

2014 Report

EDC GHANA BALANCED FUND
LIMITED



Ecobank | Capital

NOTICE OF THE 6TH ANNUAL GENERAL MEETING

Notice is hereby given of the **6th Annual General Meeting of the Shareholders of EDC Ghana Balanced Fund Limited** to be held at the **Ghana National Association of Teachers (GNAT) Hall, Accra** on **Thursday August 6, 2015 at 10:00 am** for the following purposes:

1. To consider the reports of the Directors and Auditors for the year ended 31st December 2014.
2. To consider and adopt the accounts for the year ended 31st December 2014.
3. To appoint new Directors for EDC Ghana Balanced Fund Limited.
4. To authorize the Directors to fix the remuneration for the Auditors.
5. To approve the remuneration of Directors.
6. To transact any other business appropriate to be dealt with at an Annual General Meeting.

A Shareholder of the Company entitled to attend and vote, may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. A copy of the completed proxy forms should be deposited not less than forty-eight (48) hours prior to the commencement of the meeting, at the offices of the Secretary.

#799/3 5th Crescent
Asylum Down
Accra

Dated this **8th** day of **July, 2015**.

BY ORDER OF THE BOARD

LAWFIELDS CONSULTING
No. 799/3, 5th Crescent
Asylum Down (off Ring Road)
P.O. Box 4, Accra - Ghana
Secretary

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BOARD OF DIRECTORS	Mr. Richard Adu-Poku - Chairman Mr. David Ofusu-Dorte Mrs. Sarah Brainoo Arhin - Resigned on February 16th, 2015 Mr. William Mensah Mr. Nana Amoto Mensah
REGISTERED OFFICE	Valco Trust House No. 22 Ambassadorial Enclave P. O. Box AN 16746 Accra Ghana
INVESTMENT MANAGER	EDC Investments Limited Valco Trust House No. 22 Ambassadorial Enclave P. O. Box AN 16746 Accra Ghana
CUSTODIANS	HFC Bank Ghana Limited No, 35, Sixth Avenue North Ridge P.O. Box CT 4603 Cantonment, Accra
AUDITORS	John Kay and Co. Chartered Accountants 7th Floor, Trust Towers P.O. Box 16088 Accra
BANKERS	Ecobank Ghana Limited Ring Road Central Accra

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

The Board of Directors presents the report and audited financial statements of EDC Ghana Balanced Fund Limited for the year ended 31 December, 2014.

FINANCIAL STATEMENTS

The results for the year are set out in the attached financial statements.

The Board of Directors considers the state of the affairs of the company to be satisfactory.

NATURE OF BUSINESS

EDC Ghana Balanced Fund Limited is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

The object of the EDC Ghana Balanced Fund Limited is to invest contributions, in the form of money, made by its members for their mutual benefits, and to hold and arrange for the management of securities and other properties acquired with such contributions.

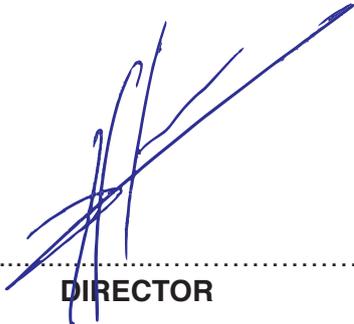
DIVIDEND DISTRIBUTION POLICY

The Fund does not distribute income. 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.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on and signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR

CHAIRMAN'S STATEMENT

Introduction

Welcome, Ladies and Gentlemen. It gives me great pleasure to welcome you to the 6th Annual General Meeting of the EDC Ghana Balanced Fund (the "Fund"). 2014 was a challenging year for the Ghanaian economy, which experienced high inflation, rapid depreciation of the Ghana cedi (GH¢), relatively low GDP growth, an energy crisis and high debt levels. I am pleased to announce that despite these challenges, the Fund posted impressive returns. The Fund's return of 18.1% outperformed its benchmark of 14.5%. Over a 3 year period, your Fund has returned 102.4%; and over a 5 year period, 175.7%. These results over the last few years have been achieved as a result of our commitment to a disciplined investment management process which is research led and focused on the medium to long term and which has led to the Fund being the largest balanced fund in Ghana in terms of assets under management. We could not have achieved all this without you our cherished shareholders and we will ensure that the Fund maintains its leading position for many years to come.

The Economic Environment in 2014

Ghana's Gross Domestic Product (GDP) grew by 4.2% in 2014, far below the 7.4% originally targeted by Government for the year. The lower growth was on the back of uncertainties arising from macroeconomic instability, accelerating inflation and sustained currency depreciation, as well as energy sector challenges. Growth nonetheless was driven by the non-oil sector, particularly agriculture, forestry, and services. However, the gold sector experienced challenges arising from the fall in global gold prices. Oil GDP also picked up but failed to reach its projected output.

Inflation accelerated to an average of 15.5% in 2014 from 11.7% the year before, mainly due to a weakening of the GH¢ against the major international currencies. With Ghana being an import dependent country, inflation was primarily driven by the pass through effects of fuel and other imports. The general economic slowdown led to lower than expected tax revenues. Lower gold and cocoa export revenues also contributed to lower than expected domestic revenues. This as well as delays in donor support significantly decreased the country's foreign exchange revenues and led the Government to increase its domestic borrowing to finance its expenditure. This led to the fiscal deficit for the year to be equivalent to 9.5% of GDP, which was above the initial target of 8.5%.

The Fixed Income and Equity Markets in 2014

In response to the devaluation of the GH¢ with its attendant inflation risks, the Bank of Ghana increased the monetary policy rate three times in 2014. The rate as at the beginning of the year was 16% and it ended the year at 21%. This exerted an upward pressure on yields.

Activities in the fixed income market were skewed towards the short end of the yield curve as Government securities issued in 2014 were predominantly short term. There were three issuances of 3 year bonds and planned issuances of 5 and 7 year bonds which were called off. The lack of frequent issuances of longer tenured bonds has stifled the rather nascent secondary bond market. The

CHAIRMAN'S STATEMENT

concentration of activities on the shorter end of the yield curve led the curve to be inverted throughout the year with the yield on shorter dated instruments being higher than those of longer dated ones.

A knock on effect of the economic challenges was the poor performance of listed companies especially in the manufacturing and consumer goods sectors. Although banking stocks posted better returns, it was not sufficient to bolster market performance as the benchmark index measuring the performance of the Ghanaian stock market recorded a return of 5.4% in 2014, compared to 78.8% registered in 2013.

2015 Outlook

While medium-term prospects are good, supported by rising energy production, the short-term outlook is weak but improving now that the authorities are engaged with the IMF on an economic reform and stabilisation programme. Growth is projected to slow to around 3% in 2015. Growth will be undermined by a combination of fiscal consolidation under the IMF-advised reform programme, the sharp fall in oil prices, and power shortages largely caused by low water levels in hydro power stations and delayed coming on stream of new power plants. In addition, the large fiscal and current account deficits, and high financing needs, leave Ghana vulnerable to any further deterioration in external conditions.

The outlook for inflation in 2015 has improved now that reforms are being implemented successfully. As fiscal policy dominance over monetary policy subsides due to the fiscal consolidation efforts (including the elimination of Bank of Ghana financing to the government by 2016), and as the inflation targeting monetary policy framework is strengthened, inflation should move back to close to the medium-term target of 8% (+/- 200bp). If there is any weakening of the government's resolve to tighten spending controls, the pace of acceleration will pick up. Achieving the 2015 fiscal deficit target will be difficult given high interest rates, uncertainty over the performance of the GHS, and the likelihood of slower growth.

On the whole, we think 2015 may bring better economic outcomes over 2014.

Conclusion

Although we foresee another difficult year, we want you our shareholders to be rest assured that your Fund is well positioned to take advantage of high returns on fixed income securities and in line with its value investing strategy, take advantage of the upside potential of equities that we believe are priced below their intrinsic value. The skill and experience of our fund managers in applying their economic and market insights as well as their strong focus on risk management will remain central to the Fund's continued success.

Thank you very much.

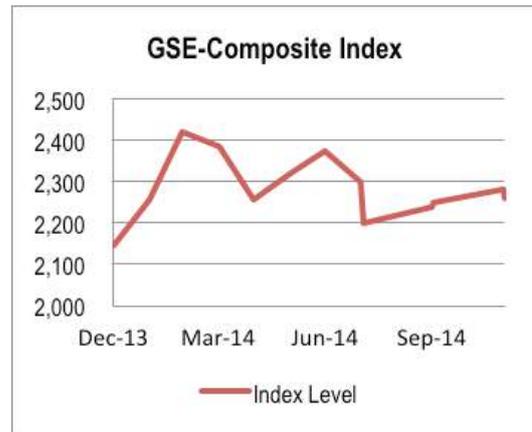
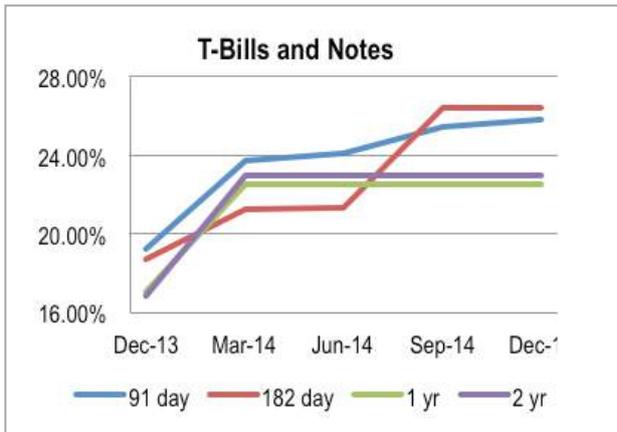


Richard Adu-Poku
Chairman.

FUND MANAGER’S REPORT

Review of Investment Environment - 2014

Ghana’s interest rates in 2014 recorded an increase occasioned by the need for Government to compensate for rising inflation as well as its increased appetite for borrowing on the local market. The 91 day T-Bill rose from 19.22% in December 2013 to 25.81% in December 2014. The yield on the 2 year note increased by over 500bps with the 182 day treasury bill recording the highest increase of 775bps. The 3 year note which was the longest term issued by the Government averaged a yield of 25.11% from three issues in 2014.

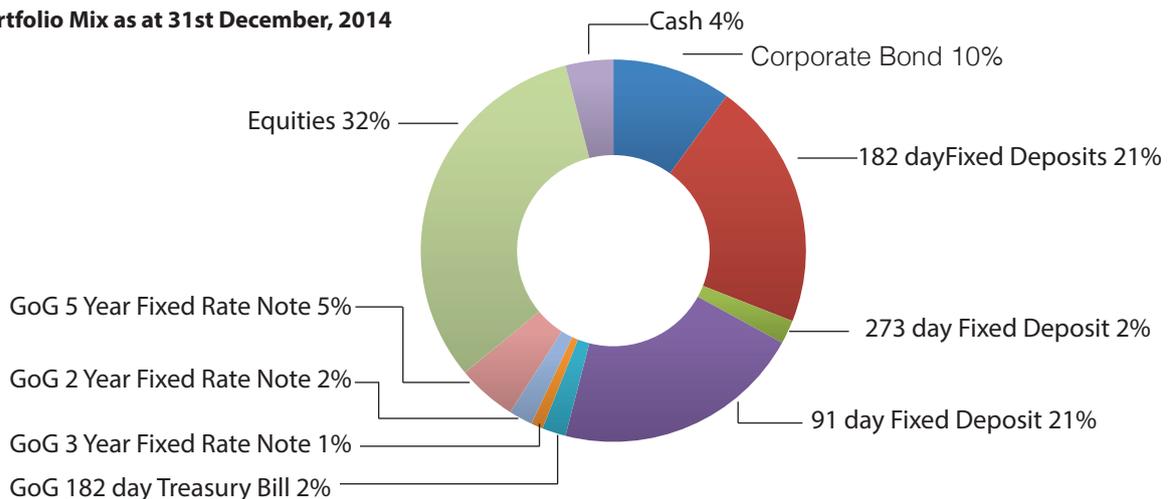


The Ghanaian stock market posted a weak performance as economic growth slowed to 4.2% in 2014. The return on the benchmark GSE Composite Index dropped to 5.4% in 2014 from 78.8% in 2013. The performance of the stock market reflected the deterioration in macroeconomic fundamentals, which adversely affected the earnings of listed companies especially in the consumer goods sector. In addition, there was a general lack of investor confidence in the Ghanaian economy, which was reflected in a downgrade of the Ghanaian economy by various global rating agencies. The low investor confidence extended to the stock market, which experienced a drop in market activity. The aggregate volume and value of shares traded fell by 33.7%/y/y and 24.2%/y/y to 207.50 million shares and GHS345.96 million respectively.

Portfolio Structure

The objective of the EDC Ghana Balanced Fund remains the preservation and enhancement of shareholders’ wealth to meet medium to long term financial goals while creating liquidity to meet short term goals. This core mandate has therefore given rise to the balanced nature of the fund, where assets consist of a combination of fixed income instruments and equity

Portfolio Mix as at 31st December, 2014



FUND MANAGER'S REPORT

Fund Performance

Performance %	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	Since Inception
EDC Ghana Balanced Fund	1.88	5.19	7.38	18.05	18.05	102.40	175.74	218.48
Benchmark	0.53	3.34	3.53	14.50	14.50	109.11	169.49	134.38

The return on the Fund for 2014 was 18.05% against the benchmark of 14.50%. In spite of the low performance of 5.4% recorded by the stock market index- GSE- CI, high yields on government and other fixed income securities ensured moderate returns for the fund. Since its inception in April 2009 till end of 2014, the fund has recorded a cumulative return of 218.5%.

The fund remained heavily skewed towards fixed income investments which accounted for 64% of the Fund. This however was down from the 65% fixed income allocation for 2013. The Fund's exposure to equities was maintained at 32% in 2014.

The number of shareholders of the fund increased from 10,568 clients at the end of 2013 to 11,555 at the end of December 2014. This represents a growth of 9.34% in the shareholder base. Net Inflows also increased to GHS1.739m from GHS1.696m. In 2014, the Balanced Fund grew from GHS17.96m in December 2013 to GHS23m as at the end of 2014, representing a growth of 28% over the 12 month period. The fund therefore maintained its position as the biggest balanced fund in the country and posted the highest return among balanced funds with assets under management in excess of GHS1m.

Outlook and Strategy

With an improved medium term outlook for the country, following the commencement of the IMF reform programme, we expect a more stable macro- economic environment in the medium term. In the short term, we expect high interest rates, a weak local currency, and austerity reforms to undermine domestic demand. Primary market yields will remain strongly influenced by the BoG's tight monetary policy stance and related liquidity management efforts. Your Fund will therefore be positioned to enjoy high interest rate regime while it persists.

While Ghana's IMF bailout deal has lifted the mood of investors in 2015, there are still concerns about the government's ability to meet all the terms of the bailout. Consequently, investors would continue to trade cautiously on the stock market in 2015, which could adversely affect market activity.

Conclusion

We have intensified our direct marketing efforts for the fund and expect that this will yield the desired results. As managers of your fund, we are committed to ensuring that your funds are invested in the safest and highest yielding instruments, for the benefit of our cherished fund holders. We will therefore entreat you to increase investments in the fund, to ensure that you benefit from our expected returns. Thank you



Afua Akyaa Osei
Portfolio Manager

**John Kay & Co.**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of EDC Ghana Balanced Fund Limited which comprise of a statement of net assets, statement of assets and liabilities and a statement of movements in net assets at 31 December 2014, a statement of income and distribution and accumulated net investment income, as well as statement of changes in equity and portfolio summary for the year then ended and notes to the financial statements, which include a summary of significant accounting policies, as set out on pages 11 to 20.

Board of Directors' Responsibilities for the Financial Statement

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179) and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Board of 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 present fairly, in all material respects, the statement of assets and liabilities and the statement of movements in net assets of EDC Ghana Balanced Fund Limited at 31 December 2014 and its statement of income and distribution and statement of changes in equity for the year then ended in accordance with the Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179).

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+233
Fax: +233
E-mail: jkayal@4u.com.gh
jkayal@yahoo.com**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EDC GHANA BALANCED FUND LIMITED (CONT'D)****Report on Other Legal and Regulatory Requirements**

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)

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 account have been kept, and the statement of assets and liabilities, statement of movements in net assets, statement of income and distribution and statement of changes in equity are in agreement with the books of account.

**JOHN ARMSTRONG YAO KLINOGO
PRACTICE NO.ICAD/P/1116****JOHN KAY AND CO.
CHARTERED ACCOUNTANTS
ACCRA
PRACTICE NO.ICAG/F/2014/128**A handwritten signature in blue ink that reads "John Kay & Co". The signature is written in a cursive, flowing style. Below the signature, the year "2015" is printed in a small, black font.

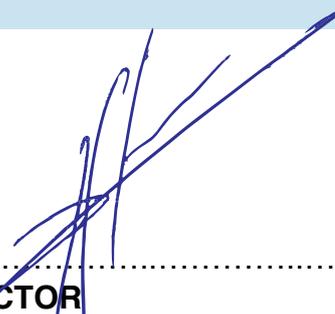
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STATEMENT OF NET ASSETS AT 31 DECEMBER 2014

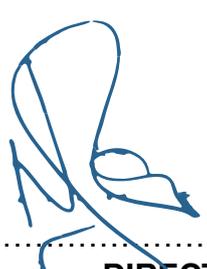
EQUITY INVESTMENTS	SHARES	PRICE PER SHARE GH¢	MARKET VALUE GH¢	PERCENT OF NET ASSETS %
Banking				
Ecobank Ghana Limited	199,728	7.60	1,517,933	6.61
Ecobank Transnational Incorporated	1,806,100	0.28	505,708	2.20
Ghana Commercial Bank	166,600	5.30	882,980	3.84
Standard Chartered Bank	55,704	20.35	1,133,576	4.93
CAL Bank	407,100	1.01	411,171	1.79
Financial Services				
State Insurance Company	119,900	0.37	44,363	0.19
Enterprise Insurance	334,000	1.75	584,500	2.54
Food, Beverages & Household Products				
Guinness Ghana Breweries Ltd	78,320	3.20	250,624	1.09
Fan Milk Ltd	57,656	5.25	302,694	1.32
Patterson Zochonis Comp. Ltd	377,400	0.30	113,220	0.49
Unilever Ghana Ltd	9,995	10.70	106,947	0.47
Agro-Processing				
Benso Oil Palm Plantation	93,500	4.10	383,350	1.47
Oil & Gas				
Ghana Oil Company	193,300	1.05	202,965	0.88
Total Petroleum	158,544	6.10	967,118	4.21
			7,407,149	32.32
FIXED INCOME INSTRUMENTS				
Treasury Bills				
91 Day Treasury Bill			306,467	1.33
182 Days Treasury Bill			324,322	1.41
			630,789	2.75
Treasury Notes & Bonds				
2-Year Fixed Rate Notes			549,285	2.39
3-Year Fixed Rate Notes			209,100	0.91
5-Year Fixed Rate Notes			1,156,742	5.03
			1,915,127	8.33
Corporate Bond				
AFS 1-Floating Rate Note			503,734	2.19
AFS 2-Floating Rate Note			1,618,718	7.04
AFS 3-Floating Rate Note			105,335	0.46
			2,227,787	9.70
Certificates of Deposit				
91-Day Fixed Deposit			4,905,174	21.35
182-Day Fixed Deposit			4,860,126	21.15
273-Day Fixed Deposit			479,841	2.09
			10,245,141	44.59
Funds on Call			595,831	2.59
Total Fixed Income			15,614,675	67.95
TOTAL NET ASSETS			23,021,824	100.28
NET CURRENT ASSETS			(63,385)	(0.28)
TOTAL NET ASSETS			22,958,439	100.00

STATEMENT OF ASSETS AND LIABILITIES
AT 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
ASSETS		
Total Investments	23,021,824 -----	18,064,445 -----
CURRENT ASSETS		
Interest Receivable	- ----- -	159,063 ----- 159,063 -----
CURRENT LIABILITIES		
Directors' Fees	-	(13,000)
Audit Fees	(12,000)	(8,000)
Management Fees	(39,475)	(119,386)
Custody Fees	(8,077)	(13,706)
EDC Investments	(3,833)	(3,300)
	----- (63,385) -----	----- (157,392) -----
Net Current Assets	(63,385) -----	1,671 -----
NET ASSETS (FUND BALANCE)	22,958,439 =====	18,066,116 =====



.....
DIRECTOR



.....
DIRECTOR

INCOME AND DISTRIBUTION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 GH¢	2013 GH¢
INVESTMENT INCOME			
Dividend Income		185,604	202,854
Interest Income	4	3,526,858	2,176,544
Other Income		21,224	
		-----	-----
TOTAL INCOME		3,733,686	2,379,398
		-----	-----
EXPENDITURE			
Investment Management Fees		(528,503)	(363,142)
Other Expenses	12	(96,793)	(81,132)
		-----	-----
TOTAL EXPENDITURE		(625,296)	(444,274)
		-----	-----
Net Investment Income		3,108,390	1,935,124
Net realized Gain on Investment	5	-	681,093
Change in Unrealized Gain (Loss)	6	336,000	2,575,906
		-----	-----
NET INVESTMENT INCOME		3,444,390	5,192,123
		=====	=====

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
Balance as at 1 January	9,134,621	3,942,498
Transfer from Income and Distribution Statement	3,444,390	5,192,123
	-----	-----
Balance at 31 December	12,579,011	9,134,621
	=====	=====

STATEMENT OF MOVEMENTS IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	3,108,390	1,935,124
Net Realized Gains	-	681,093
Unrealized Gains	336,000	2,575,906
	-----	-----
Net change in net assets from operations	3,444,390	5,192,123
	-----	-----
Change in net assets from capital transactions		
Proceeds from Issue of Shares	6,685,197	4,251,137
Share Redemption	(5,237,264)	(2,604,496)
	-----	-----
Net change in net assets from capital transactions	1,447,933	1,646,641
	-----	-----
Net additions to net assets	4,892,323	6,838,764
	=====	=====
Analysis of changes in cash and cash equivalents for the year		
At 1 January	18,066,116	11,227,352
Net additions to net assets	4,892,323	6,838,764
	-----	-----
At 31 December	22,958,439	18,066,116
	=====	=====

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

31 December 2014	CAPITAL TRANSACTIONS GH¢	INVESTMENTS GH¢	TOTAL GH¢
At 1 January	8,931,495	9,134,621	18,066,116
Net Income from Operations	-	3,444,390	3,444,390
Share Issue	6,685,197	-	6,685,197
Shares Redemption	(5,237,264)	-	(5,237,264)
	-----	-----	-----
At 31 December	10,379,428	12,579,011	22,958,439
	=====	=====	=====
31 December 2013	Capital Transaction GH¢	Investments GH¢	Total GH¢
At 1 January	7,284,854	3,942,498	11,227,352
Net Income from Operations	-	5,192,123	5,192,123
Share Issue	4,251,137	-	4,251,137
Shares Redemption	(2,604,496)	-	(2,604,496)
	-----	-----	-----
At 31 December	8,931,495	9,134,621	18,066,116
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 No. of Shares	2013 No. of Shares
Balance as at 1 January	66,162,969	60,182,139
Net Shares Issued/(Redeemed) During the Year	6,193,881	5,980,830
	-----	-----
Balance at 31 December	72,356,850	66,162,969
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. REPORTING ENTITY

EDC Ghana Balanced Fund Limited is a mutual fund investment company whose primary object is to obtain contributions from members and invest same for their benefit. EDC Ghana Balanced Fund Limited is a limited liability company and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 1 of the annual report.

2. BASIS OF PREPARATION

a. Basis of measurement

The financial statements have been prepared in accordance with Ghana National Accounting Standards and the Unit Trust and Mutual Fund Regulations.

b. Functional and presentation currency

The financial statements are presented in Ghana Cedi (GH¢) which is the organisation's functional and presentation currency.

c. Use of estimates and judgment

The preparation of financial statements in conformity with Ghana National Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Investments

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day. Securities that are actively traded on over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities for which, market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors. Debt securities are valued at amortized cost.

3.2 Dividend

Income of the company includes all dividend received or receivable. Dividends are recognized in the in

3.3 Interest Income

Interest Income is recorded on accrual basis.

3.4 Investment transactions and related investment income

Security transactions are recorded by the fund as of the date the trades are executed with brokers. Realized gains and losses from security transactions are determined based on the specific identified cost of the securities. Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis. Market discounts, premiums and original issue discounts on fixed-income securities are amortized daily over the expected life of the security.

3.5 Cash allocations

Income, fees and expenses (other than class-specific fees and expenses) and realized and unrealized gains and losses are allocated daily among the various share classes based on their relative net assets. Class-specific fees and expenses, such as distribution, administrative and shareholder services, are charged directly to the respective share class.

3.6 Bonus shares

Bonus shares are recognised when the right to holding is established.

4. INTEREST INCOME

	2014 GH¢	2013 GH¢
Interest on Treasury Bills	22,302	-
Interest on Call Deposit	5,531	9,926
Treasury Notes	563,079	721,515
Interest – Certificates of Deposits	2,408,494	1,347,383
Corporate Bond	527,452	-
	-----	-----
	3,526,858	2,176,544
	=====	=====

5. REALIZED GAINS/(LOSSES) ON INVESTMENT

	2014 GH¢	2013 GH¢
Fan Milk Ltd	-	173,553
Standard Chartered Bank	-	-
Ghana Commercial Bank	-	213,526
State Insurance Company	-	29,345
Benso Oil Palm Plantation	-	53,716
CAL Bank Limited	-	158,869
Unilever Ghana limited	-	52,084
	-----	-----
	-	681,093
	=====	=====

6. UNREALIZED GAINS/(LOSSES) ON INVESTMENT

	2014 GH¢	2013 GH¢
Market Value of Investments	7,407,149	5,787,486
Cost of Investments	(7,071,149)	(3,211,580)
	-----	-----
	336,000	2,575,906
	=====	=====

7. CAPITAL TRANSACTIONS

	2014 No. of Shares	2013 No. of Shares
New Issues	22,846,526	17,376,605
Redemptions	(16,652,644)	(11,395,774)
	-----	-----
Shares Issued/(Redeemed)	6,193,882	5,980,830
	=====	=====

10. TRANSACTIONS THROUGH STOCK BROKERS

The fund's transactions were through EDC Stockbrokers Limited.

11. OWNERS' FUNDS

	2014 GH¢	2013 GH¢
Accumulated net investment income	12,579,011	9,134,621
Stated capital registered	100,000	100,000
Movement on shares issued	10,279,428	8,831,495
	-----	-----
	22,958,439	18,066,116
	=====	=====

12. OTHER EXPENSES

	2014 GH¢	2013 GH¢
Audit Fees	12,000	8,900
Directors Emoluments	33,666	13,000
Custody Fees	31,559	35,334
Legal Fees	10,500	6,600
Stationery/Printing	2,422	5,547
Postage	-	536
Marketing and Promotion	-	7,131
Board Expense	3,700	1,676
AGM Expenses	1,194	2,160
Other	1,752	250
	-----	-----
	96,793	81,132
	=====	=====

13. DIRECTORS' SHAREHOLDING

	SHARES	PERCENT OF FUNDS
David Ofosu-Dorte	44,797	0.0622
Richard Adu-Poku	6,687	0.0092
Sarah Brainoo Arhin	32,914	0.0455
William Mensah	120,742	0.1669
Nana Amoto Mensah	215,488	0.2978



Tuesday July 21, 2015.

The Manager
EDC Ghana Balanced Fund
No. 52 Ridge Link
North Ridge
PMB, GPO
Accra.

Our Ref: 20141231EDCBFD

REPORT OF THE CUSTODIAN TO THE INVESTORS OF EDC BALANCED FUND

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I 1695 and attaché a statement of holdings of securities in custody with HFC Bank Custody Services for the above fund as at December 31, 2014.

Respective Investment Restrictions imposed on the Fund and the Responsibility of Custodians

Pages 12 of the funds regulations specify 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 gives a true and fair view of the state of affairs of the Fund as at December 31, 2014 and the manager, **EDC Investment Management Services Limited** has managed the fund for the year ended December 31, 2014 in accordance with,

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

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Elias Augustine Bey".

Elias Augustine Bey
Head, HFC Bank Custody Services

PROXY FORM

I/We.....of.....

Being a member(s) of Kiddifund Mutual Fund Limited (“the Company”) hereby appoint

.....of.....As my/our proxy to attend on my/our behalf, the Annual General Meeting of the Fund, to be held at the GNAT Hall, new conference room, Accra on Thursday 6th August, 2015 for the following purposes and to vote on my/our behalf on matters as directed below:

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
1. To consider the Report of Directors and Auditors for the year ended 31st December 2014		
2. To consider and adopt the accounts for 2014		
3. To Authorize the Directors to fix remuneration of the Auditors		
4. To transact any other business appropriate to be dealt with at any Annual General Meeting.		

Unitholder’s Signature

Date2015

Notes

1. A proxy need not be a member of the fund.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and deposited at the Registered Office of the Secretary not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders the signature of only one of the joint holders is required.
5. In the case of a body corporate the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a Unitholder from attending the meeting and voting thereat.

