

2015 Annual Report

**EDC GHANA
BALANCED FUND
LIMITED**

EDC Ghana Balanced Fund Limited

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NOTICE OF ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 7th Annual General Meeting of the Shareholders of EDC Ghana Balanced Fund Limited will be convened at the Ghana National Association of Teachers (GNAT) Hall, new Conference room, Accra on wednesday 13th July, 2016 at 10:00 a.m for the following purposes:

1. To receive and consider the report of Directors and Auditors for the year ended 31st December, 2015;
2. To receive and adopt the Accounts for the year ended 31st December, 2015;
3. To authorize the Directors to determine the fees for the Auditors;
4. To approve the Board of Directors' fees for the year 2016;
5. To transact any other business appropriate to be dealt with at an Annual General Meeting.

A Shareholder of the Company 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 not later than forty-eight (48) 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 this 15th day of June, 2016.

BY ORDER OF THE BOARD



Lawfields Consulting
Secretary

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BOARD OF DIRECTORS	Mr. Richard Adu-Poku - Chairman Mr. David Ofosu-Dorte Mr. Kisseih Antonio Mr. Paul Mante Mr. William 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 OF EDC GHANA BALANCED FUND LIMITED

The Board of Directors presents the report and audited financial statements of EDC Ghana Balanced Fund Limited for the year ended 31 December, 2015.

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 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.

i. Investment distribution:

Total investment as at 31 December 2015 is made up as follows:

	2015 GH¢	2014 GH¢
Equities/Stocks	8,484,347	7,407,149
Ghana Government Securities	6,010,191	4,142,914
Fixed Deposits	9,875,220	10,245,141
Treasury Bills	546,358	630,789
Cash	245,361	595,831
	-----	-----
Total Investment	25,161,479	23,021,824
	=====	=====

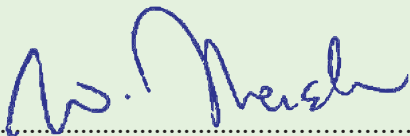
REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED

ii .Below are the asset allocation percentages for the year ended:

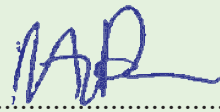
	2015 (%)	2014 (%)
Equity/Stocks	33	32
Ghana Government Securities	24	18
Fixed Deposits	39	45
Treasury Bills	2	3
Cash	2	2
	----	----
	100	100
	===	===

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 30th June, 2016 and signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR

CHAIRMAN'S STATEMENT- EDC GHANA BALANCED FUND

Introduction

It is with great pleasure that I welcome you all to the 7th Annual General Meeting of the EDC Ghana Balanced Fund (the Fund). There is no doubt we have had a tough year but through it all, your Fund has remained resilient. In 2015, the Fund realized a return of 15.92% thus significantly outperforming its benchmark of 5.37%. In spite of the negative performance of the stock market, your Fund stayed strong in 2015, and has continued to excel in its performance since inception. We appreciate your continuous support throughout the years and look forward to even better years ahead.

The Economic Environment in 2015

There was a slowdown in the Ghanaian economy in 2015, with real GDP improving by 3.5% during, below the government's target of 3.9%, and less than the 4.0% growth rate experienced in 2014. The economic slowdown resulted from lower government spending, a slump in oil and gold prices as well as power shortages, which significantly undermined economic activity. Despite a weaker economy, inflation accelerated to an average of 17.1% in 2015, up from 15.5% the year before, prompting the Bank of Ghana (BoG) to hike its Monetary Policy Rate four times by a total of 500 basis points to 26% during the year. This move by the BoG, contributed to tilting the balance of risks against economic growth, while pushing up short term yields on Treasury bills and bonds.

The equities market on the other hand witnessed great difficulty in the year showing little signs of recovery from the 2014 slump. Negative return of -11.77% on the market had a significant impact on our Fund but through a disciplined investment management process, our Fund made a positive return.

2016 Outlook

With IMF-agreed reforms now being implemented, the short-term economic outlook for Ghana appears to be improving as reflected in the IMF's positive comments after the third successful review.

GDP growth is projected to pick up to around 4.5% in 2016; however, there are potential risks that could undermine growth, including a combination of fiscal consolidation under the IMF-advised reform programme and power shortages (albeit improving). In addition, the large fiscal and current account deficits, and high financing needs, leave Ghana vulnerable to any further deterioration in external conditions.

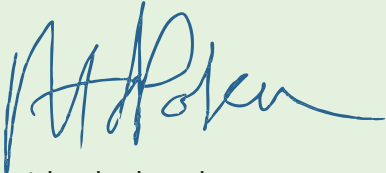
In 2016, inflation is likely to overshoot the central bank's 8% (+/- 200bp) medium-term target, albeit by a less significant margin, reflecting the government's fiscal consolidation efforts. As fiscal policy dominance over monetary policy subsides and as the inflation targeting monetary policy framework is strengthened, the rate of inflation (18.9% in May 2016) should decrease in the coming months, moving closer to the medium-term target of 8% (+/- 200bp) in the coming months. Inflation is likely to remain elevated, in double-digits, prompting the BoG to continue with its tight policy stance. The BoG will only cut the policy rate once there is a clear indication that inflation is falling steadily and the rate of exchange of the GHS against major international currencies particularly the USD has stabilized.

EDC Ghana Balanced Fund Operating Performance

Negative stock market performance over the past 18 months has caused general investor confidence in the stock market to wane. The NAV of the fund also increased to GHS25.65m from GHS23.14m, with the slow growth explained by the negative stock market performance. While the stock market outlook remains bearish,

CHAIRMAN'S STATEMENT- EDC GHANA BALANCED FUND

we are optimistic that your Fund will yield positive returns and will remain strategically positioned to take advantage of the stock market recovery.

A handwritten signature in blue ink, appearing to read 'R. Adu-Poku', written in a cursive style.

Richard Adu-Poku
Chairman.

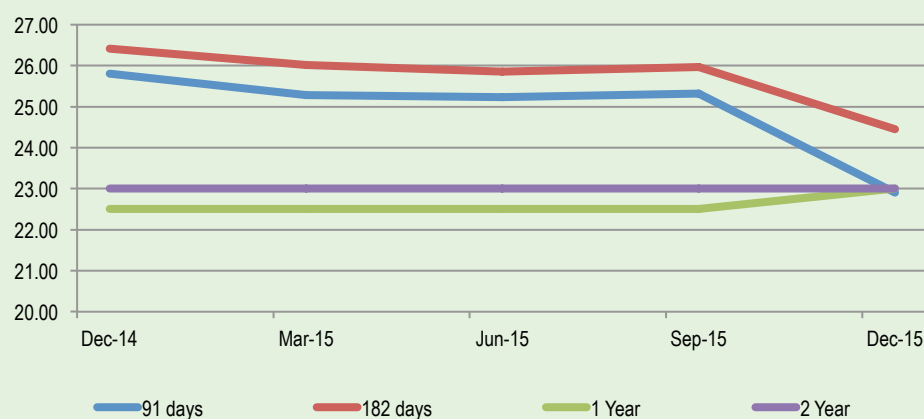
FUND MANAGER'S STATEMENT TO EDC GHANA BALANCED FUND SHAREHOLDERS

Economic Environment in 2015

Ghana's economy was weaker in 2015 than the previous years. GDP growth reported at 3.5% was lower than the 3.9% targeted by the government. Inflation however accelerated to an annual average of 17.1% and necessitated an upward adjustment in the policy rate to 26% by year end. As expected, the economic setting in Ghana dictated returns that were generated both on the fixed income market and the equities market. Government efforts aimed at correcting the yield curve for government securities, brought about marginal declines in yield on government securities with shorter durations and an increase in yield for longer dated securities. Interest rates for 91 day and 182 day bills have since January 2015, recorded marginal declines m/m. Yields on 1 year and 2 year securities were however resilient for the most part of the year. By year end, the 91 day bill had its yield lowered by nearly 300bps while the 182 day bill yield also dropped by nearly 200bps.

The Fixed Income Market in 2015

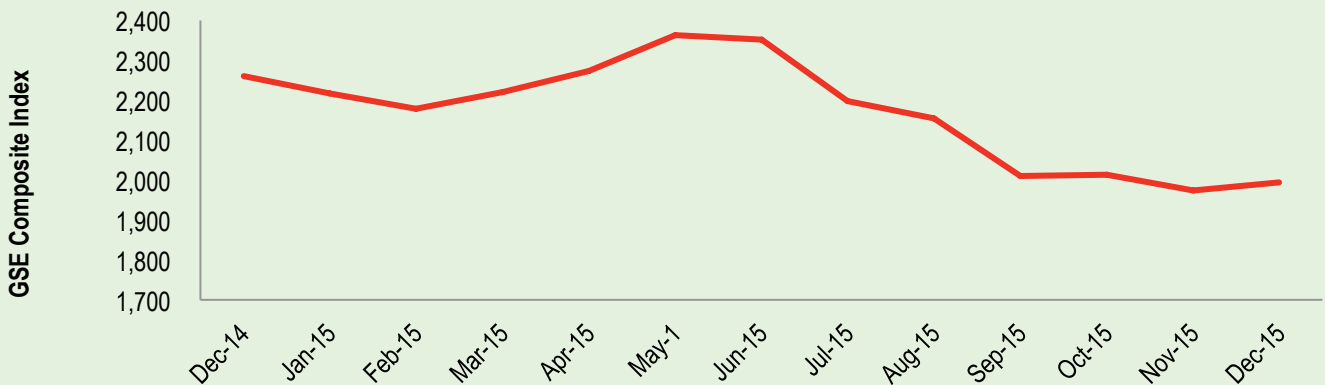
Government securities issued in 2015 were skewed toward the short end of the yield curve. The government raised a total of GHS 54bn in 2015 with 90% of all government issues being 91 day and 182 day treasury bills. There were four issuances of 3 year government bonds and two issuances of 5 year government paper. The Monetary Policy Committee (MPC) policy to introduce foreign participation in the 2-year government paper came into effect in 2015. Following the successful listing of the first corporate bond on the Ghana Alternative Market (GAX) by IZWE Loans Ltd., there were other corporate bond listings in 2015 by AFB Ghana Ltd., Bayport Financial Services Ltd. and Edendale Properties Ltd. We expect more corporate bond listings in the coming years which should continue to stimulate secondary market trading.



The Equities Market in 2015

The strong performance of stock market in the last 3 years was reversed in 2015. Market performance was far below expectation as 17 stocks ended the year with negative returns compared to 8 stocks that made gains. Following general macro-economic uncertainties which were highlighted by the sharp depreciation of the cedi in the opening months of the year, returns on the market in quarter 1 were low. The market recovered briefly in quarter 2 with a q/q return of 5.94% but reversed the gains in quarter 3 (q/q of -14.57%) and in quarter 4 (q/q of 0-.73%). Cumulatively, the market recorded a loss of 11.77%. Trading volumes however improved by about 17% to 244.8m shares although general price declines caused market turnover to tumble by 29% to GHS246m.

GSE Composite Index 2015

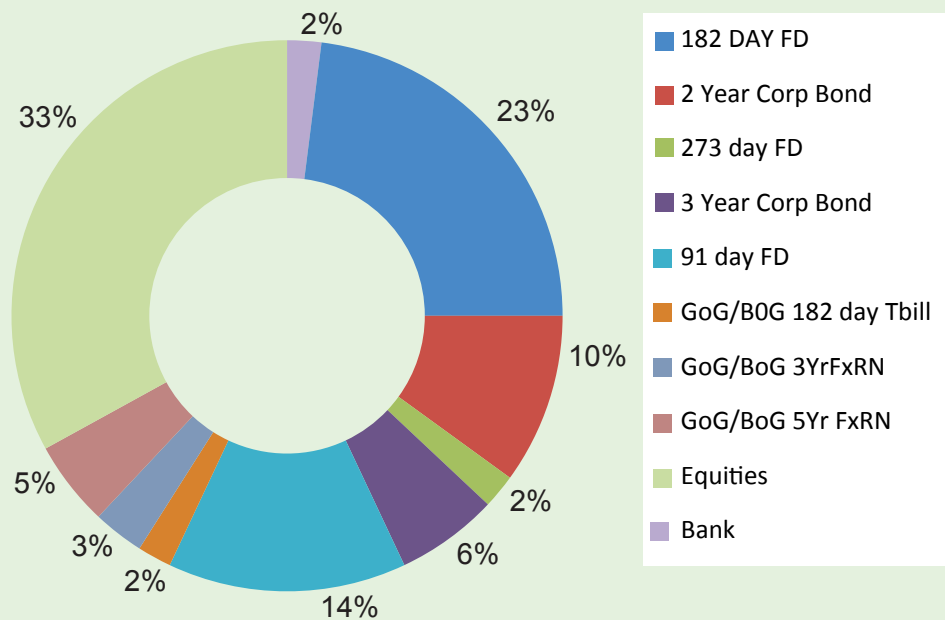


Portfolio Structure

The Fund maintains a balanced mix in assets in accordance with the fund objective of creating and preserving wealth for shareholders. Our desire to ensure that your funds are able to grow in the medium to long term to meet your financial goals, we have in the last year increased our holdings in fixed income securities where returns have been the highest.

The fixed income portion of the Fund accounted for 64.88% of the entire portfolio while the equity exposure of the fund inched up to 33.08% of the Fund’s assets. This is owing to the fact that we increased our equity holdings in stocks that we expect to outperform the benchmark index when the market rebounds.

Portfolio Mix as at 31st December 2015



Performance Summary %	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	Since Inception
EDC Ghana Balanced Fund	1.59	4.09	5.80	15.92	15.92	98.86	146.90	269.19
Benchmark*	1.47	2.45	-1.97	5.37	5.37	73.44	127.91	143.02

In 2015, the return on the Balanced Fund was 15.92%. This was more than 10% above the benchmark return of 5.37% for the year. In spite of the low performance of -11% recorded by the stock market index- GSE All Share Composite Index relatively high yields on government fixed income securities ensured moderate returns for the fund. Cumulative returns on the fund since inception in April 2009 till December 2015 is 269.19%.

Outlook and Strategy 2016

The outlook for inflation in 2016 has improved now that economic reforms are being implemented successfully and fiscal consolidation efforts have proved effective in an election year. That notwithstanding, we anticipate that year end inflation will remain far above government target. We expect interest rates to remain high as long as government appetite for locally sourced funds persists meanwhile we are bearish about stock market performance in 2016. We also expect short term T-bill yields to remain elevated at around 23-24% and the near 26% reached in January 2015 appears the peak as investor confidence grows following the implementation of the IMF advised reform programme. Short term bond yields are also likely to remain high at around 23-24% but could also start to fall steadily given there is already early progress with the reform programme.

Government has stepped up efforts to keep yields contained with possible marginal declines by restructuring its debt portfolio by issuing relatively longer dated instruments and consequently correcting its yield curve. We have observed, since the second half of 2015, a gradual steepening of the yield curve following the debt restructuring efforts of the government. We will thus remain defensive in the market and concentrate at the short end of the yield curve where yields are highest, while gradually increasing the duration of the portfolio as yields on longer dated securities become more attractive.

We anticipate that low investor interest on our market will delay price discovery and therefore do not expect the stock market to close with strong returns. Our strategy therefore will be to maximize yields in fixed income instruments while taking positions in value stocks in anticipation of market correction



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 2015, a statement of comprehensive income 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 5 to 23.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) 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 2015 and its statement of income and distribution and statement of changes in equity for the year then ended in accordance with the International Financial Reporting Standard (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act, 1963 (Act 179).

**John Kay & Co.**

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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 comprehensive income and statement of changes in equity are in agreement with the books of account.

JOHN ARMSTRONG YAO KLINOGO (ICAG/P/1116)
For and on behalf of John Kay & Co. (ICAG/F/2016/128)
Chartered Accountants
Accra.

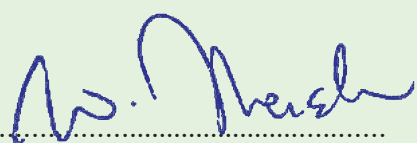
30th June 2016

STATEMENT OF FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2015

EQUITY INVESTMENTS	SHARES	PRICE PER SHARE GH¢	MARKET VALUE GH¢	PERCENT OF NET ASSETS %
Banking				
Ecobank Ghana Limited	199,728	7.01	1,400,093	5.56
Ecobank Transnational Incorporated	3,314,500	0.27	894,915	3.58
Ghana Commercial Bank	394,500	3.79	1,495,155	5.98
Standard Chartered Bank	55,704	16.30	907,975	3.63
CAL Bank	665,400	1.00	665,400	2.66
Financial Services				
State Insurance Company	119,900	0.14	16,786	0.07
Enterprise Insurance	374,500	2.40	898,800	3.60
Food, Beverages & Household Products				
Guinness Ghana Breweries Ltd	78,320	1.99	155,857	0.62
Fan Milk Ltd	57,656	7.35	423,772	1.70
Patterson Zochonis Comp. Ltd	377,400	0.34	128,316	0.51
Unilever Ghana Ltd	9,995	8.50	84,958	0.34
Agro-Processing				
Benso Oil Palm Plantation	111,600	2.50	279,000	1.12
Oil & Gas				
Ghana Oil Company	231,960	1.40	324,744	1.30
Total Petroleum	158,544	5.10	808,574	3.23
			8,484,347	33.94
FIXED INCOME INSTRUMENTS				
Treasury Bills				
182 Days Treasury Bill			546,359	2.19
			546,359	2.19
Treasury Notes & Bonds				
3-Year Fixed Rate Notes			797,882	3.19
5-Year Fixed Rate Notes			1,152,478	4.61
			1,950,360	7.80
Corporate Bond				
AFS 2-Floating Rate Note			2,569,488	10.28
AFS 3-Floating Rate Note			1,490,344	5.96
			4,059,832	16.24
Certificates of Deposit				
91-Day Fixed Deposit			3,484,162	13.94
182-Day Fixed Deposit			5,788,201	22.16
273-Day Fixed Deposit			602,857	2.41
			9,875,220	39.51
Funds on Call				
Funds on Call			245,361	0.98
Total Fixed Income			16,677,132	66.72
TOTAL ASSETS			25,161,479	100.66
NET CURRENT ASSETS			(164,360)	(0.66)
TOTAL NET ASSETS			24,997,119	100.00

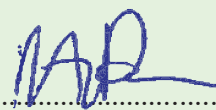
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		2015 GH¢	2014 GH¢	At Jan. 2014 GH¢
ASSETS	Note(s)			
Cash and cash equivalents	12	3,729,525	5,807,472	4,463,773
Non-pledged financial assets at fair value Through Profit and loss	12	21,431,954	17,214,352	13,600,672
Accounts receivables		22,000	-	159,063
Total Assets		25,183,479	23,021,824	18,223,508
		=====	=====	=====
Represented by:				
Owners Fund		24,997,119	22,958,439	18,066,116
		-----	-----	-----
Liabilities				
Accounts payables	12	186,360	63,385	157,392
		-----	-----	-----
		186,360	63,385	157,392
		-----	-----	-----
Total Owners' Fund and Liabilities		25,183,479	23,021,824	18,223,508
		=====	=====	=====



Director

30th April 2016



Director

30th April 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 GH¢	2014 GH¢
Revenue			
Interest income	10	4,658,645	3,548,082
Dividend income		271,891	185,604
Net gains from financial instrument at fair value through Profit or loss		(630,066)	336,000
Total revenue		4,300,470	4,069,686
Expenses			
Fund management fees		622,547	528,503
Custodian fees		38,117	31,559
Directors Emolument		22,000	33,666
General administrative expenses		32,705	19,568
Audit Fees		12,000	12,000
IFRS Conversion Fess		6,000	-
Total operating expenses		(733,769)	(625,296)
Operating profit before tax		3,566,701	3,444,390
Taxation	16	-	-
Increase in net assets available for benefits		3,566,701	3,444,390

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 GH¢	2014 GH¢
Balance as at 1 January	12,579,011	9,134,621
Transfer from Statement of Comprehensive Income	3,566,701	3,444,390
Balance at 31 December	16,145,712	12,579,011

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 GH¢	2014 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	4,196,767	3,108,390
Unrealized Gains/ (Loss)	(630,066)	336,000
	-----	-----
Net change in net assets from operations	3,566,701	3,444,390
	-----	-----
Change in net assets from capital transactions		
Proceeds from Issue of Shares	5,868,793	6,685,197
Share Redemption	(7,396,814)	(5,237,264)
	-----	-----
Net change in net assets from capital transactions	(1,528,021)	1,447,933
	-----	-----
Net additions to net assets	2,038,680	4,892,323
	=====	=====
Analysis of changes in cash and cash equivalents for the year		
At 1 January	22,958,439	18,066,116
Net additions to net assets	2,038,680	4,892,323
	-----	-----
At 31 December	24,997,119	22,958,439
	=====	=====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

December 2015	CAPITAL TRANSACTIONS GH¢	INVESTMENTS GH¢	TOTAL GH¢
At 1 January 2015	10,379,428	12,579,011	22,958,439
Net Income from Operations	-	3,566,701	3,566,701
Share Issue	5,868,793	-	5,868,793
Shares Redemption	(7,396,814)	-	(7,396,814)
	-----	-----	-----
	8,851,407	16,145,712	24,997,119
	=====	=====	=====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

December 2014	CAPITAL TRANSACTIONS GH¢	INVESTMENTS GH¢	TOTAL GH¢
At 1 January 2014	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)
	-----	-----	-----
	10,379,428	12,579,011	22,958,439
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 No. of Shares	2014 No. of Shares
Balance as at 1 January	72,356,850	66,162,969
Net Shares Issued/(Redeemed) During the Year	19 (4,465,834)	6,193,881
	-----	-----
Balance at 31 December	67,891,017	72,356,850
	=====	=====

PORTOFOLIO SUMMARY AT 31 DECEMBER 2015

DESCRIPTION	POSITION AS AT 31.12.2014	VALUE AS AT 31.12.2014 GH¢	POSITION AS AT 31.12.15	VALUE AS AT 31.12.2015 GH¢	PURCHASES AS AT 31.12.2015 GH¢	SALES AS AT 31.12.2015 GH¢
Banking						
Ecobank Ghana Limited	199,728	1,517,933	199,728	1,400,093	-	-
Ecobank Transnational Incorporated	1,806,100	505,708	3,314,506	894,917	380,381	-
Ghana Commercial Bank	166,600	882,980	394,500	1,495,155	903,646	-
Standard Chartered Bank	55,704	1,133,576	55,704	907,975	-	-
CAL Bank	407,100	411,171	665,400	665,400	236,884	-
Financial Services						
State Insurance Company	119,900	44,363	119,900	16,786	-	-
Enterprise Insurance	334,000	584,500	374,500	898,800	94,497	-
Food, Beverages & Household Products						
Guinness Ghana Breweries Ltd	78,320	250,264	78,320	155,857	-	-
Fan Milk Ltd	57,656	302,694	57,656	423,772	-	-
Patterson Zochonis Comp. Ltd	377,400	113,220	377,400	128,316	-	-
Unilever Ghana Ltd	9,995	106,947	9,995	84,958	-	-
Agro-Processing						
Benso Oil Palm Plantation	93,300	383,350	111,600	279,000	91,856	-
Oil & Gas						
Ghana Oil Company	193,300	202,965	231,960	324,744	-	-
Total Petroleum	158,544	967,118	158,544	808,574	-	-
	-----	-----	-----	-----	-----	-----
	4,057,847	7,407,149	6,149,713	8,484,347	1,707,264	-
	=====	=====	=====	=====	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and the Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695)

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. USE OF ESTIMATES AND JUDGMENT

The preparation of financial statements in conformity with International Financial Reporting Standard (IFRS) 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.

5. SIGNIFICANT ACCOUNTING POLICIES

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

i. Contributions

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 an 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.

ii. Investment income recognition

(a) Interest income

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable are recognized in the profit or loss as interest.

(b) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date that shareholders approve the payment of dividend.

(c) Pooled investment income

Income arising from the underlying investment of the pooled investment that is reinvested within the pooled investment is reflected in the unit price. Such income is reported within the change in market value.

iii. Financial Instruments

(a) Non-derivative financial instruments

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

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Non-derivative financial instruments are derecognised when the rights to receive cash flows from the financial assets have expired or where the Scheme has transferred substantially all risks and rewards of ownership.

Non-derivative financial instruments are categorised as follows:

- Loans, advances and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those classified as held for trading and those that the Scheme on initial recognition designates at fair value through profit or loss; (b) those that the Scheme upon initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are carried at amortised cost using effective interest rate method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the Scheme's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on aging of customer's balances, specific credit circumstances, and the company's receivables historical experience. Regular way purchases and sales of loans and receivables are recognised on contractual settlement.

- Available-for-sale – These are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as (a) loans and receivables, (b) held to maturity, (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss account. However, interest calculated using the effective interest method is

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Scheme's right to receive payment is established.

Regular way purchases and sales of available-for-sale financial assets are recognised on trade-date, i.e. the date on which the Scheme commits to purchase or sell the asset.

Held-to-maturity – Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Were the scheme to sell more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available-for-sale. Treasury bills with an original maturity of more than 182 days, treasury notes and other government bonds are classified as held-to-maturity.

Held-to-maturity assets are carried at amortised cost using effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognised on trade-date, i.e. the date on which the Scheme commits to purchase or sell the asset.

(b) Financial Liabilities

Financial liabilities, other than trading liabilities and financial liabilities designated at fair value, are carried at amortised cost using the effective interest method. Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Financial liabilities are derecognised when they are redeemed or otherwise extinguished.

(c) Off setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the scheme has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(d) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(e) Hedge Accounting

Hedge accounting is the method that recognises the proportionate offsetting effects of a hedging instrument on the changes in value of the hedged item. Hedge accounting applies only when a hedging relationship can be demonstrated between a hedged item and a hedging instrument. Such method generally applies for transactions that are carried out to eliminate or mitigate risks. The effectiveness of such hedges is demonstrated at inception and verified at regular intervals and at least on a quarterly basis, using prospective and retrospective testing. Recognition of hedged transactions depends on the hedged categories.

Fair value hedges

Fair value hedges are used to mitigate foreign currency and interest rate risks of recognised assets and liabilities. The changes in fair values of hedging instruments are recognised in the income statement. Hedged items are also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The fair values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters and dealer quotes for similar instruments. When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

Cash flow hedges

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions as well as the variability of expected interest payments and receipts. The effective part of the changes in fair value of hedging instruments is recognised against equity, while any ineffective part is recognised immediately in the income statement. When the hedged item results in the recognition of a non-financial asset or liability, the gains or losses previously recognised against equity are included in the measurement cost of the asset or the liability. Otherwise the gains or losses previously recognised against equity are removed from equity and recognised in the income statement at the same time as the hedged transaction.

(f) Effective Interest Rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

(g) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible. Where no such active market exists for the particular asset, the trustees use a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models or other valuation techniques commonly used by market participants.

(h) Impairment of financial assets

The directors assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

- I. Significant financial difficulty of the borrower;
- II. A breach of contract, such as default or delinquency in interest or principal repayments;
- III. The Scheme granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Scheme would not otherwise consider;
- IV. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- V. The disappearance of an active market for that financial asset because of financial difficulties; or

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

- VI. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets including:
- VII. Adverse changes in the payment status of borrowers; or
- VIII. National or local economic conditions that correlate with defaults on the assets of The Scheme.

The estimated period between a losses occurring and its identification is determined by trustees for each identified portfolio.

v. Foreign Currency

Transactions in foreign currencies during the period are converted into Cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Cedis at exchange rates ruling at the financial year-end.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into Cedis at the exchange rates at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

vi. Transfer values

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

vii. Cash and cash equivalents

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

viii. Fees and commission

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

6. First time adoption of the International Financial Reporting Standards

These financial statements, for the year ended 31 December 2015, are the first the Fund has prepared in accordance with International Financial Reporting Standards. For periods up to and including the year ended 31 December 2014, the fund prepared its financial statements in accordance with the Ghana National Accounting Standards. Accordingly, the Scheme has prepared financial statements which comply with International Financial Reporting Standards (IFRS) applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014, as described in the accounting policies.

In preparing these financial statements, the Scheme's opening statement of financial position was prepared as at 1 January 2015, the Scheme's date of transition to International Financial Reporting Standards. This note explains the principal adjustments made by the fund in restating the Ghana National Accounting Standards statement of financial position as at 1 January 2015 and its previously published Ghana National Accounting Standards financial statements as at and for the year ended 31 December 2014.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(a) Exemptions applied

IFRS 1 - First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain International Financial Reporting Standards.

The Scheme has elected to designate certain investments in quoted equity, unquoted equity, corporate bond and state government bonds as available-for-sales financial assets at the date of transition to International Financial Reporting Standards despite the fact that such investments were not hitherto classified as such under Ghana National Accounting Standards.

(b) Reconciliation of Owners Fund reported under GNAS to Members fund reported under IFRS at 1 January 2015

ASSETS	GNAS GH¢	Reclassif GH¢	Remeasure GH¢	IFRS GH¢
Equities	7,407,149	(7,407,149)	-	-
Fixed interest securities	4,142,914	(4,142,914)	-	-
Money market securities	10,875,930	(10,875,930)	-	-
Cash and cash equivalents	-	5,807,472	-	5,807,472
Non-pledged financial Instruments at fair value through profit and loss	-	17,214,352	-	17,214,352
Cash and bank	595,831	(595,831)	-	-
Accounts receivable	--	-	-	-
	-----	----	---	-----
	23,021,824	-	-	23,021,824
	=====	===	==	=====

(c) Reconciliation of owners fund reported under GNAS to Owners fund reported under IFRS at 1 January 2015

OWNERS FUND AND LIABILITIES

Owners' Fund	-	22,958,439	-	22,958,439
Net equity attributable to members	22,958,439	(22,958,439)	-	-
	-----	-----	---	-----
	22,958,439	-	-	22,958,439
	-----	-----	---	-----
Liabilities				
Accounts payables	-	63,385	-	63,385
Sundry payables	63,385	(63,678)	-	-
	-----	-----	---	-----
	63,385	-	-	63,385
	-----	-----	---	-----
	23,021,824	-	-	23,021,824
	=====	==	==	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(c) Reconciliation of owners fund reported under GNAS to Members fund reported under IFRS at 1 January 2014

ASSETS	GNAS GH¢	Reclassif GH¢	Remeasure GH¢	IFRS GH¢
Equities	5,787,486	(5,787,486)	-	-
Fixed interest securities	4,737,512	(4,737,512)	-	-
Money market securities	6,957,548	(6,957,548)	-	-
Cash and cash equivalents	-	4,463,773	-	4,463,773
Non-pledged financial Instruments at fair value through profit and loss	-	13,600,672	-	13,600,672
Cash and bank	581,899	(581,899)	-	-
Accounts receivable	159,063	-	-	159,063
	-----	----	---	-----
	18,223,508	-	-	18,223,508
	=====	===	==	=====

Reconciliation of members fund reported under GNAS to Owners fund reported under IFRS at 1 January 2014

OWNERS FUND AND LIABILITIES

Owners' Fund	-	18,066,116	-	18,066,116
Net equity attributable to members	18,066,116	(18,066,116)	-	-
	-----	-----	----	-----
	18,066,116	-	-	18,066,116
	-----	-----	--	-----
Liabilities				
Accounts payables	-	157,392	-	157,392
Sundry payables	157,392	(157,392)	-	-
	-----	-----	----	-----
	157,392	-	-	157,392
	-----	-----	----	-----
	18,223,508	-	-	18,223,508
	=====	==	==	=====

(d) Reconciliation of income statement under GNAS to statement of comprehensive income reported under IFRS at 1 January 2015

REVENUE	Notes	GNAS GH¢	Reclassif. GH¢	Remeasure. GH¢	IFRS GH¢
Interest income		3,526,858	-	-	3,526,858
Dividend income		185,604	-	-	185,604
Other Income		21,224	-	-	21,224
Net gain from financial Instruments at fair value through profit and loss		-	336,000	-	336,000
		-----	-----	---	-----
Total revenue		3,733,686	336,000	-	4,069,686
		=====	=====	==	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

EXPENSES

Fund management fees	528,503	-	-	528,503
Custodian fees	31,559	-	-	31,559
Directors Emoluments	33,666	-	-	33,666
General Administrative expenses	19,568	-	-	19,568
Audit fees	12,000	-	-	12,000
	-----	-----	-----	-----
Total expenses	(625,296)	-	-	(625,296)
	-----	-----	-----	-----

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

	NOTES	GNAS GH¢	Reclassify. GH¢	Remeasure. GH¢	IFRS GH¢
Changes in unrealised gain/(loss)	3,108,390	336,000	336,000	-	3,444,390
	336,000	(336,000)	(336,000)	-	-
	-----	-----	-----	-----	-----
Operating profit before tax	3,444,390	-	-	-	3,444,390
Taxation	16	-	-	-	-
	-----	-----	-----	-----	-----
Increase in net asset available for distribution	3,444,390	-	-	-	3,444,390
	=====	=====	=====	=====	=====

1. Related parties and Key contractors

a. Fund Managers

The Directors of the Fund appointed EDC Investments Limited, an investment management company incorporated in Ghana and duly licensed by the security and exchange Commission of Ghana as a Mutual Fund Manager, to implement the investment strategy and objectives as stated in the Funds investment management policy manual. Under the investment management agreements, the investment managers receive a management fee not exceeding 2.5% per annum of the Fund's average daily net assets value on a monthly basis and paid at the end of each month based on the number of days within the period.

The Board and the Manager by mutual agreement can authorize the Management fee to be calculated and paid at periods other than monthly intervals provided the interest of the shareholders is not jeopardized. The management fees incurred during the year amounted to GH¢ 622,547. Included in the payables as at 31 December 2015 were fund management fees of GH¢ 151,205.

b. Fund Custodians

The Directors of the Fund appointed Standard HFC Bank Limited, a Limited liability company incorporated in Ghana and duly licensed by the security and exchange Commission of Ghana to provide custody services to the Fund managers. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of the custodian shall be entitled to a transaction charge of GH¢ 5 per transaction and a safekeeping fee of thirteen 13 basis points (0.13%) per annum. The custodian shall also be entitles to GH¢50 per month per securities account. The fees are inclusive of communication charges relating to the conduct of normal business of the net asset value in accordance with guidelines on fees and charges issued by the security and exchange Commission of Ghana. The Custodian fees Charged during the year amounted to GH¢ 38,117. Included in the payables as at 31 December 2015 were custodian fees of GH¢12,705.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8 Unit Purchases

	2015 GH¢	2014 GH¢
Balance at 1 Jan	10,379,428	8,931,495
Members Contribution during the year	5,868,793	6,685,197
	-----	-----
Redemptions	16,248,221 (7,396,814)	15,616,692 (5,237,264)
	-----	-----
	8,851,407	10,379,428
	=====	=====

9 Redemptions

	2015 GH¢	2014 GH¢
Redemptions	7,396,814	5,237,264
	-----	-----
	7,396,814	5,237,264
	=====	=====

10. Interest income

	2015 GH¢	2014 GH¢
Interest income from financial assets carried at amortised cost: Cash and cash equivalents	1,788,385	49,057
Interest income on financial instruments designated as at fair value through profit or loss:		
Debt securities	1,321,836	1,090,531
Held-to-maturity	1,548,424	2,408,494
	-----	-----
	4,658,645	3,548,082
	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11. Financial instruments

a. Analysis of changes in fair value of financial instrument through profit or loss.

31 December 2015	Balance 1/1/15 GH¢	Purchase/ (Sales) GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/15 GH¢
Quoted Shares	7,407,149	1,707,264	-	(630,066)	8,484,347
Ghana Government Securities	4,467,236	1,103,459	439,496		6,010,191
Treasury Bills	-	486,975	59,383	-	546,358
Fixed and time deposits	5,339,967	590,003	461,088	-	6,391,058
	17,214,352	3,887,701	959,967	(630,066)	21,431,954
	=====	=====	=====	=====	=====
31 December 2014	Balance 1/1/14 GH¢	Purchase/ (Sales) GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/14 GH¢
Quoted Shares	5,787,756	1,283,393	-	336,000	7,407,149
Ghana Government Securities	4,737,512	(270,276)	-	-	4,467,236
Fixed and time deposits	6,957,548	(1,617,581)	-	-	5,339,967
	17,482,816	(604,464)	-	336,000	17,214,352
	=====	=====	=====	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12. Classification of financial assets and financial liabilities

31 December 2015

	Notes	Held for Trading GH¢	Designated as at fair value GH¢	Receivable GH¢	Other liabilities GH¢	Total GH¢
Cash and cash equivalents	14	-	-	3,729,525	-	3,729,525
Non-pledged financial assets at Fair value through profit or loss Other Receivable	13	-	21,431,954	-	-	21,431,954
			-	22,000		22,000
		---	-----	-----	-----	-----
		-	21,431,954	3,751,525	-	25,183,479
		==	=====	=====	=====	=====
Payables under service level agreements	15	-	-	-	186,360	186,360
		----	----	-----	-----	-----
		-	-	-	186,360	186,360
		===	==	=====	=====	=====

31 December 2014

	Notes	Held for Trading GH¢	Designated as at fair value GH¢	Receivable GH¢	Other liabilities GH¢	Total GH¢
Cash and cash equivalents	14	-	-	5,807,472	-	5,807,472
Non-pledged financial assets at Fair value through profit or loss	13	-	17,214,352	-	-	17,214,352
		---	-----	-----	-----	-----
		-	17,214,352	5,807,472	-	23,021,824
		==	=====	=====	=====	=====
Payables under service level agreements	15	-	-	-	59,552	59,552
Other payables		3,833	3,833			
		----	----	-----	-----	-----
		-	-	-	63,385	63,385
		===	==	=====	=====	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

13. Financial assets designated as at fair value through profit or loss

	2015 GH¢	2014 GH¢
Debt securities	6,556,549	4,467,236
Quoted Equity investments	8,484,347	7,407,149
Held-to-maturity securities	6,391,058	5,339,967
	-----	-----
	21,431,954	17,214,352
	=====	=====

14. Cash and cash equivalents

	2015 GH¢	2014 GH¢
Cash and Bank Balances	245,361	595,831
91 day fixed deposit	3,484,162	4,905,174
91 day Treasury bill	-	306,467
	-----	-----
	3,729,523	5,807,472
	=====	=====

15. Payable under service level agreements

	2015 GH¢	2014 GH¢
Directors Allowance	1,300	-
Management fees	151,205	39,475
Audit fees	12,000	12,000
IFRS Conversion Fees	6,000	-
VAT on Audit fees	3,150	-
Custody Fees	12,705	8,077
	-----	-----
	186,360	59,552
	=====	=====

16. Taxation

Mutual Funds, under the current legislation, are not subject to taxes on investment income including capital gains.

17. New Standards and interpretations not yet adopted

A number of new standards and amendments are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The only new standard relevant to the Fund is IFRS 9 Financial Instruments, which is discussed below. The Fund does not plan to adopt IFRS 9 early.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

IFRS 9, Financial Instruments

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model of calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de recognition of financial instrument from IAS 39.

IFRS 9 is effective for annual reporting periods beginning 1 January 2018, with early adoption permitted.

18. UNREALIZED GAINS/(LOSSES) ON INVESTMENT

	2015 GH¢	2014 GH¢
Market Value of Investments	8,484,347	7,407,149
Cost of Investments	(9,114,413)	(7,071,149)
	-----	-----
	(630,066)	336,000
	=====	=====

19. CAPITAL TRANSACTIONS

	2015 No. of Shares	2014 No. of Shares
New Issues	17,152,286	22,846,526
Redemptions	(21,618,120)	(16,652,644)
	-----	-----
Shares Issued/(Redeemed)	(4,465,834)	6,193,882
	=====	=====

20. TAXATION

Under Ghanaian tax laws, the interest, dividend, or any other income of mutual fund is exempt from income tax. Capital gains on the sale of securities listed on the Ghana Stock Exchange are exempt from tax until 2016. However capital gains on the sale of unlisted securities attracts a 5% tax.

In the year under review, the company's investments are only in listed securities and hence interest and capital gains derived from these investments are exempt from income tax and capital gains tax.

21. PURCHASE AND SALE OF LONG TERM SECURITIES

	2015 PURCHASE GH¢	2014 PURCHASE GH¢	2015 SALES GH¢	2014 SALE GH¢
Ecobank Ghana limited	-	100,279	-	-
Ecobank Transnational Incorporate	380,381	7 3,513	-	-
Ghana Commercial Bank Ltd	903,646	299,637	-	-
CAL Bank	236,884	82,100	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

State Insurance Company		-	-	-
Enterprise Insurance Company	94,497	507,500	-	-
Guinness Ghana Breweries Ltd	-	-	-	-
Uniliver Ghana Ltd	-	-	-	-
Fan Milk Ltd	-	-	-	-
Benso Oil Palm Plantation	91,856	240,807	-	-
	-----	-----	-----	-----
	1,707,264	1,283,663	-	-
	=====	=====	=====	=====

22. TRANSACTIONS THROUGH STOCK BROKERS

The fund's transactions were through EDC Stockbrokers Limited.

23. OWNERS' FUNDS

	2015 GH¢	2014 GH¢
Accumulated net investment income	16,145,712	12,579,011
Stated capital registered	100,000	100,000
Movement on shares issued	9,028,806	10,279,428
	-----	-----
	25,274,518	22,958,439
	=====	=====

24. General Administrative Expenses

	2015 GH¢	2014 GH¢
Legal Fees	9,600	10,500
Stationery/Printing	-	2,423
Telephone/Postage	2,500	-
Marketing and Promotion	1,067	-
Board Expense	7,600	3,700
AGM Expenses	4,576	1,194
VAT on Audit Fees	3,150	-
Other	4,212	1,752
	-----	-----
	32,705	19,569
	=====	=====

25. DIRECTORS' SHAREHOLDING

	SHARES	PERCENT OF FUNDS
Paul Kofi Mante	148,497,56	0.21%
David Ofori-Dorte	44,801	0.06%
Richard Adu-Poku	6,687	0.01%
William Mensah	50,979	0.07%

PROXY FORM

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

Being a member(s) of EDC Ghana Balanced Fund Limited (“the Company”) hereby

appoint.....of.....

As my/our proxy to attend on my/our behalf, the 7th Annual General Meeting of the Company, to be held at the GNAT Hall, new conference room, Accra on Thursday 13th July 2015 at 10am 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 receive and consider the Report of Directors and Auditors for the year ended 31st December 2015		
2. To receive and adopt the accounts for the year ended 31st December 2015		
3. To Authorize the Directors to determine the fees of the Auditors		
4. To approve Directors’ fees for the year 2016		
5. To transact any other business appropriate to be dealt with at any Annual General Meeting.		

Unitholder’s SignatureDate2016

Notes

1. A proxy need not be a member of the company.
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 shareholder from attending the meeting and voting thereat.

EDC GHANA BALANCED FUND LIMITED