

# EDC

Ecobank Development Corporation

Member of The ECOBANK Group



# iFUND

*My Fund*

2010, ANNUAL REPORT





**ANNUAL REPORT**  
FOR THE YEAR ENDED  
31ST DECEMBER 2010



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## GENERAL INFORMATION

### BOARD OF DIRECTORS

Mr. Richard Adu-Poku (Chairman)  
Mr. David Ofori-Dortey  
Mr. Osaze Ize-Iyamu  
Mrs. Sarah Brains Arhin  
Mr. William Mensah

### REGISTERED OFFICE

No. 5 Second Ridge Link, North Ridge,  
P.M.B. G.P.O.,  
Accra, Ghana.

### SOLICITORS

Lawfields Consulting  
#799/3, 5th Crescent  
PMB CT 244  
Asylum Down  
Accra, Ghana

### AUDITORS

Ernst & Young  
Chartered Accountants  
G15, White Avenue  
Airport Residential Area  
P. O. Box KA 16009  
Airport, Accra, Ghana

### CUSTODIAN

Standard Chartered Bank Ghana Limited  
Head Office P.O. Box 768 Accra,  
Ghana

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2nd Annual General Meeting of shareholders of iFund Mutual Fund Limited will be held at the auditorium of the College of Physicians and Surgeons, Accra on the 1st of September 2011 at 10am for the following purposes:

1. To consider the Report of Directors and Auditors for the year ended 31 December 2010
2. Receive and adopt the accounts for the year ended 31st December, 2010
3. Authorize the Directors to fix remuneration of the Auditors for the ensuing year
4. To approve Directors' fees
5. To transact any other business appropriate to be dealt with at any Annual General Meeting

A shareholder 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 shareholder. A copy of the instrument appointing the proxy may be deposited at not later than forty-eight hours prior to the commencement of the meeting at the principal place of business of the Secretary.

#799/3,5th Crescent  
Asylum Down  
Accra

Dated July 25, 2011  
By Order of the Board



For: Lawfields Consulting

## CHAIRMAN'S STATEMENT TO SHAREHOLDERS

### Introduction

Ladies and Gentlemen, on behalf of my fellow board members, I welcome you all to the 2nd Annual General Meeting of iFUND Mutual Fund Limited for the year ended December 31, 2010. The recovery of the global and regional economies boosted the fortunes of the Ghanaian economy. This presented opportunities in the capital and money markets which your fund exploited to post an impressive return of 29.44% in 2010, up from 15.5% in 2009. The impressive return is attributable to the tactical execution of a carefully designed investment strategy by the management of the fund. The fund is well-positioned to exploit further opportunities in 2011 and we reiterate our commitment to meet your medium to long-term investment goals.

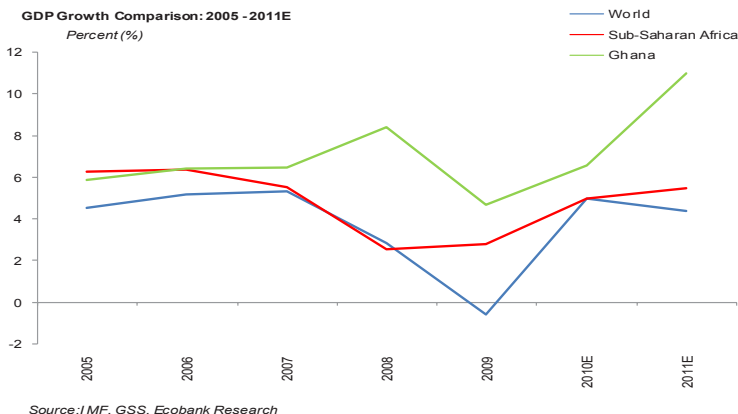
### Economic Recovery

The global economy recovered in 2010 to register an estimated growth of 5.0% compared to a decline of 0.6% in 2009. The recovery was driven by government policies and stimulus packages aimed at boosting demand and growth in the advanced economies and global commodity price rally which enhanced the fortunes of emerging and developing economies. Although the recovery was threatened by the Greek debt and the Ireland banking crisis in the Euro area, the advanced countries reacted swiftly with stimulus measures which limited its impact on global recovery. According to the IMF, the advanced economies grew by 3.0% in 2010 (2009: -3.4%) whilst the emerging and developing economies expanded by 7.1% in 2010 (2009: 2.6%). The recovery is expected to be sustained in 2011 although at a lower growth rate.

Sub-Saharan Africa sustained its recovery in 2010, growing by an estimated 5.0% (2009: 2.8%). The recovery was underpinned by expansionary fiscal and monetary policies which were supported by lower inflation in most economies. Economic activity in the region was boosted by favorable global commodity prices, rising remittances and capital inflows as well as the recovery of equity markets across the region. Ghana's GDP is estimated to have increased by

6.6% in 2010, well above the Sub-Saharan Africa growth rate of 5.0%.

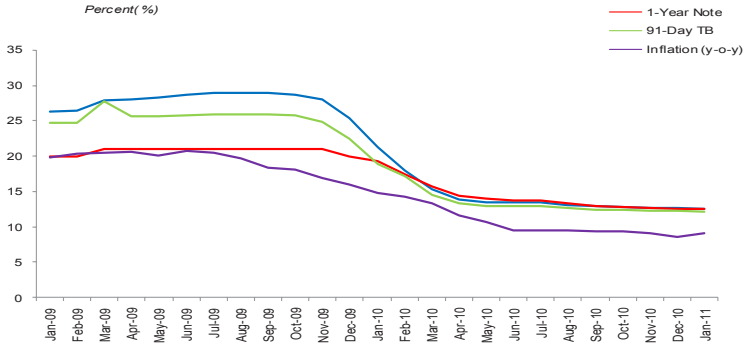
Ghana's economic growth increased from 4.7% in 2009 to an estimated 6.6% 2010. The services and industrial sectors were the main drivers of growth, rising by 8.2% and 6.0% respectively in 2010. We believe that the growth was supported by the downward inflationary trend, rising business and consumer confidence, increased gold and cocoa revenues as well as higher capital inflows.



The relative stability of the Ghanaian Cedi for most part of 2010 and favorable food prices were mainly responsible for the downward inflationary trend experienced in Ghana. Inflation declined to a 19-year low of 8.58% in December 2010. In line with the Bank of Ghana's inflation targeting monetary policy framework, interest rates were also reduced during the period under review. The Monetary Policy Committee of the Bank of Ghana reduced the Policy Rate by 450 basis points to 13.5% whilst the yield of the 182-Day Treasury bill more-than halved from 25.3% in December 2009 to 12.5% in December 2010.



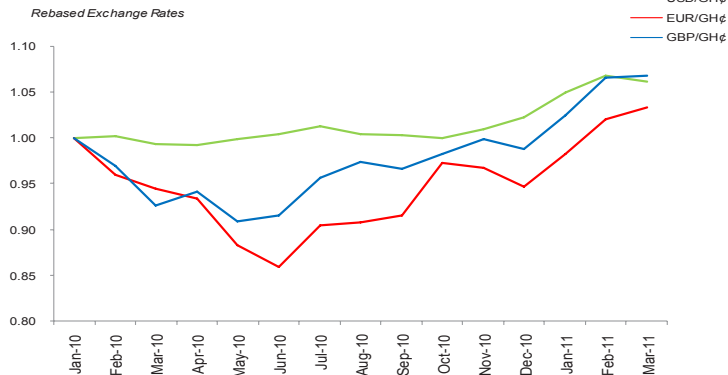
**Inflation and Interest Rates Trend: 2009 - 2011**



Source: Bank of Ghana, GSS, Ecobank Research

The Ghana Cedi remained relatively stable in 2010 until the final quarter of the year when the Cedi came under pressure. There was increased demand for foreign exchange for importation of goods in the run-up to Christmas and the commencement of full crude oil production in the Q4'2010. The ability of the central bank to intervene in the forex market during the period was limited by the low level of external reserves which increased to US\$4.7 billion in December 2010. Consequently, the Cedi depreciated by 3.1% against the USD at the close of December 2010.

**Exchange Rate Trend: 2010 - 2011**



Source: Oanda, Ecobank Research

## Operating Performance

The total funds under management rose by 78.38% from GH¢4.21 million at the beginning of 2010 to GH¢7.50 million at the close of 2010. The total net assets of the fund increased from GH¢4.17 million in 2009 to GH¢7.48 million at the close of 2010. The increase in net assets (less deposits) was GH¢1.4 million in 2010, reflecting a return of 29.44%. The return for 2009 (April – December) was 15.5%. The performance was driven by new investments emanating from the marketing efforts of the fund manager as well as gains made on the fund's investment portfolio.

## Outlook for 2011

The global economy is expected to sustain its recovery in 2011. It is however expected to grow at a slower pace of 4.4% compared to the estimated 5.0% in 2010. Global growth is expected to be partly driven by growth focused fiscal packages in the US and Japan as well as increased demand in Germany. However, the IMF noted that sovereign and banking risk as well as the political stability of current and envisioned austerity measures could still present growth challenges in the periphery of the euro area.

Sub-Saharan Africa is expected to grow by 5.5% in 2011, up from an estimated 5.0% in 2010. Ghana's economic growth is expected to significantly exceed the regional growth in 2011. It is expected that Ghana will record a double digit real GDP growth of around 11% in 2011 (2010: 6.6%) to be driven by increased government spending and infrastructure investment as well as the commencement of full crude oil production.

The inflow of 'petrodollars' should boost foreign reserves, which will help stabilise the Cedi within a relatively narrow band either side of GH¢ 1.55 per dollar and most likely provide a collateral base for rapid infrastructural development. However, stronger inflationary pressures in 2011 are likely as a result of increased spending, higher salaries for public sector workers, as a result of the continued implementation of the single spine salary scheme, and global commodity price rises. In alignment with higher GDP growth prospects,

Ghana's inflation is likely to rise to an average of 13% in 2011. However, fiscal discipline is needed to keep inflation in check.

We expect increased activity in the stock market in 2011 and 2012. Some local banks are expected to raise funds from investors to boost their stated capital in a bid to meet the Bank of Ghana's new minimum capital requirement of GH¢60.00 million for local banks by the close of 2012. We also anticipate gradual rise in treasury rates if inflation increases during 2011. We are happy to announce that your fund, the iFund, is well-positioned to exploit these and other emerging opportunities in the market and that we remain committed to delivering attractive returns to shareholders.



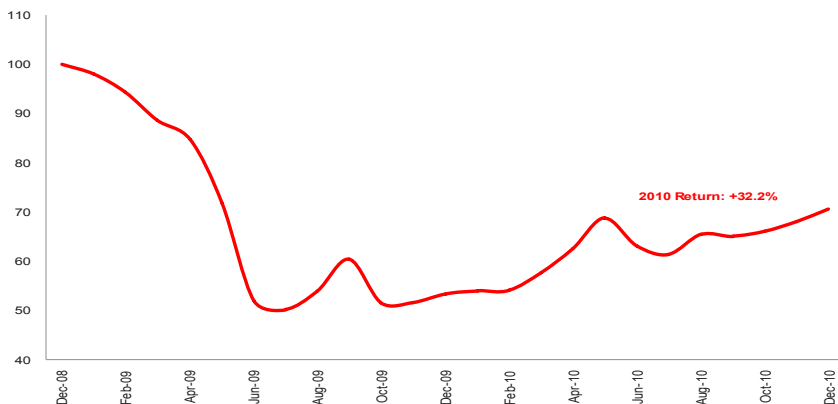
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**Richard Adu-Poku**  
Chairman

## FUND MANAGER'S STATEMENT TO SHAREHOLDERS

### Review of Investment Environment in 2010

The Ghanaian stock market started the year on a recovery mood following the market correction of 2009 (GSE-ASI YTD: -46.58%). Investors were expected to renew their interest in the stock market in light of rightly anticipated decline in government treasury rates in 2010. Prior to turning their attention to the stock market, most investors locked into the 2-Year Note and the 182-Day Treasury bill which were still offering high rates of 23.5% and 25.3% respectively in December 2009. However, contrary to investor expectations, the stock market experienced a mid-year slump partly because of negative international publicity and moderate quarterly earnings that failed to boost investor confidence. The market bounced back as a result of improved macroeconomic conditions to end the year on a bullish note, posting a 32.25% return. This was partly driven by the Fast Moving Consumer Goods (+59.79%), oil & gas (+53.49%) and insurance (+35.73%) sectors which outperformed the market. Some of the best performing stocks in 2010 were GCB, FML and GOIL which increased by 264.86%, 164.86% and 70.59% respectively.

GSE ASI Trend: 2008 to 2010



Source: Ecobank Research, Ghana Stock Exchange

### Portfolio Structure

iFUND is a balanced mutual fund with the objective of preserving and enhancing shareholder wealth to meet medium to long term financial goals while creating liquidity to meet short term needs. As a balanced fund the fund is suppose to invest in a combination of listed equities, bonds, as well as other suitable fixed income securities to achieve its investment objective.

The Fund Manager has the discretion to select specific investments within these asset classes:

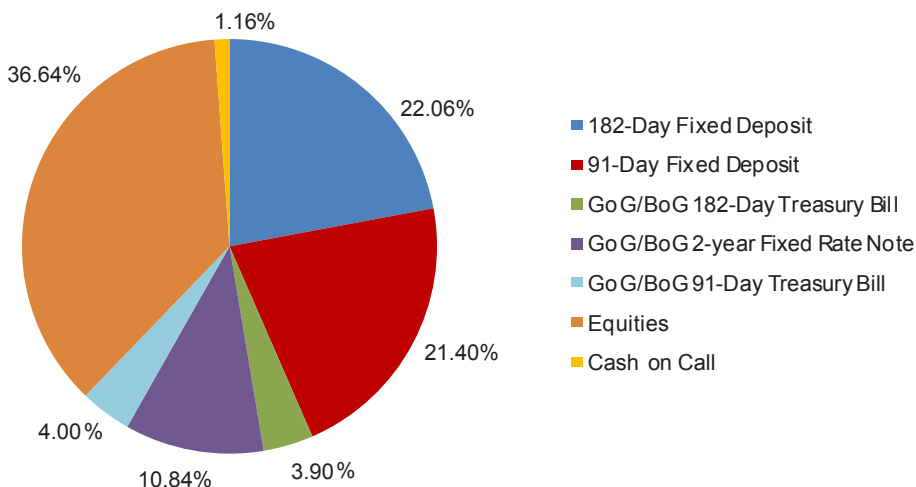
ASSET CLASS	PERCENTAGE OF FUND'S ASSETS INVESTED	REBALANCING RANGE
Fixed Income	50%	+/- 20
Equity	50%	+/- 20
TOTAL	100%	

As at 31st December 2010, the fund had the asset allocation below:

ASSET CLASS	PERCENTAGE OF FUND'S ASSETS INVESTED
Fixed Income	63.36%
Equity	36.64%
TOTAL	100%

Below was the portfolio mix as at 31st December 2010

### Asset Mix



### Portfolio Performance

i-Fund posted an impressive 29.44% return in 2010. This represents an improvement on the 2009 return of 21.40% 15.5% (22.6% annualized returns). The performance was underpinned by the execution of a carefully crafted investment strategy aimed at maximizing shareholder value.

The weight of equity holdings in the portfolio was raised from 17.84% in December 2009 to 36.64% at the 4.00% 10.84% close of December 2010. This was driven by improved stock market prospects and anticipated decline in fixed income rates during 2010. The fund invested in some of the best performing

stocks in 2010 including GCB (+264.86%), FML (+164.86%), SIC (+59.26%) and SCB (+50.53%) which outperformed the market.

The fund also locked into the Government of Ghana 2-Year Fixed Rate Note at attractive rates ranging from 24.0% to 25.5%. This ensured that the fund enjoyed high yields in the midst of declining treasury rates in 2010. The increase in net assets resulting from operations was GH¢1.4 million for 2010, comprising 35.08% net investment income and 64.92% net unrealized gain on equity investments. This was driven by the prudent asset allocation and security selection decisions made by the fund manager during the 2010 financial year.

### **Outlook and Strategy**

We believe that 2011 presents challenges and opportunities. We are positioned to manage the challenges whilst exploiting the opportunities to maximize shareholder value. Although we remain positive about the stock market in 2011, we anticipate downward pressure on stocks with weak FY2010 earnings in the first half of the year. Our investment decisions would therefore be supported by fundamental analysis of concerned equities.

We plan to maintain our equity weighting in the portfolio above the minimum 30.00% in 2011. The weighting of equity investments in our portfolio is currently 36.64%. We expect fixed income rates to gradually rise as inflation goes up during the course of the year. This would gradually boost the attractiveness of fixed income securities to investors in 2011.

### **Increased Accessibility**

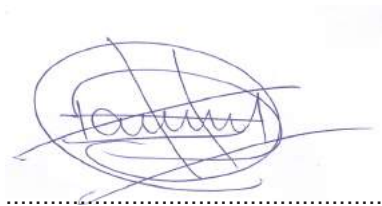
By the end of 2011, the i-Fund outlets/desks in key branch offices of Ecobank Ghana Limited would be enabled to generate client statements on request.

### **Innovation**

We plan to boost our ICT platform in 2011 to enable our clients to receive their statements by email as well as access their statements online anytime anywhere.

## Conclusion

Your fund manager and his team will continue to work hard to give you value for your money by providing you with superior investment returns and also be the best mutual fund in Ghana. We appreciate the confidence you have in EDC Investment Ltd as your fund manager. We also take this opportunity to encourage you to increase your investment in iFUND.



**Paul Kofi Mante**

Senior Investment Officer



## REPORT OF THE DIRECTORS

The Directors are pleased to submit the financial statement of the iFUND Mutual Fund for the year ended December 31, 2010.

### Statement of Directors' Responsibility

The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of iFUND Mutual Fund Limited and of the statement of operations for each financial year. The Directors have selected suitable accounting policies in the preparation of these financial statements and have made judgements and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that iFUND Mutual Fund Limited keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund and taking reasonable steps to prevent fraud and other irregularities.

### Nature of Business

The nature of business of the Company is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities and other property acquired with such monies.

The Company is licensed by the Securities and Exchange Commission to operate as an authorised mutual fund.

### Results of Operation

The results for the year are contained in the financial statements.

### Income Distribution Policy

All income earned are reinvested. Therefore dividends are neither declared nor distributed. As such, individual investors benefit from a growth in the Net Asset

Value of each unit of the Fund they hold.

On behalf of the Board of Directors:-



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**Director**

Date: 23/06/2011



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**Director**

Date: 23/06/2011

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
IFUND MUTUAL FUND LIMITED****Report on the financial statements**

We have audited the accompanying financial statements of iFUND Mutual Fund Limited, which comprise the statement of assets and liabilities as at 31 December 2010, and the statement of income and distribution, statement of movement in net assets and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on page 1 to 20.

**Directors' responsibility for the financial statements**

The fund's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' 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 about 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 the directors, 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 presents fairly, in all material respects, the financial position of iFUND Mutual Fund Limited as at 31 December 2010 and of the results of its operations and movement in net assets for the year then ended in accordance with the International Financial Reporting Standard and the Ghana Companies Code, 1963 (Act 179).

## 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 on the following matters. We confirm that;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) The statement of assets and liabilities, income and distribution account and the statement of movement in net assets of the fund are in agreement with the underlying books of account.

Ernst & Young  
Chartered Accountants  
Accra

Dated: 24 June 2011

**STATEMENT OF ASSETS AND LIABILITIES  
AS AT 31 DECEMBER 2010**

	Notes	GH¢	GH¢
<b>ASSETS</b>			
Investments	3	<u>7,502,707</u>	<u>4,205,993</u>
Current Liabilities			
Directors' fees	5	-	10,000
Audit fees	6	16,830	12,325
EDC investment		5,500	-
Management and custodial fees payable	7	<u>1,721</u>	<u>9,737</u>
Net Current Liabilities		<u>24,051</u>	<u>32,062</u>
Net Assets		<u>7,478,656</u>	<u>4,173,931</u>
Represented by:			
Owners fund	8	<u>7,478,656</u>	<u>4,173,931</u>


**Director**

Date: 23/06/2011


**Director**

Date: 23/06/2011

The attached notes 1 to 13 form an integral part of the financial statements

**INCOME AND DISTRIBUTION ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 GH¢	2009 GH¢
<b>Income</b>			
Interest income	9	649,334	448,107
Dividend income		<u>61,953</u>	<u>-</u>
		<u>711,287</u>	<u>448,107</u>
<b>Expenses</b>			
Investment management fees	10	134,189	56,015
Other expenses	11	<u>96,799</u>	<u>31,675</u>
		<u>230,988</u>	<u>87,690</u>
		480,299	360,417
Unrealised gain on investments	12	<u>918,813</u>	<u>51,701</u>
<b>Net investment income</b>		<u>1,399,112</u>	<u>412,118</u>

**ACCUMULATED NET INVESTMENT INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 GH¢	2009 GH¢
Opening balance 1 January	412,118	-
Increase in net assets resulting from operations	<u>1,399,112</u>	<u>412,118</u>
Closing balance 31 December	<u>1,811,230</u>	<u>412,118</u>

The attached notes 1 to 13 form an integral part of the financial statements

# STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 GH¢	2009 GH¢
<b>Operations:</b>			
Net investment income		480,299	360,417
Unrealized gain		<u>918,813</u>	<u>51,701</u>
Net increase in net assets resulting from operations		<u>1,399,112</u>	<u>412,118</u>
<b>Capital Transactions:</b>			
Proceeds from share issue		3,153,122	4,048,622
Shares redeemed		<u>(1,247,509)</u>	<u>(286,809)</u>
Net proceeds from capital transactions		<u>1,905,613</u>	<u>3,761,813</u>
Total increase in net assets		3,304,725	4,173,931
Net assets at the beginning of year		<u>4,173,931</u>	<u>-</u>
Net assets at the end of the year	8	<u>7,478,656</u>	<u>4,173,931</u>

The attached notes 1 to 13 form an integral part of the financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010**

<b>2010</b>	<b>Capital Transaction GH¢</b>	<b>Investment GH¢</b>	<b>Total GH¢</b>
Balance at the beginning of the year	3,761,813	412,118	4,173,931
Net investment income resulting from operations	-	1,399,112	1,399,112
Issue of shares	3,153,122	-	3,153,122
Redemption of shares	(1,247,509)	-	(1,247,509)
Balance as at 31 December 2010	<u>5,667,426</u>	<u>1,811,230</u>	<u>7,478,656</u>

<b>2009</b>	<b>Capital Transaction GH¢</b>	<b>Investment GH¢</b>	<b>Total GH¢</b>
Balance at the beginning of the period	-	-	-
Net investment income resulting from operations	-	412,118	412,118
Issue of shares	<u>4,048,622</u>	-	<u>4,048,622</u>
Redemption of shares	(286,809)	-	(286,809)
Balance as at 31 December 2009	<u>3,761,813</u>	<u>412,118</u>	<u>4,173,931</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 1. GENERAL INFORMATION

iFUND Mutual Fund Limited is a mutual fund investment company whose primary business is investing the contributions of its members. iFUND Mutual Fund Limited is a limited liability company and is incorporated and domiciled in the Republic of Ghana. The address of its registered office is as follows:  
#5 2nd Ridge Link, North Ridge, Accra.

#### Compliance with IFRS

The financial statements of the fund for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana and in force at 31 December 2007. The standards comprise IFRS 1 to 9 and International Accounting Standards (IAS) 1 to 41, and amendments, revisions as well as the interpretations of these standards as applicable as at 31 December 2010.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### Valuation of Investments

Securities listed on a stock exchange or traded on any other organised market are valued at the last available market price on the relevant valuation day. Debt securities are value at amortised cost.

## **Investment Income**

### **Dividend Income**

Dividends are recognised in the income statement when the entity's right to receive payment is established.

### **Investment Income**

Interest income is recorded on an accrual basis

### **Investment Transactions and Investment Income**

Investment transactions on the Ghana Stock Exchange are accounted for on the trade date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. INVESTMENT	Shares	Price 31 Dec 2010 GH¢	Market Value GH¢	% of Net Assets
<b>Banking</b>				
Ecobank Ghana Ltd.	125,528	3.0000	376,584	5.02
EcobankTransnational Inc.	588,300	0.1500	88,245	1.18
Ghana Commercial Bank	157,900	2.7000	426,330	5.68
Standard Chartered Bank	12,473	45.160	563,281	7.51
<b>CAL Bank</b>	230,000	.3100	71,300	.95
<b>Financial services</b>				
State Insurance Company Enterprise	349,900	0.4300	150,457	2.01
Insurance Company	134,000	.5000	67,000	.89
<b>Food &amp; Beverages</b>				
Guinness Ghana Breweries Ltd.	54,100	1..5600	84,396	1.12
Fan Milk Ltd.	305,200	2.4500	747,740	9.97
Patterson Zochonis Company Ltd.	42,700	1.200	51,240	0.68
Uniliver Ghana Ltd.	3,745	5.6900	21,309	0.28
<b>Agro Processing</b>				
Benso Oil Palm Plantation	75,500	0.7500	56,625	0.75
<b>Oil &amp; Gas</b>				
Ghana Oil Company Ltd	32,000	0.2900	9,280	0.12
Total Petroleum Company Ltd.	3,618	10.0000	<u>36,180</u>	0.48

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

<b>Fixed Income</b>	<b><u>2,749,967</u></b>	<b><u>36.64</u></b>
<b>Treasury Bills</b>		
91-Day T-Bills	299,703	4.00
182-Day T-Bills	292,459	3.90
2-Year Fixed Rate Note	813,385	10.84
<b>Certificates of Deposits</b>		
91-Day	1,605,353	21.40
182-Day	1,655,170	22.06
<b>Funds on Call</b>	<u>86,670</u>	<u>1.16</u>
<b>Total Fixed Income</b>	<b><u>4,752,740</u></b>	<b><u>63.36</u></b>
<b>Total Investments</b>	<b><u>7,502,707</u></b>	<b><u>100</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

3. INVESTMENTS 2009	Shares	Price 31 Dec 2009 GH¢	Market Value GH¢	% of Net Assets
<b>Banking</b>				
Ecobank Ghana Limited	41,828	2.8000	117,118	2.80
Ecobank Transnational Inc.	350,000	0.1500	52,500	1.26
Ghana Commercial Bank	36,900	0.7400	27,306	0.65
Standard Chartered Bank	11,673	30.0000	350,190	8.39
<b>Financial Services</b>				
State Insurance Company	301,900	0.2700	81,513	1.95
<b>Food &amp; Beverages</b>				
Guinness Ghana Breweries Ltd.	7,100	1.3500	9,585	0.23
Fan Milk Ltd.	20,200	5.5500	<u>112,110</u>	<u>2.68</u>
<b>Total shares</b>			<b><u>750,322</u></b>	<b><u>18.00</u></b>
<b>Fixed Income</b>				
<b>Treasury Bills</b>				
91-Day T-Bills			286,229	6.85
182-Day T-Bills			448,975	10.75
2-Year Fixed Rate Note			812,837	19.47
<b>Certificates of Deposits</b>				
91-Day			311,868	7.47
182-Day			992,215	23.76
<b>Funds on Call</b>			<u>603,547</u>	<u>14.49</u>
<b>Total Fixed Income</b>			<b><u>3,455,671</u></b>	<b><u>82.80</u></b>
<b>Total Investments</b>			<b><u>4,205,993</u></b>	<b><u>100.77</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

<b>4. STATEMENT OF MOVEMENT IN ISSUED SHARES</b>	<b>2010</b>	<b>2009</b>
	<b>GH¢</b>	<b>GH¢</b>
Shares in issue at the beginning of the period	36,416,318	20,929,800
Net shares issued (Withdrawn) during the period	13,771,016	<u>15,486,518</u>
Shares in issue at end of period	<b><u>50,187,334</u></b>	<b><u>36,416,318</u></b>
<b>5. DIRECTORS' FEES</b>		
This represents provision made for directors' fees		
<b>6. AUDIT FEES</b>		
This represents auditor's fees payable.		
<b>7. MANAGEMENT AND CUSTODIAL FEES</b>	<b>2010</b>	<b>2009</b>
	<b>GH¢</b>	<b>GH¢</b>
Management fees	-	3,877
Custodian fees	<u>1,721</u>	<u>5,860</u>
	=	<u>9,737</u>
<b>8. OWNERS FUND</b>	<b>2010</b>	<b>2009</b>
	<b>GH¢</b>	<b>GH¢</b>
Accumulated net investment income for the year	1,811,230	412,118
Stated capital registered	<b>100,000</b>	100,000
Movement on share issued during the year	<u>5,567,426</u>	<u>3,661,813</u>
	<u>7,478,656</u>	<u>4,173,931</u>
<b>9. INTEREST INCOME</b>	<b>2010</b>	<b>2009</b>
	<b>GH¢</b>	<b>GH¢</b>
Treasury bills and other eligible bills	121,951	133,781
Certificates of deposits	289,937	301,490
Treasury notes and other eligible notes	200,048	12,837
Others	<u>37,398</u>	=
	<b><u>649,334</u></b>	<b><u>448,107</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 10. MANAGEMENT FEES

This is fees paid to the Fund Manager in respect of services provided by fund management. It is charged at 2.5% of the value of the Fund's assets under management per annum but computed daily as the Net Assets Value of the Fund is determined, and paid monthly by the Custodian to the Fund Manager.

11. OTHER EXPENSES	2010 GH¢	2009 GH¢
Directors emolument	10,000	10,000
Stationery & printing	39,574	-
Postage	414	-
Audit fees	16,830	12,325
Custodial fees	19,981	9,350
Legal fees	<u>10,000</u>	-
	<b><u>96,799</u></b>	<b><u>31,675</u></b>

12. UNREALISED GAIN ON INVESTMENT	2010 GH¢	2009 GH¢
Market Value of Investments		
Cost of Investments	2,749,967	750,3223
	<b><u>(1,831,153)</u></b>	<b><u>(698,621)</u></b>
Unrealised Gain on Investments	<b><u>918,813</u></b>	<b><u>51,701</u></b>

### 13. CONTINGENCIES

#### Contingent Liabilities

There are no contingent liabilities as of 31 December 2010 (2009 Nil)

#### Contingent Assets

There are no contingent assets as of 31 December 2010 (2009 Nil)

No. 52<sup>nd</sup> Ridge Link

North Ridge

PMB, GPO

Accra

April 5, 2011.

Our ref. IFundReport1210

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF IFUND MUTUAL FUND LIMITED**

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I. 1695 and attach a statement of holdings of securities in custody with Barclays Bank of Ghana Limited for the above fund as at December 31, 2010.

**Respective Investment Restrictions imposed on the fund and the responsibility of custodians**

Page 12 of the scheme particulars specifies the fund's investment restrictions. Our responsibility is to express an independent opinion on the statement of holdings based on our audit.

**Opinion**

In our opinion, the statement of holdings is in agreement therewith and give a true and fair view of the state of affairs of the funds as at December 31, 2010 and the manager **EDC Investment Management Limited** has managed the fund for the year ended December 31, 2010 in accordance with;

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

Yours faithfully,



Samuel Eghan

Head, Investment and Intermediaries

Standard Chartered Bank Ghana Ltd

Standard Chartered Bank Ghana Ltd.  
Head Office  
P.O. Box 768, Accra, Ghana

Tel (233-21) 664591-8, 769210-221  
Fax (233-21) 667751, 663560  
Telex 2671 (SCBACCGH)  
Cable STANCHART

Member of Standard Chartered Bank Group



# STANDARD CHARTERED SECURITIES SERVICES

Portfolio Valuation Report as at - 31/12/2010 for

iFUND MUTUAL FUND LIMITED

## FDEP - FIXED DEPOSITS

### Security Name

182 DAY ZENITH BANK FD @ 16% DUE 06/04/2011

182 DAY UNIBANK LTD FIXED DEPOSIT @ 15.5% DUE 28/3/2011

91 DAY INTERCONTINENTAL FD @ 14.5% DUE 01.04.2011

182 DAY INTERCONTINENTAL BANK FD @ 14.5 % DUE 10.07.2011

182 DAY ZENITH BANK GH LTD FD @ 15.20% DUE 07/03/2011

91 DAY INTERCO BANK FD @ 13.50% DUE 21.03.2011

90 DAY FIDELITY BANK FD @ 13.75% DUE 20.03.2011

### TOTAL

### Security Code

ZBFD\_182-10F

UBFD\_182-10J

IBG\_91 DAY FD

ICB\_182 DAY F

ZBFD\_182-10C

182 DAY FIDELITY F

90 DAY FIDELITY BA

## GDF - GOVERNMENT DEBT - FIXED

### Security Name

2 YRS GOV'T BOND @ 25.5% DUE 28/11/2011

2 YEARS GOV'T BOND @ 23% DUE 26/12/2011

### TOTAL

### Security Code

AUC1147-2YR

AUC\_1151-2YR

## GDT - GOVERNMENT DEBT - TBILLS

### Security Name

182 DAY GOV'T T/BILL @ 12.2% DUE 14/03/2011

91 DAY GOV'T T/BILL @ 12% DUE 03/01/2011

### TOTAL

### Security Code

AUC1188\_182

AUC1191-91

## EQ1B - EQUITIES - 1ST BOARD

### Security Name

BENSO OIL PALM PLANTATION LIMITED

ECOBANK GHANA LIMITED

ECOBANK TRANSNATIONAL INCORPORATED

PATTERSON ZOCHONIS (GHANA) LIMITED

GHANA COMMERCIAL BANK

### Security Code

BOPP

ECOBANK GH.

ETI

PZ

GCB

Market Price	Nominal	Cumulative Cost	Value LCY	PCT of Total
0.000000	400,000.00	400,000.00	414,769.23	12.72
0.000000	400,000.00	400,000.00	416,181.32	12.76
0.000000	300,000.00	300,000.00	300,000.00	9.20
0.000000	300,000.00	300,000.00	300,000.00	9.20
0.000000	500,000.00	500,000.00	524,219.78	16.08
0.000000	650,000.00	650,000.00	652,651.79	20.02
0.000000	650,000.00	650,000.00	652,700.89	20.02
		<b>3,200,000.00</b>	<b>3,260,523.01</b>	

Market Price	Nominal	Cumulative Cost	Value LCY	PCT of Total
1.002102	500,000.00	500,000.00	511,208.79	62.00
0.000000	300,000.00	300,000.00	302,175.82	38.00
		<b>800,000.00</b>	<b>813,384.61</b>	

Market Price	Nominal	Cumulative Cost	Value LCY	PCT of Total
0.000000	300,000.00	281,700.00	292,458.79	49.39
0.000000	300,000.00	291,000.00	299,703.30	50.61
		<b>572,700.00</b>	<b>592,162.09</b>	

Market Price	Nominal	Cumulative Cost	Value LCY	PCT of Total
0.750000	75,500.00	56,625.00	56,625.00	0.73
3.000000	125,528.00	376,584.00	376,584.00	4.91
0.150000	588,300.00	88,245.00	88,245.00	1.14
1.200000	42,700.00	51,240.00	51,240.00	0.66
2.700000	157,900.00	426,330.00	426,330.00	5.52

## STANDARD CHARTERED SECURITIES SERVICES

Portfolio Valuation Report as at - 31/12/2010 for

iFUND MUTUAL FUND LIMITED

SIC INSURANCE COMPANY LIMITED	SIC	0.430000
TOTAL PETROLEUM GHANA LIMITED	MOGL	10.000000
STANDARD CHARTERED BANK GHANA LIMITED	SCB	45.160000
GHANA OIL LIMITED	GOIL	0.290000
UNILEVER GHANA LIMITED	UNIL	5.690000
FANMILK GHANA LIMITED	FML	2.450000
GUINNESS GHANA BREWERY LIMITED	GGL	1.560000
CAL BANK LIMITED	CAL	0.310000
ENTERPRISE GROUP COMPANY	EIC	0.500000
<b>TOTAL</b>		






## Summary

Description	Nominal
<b>CASH DEPOSITS</b>	3,200,000.00
<b>EQUITIES</b>	2,114,964.00
<b>GOVT DEBT</b>	1,400,000.00
<b>Total</b>	<b>6,131,064.00</b>

349,900.00	150,457.00	150,457.00	1.95
3,618.00	36,180.00	36,180.00	0.47
12,473.00	563,280.68	563,280.68	7.29
32,000.00	9,280.00	9,280.00	0.12
3,745.00	21,309.05	21,309.05	0.28
305,200.00	747,740.00	747,740.00	9.68
54,100.00	84,396.00	84,396.00	1.09
230,000.00	71,300.00	71,300.00	0.92
134,000.00	67,000.00	67,000.00	0.87
	<b>1,519,001.32</b>	<b>2,749,966.73</b>	

Value LCY	PCT of Total
3,260,523.01	44.10
2,749,966.73	37.19
1,405,546.70	19.01
<b>7,394,062.62</b>	<b>100.00</b>

## DIRECTORS INFORMATION

	Name/ Position	Other Affiliation	Occupation	Nationality	Age (Yrs.)
	<b>Richard Adu-Poku</b>  Chairman	Director, Tema Lube Oil Company  Director, Donewell Life Company  Director, Chairman of Ayrton Drugs Ltd.	Managing Consultant	Ghanaian	52
	<b>David Ofosu-Dorte</b>  Director	Director, ADB & David Law  Director, Allure Gana Ltd.  Director, United Way Ghana Ltd.  Director, United Trustees	Lawyer	Ghanaian	49
	<b>Osaze Ize-Iyamu</b>  Director		Investment Banker	Nigerian	46
	<b>Sarah Brainoo Arhin</b>  Director		Investment Banker	Ghanaian	33
	<b>William Mensah</b>  Director	Director, Hyderfields Investment Ltd.  Director, Lifespring Investment	Investment Banker / Stock Broker	Ghanaian	34

## PROXY FORM

### iFund Mutual Fund Ltd

I/ We .....  
 .....  
 of .....  
 being a member /members of the iFund Mutual Fund Ltd hereby appoint.  
 .....  
 ..... or failing him the  
 duly appointed chairman of the meeting as my/our proxy to vote for me/ us on  
 my/ our behalf at the Annual General Meeting of the Company to be held at  
 the .....of Ghana, Accra on the ..... at  
 ..... prompt and any adjournment thereof.

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

RESOLUTIONS	FOR	AGAINST
To consider the Report of Directors and Auditors for the year ended 31 December 2010		
Receive and adopt the accounts for the year ended 31st December, 2010		
Authorize the Directors to fix remuneration of the Auditors for the ensuing year		
To approve Directors' fees		
To transact any other business appropriate to be dealt with at any Annual General Meeting		

Shareholder's Signature .....

Date .....2011

## NOTES

A proxy need not be a member of the company.

Unless otherwise instructed, the proxy will vote as he thinks fit.

To be valid, this form must be signed and deposited at the registered Office not less than 48 hours before the appointed time of the meeting. Failure to do so will result in the Proxy not being admitted to, or allowed to participate in, the meeting.

In the case of a body corporate the form must be under seal or under the hand of a duly authorized officer.

In the case of joint holders the signature of only one of the joint holders is required.

The completion and return of a form of proxy does not prevent a shareholder from attending the meeting and voting thereat.

## Notes



## Notes

## **iFUND MUTUAL FUND**

EDC Investments Limited  
#5, 2nd Ridge Link, North Ridge, Accra  
P.M.B., Accra-Ghana