

EDC GHANA BALANCED FUND PLC

2022 ANNUAL REPORT

EDC GHANA BALANCED FUND PLC

ANNUAL REPORT & FINANCIAL STATEMENTS

For the Year Ended 31st December 2022

Ecobank Head Office Building, 2nd Floor
 2 Morocco Lane, Off the Independence Avenue
 P.O. Box AN 16746
 Accra- Ghana
 Tel: (233) 0302 610 400 / 634 165
 Email: edc-clientservice@ecobank.com

Notice of Virtual Annual General Meeting (AGM)

Notice is hereby given that the **14TH ANNUAL GENERAL MEETING** of the Shareholders of **EDC GHANA BALANCED FUND PLC** will be held virtually and streamed live on <https://www.edcghanaagm.com> on **WEDNESDAY, SEPTEMBER 20, 2023** at **1:00 p.m.** for the following purposes:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements together with the reports of Directors, Fund Manager and Auditors for the year ended December 31, 2022;
2. To re-elect Directors retiring by rotation;
3. To authorize the Directors to determine the fees for the Auditors for the year 2023;
4. To approve Board of Directors' fees for the year 2023; and
5. To appoint Baker Tilly Andah + Andah as Auditors of the Fund

Dated this 29th day of August 2023

BY ORDER OF THE FUND MANAGER

Lawfields Consulting
 Secretary

Dated this 29th day of August 2023

BY ORDER OF THE BOARD

NOTES: General

1. The attendance and participation by members or their proxies in this year's AGM shall be strictly virtual (by online participation).
2. A member is entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via email to admin@lawfieldsconsulting.com or deposited at the EDC office, Second Floor of the Ecobank Head Office, not less than 48 hours before the meeting.
3. A copy of the Proxy Form can be downloaded from <https://www.edcghanaagm.com> and may be filled and sent via email to admin@lawfieldsconsulting.com not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.
5. An electronic version of the Company's Annual Report consisting the Financial Statement, Directors', Fund Manager's and Auditors Reports for the year ended 31st December 2022 may be accessed at the Company's dedicated AGM website at <https://www.edcghanaagm.com>
6. Members are also encouraged to send in any questions in advance of the AGM by mailing them to edc-clientservice@ecobank.com. Answers to the questions will be provided at the AGM.

NOTICE OF ANNUAL GENERAL MEETING (cont)

Accessing and Voting at the Virtual AGM:

7. To access and vote at the Virtual AGM, a unique token number will be sent to shareholders by email and/or SMS from EDC to give access to the meeting. Shareholders who do not receive this token can contact our client care team at edc-clientservice@ecobank.com or call 0302634165/0302634150 to be sent the unique token any time before the date of the AGM.
8. To gain access to the Virtual AGM, shareholders must visit <https://www.edcghanaagm.com> and input their unique token number on the portal to join in and vote electronically during the meeting.
9. Further assistance on accessing the meeting and voting electronically can be found on <https://www.edcghanaagm.com>



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- Click **Pay** and input **PIN** to validate transaction

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CORPORATE INFORMATION

BOARD OF DIRECTORS	<p>Mr. Richard Adu-Poku – Chairman</p> <p>Mr. Paul Kofi Mante</p> <p>Mrs. Shirley Obeng Adu</p> <p>Mrs. Shirley Dontoh</p> <p>Mr. Edem Komla Dewotor</p> <p>Mr. David Ofosu-Dorte (<i>Resigned September 2022</i>)</p>
FUND MANAGER	<p>EDC Investments Plc</p> <p>Ecobank Head Office Building, 2nd Floor</p> <p>2 Morocco Lane,</p> <p>Off the Independence Avenue</p> <p>P.O. Box AN 16746</p> <p>Accra-Ghana</p>
REGISTERED OFFICE	<p>Ecobank Head Office Building, 2nd Floor</p> <p>2 Morocco Lane,</p> <p>Off the Independence Avenue</p> <p>P.O. Box AN 16746</p> <p>Accra-Ghana</p>
CUSTODIAN	<p>Republic Bank Ghana Plc</p> <p>No, 35, Sixth Avenue</p> <p>North Ridge</p> <p>P.O. Box CT 4603</p> <p>Cantonment, Accra</p>
AUDITORS	<p>John Kay and Co.</p> <p>7th Floor, Trust Towers</p> <p>Farrar Avenue, Adabraka</p> <p>P.O. Box 16088</p> <p>Accra</p>
BANKERS	<p>Ecobank Ghana Plc</p> <p>Ring Road Central</p> <p>Accra</p>
SECRETARY	<p>Lawfields Consulting</p> <p>#799/3, 5th Crescent</p> <p>Asylum Down</p> <p>PMB CT 244</p> <p>Accra</p>

Board of **DIRECTORS**



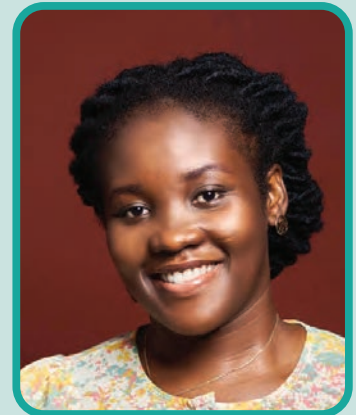
BOARD OF DIRECTORS



Shirley **Dontoh**
Director



Richard **Adu-Poku**
Director and Chairman



Shirley **Obeng Adu**
Director



Edem Komla **Dewotor**
Director



David **Ofosu-Dorte**
Director (Resigned September 2022)



Paul Kofi **Mante**
Director

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF EDC GHANA BALANCED FUND PLC

The Board of Directors presents the report and audited financial statements of EDC Ghana Balanced Fund Plc for the year ended 31 December, 2022.

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 Plc 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 Plc 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 dividend. All income earned is 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 2022 is made up as follows:

	2022 GHS	2021 GHS
ASSETS		
Equities	32,640,279	30,776,503
Government Securities	52,155,763	52,480,543
Corporate Bonds	8,253,400	8,420,673
Local Government and Statutory Agency Bonds	2,011,749	3,226,935
Receivables	272,635	1,851,472
Cash & Cash Equivalent	3,532,476	17,203,371
	98,866,302	113,959,497

The value of Government securities for 2022 are marked to market to reflect the current tradeable value in line with Securities and Exchange Commission (SEC) requirements on classifications and presentation.

ii. BELOW IS THE ASSET ALLOCATION PERCENTAGES FOR THE YEAR ENDED:

	2022 (%)	2021 (%)
Equity	33	27
Government of Ghana Securities	53	46
Corporate bonds	8	7
Local Government and Statutory Agency Bonds	2	3
Receivables	0	2
Cash & Cash Equivalent	4	15
	100	100

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 31/05/2023 and signed on its behalf by:



PAUL KOFI MANTE (Director)



RICHARD ADU-POKU (Director)

EDC Investments Limited
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Resolve your concerns quickly and effectively

Kindly reach out to us using the below channels for timely and appropriate responses to your concerns.

1. For enquiries and feedback kindly email
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A man in a dark blue suit and white shirt is holding a smartphone. The background is a blurred office setting. Overlaid on the image are various financial data points and charts, including a bar chart with green bars and a line graph with a dashed line. The text "Chairman's STATEMENT" is prominently displayed in the upper left corner, with "STATEMENT" in a larger, bold font. A horizontal line is positioned below the text.

Chairman's **STATEMENT**

**RICHARD ADU-POKU**

Chairman

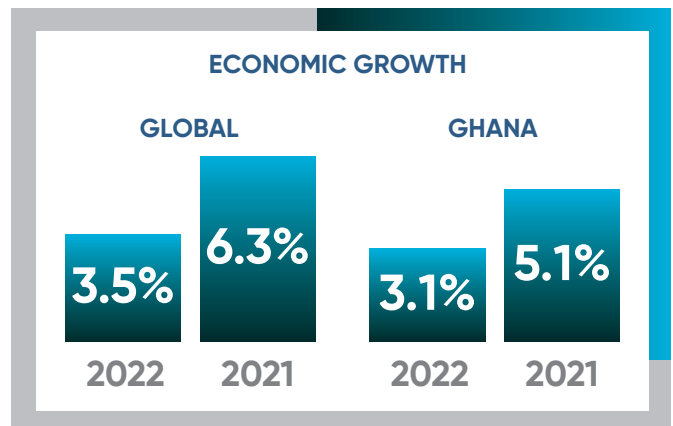
Dear Shareholders,

I am pleased to welcome you to the 14th Annual General Meeting of the EDC Ghana Balanced Fund PLC. On behalf of the Board and Management of EDC Investments Ltd. I wish to express gratitude to all shareholders for your unwavering support and continuous interest in the Fund. I will begin my report by detailing key developments in the global and domestic economy. Subsequently, I will touch on the performance of the Fund and conclude by providing insights into the macroeconomic environment for 2023.

OVERVIEW OF GLOBAL ECONOMY

The global economy in 2022 was confronted with a myriad of challenges with the three primary drivers of global economic growth, the United States, the Euro Zone, and China experiencing pronounced vulnerabilities arising from rising inflation, supply chain challenges, tightening financial conditions and geopolitical tensions. These challenges had a ripple effect on emerging market and developing economies (EMDEs), which were contending with underlying economic fragilities. The advanced economy observed its fastest deceleration in five decades bedeviled by the erosion of purchasing power coupled with hawkish monetary policies which limited consumer demand. EMDEs, struggled with high external borrowing costs, volatile commodity markets, elevated inflation which consequently prompted a

stricter monetary policy stance by central banks. Global growth for 2022 stood at 3.5 percent down from 6.3 percent in 2021.

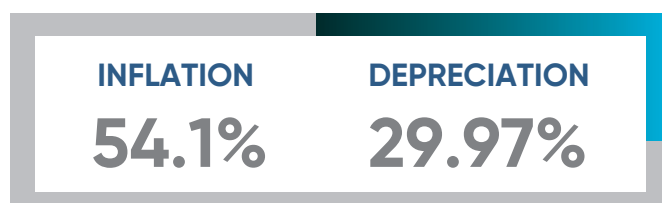
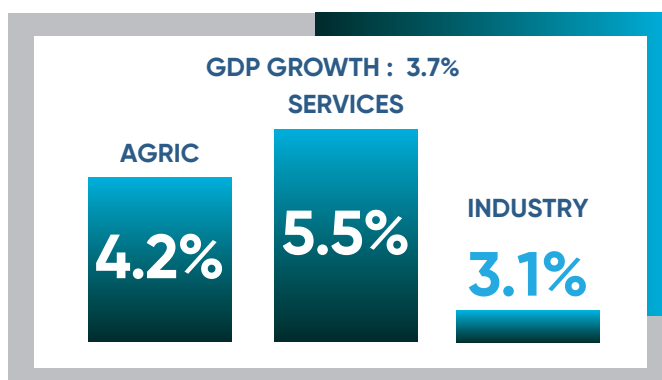


DOMESTIC ECONOMY

Ghana's economy expanded by 3.1 percent in 2022, lower than growth recorded in 2021 of 5.1 percent. General economic activity slowed down on account of a challenging macroeconomic environment underpinned by tightened global financing conditions, supply-chain constraints, rising input and energy costs. The Agriculture and Services sectors expanded by 4.2 percent and 5.5 percent, respectively, with the industry sector growing by a modest 0.9 percent with growth challenged on account of a difficult operating environment.

CHAIRMAN'S STATEMENT

Supply-side shocks caused by supply chain disruptions contributed to Ghana's elevated inflationary environment in 2022. In the fourth quarter, inflation was fueled by the pass-through effect of steep currency depreciation, utility tariffs, petroleum price hikes which resulted in surging food prices and transport fares inflation. Inflation thus ended the year at a record level of 54.1 percent. The Monetary Policy Committee, in a bid to contain inflationary pressures, stepped up the policy rate by 1,250 basis points. Additionally, the Bank of Ghana among several measures increased the Cash Reserve Ratio to 12 percent and reset the Capital Conservation Buffer to the pre pandemic level of 3 percent, raising the Capital Adequacy Ratio to 13 percent. The Bank also used a phased approach to increase the reserve requirement for banks to 15 percent from 12 percent. In 2022, rising concerns over Ghana's deteriorating fiscal situation put significant pressure on the Cedi. Following elevated levels of speculation coupled with a decline in foreign exchange inflows, the currency recorded its steepest depreciation of 54.2 percent by November 2022. However, in December, following an announcement of an IMF staff level agreement, the currency pressures softened, with the depreciation on the Cedi easing to 29.97 percent, by year end.



FISCAL DEVELOPMENTS

Ghana's budget execution revealed a fiscal deficit of 8.3% contrasting against a target of 6.3%. Fiscal vulnerabilities became more prominent as revenue targets were undershot while Government expenditure exceeded the target. Government's reliance on domestic

sources to fund the deficit, combined with unfavorable currency revaluation of foreign debt, resulted in the country's debt reaching unsustainable levels.

To restore macroeconomic stability and debt sustainability, the Government sought financial assistance of USD3 billion from the International Monetary Fund in July 2022, with a staff-level agreement reached in December 2022. One of the conditions precedent for the programme was a debt treatment plan aimed at reducing the net present value of public debt to GDP from a level above 100 percent to 55 percent by 2028. This necessitated the restructuring of both Government's outstanding domestic and foreign debt, a crucial step to create the needed fiscal space.

INTEREST RATES

Yields on treasury securities followed an upward trend with the 91-day, 182-day and 364-day yields rising by 23% for the 91-day and the 182-day bills and 19.6% for 364-day bills reaching 35.5%, 36.2% and 36.1%, respectively, by year-end. This surge in yields during the year was driven primarily by Government's reliance on the short-dated Treasury bills to fund the budget, as Ghana faced limitations in accessing the international capital market. This situation, combined with the announcement of an impending Domestic Debt Exchange Programme (DDEP), triggered a significant rise in bond yields. Consequently, bond prices experienced sharp declines leading to substantial losses for holders of Government bonds.

EQUITY MARKET REVIEW

Ghana's equity market, the Ghana Stock Exchange Composite Index (GSE-CI), closed the year with a negative return of 12.38 percent (2021: 43.66%). The performance of the Ghana Stock Exchange Financial Stocks Index (GSE-FSI) mirrored the trend posting a of -4.6%. The stock market's witnessed significant sell offs following bearish investor sentiments influenced by weakening macroeconomic indicators. Market capitalization during the year, however, inched up by 0.02% following the listing of Ashanti Gold Corporation (ASG) as well of an increase in the number of outstanding shares for Tullow Oil PLC, Anglogold Ashanti and Newgold.

FUND PERFORMANCE

The EDC Ghana Balanced Fund reported a year end return of 9.4% a reduction from the previous year's return

CHAIRMAN'S STATEMENT

of 30.7%. The Fund recorded 2.1% growth in the number of clients to 16,057 from 15,733. However, during the year, the Fund contracted by 13.3% to GHS 98.6M.

OUTLOOK AND STRATEGY

The International Monetary Fund (IMF) forecasts a global growth deceleration to 3.3% in 2023. This projection is based on anticipated weaker manufacturing in Advanced economies which, is expected to counterbalance the contribution of the services sector to growth. Advanced economies are predicted to expand by 1.5%, while growth in emerging economies is expected to remain steady at 4%. However, the increasing geopolitical tensions leading to geoeconomic fragmentation could introduce trade restrictions and contribute to commodity price volatility. Moreover, persistent inflation may lead to tighter financing conditions, posing downside risks to the growth outlook.

Ghana's economy is projected to grow by 1.5% amidst an unfavorable macroeconomic landscape characterized by elevated inflation, rising interest rates and a weakened fiscal position. The disbursement of the initial tranche of the USD 3 billion (USD 600M), followed by subsequent releases, is expected to bolster the country's reserves, offering some stability to the currency against depreciation. Nonetheless, the country's progress toward economic recovery could be jeopardized if there is suboptimal implementation of the IMF conditionalities. Forecasts point to a further rise in interest rates on short – dated, as Government relies on these securities to fund the budget deficit.

As investors pursue diversification beyond Government securities, the stock market is poised to gather

momentum. It is anticipated that undervalued non-financial equities, with high dividend payouts will pique investors' interest. Bargain hunters are likely to focus on attractively priced financial stocks which demonstrate resilience in navigating the challenges of Government's debt restructuring programs.

In February, the EDC Ghana Balanced Fund tendered its holdings in Government securities and ESLA bonds. The key rationale for participating in the offering was to enable the Fund access liquidity from the Ghana Financial Stability Fund (GFSF). Although the maturity and cash flow profile of its fixed income investments has been altered, we remain confident of the Fund manager's ability to deploy strategies to enhance shareholders' value.

CONCLUSION

On behalf of the Board, I extend my heartfelt gratitude to you, our esteemed shareholders, for your unwavering commitment to the EDC Ghana Balanced Fund, even amid a challenging macroeconomic environment. I urge you all to continue to uphold your long-term perspective of investing towards the realization of your objectives. As a Board, we remain committed to providing guidance and strategic direction for the benefit of shareholders.

I wish you a very successful year and God bless you all.



Richard Adu-Poku - Chairman

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Fund Manager's **STATEMENT**





Edna AHUNU
Portfolio Manager

Introduction

In this report, we provide a comprehensive overview of the performance and strategy of the Balanced Fund for the year 2022. We will discuss the fund's performance against its objectives, the investment strategy adopted during the year, and our outlook for the coming period.

MARKET REVIEW

The year 2022 witnessed a complex global economic environment, marked by various challenges such as rising inflation, supply chain disruptions, and geopolitical uncertainties. Central banks around the world implemented diverse monetary policies in response to these developments.

On the domestic front, Ghana's economy was fraught with elevated inflation, currency depreciation and a worsened fiscal position. Consequently, the Government made a formal request for an arrangement under the Extended Credit Facility (ECF) with the International Monetary Fund (IMF). This arrangement is designed to address the Government's goal of reinstating macroeconomic stability and ensuring long-term debt sustainability.

MARKET AND REGULATORY DEVELOPMENTS

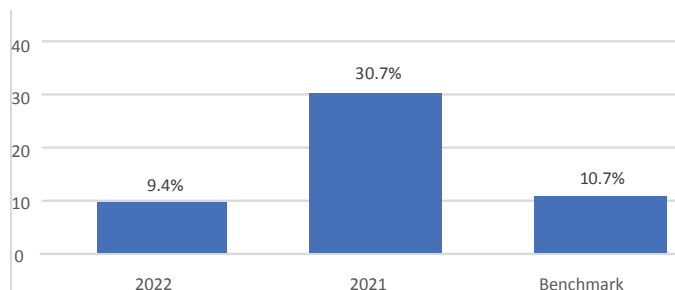
In October 2022, the Securities and Exchange Commission (SEC) mandated Fund Managers to value portfolios using the Fair Value through Comprehensive Income (FVOCI) method. This move was triggered by Ghana's high-interest rate environment, causing liquidity challenges in the secondary bond market. Elevated client redemption requests compelled Fund Managers to sell securities initially intended to be held till maturity, at substantial discounts. This directive applied to Collective Investment Schemes, aiming to align their reported values with market realities.

FUND PERFORMANCE

The Fund generated a total comprehensive income of GHS1.14M (2021: GHS 17.5M) translating to a total return of 9.4% (2021: 30.7%), falling behind its benchmark return of 10.7%. The Fund's performance in 2022 was adversely affected by the price declines in the equity sleeve, which mimicked the performance of the stock market. Furthermore, in keeping with marking listed fixed income securities to market, the fixed income portfolio recorded fair value losses for the first time.

FUND MANAGER'S STATEMENT

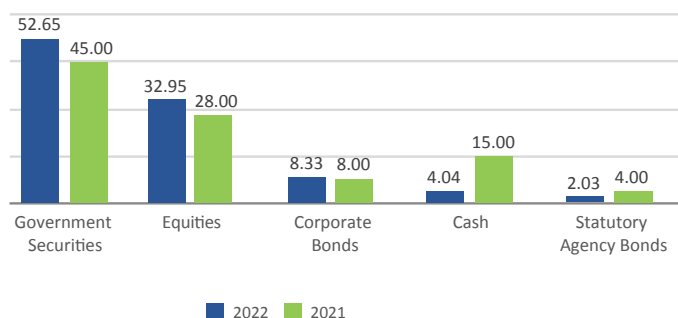
Fund Performance



PORTFOLIO EQUITY ALLOCATION AND GROWTH

At the end of the year, the Fund's exposure to equities stood at 33%; the financial services and telecommunication sectors represented the top two industry exposures held by the Fund. The Fund's allocation to fixed income securities stood at 63% comprising exposures to Government and Local Government and Statutory Agency Bonds and Corporate Bonds. The Fund's position in cash and cash equivalents stood at 4%. The Balanced Fund's AUM contracted by 13% to GHS 98M by year end.

Asset Allocation



OUTLOOK

Looking ahead, we remain cautiously optimistic about economic recovery in the wake of potential headwinds. The global economy is expected to decelerate, driven by uncertainties related to inflation dynamics, interest rate hikes, and persistent geopolitical events. On the domestic front, Ghana has yet to conclude debt restructuring for Pension funds, Local Dollar Bonds, Cocoa bills and Eurobonds. The successful completion of Ghana's domestic debt exchange programme and notable progress in restructuring its external debt is pivotal to unlocking subsequent tranches of IMF funds.

PERFORMANCE

9.4%

AUM: GHS

98M

IMPACT OF THE DOMESTIC DEBT EXCHANGE PROGRAMME AND THE WAY FORWARD

The Government's Domestic Debt Exchange Programme (DDEP) which concluded in February, invited eligible bondholders to exchange their existing bonds with new bonds and with new terms. The Balanced Fund, as a Collective Investment Scheme, was offered two bonds with maturities of 2027 and 2028 (Category Bonds) each bearing a coupon rate of 10%. Consequently, the average yield of the fixed income portfolio decreased from approximately 20% to 11%, affecting the Fund's return generating ability.

In light of this development, your Fund manager is implementing several strategies to effectively seize investment opportunities, thereby enabling the portfolio to generate satisfactory returns to our shareholders.

CONCLUSION

We extend our heartfelt gratitude to our esteemed clients for your unwavering support throughout the past year. We want to assure you that the Balanced Fund remains steadfast in its commitment to delivering consistent returns while effectively managing risk. By adhering to a balanced investment approach, active management, and continuous risk assessment, our goal is to provide our investors with sustained capital appreciation towards the attainment of your investment objectives. Your confidence in us is deeply appreciated, and we look forward to navigating the opportunities and challenges that lie ahead.

Edna Ahunu - Fund Manager

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


John Kay & Co.

 7th Floor, Trust Towers
 Farrar Avenue, Adabraka
 P. O. Box 16088
 Airport

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Opinion

We have audited the accompanying financial statements of EDC Ghana Balanced Fund Plc, which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, and the statement of movement in Net Assets for the year then ended, Cash flow statements and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 41.

In our opinion, the financial statements give a true and fair view of the financial position of EDC Ghana Balanced Fund Plc as at December 31 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695), Securities Industry Act, 2016, (Act 929) and in the manner required by the Companies Act, 2019 (Act 992).

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities Of The Board Of Directors For The Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695), Securities Industry Act, 2016, (Act 929) and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Fund's financial reporting process.

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

Auditor's Responsibilities For The Audit Of The Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

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


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a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Key Audit Matter

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgment, were most significant in the audit of the financial statements.

1. Income Recognition

The Mutual Fund generates income largely from the investment of the assets of the fund made up of members' subscription of units as well as the undistributed portion of the assets of the Fund brought forward from the previous accounting period. Some of these investments straddle the end of the accounting year under review and hence a key consideration for the appropriate recognition of the income of the scheme is the cut-off date. The income of the Fund for the year should be recognized only if they accrue or are derived during the year up to and including the year-end. date, being 31 December 2022. Income that accrues beyond this date should be recognized in the following accounting year.

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

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

Report on Other Legal and Regulatory Requirements Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

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


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 E-mail: jkayal@yahoo.com

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

The Mutual Fund's Statement of Assets and liabilities and income and Distribution Accounts are in agreement with the books of Account.

The engagement partner on the audit resulting in this Independent Auditor's Report is GILBERT LOMOFIO
 (P/No-ICAG/P/1417)

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

31/05/2023

EDC Investments Limited
(A member of the Ecobank Group)

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Financial **STATEMENTS**



STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

EQUITY INVESTMENTS

	Shares	Price Per Share GHS	Markert Value GHS	Percent of Net Assets %
BANKING				
Ecobank Ghana Plc	610,739	6.64	4,055,307	4.1
Ecobank Transnational Incorporated	3,489,226	0.15	523,384	0.5
GCB Bank Plc	700,000	3.94	2,758,000	2.8
Standard Chartered Bank Plc	272,106	20.16	5,485,657	5.6
CAL Bank Plc	2,999,971	0.65	1,949,981	2.0
Société Générale Ghana Plc	1,540,476	1.00	1,540,476	1.6
COMMUNICATION				
MTN Ghana Plc	8,000,000	0.88	7,040,000	7.1
FINANCIAL SERVICES				
SIC Plc	119,900	0.31	37,169	0.0
Enterprise Group Plc	829,591	3.20	2,654,691	2.7
FOOD & BEVERAGES PRODUCTS				
Guinness Ghana Breweries Plc	78,320	2.05	160,556	0.2
Fan Milk Plc	330,006	3.00	990,018	1.0
Unilever Ghana Plc	112,695	3.88	437,257	0.4
AGRO-PROCESSING				
Benso Oil Palm Plantation Plc	111,600	7.65	853,740	0.9
OIL & GAS				
Goil Plc	1,059,460	1.72	1,822,271	1.8
TotalEnergies Ghana Plc	582,943	4.00	2,331,772	2.4
	20,837,033		32,640,279	33.1
TREASURY BILLS				
182-Day Treasury Bill			456,846	0.5
			456,846	0.5
TREASURY NOTES & BONDS				
2-Year Fixed Rate Bond			6,996,640	7.1
3-Year Fixed Rate Bond			11,096,834	11.3
5-Year Fixed Rate Bond			8,580,703	8.7
6-Year Fixed Rate Bond			7,502,843	7.6
7-Year Fixed Rate Bond			3,866,989	3.9
10-Year Fixed Rate Bond			6,176,093	6.3
15-Year Fixed Rate Bond			1,231,543	1.3
20-Year Fixed Rate Bond			6,247,272	6.3
			51,698,917	52.5

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

	Markert Value GHS	Percent of Net Assets %
LOCAL GOV. & STATUTORY AGENCY BONDS		
10 - Year ESLA Bond	2,011,749	2.0
CORPORATE BOND		
5 -Year Unsecured Fixed Rate Bond	4,069,041	4.1
6 -Year Floating Rate Senior Unsecured Bond	3,575,901	3.6
7 -Year Floating Rate Corporate Bond	608,458	0.6
	8,253,400	8.3
CASH ON CALL		
Cash on Call	3,532,476	3.6
	3,532,476	3.6
RECEIVABLES	272,635	0.3
TOTAL ASSETS	98,866,302	100.3
Impairment Provision	(4,127)	(0.0)
Accounts Payable	(303,319)	(0.3)
TOTAL NET ASSETS	98,558,856	100.0

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note(s)	2022 GHS	2021 GHS
ASSETS			
Cash & Cash Equivalents	12	3,532,476	17,203,371
Financial assets at FVTOCI	11a	95,057,064	-
Financial assets at FVTPL	11b	-	96,751,067
Receivables	20	272,635	-
TOTAL ASSETS		98,862,175	113,954,438
REPRESENTED BY:			
Owners Fund	18	98,558,856	113,666,940
LIABILITIES			
Accounts Payable	13	303,319	287,498
TOTAL OWNERS FUND & LIABILITIES		98,862,175	113,954,438



.....
PAUL KOFI MANTE
Director



.....
RICHARD ADU-POKU
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note(s)	2022 GHS	2021 GHS
REVENUE			
Interest income	9	15,553,039	6,803,073
Dividend income		3,496,950	2,131,067
Unrealised Gain / (loss) on Equity	14	-	9,591,318
Realized gain/(loss)		(748,691)	844,034
		18,301,298	19,369,492
EXPENSES			
Fund Management Fees		2,807,393	1,693,269
Custodian Fees		145,783	89,465
Directors Emolument		27,000	27,000
General Administration Expenses	19	62,476	77,076
Audit Fees		26,560	16,560
Impairment Provision		(932)	833
OPERATING EXPENSES		3,068,280	1,904,203
NET INVESTMENT INCOME		15,233,018	17,465,289
OTHER COMPREHENSIVE INCOME			
Change in fair value	10	(14,092,483)	-
TOTAL COMPREHENSIVE INCOME		1,140,535	17,465,289

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 GHS	2021 GHS
Balance As At 1 January	48,991,391	31,526,102
Net Income	15,233,018	17,465,289
BALANCE AT 31 DECEMBER	64,224,409	48,991,391

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Capital Transaction	Investments Income	Other Comp. Income	Total
	GHS	GHS	GHS	
December 2022				
AT 1 January 2022	64,675,549	48,991,391	-	113,666,940
Net Income From operation	-	15,233,018	-	15,233,018
Change in fair value	-	-	(14,092,483)	(14,092,483)
Share Issue	15,634,191	-	-	15,634,191
Share Redemption	(31,882,810)	-	-	(31,882,810)
	48,426,930	64,224,409	(14,092,483)	98,558,856
	Capital Transaction	Investments Income	Other Comp. Income	Total
	GHS	GHS	GHS	GHS
December 2021				
AT 1 January 2021	16,891,903	31,526,102	-	48,418,005
Net Income From operation	-	17,465,289	-	17,465,289
Change in Fair value	-	-	-	-
Share Issue	53,474,263	-	-	53,474,263
Share Redemption	(5,690,617)	-	-	(5,690,617)
	64,675,549	48,991,391	-	113,666,940

MOVEMENTS IN ISSUED SHARES FOR THE YEAR ENDED 31 DECEMBER 2022

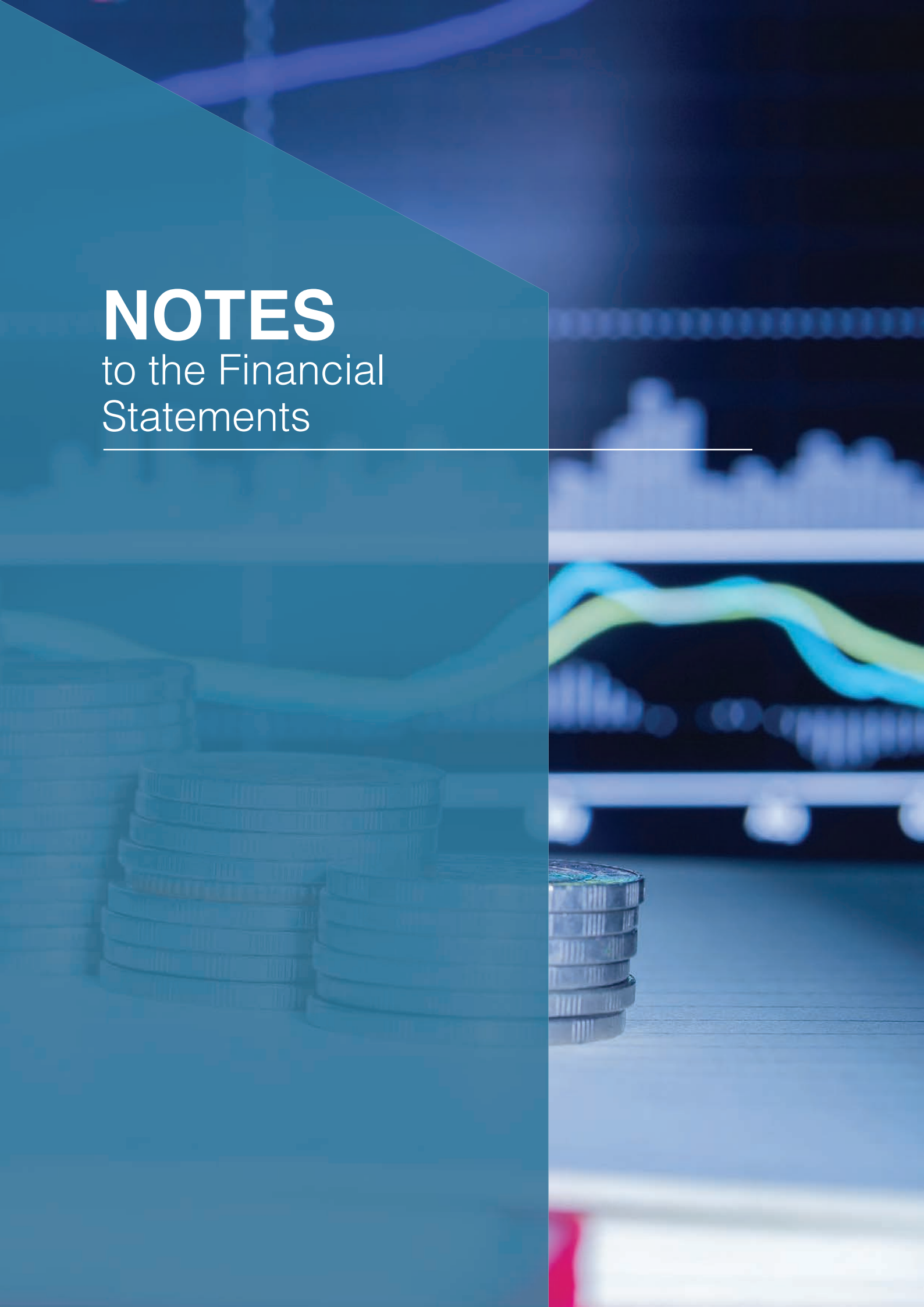
	Note(s)	2022 No. of Shares	2021 No. of Shares
Balance as at 1 January		135,829,105	79,252,730
Net Shares Issued/(Redeemed) During the Year	15	(15,315,577)	56,576,374
Balance at 31 December		120,513,528	135,829,104

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2022 GHS	2021 GHS
Increase in net assets attributable to shareholders	1,140,535	17,465,289
Adjusted for:		
Interest Accrued	(2,869,530)	(1,980,969)
Change in Fair value	14,092,483	(9,591,318)
Dividend	(3,496,950)	(2,131,067)
Interest Income	(15,553,039)	(4,822,105)
Change in Liabilities	15,821	(396,806)
Change in Receivables	(272,635)	-
Net Cash Flows from Operating Activities	(6,943,315)	(1,456,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	15,553,039	4,822,105
Dividend Income	3,496,950	2,131,067
(Purchase) /Sales of Financial Assets	(9,528,950)	(39,352,153)
Net Cash Flows from Investing Activities	9,521,039	(32,398,981)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Shares	15,634,191	53,474,263
Amount paid on Redemption of Shares	(31,882,810)	(5,690,617)
Net Cash Flows from Financing Activities	(16,248,619)	47,783,646
Net Increase (Decrease) in Cash and Cash Equivalent	(13,670,895)	13,927,689
Cash and Cash Equivalent at 1 January	17,203,371	3,275,682
Cash and Cash Equivalent at 31 December	3,532,476	17,203,371

NOTES

to the Financial
Statements



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

EDC Ghana Balanced Fund Plc 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 Plc is a public limited company and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 7 of the annual report.

2. BASIS OF ACCOUNTING

a. Basis of preparation

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).

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 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.

3. 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. Asset Valuation

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 in 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 now valued at market value.

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Interest received or receivable are recognized in the profit or loss as incomplete 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

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Categorisation of Financial Assets:

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

a. Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

b. Financial assets at FVTPL

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

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

(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 fund has a legal right to set off the amounts and intends either to settle on a net basis or to realize 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 amortization 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 recognizes 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 amortized 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 Fund about the following loss events:

Significant financial difficulty of the borrower;

- A breach of contract, such as default or delinquency in interest or principal repayments;
- The Fund granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty,

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

a concession that The Fund would not otherwise consider;

- It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- 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:
- Adverse changes in the payment status of borrowers; or
- National or local economic conditions that correlate with defaults on the assets of the Fund.
- The estimated period between a loss occurring and its identification is determined by Directors for each identified portfolio.

v. Foreign Currency

Transactions in foreign currencies during the period are converted into Cedis at exchange rates prevailing 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 funds 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 to 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 recognised in profit or loss as the related services are performed.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

During the year under review, there were a number of new standards, amendments to standards and interpretations issued that were effective for the current reporting period, but do not have any impact on the Fund's reporting and therefore are not disclosed in these financial statements.

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

There were a number of new standards, amendments to standards and interpretations issued but were not effective, for the current reporting period, the fund does not opt for early adoption of those standards and hence are not disclosed in these financial statements.

6. RELATED PARTIES AND KEY CONTRACTORS.

a. Fund Managers

The Directors of the Fund appointed EDC Investments Limited, an investment management company incorporated

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

in Ghana and duly licensed by the Securities and Exchange Commission of Ghana as a Mutual Fund Manager, to implement the investment strategy and objectives as stated in the Fund's 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¢ 2,807,393. Included in the payables as at 31 December 2022 were fund management fees of GH¢ 199,749.

b. Fund Custodians

The Directors of the Fund appointed Republic Bank Plc, a Limited liability company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana to provide custody services to the Fund managers. Under the custody agreement, 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 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 custodian shall also be entitled 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 Securities and Exchange Commission of Ghana. The Custodian fees Charged during the year amounted to GH¢ 145,783. Included in the payables as at 31 December 2022 were custodian fees of GH¢ 10,559.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. SHARE PURCHASES

	2022 GHS	2021 GHS
Balance at 1 Jan	64,575,549	16,791,903
Members Contribution during the year	15,634,191	53,474,263
	80,209,740	70,266,166
Redemptions	(31,882,810)	(5,690,617)
	48,326,930	64,575,549

8. REDEMPTIONS

	2022 GHS	2021 GHS
Redemptions	31,882,810	5,690,617
	31,882,810	5,690,617

9. INTEREST INCOME

	2022 GHS	2021 GHS
Cash and Cash Equivalent	79,356	40,061
Debt securities	15,473,683	6,763,012
	15,553,039	6,803,073

10. FINANCIAL INSTRUMENTS

Analysis of changes in fair value of financial instrument through other comprehensive income.

31 December 2022	Balance 1/1/22 GHS	Purchase/ (Sales) GHS	Accrued interest GHS	Change in fair value GHS	Value at 31/12/22 GHS
Listed Equities	30,776,503	7,126,586	-	(5,262,810)	32,640,279
Ghana Government Securities	52,480,543	4,689,065	2,600,642	(7,614,487)	52,155,763
Corporate bonds	8,420,673	(345,525)	178,252	-	8,253,400
LGSA Bonds	3,226,935	(90,636)	90,636	(1,215,186)	2,011,749
Receivables	1,851,472	(1,851,472)	-	-	-
	96,756,126	9,528,018	2,869,530	(14,092,483)	95,061,191

31 December 2021	Balance 1/1/21 GHS	Purchase/ (Sales) GHS	Accrued interest GHS	Change in fair value GHS	Value at 31/12/21 GHS
Listed Equities	22,544,005	(1,358,820)	-	9,591,318	30,776,503
Ghana Government Securities	6,957,910	43,888,689	1,633,944	-	52,480,543
Corporate bonds	10,014,640	(1,850,356)	256,389	-	8,420,673
LGSA Bonds	5,358,462	(2,222,163)	90,636	-	3,226,935
Receivables	955,836	895,636	-	-	1,851,472
	45,830,853	39,352,986	1,980,969	9,591,318	96,756,126

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11a. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	2022	2021
	GHS	GHS
Government Securities	52,155,763	-
Corporate bonds	8,253,400	-
Listed Equities	32,640,279	-
Local Government and Statutory Agency Bonds	2,011,749	-
Provision for impairment *	(4,127)	-
	95,057,064	-

11b. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	2022	2021
	GHS	GHS
Government Securities	-	53,966,378
Corporate bonds	-	8,420,673
Listed Equity investments	-	30,776,503
Local Government and Statutory Agency Bonds	-	3,592,572
Provision for impairment *	-	5,059
	-	96,751,067

Per Directive Number SEC/DIR/002/10/2022 issued on 20 October 2022, the Securities and Exchange Commission (SEC) directed fund managers, custodians, and trustees to use fair value through other comprehensive income (FVTOCI) in valuing portfolios of collective investment schemes (Unit Trusts and Mutual Funds). As such, the fund's assets which were previously valued at fair value through profit or loss (FVTPL) have been valued at FVTOCI in compliance with this directive.

*Impairment provision on corporate bonds of 0.05%

12. CASH AND CASH EQUIVALENTS

	2022	2021
	GHS	GHS
Cash on Call	3,532,476	17,203,371
	3,532,476	17,203,371

13. ACCOUNT PAYABLE

	2022	2021
	GHS	GHS
Management Fees	199,749	227,886
Custody Fees	10,559	12,131
Audit Fees	26,560	16,560
Legal Fees	9,600	3,042
Due to EDC Investments Ltd	24,691	24,691
Directors Fees	27,000	-
VAT on Audit Fees	5,160	3,188
	303,319	287,498

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. UNREALIZED GAINS/(LOSSES) ON EQUITY INVESTMENT

	2022	2021
	GHS	GHS
Market Value of Investments	-	30,776,503
Cost of Investments	-	(21,185,185)
	<u>-</u>	<u>9,591,318</u>

15. CAPITAL TRANSACTIONS

	2022	2021
	No. of Shares	No. of Shares
New Issues	18,982,408	69,012,530
Redemptions	(34,297,985)	(12,436,155)
	<u>(15,315,577)</u>	<u>56,576,374</u>

16. TAXATION

Income of approved mutual funds is exempt from tax under the income tax act, 2015 (Act 896) as amended.

17. TRANSACTIONS THROUGH STOCK BROKERS

The fund's transactions were through EDC Stockbrokers Limited.

18. OWNERS' FUND

	2022	2021
	GHS	GHS
Accumulated Net Investment Income	64,224,369	48,991,391
Other Comprehensive Income	(14,092,483)	-
Stated Capital Registered	100,000	100,000
Movement on Shares Issued	48,326,930	64,575,549
	<u>98,558,856</u>	<u>113,666,940</u>

19. GENERAL ADMINISTRATIVE EXPENSES

	2022	2021
	GHS	GHS
Legal Fees	9,600	9,600
Stationery/Printing	3,744	12,793
Board Expense	2,200	6,600
AGM Expenses	14,906	19,497
VAT on Audit Fees	5,160	3,188
Broker Commission	26,866	25,398
	<u>62,476</u>	<u>77,076</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

20. RECEIVABLES

	2022	2021
	GHS	GHS
Management Fees Refund	272,635	-
	272,635	-

21. DIRECTORS' SHAREHOLDING

	Shares	Percent of Funds
Richard Adu-Poku	6,687	0.006
Paul Kofi Mante	82,699	0.069
Shirley Obeng Adu	5,342	0.004
Edem Komla Dewotor	1,122	0.001

22. EVENT AFTER REPORTING PERIOD

On 5th December 2022, the Government of Ghana launched Ghana's Domestic Debt Exchange program, an invitation for the voluntary exchange for a package of New Bonds to be issued by the Republic. The operation was part of a comprehensive program that aims at bringing back public debt on a sustainable path. The program was concluded effectively on March 2023. The Fund fully participated in the exchange program. The impact of this program will affect profitability in 2023 as the coupon rate on these bonds will be revised downwards.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issue on 31/05/2023.



Tuesday, August 1, 2023.

The Manager
EDC Ghana Balanced Fund
2 Morocco Lane
Off Independence Avenue
Ministerial Area,
Accra.

Our Ref: 20210705EDCBFD

REPORT OF THE CUSTODIAN TO THE INVESTORS OF EDC GHANA BALANCED FUND PLC

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 Republic Bank Custody Services for the above fund as at December 31, 2022.

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

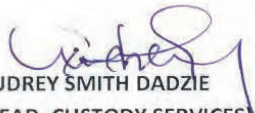
Pages 12 of the funds regulations specify the fund's investment restrictions. Our responsibility is to express an independent opinion on the statement of holdings based on our audit.


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, 2022 and the manager, **EDC Investment Limited** has managed the fund for the year ended December 31, 2022 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,


 AUDREY SMITH DADZIE
 (HEAD, CUSTODY SERVICES)


 GERALD QUANSAH
 (OPERATIONS MANAGER)

Republic Bank (Ghana) Limited "Ebankese", 35 Sixth Avenue, North Ridge, Accra
 P.O.Box CT 4603, Cantonments, Accra, Ghana. Tel: 0302 242090-4, 429555 Email: email@republicghana.com Website: www.republicghana.com

Republic Bank Ghana Ltd.
P.O. Box CT 4603, ACCRA



Portfolio Valuation

1/6/2023 6:09:43 PM

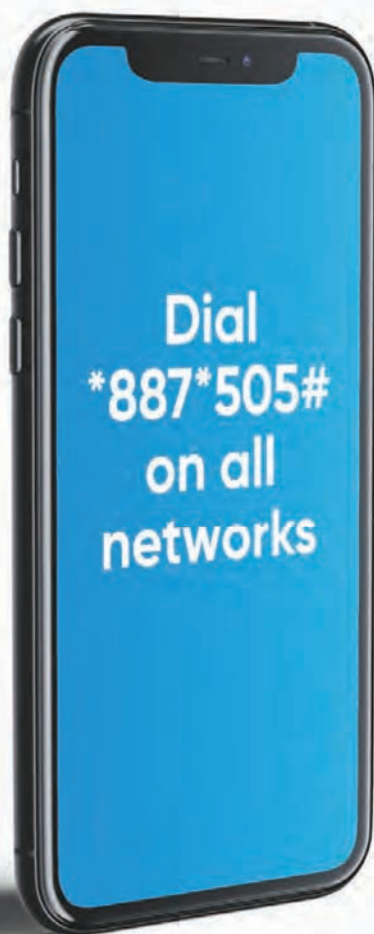
Account Code	: SKP67-EGBF	Account Name	: HFCN/ EDC GHANA BALANCED FUND LTD	Report Date	: 31/Dec/2022
Mailing Address	: No. 5 2nd Ridge Link, North Ridge, Accra P.O. Box AN 16746 Accra North			Reported in GHS	

Security	Holdings	Book Cost GHS	Market Price	Price Ccy	Market Value GHS	%Total Mkt Value
Distribution						
Ghana Oil Company Limited	1,059,460.00	1,563,590.80	1.72	GHS	1,822,271.20	1.68
Total Petroleum Ghana Limited	582,943.00	2,285,268.28	4.00	GHS	2,331,772.00	2.15
	1,642,403.00	3,848,859.09			4,154,043.20	3.83
Finance						
Cal Bank Limited	2,999,971.00	3,230,021.72	0.65	GHS	1,949,981.15	1.8
Ecobank Ghana Limited	610,739.00	3,928,334.92	6.64	GHS	4,055,306.96	3.75
Ecobank Transnational Incorporated	3,489,226.00	2,086,447.91	0.15	GHS	523,383.90	0.48
Ghana Commercial Bank	700,000.00	3,905,713.59	3.94	GHS	2,758,000.00	2.55
Standard Chartered Bank Ghana Limited	272,106.00	6,105,858.69	20.16	GHS	5,485,656.96	5.07
Societe Generale Ghana Limited	1,540,476.00	1,103,801.14	1.00	GHS	1,540,476.00	1.42
	9,612,518.00	20,360,177.96			16,312,804.97	15.07
Food And Beverage						
Fanmilk Ghana Limited	330,006.00	4,979,510.26	3.00	GHS	990,018.00	0.91
Guinness Ghana Brewery Limited	78,320.00	426,844.00	2.05	GHS	160,556.00	0.15
	408,326.00	5,406,354.26			1,150,574.00	1.06
Insurance						
Enterprise Group Ltd.	829,591.00	2,338,513.33	3.20	GHS	2,654,691.20	2.45
Mtn Ghana Limited	8,000,000.00	7,031,149.05	0.88	GHS	7,040,000.00	6.5
Sic Insurance Company Limited	119,900.00	45,562.00	0.31	GHS	37,169.00	0.03
	8,949,491.00	9,415,224.38			9,731,860.20	8.98
Manufacturing						
Benso Oil Palm Plantation Limited	111,600.00	466,392.04	7.65	GHS	853,740.00	0.79
Unilever Ghana Limited	112,695.00	1,420,907.61	3.88	GHS	437,256.60	0.4
	224,295.00	1,887,299.65			1,290,996.60	1.19
Total Equities	20,837,033.00	40,917,915.34			32,640,278.97	30.13

Security	Holdings	Book Cost GHS	Int Rate	Purchase Date	Accrual Days	Accrued Interest	Market Price	Price Ccy	Market Value GHS	%Total Mkt Value
Finance										
6 YR AFB FLOATING RATE NOTE @ 18.83% DUE 22.05.2024	1,500,000.00	1,500,000.00	18.22	15/Jul/2021	39	29,201.92	1.02	GHS	1,529,201.92	1.41
6 YR AFB FLOATING RATE NOTE @ 18.83% DUE 22.05.2024	2,000,000.00	2,000,000.00	18.22	22/May/2018	39	38,935.89	1.02	GHS	2,046,699.18	1.88
5 YR DALEX FIN & LEASING PLC NOTE PROG. @ 21% DUE 31.05.2023	4,000,000.00	4,000,000.00	21.00	31/May/2018	31	71,342.47	1.02	GHS	4,069,041.10	3.76
3YR EDENDALE FLOATING RATE SECURE NOTE @ 16.83% DUE 06.05.19	1,000,000.00	1,000,000.00	16.83	06/May/2016	1335			GHS		
	7,500,000.00	7,500,000.00				139,480.27			7,644,942.20	7.05
Govt Debt-Notes And Bonds										
10 YEAR GOG BOND @ 19.00% DUE 02.11.2026	360,300.00	395,664.30	19.00	28/Aug/2017	54	10,155.71	1.03	GHS	210,799.30	0.34
10 YEAR GOG BOND @ 19.00% DUE 02.11.2026	100,000.00	101,681.40	19.00	10/May/2021	54	2,818.68	1.03	GHS	58,506.61	0.09
15 YEAR GOG BOND @ 19.75% DUE 15.03.2032	271,000.00	299,151.15	19.75	03/Apr/2017	96	14,115.82	1.05	GHS	148,471.46	0.26
15 YEAR GOG BOND AT 19.75% DUE 15.03.2032	160,000.00	176,115.74	19.75	26/Aug/2021	96	8,334.07	1.05	GHS	87,658.43	0.16
15 YEAR GOG BOND @ 19.75% DUE 15.03.2032	742,000.00	750,106.52	19.75	18/Oct/2021	96	38,649.23	1.05	GHS	406,515.96	0.72
15 YEAR GOG BOND @ 19.75% DUE 15.03.2032	700,000.00	775,594.82	19.75	16/Sep/2021	96	36,461.54	1.05	GHS	383,505.63	0.68
10 YR GOG BOND @ 17.5% DUE 29.05.2028	10,000.00	10,164.20	17.50	10/May/2021	26	125.00	1.01	GHS	5,110.84	0.01
6 YR GOV'T BOND @ 21.00% DUE 27.01.2025	200,000.00	200,000.00	21.00	04/Feb/2019	152	17,538.46	1.09	GHS	199,719.82	0.2
6 YR GOV'T BOND @ 21.00% DUE 27.01.2025	750,000.00	772,127.19	21.00	25/Mar/2022	152	65,769.23	1.09	GHS	748,949.33	0.75

EDC Investments Limited
(A member of the Ecobank Group)

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3. Enter your EDC account number
4. Enter amount
5. Confirm details
6. Validate Transaction with PIN



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The Pan African Bank

PROXY FORM

I/We.....of.....
being a Shareholder(s) of **EDC Ghana Balanced Fund PLC** (the “Balanced Fund”) hereby
appoint.....of..... as my/our
proxy to attend on my/our behalf, the **14 th Annual General Meeting of the Balanced Fund**, to be held
at <https://www.edcghanaagm.com> on **Wednesday September 20, 2023** at **1:00 p.m.** 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	ABSTAIN
1. To authorize the Directors to fix the fees of Baker Tilly Andah and Andah for the year 2023.			
2. To re-elect Directors retiring by rotation;			
3. To approve Board of Directors' fees;			
4. To appoint Baker Tilly Andah and Andah as new Auditors of the Fund; and.			
5. To authorize the Directors to fix the fees of Baker Tilly Andah and Andah for the year 2023.			

Shareholder's Signature:.....Date.....2023

NOTES

1. A proxy need not be a member of the Company.
2. Unless otherwise instructed, the proxy will vote as s/he sees fit.
3. To be valid, this form must be signed, scanned and sent via email to: admin@lawfieldsconsulting.com not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required.
5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a shareholder from attending the meeting and voting thereat.

Ecobank Head Office Building, 2nd Floor
2 Morocco Lane, Off the Independence Avenue
P.O. Box AN 16746
Accra- Ghana
Tel: (233) 0302 610 400 / 634 165
Email: edc-clientservice@ecobank.com
www.ecobank.com