the Ghanaian economy in 2010 would be further strengthened, and gains achieved in the previous year consolidated to help achieve growth and stability. Further to these developments, Ghana benefited from increased agricultural production and favourable world market conditions for cocoa and gold exports. Government's efforts at combating the rising trend in inflation and the stabilization of the economy yielded positive results. At the tail end of the year, the country commenced commercial production of oil, which to a large extent has aroused significant investor interest in the economy.

Inflation

Inflation, which ended the previous year (2009) at 15.97% dropped marginally to 14.78% at the beginning of 2010. As at the end of the first quarter, inflation had declined further to 13.32%, and by the middle of the year to 9.52%. In line with government policy direction, the economy achieved a single-digit inflation of 8.58% at the end of the year 2010, the lowest since June 1992.

Interest Rates

The attractiveness of the money market waned in the wake of investor interest and confidence in the stock market due to early signs of a strong recovery in the year under review. The benchmark 91-day treasury bill which was 18.90% at the beginning of the year fell to 12.90% by the end of the second quarter. The 182-day bill began the year at 21.20%, and declined substantially to 13.40% at end of June 2010. The 1-Year note commenced the year at 19.30%, and was trading at 13.80% by June 2010. Government efforts in maintaining tight fiscal policy further strengthened the downward movement in the benchmark rates. Quoted rates for the 91-day, 182-day Treasury Bills and 1-Year Note were 12.26%, 12.67% and 12.65% respectively as at the end of year 2010.





The Bank of Ghana Policy Rate of 18.0% in 2009 was reduced to 13.50% at the start of the second half of 2010 on the back of anticipated continued slowdown in inflation in the medium-term. This brought the cumulative reduction of the Policy Rate to 4.50 percentage points (450 basis points) as at the end of July 2010. With a downward inflationary trend and an economic outlook for 2011, the monetary policy committee maintained the Policy Rate at 13.50% to close the year 2010.

Exchange Rates

The Cedi remained fairly stable throughout the year. As at August 2010, the Cedi had appreciated by 3.74% and 9.65% against the Pound and Euro respectively. The rise in investment inflows into the oil industry supported the stability of the Cedi against the major trading currencies. On the whole, the Cedi depreciated by 1.34% against the US Dollar and appreciated by 2.62% and 6.7% against the Pound and Euro respectively.

Stock Market Review-(2010)

The market saw a rebound following a year of decreased level of activity. Investor confidence was renewed; translating into an upsurge in demand for some stocks. From a poor performance of -46.58% in 2009, the bourse saw the All-Share Index recording a yield of 32.25% at the end of 2010.

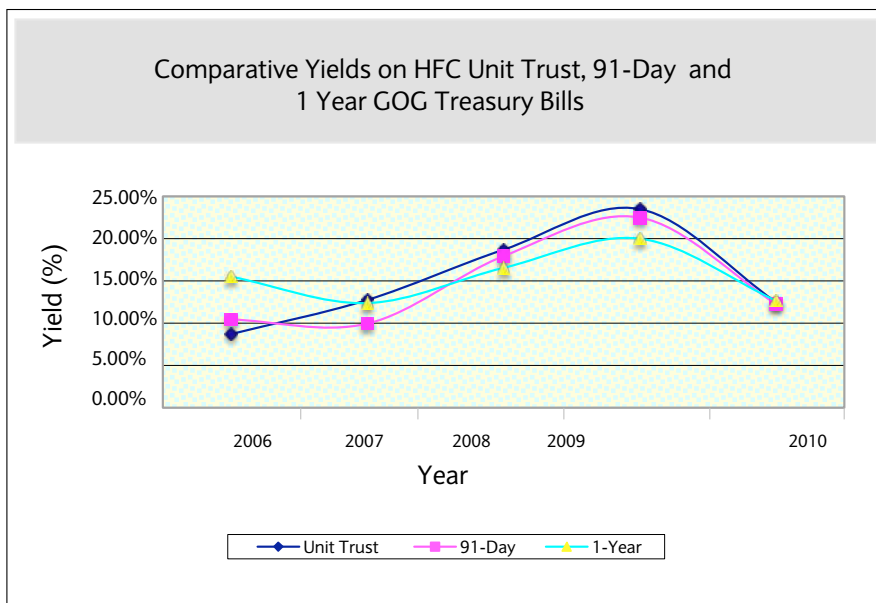
In all, seventeen (17) listed equities recorded price gains with GCB being the highest gainer with 264.86%. Eight (8) equities maintained their prices and twelve (12) recorded declines. Whilst there were no Initial Public Offerings or Rights Issues, EGL and FML embarked on separate stock-splits in line with their respective restructuring strategies. Market capitalization increased by 26.19% from GH¢15,941.92 million in 2009 to GH¢20,116.70 million in 2010.

FUND PERFORMANCE

The year 2010 experienced a significant decline in the rates obtained on money market instruments. This was at the backdrop of declining inflation and reduced borrowing by Government from the public, aimed at reducing general borrowing rates to boost economic activity. This development significantly influenced your fund which is primarily a money market fund, in response to these developments, your Fund Manager has engaged in an active rebalancing and realigning strategy of the portfolio to achieve good returns on your fund.

A. Yield:

The HFC Unit Trust achieved a yield of 12.49% for the year ending December 2010 as against a yield of 23.50% achieved in 2009. This was mainly attributable to the significant reduction in market rates. The performance of your fund however, compared favorably with /Government of Ghana Treasury Instruments.



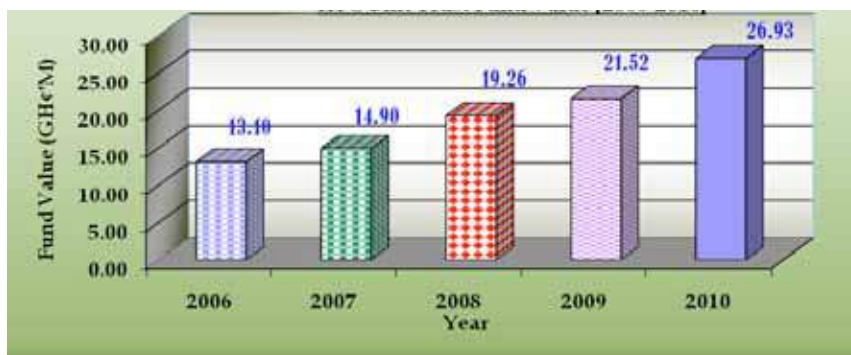
B. Growth in Fund Value:

The fund size increased from GH¢21.52 million in 2009 to GH¢26.93 million in 2010, representing a growth of 25.15%. The increase in the 2010 fund size by approximately GH¢5.41 million was mainly due to additional investments and attraction of new clients who continue to express confidence in the premier collective investment scheme as one of the key investment alternative within the money market sector, ensuring protection of income for our clients. Again, our prudent investment strategy also paid off due to the active realignment of the HFC Unit Trust portfolio to obtain better returns on our investments. These developments altogether contributed significantly to the growth of the fund value in 2010.





HFC Unit Trust Fund Value (2006-2010)



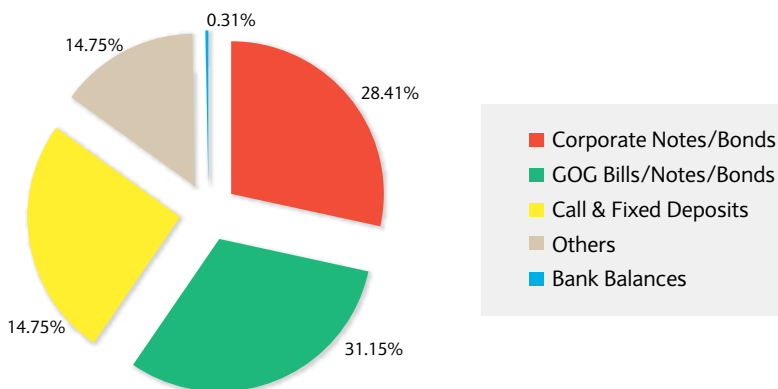
The total number of unit holders for the period under review increased by 3.63% over the previous period in 2009 [2010: 18,116 and 2009: 17,481].

C. Portfolio Review and Asset Mix:

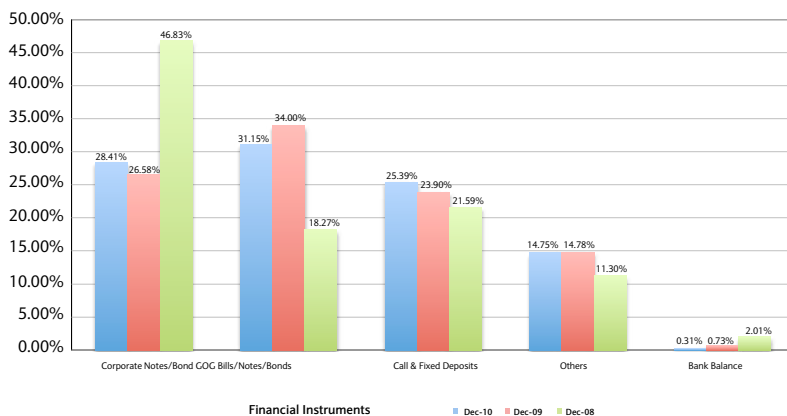
In line with the portfolio strategy of risk diversification and the benefits associated therewith, funds received from investors are invested into various financial instruments as depicted in the chart below showing the asset mix for 2010. By so doing we avoid “putting all our eggs into the same basket”, providing our unit holders with the advantage of benefiting from prudent investment management.



2010 Asset Mix



Comparative Portfolio at a Glance (Dec. 2008-2010)



OUTLOOK FOR THE YEAR 2011:

Year 2011 holds a lot of good prospects for the Ghanaian economy with the emerging oil and gas industry spurring growth in other sectors of the economy. Also, with the passage of the Legislative Instrument on the 3-tier pensions reform, the release of the funds accumulated under the 2-tier occupational pensions scheme to private fund managers will bring about vibrancy in the fund management industry. Given an estimated Gh¢400 million in annual pension funds that would be available to private fund managers, your own HFC Unit Trust is well positioned to receive a substantial portion of these funds to further improve on its growth in the years ahead to the benefit of unit holders.

In addition to the above, the global economy is expected to experience a moderate growth in 2011 with developing countries attaining a relatively slower recovery rate. Ghana on the other hand, looks forward to much higher prospects, estimating to achieve GDP growth of 12.3 percent. Government's agenda for stimulating growth for development and job creation would hopefully result in people increasing their investments and your fund which has gained popularity over the years will serve as a key investment destination for potential investors.

Furthermore, the effects of global warming still remain a notable challenge bringing about the threat of colder weather in developed regions. This, coupled with the resurgence of economic activities in emerging economies such as China and the turmoil in the Arab world of oil producing nations, could push international prices of crude oil upwards. Ghana like other developing economies thus faces the challenge of increases in domestic prices of petroleum products and general price levels. These developments if not properly curtailed, could lead to rise in inflation and interest rates. If this situation should arise, your fund would take full advantage of the situation to derive maximum benefits for you.

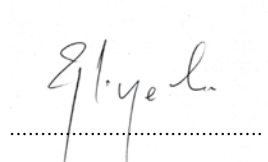
Finally, we will continue to diversify our investments by increasing penetration in attractive investment alternatives. We are therefore confident of achieving our primary target of delivering real returns for you.

CONCLUSION:

Your Fund Manager is determined to see your fund strongly repositioned in 2011. We shall continue to strive to deliver sustainable value for you, our cherished unit holders. Unit holders are thus advised to keep increasing investments in



the HFC Unit Trust to enable them enjoy the great wealth creation in the year 2011 and beyond.



PETER LARBI-YEBOAH

GENERAL MANAGER





Accountants &
business advisers

Independent Auditor's Report to the Members of HFC UNIT TRUST for the year ended 31 December 2010

Report on the Financial Statements

We have audited the accompanying financial statements of HFC Unit Trust which comprise the balance sheet as of December 31, 2010, and the income statement, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of these financial statements in accordance with Ghana National Accounting Standards and in the manner required by the Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the



entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Trustee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of HFC Unit Trust as of December 31, 2010 and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179) and have been properly prepared in accordance with the Securities Industry Law, 1993 (PNDCL 333).

Report on Other Legal and Regulatory Requirements

The Ghana Companies Code, 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

1. 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.
2. In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books, and
3. The Company's balance sheet and profit and loss account of the Company are in agreement with the books of accounts.



FARRAR AVENUE
ACCRA
20th APRIL 2011

PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS



HFC Asset Management

Are you seeking security and timely reports on your investments? Talk to us HFC-ISL Asset Management.....

We have expertise in:

- ∞ Provident /Pension Fund Management
- ∞ High Net worth Investment Services
- ∞ Fund Management For Groups & Institution (Churches, Investment Clubs, NGO's, Etc)
- ∞ Endowment Fund Management

What You receive:

- ∞ High Returns on your Investments
- ∞ A Dedicated Investment Officer to handle all your investment needs
- ∞ Benefits from the expertise of our competent investment managers
- ∞ Low and highly competitive management fee
- ∞ Quarterly reports on your investment
- ∞ Provident fund statements for individual members within a fund
- ∞ Ability to use your investment to secure a wide variety of loans (including mortgage loans) from HFC BANK
- ∞ Ability to use your investment statement to support visa application
- ∞ Holding a Diversified Portfolio with one competent investment manager
- ∞ The peace of mind that comes with leaving the management of your finances to professionals!

With Us, Your Future Cash Flows Are Secured!! Talk To Us! 021 683891-3 / www.hfcinvestments.com / isl@hfcbankgh.com



HFC BROKERAGE SERVICES LTD.

We undertake the following

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

Timely Delivery and Value Addition is our Hallmark !!!

Financial Advisory

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

■ Public Offering

HFC-ISL provides quality and efficient advisory and marketing services for clients who desire to raise capital by offering equity or debt instrument to the investing public in public offer of shares, notes and bonds. HFC-ISL ensures that all such instruments meet the legal requirements of the SEC, and where such instruments are to be listed on the stock market, the legal and procedural requirements of the Ghana Stock Exchange as well.

■ Private Placement

HFC-ISL is a significant market player in the private placement of debt (short and medium term) and equity instrument by offering such instruments directly to a number of sophisticated institutional investors which include insurance companies, trusts and collective investment schemes, or as it frequently does, fully underwrite the entire issue. Investment Banking: HFC-ISL also provides a wide range of advisory services in mergers, acquisitions, corporate defence activities, restructuring, Management Buyout (MBO) and Leveraged Buyout (LBO) deals.

■ Feasibility Studies

HFC-ISL undertakes the preparation of financial feasibility studies for clients and also reviews and refines feasibility reports presented by clients seeking funds for the implementation of business projects. We propose viable options available to the client, and consult with the client to select the option that best suits the goals and objectives of the business.





HFC UNIT TRUST

2010



Financial Statements



Accountants &
business advisers

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2010

Description	Notes	Shares No.	Market Value GH ¢	% Net Assets
Shares				
HFC		2,053,769	903,658	3.57
CAL		367,900	114,049	0.45
EBG		5,000	15,000	0.06
GCB		131,818	355,909	1.41
SCB		10,052	453,948	1.79
SG-SSB		25,890	16,570	0.07
ALW		222,222	26,667	0.11
FML		62,400	152,880	0.60
UNIL		21,022	119,615	0.47
CSR		7,380	38,376	0.15
BOPP		42,580	31,935	0.13
GGBL		73,000	113,880	0.45
TOTAL		5,468	54,680	0.22
General Leasing Preference Shares		200,000	200,000	0.79
TOTAL SHARES			2,597,167	10.26



STATEMENT OF ASSETS AND LIABILITIES Cont'd

SHORT TERM FUNDS			Market Value GH¢	% of Net Assets
Cash at Bank and on Call	5		52,490	0.21
Treasury Bills			6,072,702	23.99
Fixed Deposits			13,245,090	52.31
Bonds			2,112,770	8.34
HFC REIT			346,160	1.37
HFC Equity Trust			186,900	0.74
HFC Future Plan			50,000	0.20
			22,013,622	86.95
Total Short Term Funds			22,066,112	87.15
Total Investments			24,663,279	97.41
Other Assets in Excess of Liabilities			655,292	2.59
Total Net Assets			25,318,571	100.00



STATEMENT OF ASSETS AND LIABILITIES

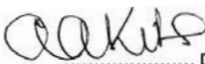
AS AT 31 DECEMBER 2010



	Notes	2010 GH ¢	2009 GH ¢
Assets:			
Total Investments		24,663,279	19,442,498
Receivables:			
HFC REIT Current Account		6,454	339
HFC Equity Trust Current Account		1,347	6,404
HFC Future Plan Current Account		862	0
Interest	6	934,205	1,063,374
Prepaid Expenses		0	4,870
Total Assets		25,606,147	20,517,485
Liabilities:			
Amount Due to Managers		0	70,000
Management Fund	7	133,529	117,541
HFC ISL Current Account		0	2,585
Accrued Charges		154,047	62,000
Total Liabilities		287,576	252,126
Net Assets		25,318,571	20,265,359

SIGNED FOR HFC INVESTMENTS SERVICES LIMITED 9TH MAY 2011.

 GENERAL MANAGER

 Director

INCOME AND DISTRIBUTION ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 GH ¢	2009 GH ¢
Investment Income			
Fixed Deposit		1,981,107	1,718,695
Treasury Bills		1,346,174	1,058,686
Dividends		134,263	35,271
Call Account		60,278	250,771
Bonds		357,020	852,283
Other Income		77,630	18,738
Total Income		3,956,472	3,934,444
Expenses			
Management Fees		503,714	386,957
Auditors Remuneration		14,000	12,000
Interest Paid on Disinvestments		469,696	1,531,648
Other Expenses	3	144,432	144,621
		1,131,842	2,075,226
		2,824,630	1,859,218
Transfer to Management Fund	4	(32,943)	(-33,909)
Net Investment Income		2,791,687	1,825,309
Accumulated Net Investment Income			
BALANCE AT 1 JANUARY		6,508,575	4,683,266
Net Profit For The Year		2,791,687	1,825,309
BALANCE AT 31 DECEMBER		9,300,262	6,508,575



STATEMENT OF MOVEMENT IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 GH ₵	2009 GH ₵
Net Investment Income		2,791,687	1,859,218
Change in Unrealised gains / (losses)	5	81,012	(-345,780)
Net Increase in Net Assets Resulting from Operations		2,872,699	1,513,438
Capital Transactions			
Value of Units Sold and Converted		15,384,432	20,861,296
Value of Units Disinvested		(13,203,919)	(20,588,581)
Net Proceeds from Capital Transactions		2,180,513	272,715
Total Increase in Net Assets		5,053,212	1,786,153
Net Assets:			
Balance at 1 January		20,265,359	18,479,206
Total Increase in Net Assets		5,053,212	1,786,153
Balance at 31 December		25,318,571	20,265,359



STATEMENT OF MOVEMENT IN ISSUED UNITS

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 GH¢	2009 GH¢
Number Of Units At 1 January	316,840,300	274,706,606
Number Of Units Issued During The Year	88,773,703	159,757,212
	405,614,003	434,463,818
Number Of Units Disinvested During The Year	(75,865,683)	(117,623,518)
Number Of Units At 31 December	329,748,320	316,840,300





PORTFOLIO SUMMARY, FOR THE YEAR ENDED 31 DECEMBER 2010

	No. Of Shares 31/12/09	Value 31/12/09 GH ₵	No. Of Shares 31/12/10	Value 31/12/10 GH ₵	Purchase During the Year GH ₵	Sales During the Year GH ₵
HFC Bank	2,053,769	1,273,337	2,053,769	903,658	0	0
CAL Bank	367,900	220,740	367,900	114,049	0	0
Ecobank Ghana Limited	0	0	5,000	15,000	18,207	0
Ghana Commercial Bank	131,818	145,000	131,818	355,909	0	0
Standard Chartered Bank	4,150	157,700	10,052	453,948	215,043	0
SG SSB Bank	25,890	17,476	25,890	16,570	0	0
Aluworks	222,222	42,000	222,222	26,667	0	0
Fanmilk	2,043	11,913	62,400	152,880	61,904	0
Unilever Ghana	5,600	11,816	21,022	119,615	0	0
Gold Star	0	0	7,380	38,376	45,620	0
Benso Oil Palm Plantations	42,580	162,612	42,580	31,935	0	0
Guinness Ghana Breweries Limited	73,000	89,790	73,000	113,880	0	0
Total	583	4,431	5,468	54,680	43,446	0
General Leasing Preference Shares		200,000		200,000	0	0
		2,336,815		2,597,167	384,220	0

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

CAPITAL ACCOUNT	Units	2010 GH ¢	Units	2009 GH ¢
Balance at 1st January	316,840,300	12,579,999	274,706,606	12,307,284
Value of Units Sold and Converted	88,773,703	15,384,432	159,757,212	20,861,296
Value of Units Disinvested	405,614,003 (75,865,683)	27,964,431 (13,203,919)	434,463,818 (117,623,518)	33,168,580 (20,588,581)
Value of the Trust Fund at 31 December	329,748,320	14,760,512	316,840,300	12,579,999



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Trust and which have been used in preparing these financial statements are stated below:

1.1 Basis of Accounting

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

1.2 Investments

i) Government Securities

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

ii) Listed Securities

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

Unrealised gains or losses arising from the changes in the fair value are recognized in equity.

On disposal the fair value adjustment accumulated in equity are recognized in the income statement.

Dividends from listed securities are accounted for on cash basis.

2. MANAGEMENT FEES

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





3. OTHER EXPENSES comprise the following:	2010	2009
	GH ¢	GH ¢
Bank Charges	34,370	23,550
Manager's Reimbursable Expenses	110,062	121,071
	144,432	144,621

4. MANAGEMENT FUND

Transfers to the Management fund are made in accordance with the Trust Deed. The Trustees shall be paid out of this fund.

5. CASH AT BANK AND ON CALL

	2010	2009
	GH ¢	GH ¢
Cash at Bank		
Cash on Call	52,490	636,192
	0	450,000
	52,490	1,086,192

6. INTEREST RECEIVABLE

	2010	2009
	GH ¢	GH ¢
Treasury bills		
Fixed Deposit	278,385	430,942
Call	356,931	520,888
Housebonds	463	88,521
	298,426	23,023
	934,205	1,063,374

7. MANAGEMENT FUND

Balance at 1 January	2010	2009
Payments made during the year	GH ¢	GH ¢
Charge for the year	117,541	88,632
Balance at 31 December	(16,955)	(5,000)
	32,943	33,909
8. CONTINGENT LIABILITIES	133,529	117,541

There were no contingent liability at the end of the year.



Admission Form

Annual General Meeting to be held at the National Theatre, Accra at 12:00 pm on 28th June 2011.

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

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

Please sign the proxy form on the next page and post it so as to reach the address in the front not later than 27th June 2011.

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

IMPORTANT:

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



HFC UNIT TRUST / Proxy Form

Annual General Meeting to be held at the National Theatre Accra at 12:00 pm on Tuesday, 28th June 2011.

I/we**being a Unitholder(s) hereby appointor failing him/her the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 28th July 2011 and at any adjournment thereof

Dated this..... day of 2011

.....

Unit Holder(s) Signature

RESOLUTION	FOR	AGAINST
To adopt the 2010 Manager's Report		
To approve the accounts and distribution statement for the financial year ended 31 st December, 2010.		
To authorize the Manager to Fix the Auditor's Remuneration		

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

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

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



HFC BANK DEFINES MICROFINANCING IN GHANA



HFC Bank in partnership with CHF International of USA established a microfinance service company in December 2006 called BOAFO MICROFINANCE SERVICES LTD. Boafco is a subsidiary of HFC Bank with a mission "To serve the credit demands of low and moderate-income Ghanaian households to maximize their pursuit of shelter, business, education, and other opportunities." We offer individual loans from GH¢500.00 to GH¢20,000.00 per person.

	<i>HI-5 Loan</i> <i>(Loan Improvement Loan)</i>	<i>Busy Bee Loan</i> <i>(Business Development Loan)</i>	Boafo Express	OPEN Loan
PURPOSE	<p>PURPOSE This product is for home completion or construction in stages. We believe in the old saying that "Rome was not built in a day".</p> <p>Whether you are a worker, artisan or petty trader you can own a home or improve your existing house in the following ways:</p> <ul style="list-style-type: none"> • Buy a plot of land We will need proof of ownership to the piece of land on which you intend to build. • Build a structure You can borrow to lay a foundation, erect walls, roof or add rooms (if you have an existing house). • Buy Fittings & Fixtures Your structure is complete! You can borrow to buy shutters, kitchen or bathroom fittings. • Make Finishing Touches Make your house habitable by plastering, painting, ceiling or general decoration. Our HI-5 loan can do this for you. • Connect Utilities The HI-5 loan can facilitate connection to electricity, water and telephone. Call us now. 	<p>Let us inject some life into your business with the Boafco Busy Bee Loan. We offer loans for:</p> <ul style="list-style-type: none"> • Working capital • Business expansion • Business assets • Other short-term financial support 	<p>This is a multi-purpose loan product designed for groups and individuals. The loan can be used in any of the following areas:</p> <ol style="list-style-type: none"> 1. For business expansion (groups) 2. Payment of medical bills 3. Buying consumables 4. House furnishing 5. Payment of rent <p>GROUPS Group size 5 to 10 people Members should be prepared to co-guarantee each other</p> <p>REPAYMENT TERMS 4 to 12 months.</p>	<p>This product is for SSNIT Informal Sector Clients only.</p> <p>The guarantee for the loan is the money in the clients occupational scheme account.</p> <p>Client must contribute to the account for at least five months and must continue to contribute after the loan has been contracted</p>
LOAN AMOUNTS	GH¢500 to GH¢20,000	GH¢500 to GH¢10,000	GH¢100 to GH¢5000	Up to four times of client's contribution in occupational scheme account.
REPAYMENT TERMS	4 to 24 months	<p>Because you have different needs, we offer flexible repayment methods:</p> <p>(a) Collection You don't have to leave your business to repay a loan; we will come for it. Your business needs you.</p> <p>(b) Self Deposit Loan Repayment is so easy that you can make deposits directly to your account in ANY HFC Bank branches countrywide.</p>	Express Loans can be repaid in any of HFC Bank branches. Payments are on weekly, bi weekly or monthly bases according to the repayment schedule provided.	Collection by field officers of the fund and repayment is on weekly, bi-weekly or by monthly basis
ELEGIBILITY CRITERIA	<p>ELIGIBILITY:</p> <p>Applicants must</p> <ol style="list-style-type: none"> 1. Be aged between 18 and 60 years 2. Operate a micro/small business 3. Be of good character 4. Have adequate repayment capacity 	<p>ELIGIBILITY:</p> <p>Applicants must</p> <ol style="list-style-type: none"> 1. Be aged between 18 and 60 years 2. Operate a micro/small business 3. Be of good character 4. Have adequate repayment capacity 	<p>ELIGIBILITY</p> <p>Applicants must</p> <ol style="list-style-type: none"> 1. Must have micro or small business 2. Not above 60 years by end of the loan period. 	<p>ELIGIBILITY</p> <p>Applications must</p> <ol style="list-style-type: none"> 1. Must be a contributor to the SSNIT Informal Sector Fund for at least 5 months
CONTACT S	<p>HEAD OFFICE</p> <p>Ring Road South, East Industrial Area Old Fadama Road, Agbogbloshie, P.O. Box CT4603, Accra, Ghana Tel (0233-21) 670807 /670816 Fax (0233-21) 670847</p>	<p>TUDU BRANCH</p> <p>HFC Bank G2, St Francis Building, Tudu Tel (233-21) 666203 / 675114 FAX (233-21) 675894</p>	<p>TECHIMAN BRANCH</p> <p>HFC Bank Abammu, (Techiman – Tamale Main Street Tel (233-653) 22054 Fax (233-653) 22414</p>	<p>TAKORADI</p> <p>HFC BANK OLD GNTC BUILDING MARKET CIRCLE</p>
	<p>AGBOGBLOSHIE BRANCH</p> <p>HFC Bank Tel 021 670859 / 670816 Fax 021 670847</p>	<p>KOFORIDUA BRANCH</p> <p>HFC Bank Tel 081 26847 / 26845 Fax 081 26843</p>	<p>KUMASI BRANCH</p> <p>HFC Bank Adum Roundabout, Adum Kumasi Tel 051 32597 / 31579 Fax 051 31580</p>	<p>ASHAIMAN BRANCH</p> <p>HFC Bank Tel 022 301468</p>

Success Early...



HFC INVESTMENT SERVICES

■ COLLECTIVE SCHEMES

- HFC Equity Trust
- HFC Unit Trust
- HFC Real Estate Investment Trust (REIT)

■ ASSET MANAGEMENT

- High Networth Individuals
- Provident & Pension Funds

■ FINANCIAL ADVISORY SERVICES

■ HFC BROKERAGE SERVICES LTD.

(A Subsidiary of HFC Investment Services Ltd.)

**Look out
for the
HFC F-Plan**

HFC Future Plan - Yen Daakye Nti