

The background of the top half of the page is a dark blue abstract composition. It features a faint, glowing outline of a globe showing continents. Overlaid on this are several large, angular geometric shapes. One prominent shape is a large triangle filled with a pattern of fine, parallel white lines. Another solid blue triangle is positioned below it. The overall effect is modern and technological.

# 2022 ANNUAL REPORT

EDC GHANA  
**FIXED INCOME FUND**

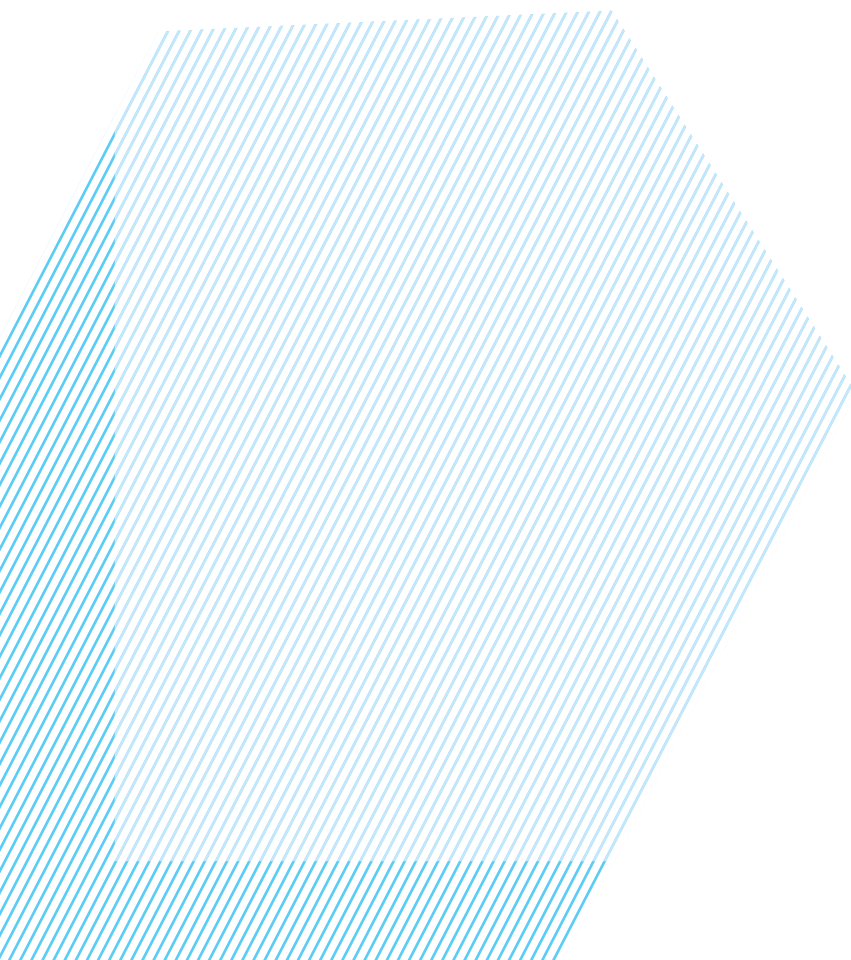
[www.ecobank.com](http://www.ecobank.com)

# **EDC GHANA FIXED INCOME FUND**

## ANNUAL REPORT & FINANCIAL STATEMENTS

For the Year Ended 31<sup>st</sup> 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 **10th Annual General Meeting** of the Unit Holders of **EDC Ghana Fixed Income Unit Trust** will be held virtually and streamed live on <https://www.edcghanaagm.com> on **Wednesday, September 20, 2023 at 9:00 a.m.** for the following purposes:

### ORDINARY BUSINESS:

1. To receive the Report of the Fund Manager for the year ended December 31, 2022;
2. To receive and adopt the Audited Financial Statements together with the reports of the Trustees and Auditors for the year ended December 31, 2022;
3. To authorize the Directors of EDC Investments Limited (EIL) to determine the fees of the Auditors for the year 2023; and
4. To appoint Baker Tilly Andah + Andah as Auditors of the Fund.

#### Special Business:

7. To amend the Scheme Particulars of the Fund to permit for the annual payment of Trustee Services Fees in arrears or in advance subject to the Fund's liquidity.

Dated this 29th day of August 2023

**BY ORDER OF THE FUND MANAGER**

Lawfields Consulting  
 Secretary

### NOTES: General

1. The attendance and participation by Unit Holders or their proxies in this year's AGM shall be strictly virtual (by online participation).
2. A Unit Holder 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 Unit Holder. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via [trust@umbcapital.com](mailto:trust@umbcapital.com) or deposited at Universal Merchant Bank, SSNIT Emporium Building, Airport, 2nd Floor Corporate Banking – Custody Service 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, signed and sent via email to [trust@umbcapital.com](mailto:trust@umbcapital.com) not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a Unit Holder from subsequently attending and voting at the meeting (via online participation). Where a Unit Holder attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.

## Notice of Virtual Annual General Meeting (AGM) (cont.)

5. An electronic version of the Unit Trust's Annual Report consisting of the Financial Statement, Fund Manager', Trustees' and Auditor's Reports for the year ended 31st December 2022 may be accessed at EDC's dedicated AGM website at <https://www.edcghanaagm.com>.
6. Unit Holders are also encouraged to send in any questions in advance of the AGM by mailing them to [trust@umbcapital.com](mailto:trust@umbcapital.com). Answers to the questions will be provided at the AGM.

### **Accessing and Voting at the Virtual AGM**

7. To access and vote at the Virtual AGM, a unique token number will be sent to Unit Holders by email and/or SMS from EDC to give access to the meeting. Unit Holders who do not receive this token can contact our client care team on: [edc-clientservice@ecobank.com](mailto: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, Unit Holders must visit [edcghanaagm.com](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>.

# CONTENTS

Notice of Annual General Meeting	1 - 2
Particulars of Service Providers	5
Report of the Board of Directors (EDC)	6
Report of Trustees	7
Report of the Auditors	9 - 11
Portfolio Manager's Report	13 - 17
Financial Statements	20 - 24
Notes to the Financial Statements	26 - 35
Proxy Form	37





Ecobank Securities, Wealth and Asset Management

# JOIN THE EDC FAMILY TODAY

**Register quickly and conveniently online today.**

## **Investing with us just got easier!**

There's no need to visit us in-branch to join our investment family. With our new online registration, you can join us wherever and whenever you like!

## **For more information contact us at:**

**Email: [edc-clientservice@ecobank.com](mailto:edc-clientservice@ecobank.com)**

**Tel: 0302 634 165**

**Whatsapp: 0595 235065**

## **Register today at**

**[www.ecobank.com/swam](http://www.ecobank.com/swam)**

Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group

[ecobank.com/swam](http://ecobank.com/swam)



**Ecobank**  
The Pan African Bank

## PARTICULARS OF **SERVICE PROVIDERS**

---

### THE BOARD OF DIRECTORS OF THE FUND MANAGER (EDC)

Mr. David Ofosu-Dorte (Chairman)	Appointed 16/02/2022
Mrs. Rosemary Yeboah	Resigned 18/02/2022
Mr. Marcel Yondo-Nkembe	Resigned 10/06/2022
Mr. Paul Kofi Mante (Managing Director)- EIL	
Mr. Henry Ampong	Appointed 17/01/2022

### FUND MANAGER

EDC Investments Limited  
2 Morocco Lane  
Off Independence Avenue  
2nd Floor, Ecobank Ghana Head Office  
P. O. Box AN 16746  
Accra  
Ghana

### TRUSTEE

Universal Merchant Bank  
SSNIT Emporium Building  
Liberation Road  
Airport City

### AUDITORS

John Kay and Co.  
Chartered Accountants  
7<sup>th</sup> Floor, Trust Towers  
Farrar Avenue, Adabraka  
P.O. Box 16088  
Airport, Accra

### BANKERS

Ecobank Ghana Limited  
Ring Road Central  
Accra.



## REPORT OF BOARD OF DIRECTORS OF THE FUND MANAGER TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST

The Board of Directors EDC Investment Limited (Fund Managers) presents the report and audited financial statements of EDC Ghana Fixed Income Unit Trust for the year ended 31 December 2022.

### FINANCIAL STATEMENTS

The results for the year ended 31 December 2022 are set out in the attached financial statements. The Board of Directors of the Fund Manager considers the state of the affairs of the Unit Trust to be satisfactory.

### NATURE OF BUSINESS

EDC Ghana Fixed Income Unit Trust is a unit trust registered in Ghana. It is licensed by the Securities and Exchange Commission, Ghana, and authorized to operate as a Unit Trust, in line with the Unit Trust and Mutual Fund Regulation, 2001 (L.I. 1695).

EDC Ghana Fixed Income Unit Trust is an open-ended unit trust offered to investors who are seeking current income on a steady basis while preserving capital. The Unit Trust's objective is to outperform short-term interest rates being offered on Government securities. The Unit Trust shall be wholly invested in fixed-income securities.

### DIVIDEND DISTRIBUTION POLICY

The Unit Trust does not distribute income. All income earned is reinvested. Unit holders should be aware that the unit trust aims to achieve capital preservation and income, and as such income is reinvested to take advantage of the effects of compounding.

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Unit Trust were approved by the Board of Directors of EDC Investment Limited (Fund Manager) on ..... and signed on its behalf by:

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

	2022	2021
	GH¢	GH¢
Government Notes and Bonds	1,672,472,808	2,218,409,222
Statutory Agency Bonds	97,362,637	331,686,146
Corporate Bonds	25,655,469	44,652,939
Treasury Bills	-	131,219,945
Collective Investment Schemes	-	1,196,818
Receivables	72,407,866	61,601,440
Cash and cash equivalent	910,929	71,033,820
	<b>1,868,809,709</b>	<b>2,859,800,330</b>

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

	2022	2021
	%	%
Government Notes and Bonds	90	77
Statutory Agency Bonds	5	12
Corporate Bonds	1	3
Treasury Bills	0	5
Collective Investment Schemes	0	0
Receivables	4	2
Cash	0	2
	<b>100</b>	<b>100</b>



PAUL KOFI MANTE (Director)



DAVID OPOSU-DORTE (Director)



## **REPORT OF THE TRUSTEES TO THE UNIT HOLDERS OF THE EDC GHANA FIXED INCOME UNIT TRUST FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

### **APPROVAL OF FINANCIAL STATEMENTS**

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the Manager has managed the Scheme during the period covered by these financial statements in accordance with the Trust Deed dated 28th February 2012 and all regulations for the time being in force under the Securities Industry Act, 2016 (Act 929) and the Unit Trusts and Mutual Funds Regulations, 2001 (LI 1695).

Signed on behalf of **Universal Merchant Bank Limited**

**EDC Investments Limited**  
(A member of the Ecobank Group)

# 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**  
**[edc-clientservice@ecobank.com](mailto:edc-clientservice@ecobank.com)**

To speak to a helpdesk representative,  
please call +233 302 634154

Whatsapp: +233 595 235065

Visit: [ecobank.com/swam](https://ecobank.com/swam)

Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group



[ecobank.com/swam](https://ecobank.com/swam)



**Ecobank**  
The Pan African Bank

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST



**John Kay & Co.**

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

Tel: +233 (0) 302 235 406  
+233 (0) 302 238 370  
Fax: +233 (0) 302 238 371  
E-mail: jkayal@yahoo.com

### Opinion

We have audited the accompanying financial statements of EDC Ghana Fixed Income Unit Trust, which comprise the statement of financial position at 31 December 2022, the statement of comprehensive income, and the statement of movement in net assets for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 23 to 31.

In our opinion, the financial statements give a true and fair view of the financial position of EDC Ghana Fixed Income Unit Trust 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), and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695)

### 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 Unit Trust 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 EDC Investment Ltd for the Financial Statements

The Board of Directors of EDC Investment Ltd is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as Board of Directors of EDC Investment 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 of EDC Investment is also responsible for overseeing the Unit Trust's financial reporting process.

In preparing the financial statements, the Board of Directors of EDC Investment Ltd is responsible for assessing the Unit Trust'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 Board of Directors of EDC Investment Ltd either intends to liquidate the Unit Trust 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 based on 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 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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST



**John Kay & Co.**

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

Tel: +233 (0) 302 235 406  
+233 (0) 302 238 370  
Fax: +233 (0) 302 238 371  
E-mail: [jkayal@yahoo.com](mailto:jkayal@yahoo.com)

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 Unit Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of EDC Investment Ltd.
- Conclude on the appropriateness of the Board of Directors of EDC Investment'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 Unit Trust'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 Unit Trust 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 Unit Trust 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 the benefits.

#### Report on Other Legal and Regulatory Requirements

The Companies Act, 2019, (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- 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 Unit Trust so far as it appears from our examination of those



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EDC GHANA FIXED INCOME UNIT TRUST



**John Kay & Co.**

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

Tel: +233 (0) 302 235 406  
+233 (0) 302 238 370  
Fax: +233 (0) 302 238 371  
E-mail: jkayal@yahoo.com

books.

- The Unit Trust'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 (ICAG/P/1417)

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

Chartered Accountants

Accra.

29<sup>th</sup> April, 2023

**EDC Investments Limited**  
(A member of the Ecobank Group)

# SECURE THE FUTURE YOU WANT

**Invest in the EDC Ghana Fixed Income Unit Trust**  
**Start with as little as GHs 50.00**

**Contact us on:**

2nd Floor, New Ecobank Head Office,  
2 Morocco Lane, Off the Independence Avenue

Telephone: 0302634165

Whatsapp: 0595235065

Email: [edc-clientservice@ecobank.com](mailto:edc-clientservice@ecobank.com)

Terms and Conditions Apply

[ecobank.com/swam](https://ecobank.com/swam)



**Ecobank**  
The Pan African Bank



# PORTFOLIO MANAGER's

Report







Emmanuel Bossman **AMPADU**

”

**Elevated debt level led to a number of downgrades in 2022. Ghana's debt to GDP closed 2022 at 71.2% having risen to a peak of 94.3% in November 2022 partially on account of weakened local currency.**

### GLOBAL ECONOMY

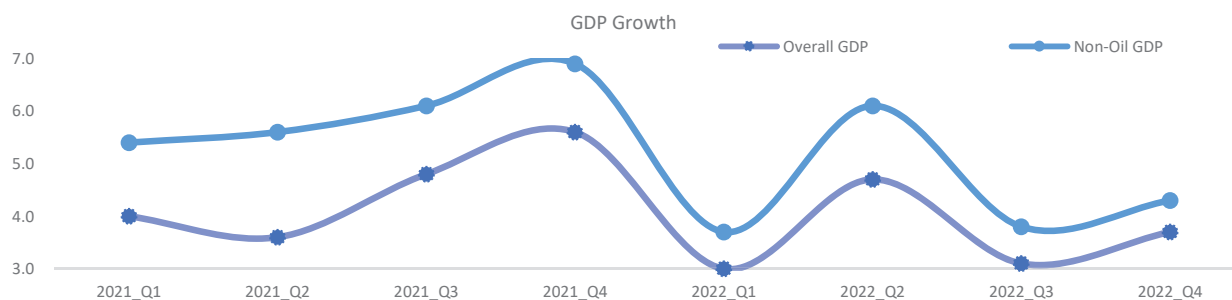
In 2022, the global economy continued to experience shocks on the back of lingering effects of Covid-19, Russia- Ukraine war and heightened inflation. These shocks resulted in growth contracting from 6.2% in 2021 to 3.4% in 2022. According to the International Monetary Fund (IMF), global inflation averaged 8.8% in 2022 on account of elevated commodity prices. In an attempt to control inflation, monetary authorities in major economies implemented a monetary policy tightening to stem the tide of inflation. This monetary tightening generally led to rising borrowing cost and depreciation of local currencies particularly in emerging markets where growth slowed to 3.9% in 2022 from 4.7% in 2021

### THE ECONOMIC ENVIRONMENT IN 2021

Ghana's economy experienced difficulties that culminated in engagement with the International Monetary Fund (IMF). The country's macroeconomic variables deteriorated markedly and presented significant challenges to the real sector, financial market, and fiscal operations. Rising inflation, depreciating currency, rising debt level resulted in GDP growth of 3.1% compared with 5.1% in 2021. Elevated debt level led to a number of downgrades in 2022. Ghana's debt to GDP closed 2022 at 71.2% having risen to a peak of 94.3% in November 2022 partially on account of weakened local currency.



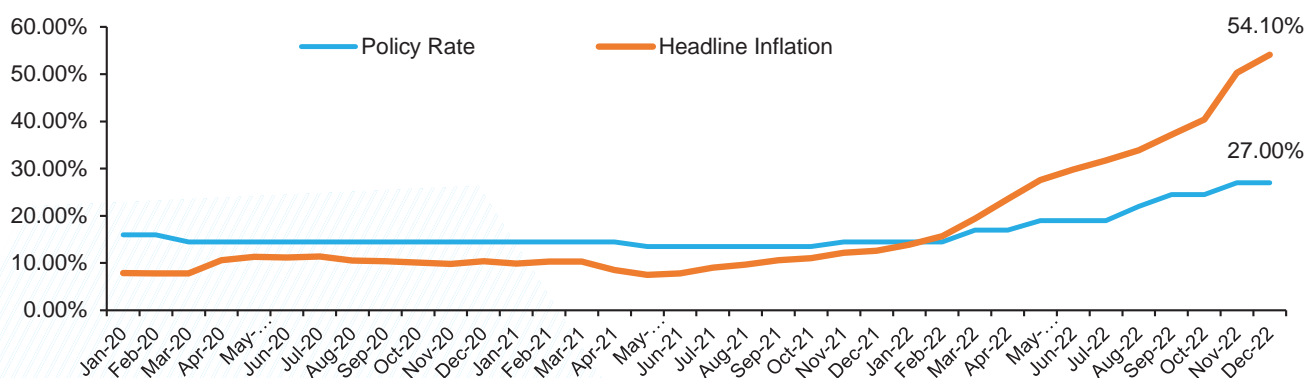
## PORTFOLIO MANAGER'S REPORT 2021



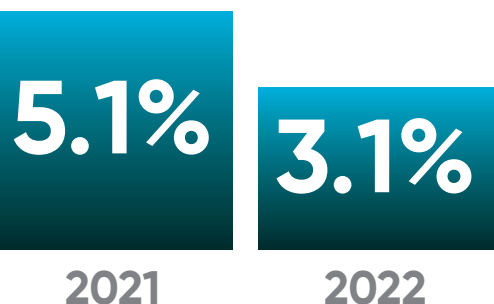
The downgrade of Ghana's sovereign rating also triggered portfolio reversals and declined foreign investments leading to capital and financial account and current accounts deficit. Ghana's Balanced of payment closed 2022 with \$3.6 billion deficit.

Ghana's engagement with IMF necessitated a debt sustainability analysis that eventually led to a restructuring of Ghana's domestic debt christened "The Domestic Debt Exchange Programme (DDEP)". The DDEP was the first phase of a comprehensive debt treatment required by the IMF as condition to access an IMF support. Under the DDEP bondholders who participated tendered their eligible bonds for newly issued bonds with different features (generally longer tenured with lower coupons)

The year 2022 opened with consumer inflation of 12.6%. However, the pricing pressure that started in the second half of 2021 remained elevated driven mainly by high fuel and food prices. Inflation continued to rise throughout 2022 on the back of rising commodity prices globally. Inflation peaked at 54.1% in December 2022



### GHANA'S GDP GROWTH



### INFLATION DECEMBER 2022

54.1%

## PORTFOLIO MANAGER'S REPORT 2021

Ghana currency came under exacerbated pressure as Ghana experienced steep portfolio reversal, high commodity prices and rising debt servicing. The Cedi depreciated by 30%, 25.3% and 21.2% against the USD, Euro and pound respectively.

Interest rate rose rapidly from the second quarter of 2022 as inflation surged. The pass-through effect of the Bank of Ghana's hawkish monetary policy stance in an attempt to control inflation created an elevated interest rate environment. The 91-day, 182-day and 364-day Treasury bills closed the year with yield of 35.4%, 35.9% and 36.1% respectively.

### KEY MARKET DEVELOPMENT

On the back of macroeconomic challenges of 2022 and its effects on bond prices, the Securities and Exchange Commission (SEC) directed market operators to use the "Fair Value through Other Comprehensive Income" otherwise known as marked-to-market valuation method to value clients' investments.

The Marked-Market valuation method ensures that investment securities reflect their current market value and ensures that all clients are protected.

### FUND PERFORMANCE

The year 2022 was a challenging year, difficult macroeconomic situation impacted the fund in both Asset Under Management (AUM) growth and returns. The EDC Ghana Fixed Income Fund close the year 2022 with a return of 13.44% against its elevated benchmark of 33%. The AUM of the fund declined by 36% from GHS 2.9 billion to GHS 1.7 billion on the back of redemptions and marked-to-market losses. In line with the decline in AUM, the fund's client base declined from 88,808 to 85,552.

### DOMESTIC DEBT EXCHANGE PROGRAMME.

In the recently concluded DDEP, your fund tendered its old Government of Ghana & ESLA bonds for two new securities maturing in 2027 and 2028 with a coupon rate of 10%. This decision was taken by the Trustees of the fund working with the Fund managers to protect unitholders to ensure that their bonds are not impaired on account of default by the counterparty (Government of Ghana)

### OUTLOOK AND STRATEGY.

Global growth is recovering albeit at a slow pace. The IMF's revision of global growth in July from 2.1% to 3% may be a clear indication of recovery in growth. Moreso the re-opening of China and the rebound in consumption in the US is expected to support global growth.

On the contrary, growth outlook for Ghana does not appear as bullish, despite growing by 4.2% in Q1 2023, Ghana's Ministry of finance has cut its growth forecast for 2023 by over 45% from an initial 2.8% to 1.5% This growth forecast is in line with the IMF's 1.6% growth forecast for Ghana.

Interest rates are expected to remain elevated in the near term as the government through the Central Bank continues to prioritise inflation containment. Moreso the IMF's zero financing directive means the government will continue to borrow domestically to finance budget deficit and thus keep rates elevated.

Performance Summary %	1 Month	3 Months	6 Months	Full Year	3 Year	5 Years	Since Inception
EDC Ghana Fixed Income Unit Trust Performance at Amortized Cost	0.84	3.44	5.16	13.44	53.98	110.6	586.83
*Benchmark	2.97	8.58	15.97	32.99	72.01	131.81	637.74
EDC Ghana Fixed Income Unit Trust Performance at Marked-to Market	-2.51	-20.89	-19.58	-13.24	17.77	61.07	425.28

## PORTFOLIO MANAGER'S REPORT 2021

On the local currency, we expect the Cedi to come under pressure as the demand for forex in the open market heightens in the fourth quarter on the back of demand for forex for year-end imports, demand from BDC (due to IMF's directive on zero forex intervention). The pressure on the currency could be moderated by the next tranche of the USD 3 billion IMF loan.

On the back of our outlook above, your fund will continue to be tactically managed to navigate the current uncertainty. Your fund will seek to explore opportunities at the short end of the yield curve ensuring that your fund becomes agile and benefits from market misalignments.

### CONCLUSION

In conclusion, we urge our clients to remain calm as we navigate the current economic challenges. We encourage our clients to continue to invest towards their financial goals to attain financial independence.

A handwritten signature in blue ink, appearing to read 'Emmanuel Bossman Ampadu', with a stylized initial 'E' and 'B'.

EMMANUEL BOSSMAN AMPADU  
Portfolio Manager

**EDC Investments Limited**  
(A member of the Ecobank Group)

# SECURE THE FUTURE YOU WANT

**Invest in the EDC Ghana Fixed Income Unit Trust**  
**Start with as little as GHs 50.00**

**Contact us on:**

2nd Floor, New Ecobank Head Office,  
2 Morocco Lane, Off the Independence Avenue

Telephone: 0302634165

Whatsapp: 0595235065

Email: [edc-clientservice@ecobank.com](mailto:edc-clientservice@ecobank.com)

Terms and Conditions Apply

[ecobank.com/swam](http://ecobank.com/swam)



**Ecobank**  
The Pan African Bank





# FINANCIAL

## Statements



**STATEMENT OF FINANCIAL ASSETS AND LIABILITIES**  
**AS AT 31<sup>ST</sup> DECEMBER 2022**

<b>FIXED INTEREST SECURITIES</b>	<b>Market Value GH¢</b>	<b>Percentage of Net Asset (%)</b>
<b>STATUTORY AGENCY BONDS</b>		
10-Year Statutory Agency Bonds	48,757,111	3.03
12-Year Statutory Agency Bonds	48,605,526	3.01
	<b>97,362,637</b>	<b>6.04</b>
<b>GOG TREASURY NOTES &amp; BONDS</b>		
2 - Year Fixed Rate Notes	86,343,749	5.35
3 - Year Fixed Rate Notes	137,744,501	8.54
5 - Year Fixed Rate Notes	291,224,062	18.05
6 - Year Fixed Rate Bonds	268,520,270	16.65
7 - Year Fixed Rate Notes	154,311,920	9.57
10 - Year Fixed Rate Notes	273,790,358	16.97
15 - Year Treasury Note	198,571,800	12.31
20 - Year Fixed Rate Note	261,966,148	16.24
	<b>1,672,472,808</b>	<b>103.68</b>
<b>CORPORATE BONDS</b>		
3 - Year Fixed Rate Notes	-	-
5 - Year Fixed Rate Notes	16,832,630	1.04
5 - Year Floating Rate Notes	-	-
6 - Year Floating Rate Notes	3,383,211	0.21
7 - Year Fixed Rate Notes	5,439,628	0.34
	<b>25,655,469</b>	<b>1.59</b>
<b>RECEIVABLES</b>		
Matured Fixed Deposits	72,287,210	4.48
Receivable from EDC Holdings	120,656	0.01
	<b>72,407,866</b>	<b>4.49</b>
<b>FUNDS ON CALL</b>		
Funds on Call	910,929	0.06
	<b>910,929</b>	<b>0.06</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,868,809,709</b>	<b>115.86</b>
Total Financial & Other Liabilities	(233,821,449)	(14.50)
Impairment Provision	(21,942,718)	(1.36)
<b>TOTAL INVESTMENT IN FINANCIAL ASSETS</b>	<b>1,613,045,542</b>	<b>100</b>

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>ST</sup> DECEMBER 2022**

<b>FINANCIAL ASSETS</b>		<b>2022</b>	<b>2021</b>
	<b>Note (s)</b>	<b>GH¢</b>	<b>GH¢</b>
Cash and cash equivalents	14	910,929	71,033,820
Non-pledged financial assets at fair value Through OCI	15	1,845,956,062	2,788,319,982
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,846,866,991</b>	<b>2,859,353,802</b>
<b>Represented by</b>			
Members' Fund		1,613,045,542	2,851,700,933
		<b>1,613,045,542</b>	<b>2,851,700,933</b>
<b>Financial &amp; Other Liabilities</b>			
Bank Overdraft	17	204,940,057	-
Accounts payables	16	28,881,392	7,652,869
<b>Total Members' Fund &amp; Financial Liabilities</b>		<b>233,821,449</b>	<b>7,652,869</b>



PAUL KOFI MANTE (Director)



DAVID OFOSU DORTE (Director)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

REVENUE		2022	2021
	Note (s)	GH¢	GH¢
Interest Income	9	426,739,576	415,387,826
Other Income	10	-	214,077
		<b>426,739,576</b>	<b>415,601,903</b>
<b>EXPENSES</b>			
Investment Management Fees		52,772,626	47,487,854
Trustee Fees		8,544,462	7,716,198
General Administrative Expenses		2,064,871	1,175,549
Audit Fees		80,000	62,500
		<b>63,461,959</b>	<b>56,442,101</b>
<b>OPERATING PROFIT BEFORE TAX</b>		<b>363,277,617</b>	<b>359,159,802</b>
Impairment Loss	12	(21,496,190)	(115,023)
Interest on Overdraft	20	(21,364,369)	-
<b>INCREASE IN NET ASSETS AVAILABLE FOR REDEMPTIONS</b>		<b>320,417,058</b>	<b>359,044,779</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in Fair Value	18	(441,779,293)	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(121,362,235)</b>	<b>359,044,779</b>

## ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	GH¢	GH¢
Balance as at 1 January	948,562,393	589,517,614
Transfer from income and distribution statement	320,417,058	359,044,779
<b>Balance as at 31 December</b>	<b>1,268,979,451</b>	<b>948,562,393</b>



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

<b>2022</b>	<b>CAPITAL TRANSACTION GH¢</b>	<b>INVESTMENTS INCOME GH¢</b>	<b>VALUATION RESERVES GH¢</b>	<b>TOTAL GH¢</b>
Balance at 1 January	1,903,138,540	948,562,393	-	2,851,700,933
Net income from operations	-	320,417,058	-	320,417,058
Unit Issue	1,165,808,805	-	-	1,165,808,805
Units Redemption	(2,283,101,961)	-	-	(2,283,101,961)
OCI	-	-	(441,779,293)	(441,779,293)
At 31 December	<b>785,845,384</b>	<b>1,268,979,451</b>	<b>(441,779,293)</b>	<b>1,613,045,542</b>

<b>2021</b>	<b>CAPITAL TRANSACTION GH¢</b>	<b>INVESTMENTS INCOME GH¢</b>	<b>TOTAL GH¢</b>
Balance at 1 January	1,308,602,954	589,517,614	1,898,120,568
Net income from operations	-	359,044,779	359,044,779
Unit Issue	1,583,547,372	-	1,583,547,372
Units Redemption	(989,011,786)	-	(989,011,786)
At 31 December	<b>1,903,138,540</b>	<b>948,562,393</b>	<b>2,851,700,933</b>

**STATEMENT OF MOVEMENTS IN ISSUED SHARES  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

	<b>2022 NO. OF UNITS</b>	<b>2021 NO. OF UNITS</b>
Balance at 1 January	476,588,893	372,297,339
Issued during the year	184,803,109	281,018,911
Redemption during the year	(365,761,458)	(176,727,357)
Balance at 31 December	<b>295,630,544</b>	<b>476,588,893</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

	2022	2021
	GH¢	GH¢
<b>Cash Flows from Operating Activities:</b>		
Interest in Net Assets Attributable to Unit Holders	(121,362,235)	359,044,779
<b>Adjusted for:</b>		
Interest Accrued from financial assets	(108,377,470)	(125,264,586)
Interest Income from financial assets	(441,600,627)	(290,069,714)
Change in Fair Value	441,779,293	(53,526)
Realized Loss	123,238,521	-
Other Income	-	(214,077)
Interest Accrued on Overdraft	4,940,057	-
<i>Impairment Loss</i>	21,496,190	115,023
<b>Adjusted cash for unit holders</b>	<b>(79,886,271)</b>	<b>(56,442,101)</b>
Change in financial Liabilities	21,228,523	(2,503,386)
Change in other receivables	(10,806,426)	(544,297)
<b>Net Cash used in Operating Activities</b>	<b>(69,464,174)</b>	<b>(59,489,784)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Issuance of Units	1,165,808,805	1,583,547,372
Amount Paid on Redemption of Units	(2,283,101,961)	(989,011,786)
Bank Overdraft	200,000,000	-
<b>Net Cash flows from financing activities</b>	<b>(917,293,156)</b>	<b>594,535,586</b>
<b>Cash Flows from Investing Activities</b>		
Interest Income	441,600,627	290,069,714
Realized Loss from Sale of Financial Assets	(123,238,521)	-
Net (Purchase)/Sale of Financial Assets	598,272,333	(799,857,510)
<b>Net cash used in investing activities</b>	<b>916,634,439</b>	<b>(509,787,796)</b>
Net Increase (Decrease) In Cash and Cash Equivalent	(70,122,891)	25,258,006
Cash and Cash Equivalent at 1 January, 2022	71,033,820	5,775,814
<b>Cash and Cash Equivalent at Year End</b>	<b>910,929</b>	<b>71,033,820</b>

**EDC Investments Limited**  
(A member of the Ecobank Group)

# Invest conveniently via USSD



1. Dial **\*887\*505#**
2. Select EDC Product
3. Enter your EDC account number
4. Enter amount
5. Confirm details
6. Validate Transaction with PIN



Terms and Conditions apply

[ecobank.com/swam](https://ecobank.com/swam)



**Ecobank**  
The Pan African Bank

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### 1. REPORTING ENTITY

EDC Ghana Fixed Income Unit Trust is a Unit Trust investment vehicle whose primary objective is to obtain contributions from unit holders and invest the same for their benefit. EDC Ghana Fixed Income Unit Trust is a Unit Trust registered and operating in the Republic of Ghana. The address and registered office of the promoters can be found on page 1 of the financial statements.

The Unit Trust is an open-ended investment Unit Trust primarily involved in investing unit holders' contributions in, investment-grade debt securities, with the objective of providing members with above-average returns over the medium to long term.

The investment activities of the Unit Trust are managed by EDC Investments Limited, and the trustee services of the Unit Trust are delegated to Universal Merchant Bank (Ghana) Limited.

### 2. BASIS OF ACCOUNTING

#### **a. Basis of preparation**

*These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).*

#### **b. Functional and presentation Currency**

These financial statements are presented in Ghana cedi, which is the Unit Trust's functional currency. All amounts have been stated in full.

#### **c. Use of Judgements and Estimates**

In preparing these financial statements, the Unit Trust's management has made judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

### 3. ACCOUNTING POLICIES

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

#### **i. Purchase of Share Units**

Applicants complete standard application forms which are sent to the office of the Manager. Telephone or electronic requests must be confirmed in writing. Application for units is at the discretion of the Board of Directors of the Fund Manager. Cheques are cleared first before the processing of applications by the Manager. Payments for units shall be made in Ghana Cedis; however, applicants can settle their payments with easily convertible currencies but bear the foreign exchange transaction 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), is recognized in profit or loss, using the 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.

Interest received or receivable and interest paid or payable are recognized in the profit or loss as interest income or interest expense, respectively



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### iii. Financial Instruments

#### **(a) Non-derivative financial instruments**

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

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

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

Non-derivative financial instruments are categorized 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 Unit Trust on initial recognition designates at fair value through profit and loss; (b) those that the Unit Trust 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 amortized cost using an effective interest rate method with less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represent the Unit Trust's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on the aging of customers' balances, specific credit circumstances, and the company's receivables' historical experience. Regular way purchases and sales of loans and receivables are recognized on contractual settlement

Available-for-sale – these are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices. Investment securities and treasury bills with a maturity of 182 days or less are classified as available for sale.

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 recognized directly in equity until the financial asset is derecognized or impaired, at which time the cumulative gain or loss previously recognized in equity is recognized in the profit or loss account.

However, interest calculated using the effective interest method is recognized in the profit and loss account. Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Unit Trust's right to receive payment is established.

Regular way purchases and sales of available-for-sale financial assets are recognized on trade date, i.e. the date on which the Unit Trust 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 Unit Trust 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 amortized cost using the effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognized on trade date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### **(b) Derivative financial instruments**

A derivative is a financial instrument that changes its values in response to changes in the underlying variable, requires no or little net initial investment, and is settled at a future date. Derivatives are mainly used to manage exposures to foreign exchange, interest rate, and commodity price risk. The classification of derivatives is determined upon initial recognition and is monitored on a regular basis.

Derivatives are initially recognized at fair value plus directly attributable transaction costs. These are subsequently measured at fair value on a regular basis and at each reporting date as a minimum. The fair values of exchange-traded derivatives are based on respective market prices, while the fair value of the over-the-counter derivatives is determined using accepted mathematical models based on market data and assumptions. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair values of derivatives that do not qualify for hedge accounting are recognized directly in the income statement..

### **(c) Financial Liabilities**

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

### **(d) 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 Unit Trust 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..

### **(e) Amortised Cost Measurement**

The amortized 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 recognized and the maturity amount, minus any reduction for impairment.

### **(f) Hedge Accounting**

Hedge accounting is the method that recognizes the proportionate offsetting effects of a hedging instrument on the changes in the 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 a method generally applies to 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 recognized assets and liabilities. The changes in fair values of hedging instruments are recognized 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 recognized 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at costless impairments, if applicable

### **Cash Flow Hedges**

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as the variability of expected interest payments and receipts. The effective part of the changes in the fair value of hedging instruments is recognized against equity, while any ineffective part is recognized 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 recognized against equity are included in the measurement cost of the asset or the liability. Otherwise, the gains or losses previously recognized against equity are removed from equity and recognized in the income statement at the same time as the hedged transaction.

### **(g) Effective Interest Rate**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points 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.

### **(h) 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 Group uses 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.

### **(i) Impairment of Financial Assets**

The Unit Trust assesses 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 the 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 Unit Trust 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 Unit Trust granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Unit Trust 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
- 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
  - Adverse changes in the payment status of borrowers; or
  - National or local economic conditions that correlate with defaults on the assets of The Unit Trust.

The estimated period between losses occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months. In exceptional cases, longer periods are warranted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### **iv. 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 recognized in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognized as a component of net gains from financial instruments at FVTPL.

### **v. Transfer Values**

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

### **vi. Cash and Cash Equivalents**

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with a 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 Unit Trust in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

### **vii. Fees and Commission**

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

## **4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

There are a number of new standards and interpretations that were issued and become effective 1st January 2022; however, these standards and interpretations do not have any impact on the financials reporting of the fund and hence the fund does not adopt and disclosed them in these financial statements..

## **5. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

There are a number of new standards and interpretations that were issued but not effective from 1st January 2022, the Unit Trust does not opt for early adoption and disclosure in these financial statements.

## **6. RELATED PARTIES AND KEY CONTRACTORS**

### **a. Transaction with Trustee**

The Trustee of the Unit Trust is Universal Merchant Bank Limited, a Bank incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana as a unit trust fund trustee. Under the investment management agreement, the Trustee receives a Trusteeship fee at an annual rate of 0.325% of the net asset value attributable to members of the Unit Trust. The total Trustee fees charged during the year amounted to GH¢ 8,544,462. Included in the payables was a Trustee fee of GH¢ 6,170,700.

### **b. Fund Managers**

EDC Investments Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana is the fund manager of the Unit Trust. It has the responsibility of implementing the investment strategy and objectives as stated in the Unit Trusts' investment management policy manual. Under the unit trust management agreement, the fund managers receive a management fee at an annual rate of 2% of the net asset value attributable to members of the Unit Trust. The management fees incurred during the year amounted to GH¢ 52,772,626. Included in the payables as at 31 December 2022 were fund management fees payable of GH¢ 22,583,239.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

<b>7. CONTRIBUTION</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Balance as at 1 January	1,903,138,540	1,308,602,954
Contribution during the year	1,165,808,805	1,583,547,372
	3,068,947,345	2,892,150,326
Redemptions	(2,283,101,961)	(989,011,786)
	<b>785,845,384</b>	<b>1,903,138,540</b>
<b>8. REDEMPTIONS</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Redemption Paid	2,283,101,961	989,011,786
	<b>2,283,101,961</b>	<b>989,011,786</b>
<b>9. INTEREST INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Debt Securities	549,978,097	397,119,009
Held to maturity	-	18,215,291
Unrealized gains	-	53,526
Realized gains / (Loss)	(123,238,521)	-
	<b>426,739,576</b>	<b>415,387,826</b>
<b>10. OTHER INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Reversal of impairment	-	214,077
	<b>-</b>	<b>214,077</b>
<b>11. RECEIVABLES</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Matured FDs in Receivership *	72,287,210	61,601,440
Receivable from EDC Holdings	120,656	-
	<b>72,407,866</b>	<b>61,601,440</b>

\*This pertains to matured fixed deposits in Savings and Loans Institutions that had their licenses revoked by the SEC and are currently under receivership. The management has made the decision to allocate 30% as a provision for doubtful debt and 1% on corporate bonds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

<b>12. IMPAIRMENT</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Opening Balance	446,528	331,505
1% charge on corporate bonds *	(189,973)	115,023
30% Charge on Matured FDs *	21,686,163	-
	<b>21,942,718</b>	<b>446,528</b>
*Charged to P/L		
1% charge on corporate bonds	(189,973)	115,023
<b>30% Charge on Matured FDs</b>	21,686,163	-
	<b>21,496,190</b>	<b>115,023</b>

**13. FINANCIAL INSTRUMENTS**

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

<b>2022</b>	<b>Balance</b>	<b>Purchase/Sales</b>	<b>Accrued</b>	<b>Change in</b>	<b>Value at</b>
	<b>1/1/2022</b>	<b>at Cost</b>	<b>interest</b>	<b>fair value</b>	<b>31/12/2022</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
GoG Securities	2,218,409,222	(258,987,350)	103,521,144	(390,470,208)	1,672,472,808
GoG Agency Bonds	331,686,146	(186,904,677)	3,890,253	(51,309,085)	97,362,637
Treasury Bills	131,219,945	(131,219,945)	-	-	-
Corporate Bond	44,652,939	(19,963,543)	966,073	-	25,655,469
CIS	1,196,818	(1,196,818)	-	-	-
	<b>2,727,165,070</b>	<b>(598,272,333)</b>	<b>108,377,470</b>	<b>(441,779,293)</b>	<b>1,795,490,914</b>

Analysis of changes in fair value of financial instruments.

<b>2021</b>	<b>Balance</b>	<b>Purchase/Sales</b>	<b>Accrued</b>	<b>Change in</b>	<b>Value at</b>
	<b>1/1/2020</b>	<b>at Cost</b>	<b>interest</b>	<b>fair value</b>	<b>31/12/2020</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
GoG Securities	1,437,272,875	679,143,176	101,993,171	-	2,218,409,222
GoG Agency Bonds	294,754,423	26,452,538	10,479,185	-	331,686,146
Treasury Bills	14,368,194	105,557,063	11,294,688	-	131,219,945
Corporate Bond	54,558,294	(11,402,898)	1,497,543	-	44,652,939
CIS	1,035,661	107,631	-	53,526	1,196,818
	<b>1,801,989,447</b>	<b>799,857,510</b>	<b>125,264,587</b>	<b>53,526</b>	<b>2,727,165,070</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

**14. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Cash and Bank Balances	910,929	71,033,820
	<b>910,929</b>	<b>71,033,820</b>

**15a. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OCI**

	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Debt Securities	1,795,490,914	-
Held to Maturity Securities	-	-
Investment Receivables	72,407,866	-
Collective Investment Scheme	-	-
Impairment Provision	(21,942,718)	-
	<b>1,845,956,062</b>	<b>-</b>

**15b. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Debt Securities	-	2,554,825,400
Held to Maturity Securities	-	171,142,852
Investment Receivables	-	61,601,440
Collective Investment Scheme	-	1,196,818
Impairment Provision	-	(446,528)
	<b>-</b>	<b>2,788,319,982</b>

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.

**16. ACCOUNTS PAYABLE**

	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Investment Management Fees	22,583,239	5,305,495
Trustee Fees	6,170,700	2,251,815
Audit Fees	80,000	62,500
VAT on Audit Fees	16,425	12,031
Due to EDC Investment Ltd	11,028	11,028
Other Payables	20,000	10,000
	<b>28,881,392</b>	<b>7,652,869</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### 17. BANK OVERDRAFT

	2022	2021
	GH¢	GH¢
Bank Overdraft	200,000,000	-
Interest Payable on Overdraft	4,940,057	-
	<b>204,940,057</b>	<b>-</b>

In the latter part of 2022, SEC issued a directive requiring fund managers to value Government notes and bonds on a mark-to-market basis due to high interest and inflation rates. This, coupled with poor financial market performance, led to an excess of redemptions over contributions. In order to meet these high redemption demands; the Board sought a one-year overdraft facility of Ghs 200,000,000 from Ecobank Plc to alleviate the problem. The overdraft carries an interest rate of 27.23% per annum, payable monthly in arrears, as well as facility and processing fees of 0.25% each, payable upfront. The amount in the account reflects the outstanding principal and interest payable at the end of the year.

### 18. CHANGES IN FAIR VALUE

	2022	2021
	GH¢	GH¢
Unrealised Loss	441,779,293	-
	<b>441,779,293</b>	<b>-</b>

The valuation of government notes and bonds in the present market, using mark-to-market accounting, has resulted in an unrealized reduction in their value.

### 19. GENERAL ADMINISTRATIVE EXPENSES

	2022	2021
	GH¢	GH¢
AGM Expenses	50,139	41,525
Legal Assistance Cost	2,552	10,000
Board Expense	-	500
Bank Charges	1,820	-
Office Stationery	36,991	57,711
VAT on Audit Fees	16,425	12,031
Broker Commission	956,944	1,053,782
Overdraft Processing and Facility Fees	1,000,000	-
	<b>2,064,871</b>	<b>1,175,549</b>

### 20. INTEREST ON OVERDRAFT

	2022	2021
	GH¢	GH¢
Interest on Bank Overdraft	21,364,369	-
	<b>21,364,369</b>	<b>-</b>



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

### **21. TAXATION**

The income of an approved unit trust scheme or mutual fund is exempt from tax under the income tax act, 2015 (Act 896) as amended by Act 2017 (Act 941).

The Fund is currently withholding taxes on payments made to Directors and other service providers.

### **22. TRANSACTIONS THROUGH STOCKBROKERS**

The Unit Trust's transactions were through EDC Stockbrokers Limited.

### **23. EVENT AFTER REPORTING PERIOD**

The Government of Ghana initiated the Ghana Domestic Debt Exchange program on December 5th, 2022, which invited Individuals and Institutions to voluntarily exchange their existing bonds for a package of new bonds issued by the Republic. This program was part of a comprehensive initiative to ensure that public debt is brought to a sustainable level. The program concluded successfully in March 2023.

The fund has fully committed to participating in the exchange program. As a result, in 2023, the coupon rate on these bonds will be lowered, which will impact profitability.

### **24. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Directors of the Fund Manager EDC Investment Limited and authorized for issue on .....2023

**EDC Investments Limited**  
(A member of the Ecobank Group)

## INVEST CONVENIENTLY VIA THE ECOBANK MOBILE APP

- Log-in to the **Ecobank Mobile App**
- Click **Pay Bill**
- Select **EDC Investment** under the **Investment** option
- Select **Account** and **Product**
- Fill details (EDC account number, amount and email)
- Click **Pay** and input **PIN** to validate transaction

Terms and Conditions apply

[ecobank.com/swam](https://ecobank.com/swam)



**Ecobank**  
The Pan African Bank

## PROXY FORM

I/We.....of.....  
being a Unit Holder(s) of **EDC Fixed Income Unit Trust** (the "Unit Trust") hereby  
appoint.....of..... as my/our proxy  
to attend on my/our behalf, the **10 th Annual General Meeting of the Trust**, to be held at **<https://www.edcgghanaagm.com>** on **Wednesday September 20, 2023** at **9:00 a.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 receive and consider the Reports of the Fund Manager, Trustees, Auditors and the Audited Financial Statements for the year ended December 31, 2022;			
2. To appoint Baker Tilly Andah and Andah as new Auditors of the Unit Trust;			
3. To authorize the Directors of EDC Investments Limited (EIL) to fix the fees of Baker Tilly Andah and Andah for the year 2023			
4. To amend the Scheme Particulars of the Unit Trust to permit for the annual payment of Trustee Services Fees in arrears or in advance subject to the Unit Trust's liquidity			

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

### NOTES

1. A proxy need not be a Unit Holder of the Unit Trust.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and sent via email to [trust@umbcapital.com](mailto:trust@umbcapital.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 Unit Holder 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](mailto:edc-clientservice@ecobank.com)  
[www.ecobank.com](http://www.ecobank.com)