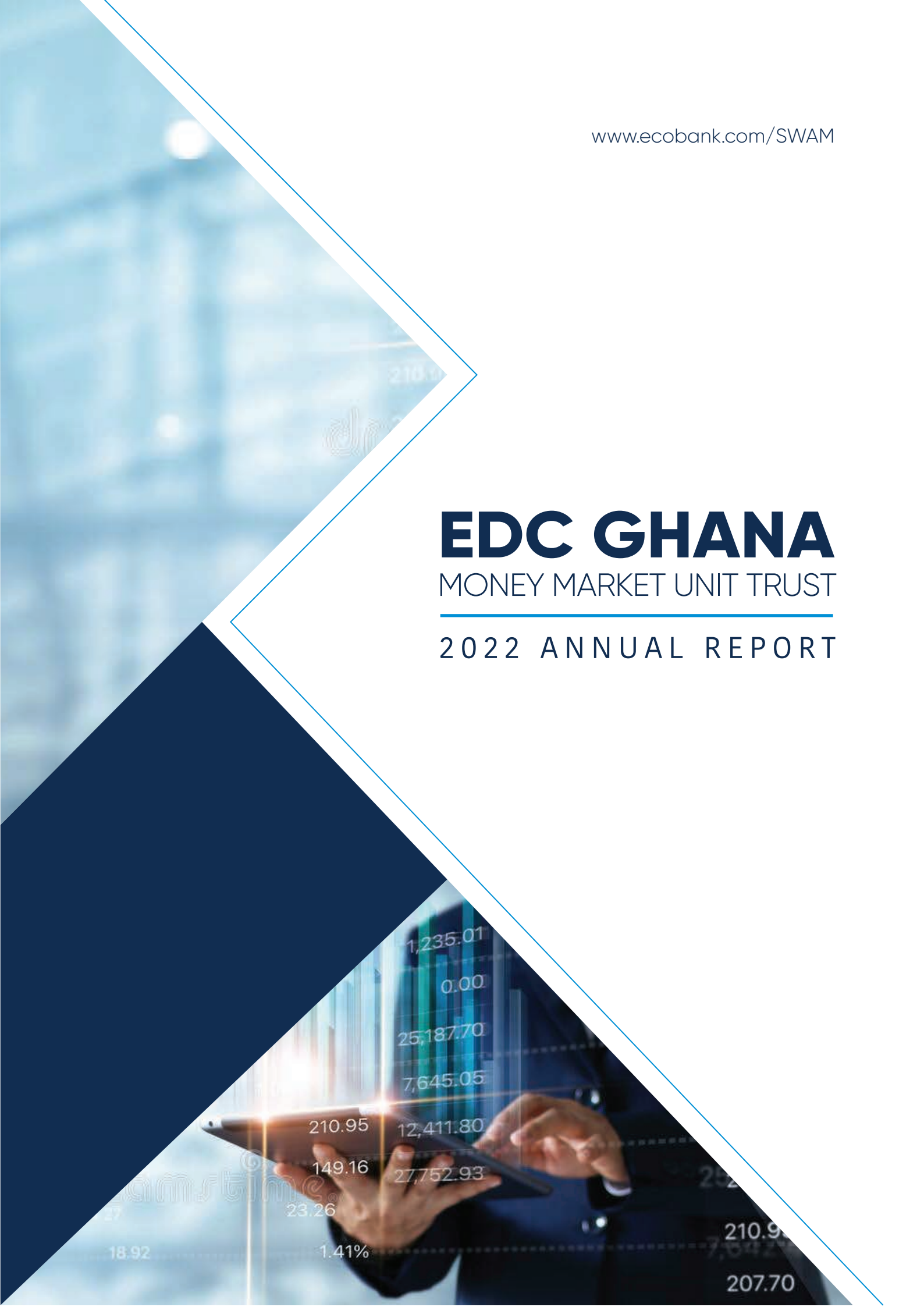


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# EDC GHANA

MONEY MARKET UNIT TRUST

2022 ANNUAL REPORT



# **EDC GHANA MONEY MARKET UNIT TRUST** **ANNUAL REPORT & FINANCIAL STATEMENTS**

For the Year Ended 31<sup>st</sup> December 2022

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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 **6th Annual General Meeting** of the Unit Holders of **EDC Ghana Money Market Unit Trust** will be held virtually and streamed live on <https://www.edcghanaagm.com> on **Wednesday, September 20, 2023** at **11:00 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;
4. To appoint Baker Tilly Andah + Andah as Auditors of the Fund; and
5. To ratify the creation of a Sub Account for the Fund.

#### Special Business:

6. 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 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.

## NOTICE OF VIRTUAL ANNUAL GENERAL MEETING (AGM) (cont.)

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.
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 the company'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 <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>.

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

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4. Enter amount
5. Confirm details
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# CORPORATE INFORMATION

## **DIRECTORS OF FUND MANAGER**

Mr. Paul Kofi Mante  
Mr. David Ofosu-Dorte  
Mr. Henry Ampong

## **FUND MANAGER**

EDC Investments Limited  
2 Morocco Lane  
Off Independence Avenue  
2nd floor  
P. O. Box AN 16746  
Accra  
Ghana

## **TRUSTEE**

Universal Merchant Bank  
SSNIT Emporium Building  
Airport  
2nd Floor Corporate Banking-  
Custody Service

## **AUDITORS**

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

## **BANKERS**

Ecobank Ghana Limited  
Ring Road Central  
Accra

## REPORT OF DIRECTORS OF THE FUND MANAGER TO THE MEMBERS OF EDC GHANA MONEY MARKET UNIT TRUST

The Board of Directors of EDC Investment Limited presents the report and audited financial statements of EDC Ghana Money Market 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 Money Market Unit Trust is a unit trust registered in Ghana. It is licensed by the Securities and Exchange Commission of Ghana and authorized to operate as a Unit Trust, in line with the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695).

EDC Ghana Money Market Unit Trust is an open-ended Unit Trust that is 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 are reinvested.

#### TOTAL INVESTMENT IN FINANCIAL ASSETS IS AS FOLLOWS:

ASSETS	2022	2021
	GH¢	GH¢
Ghana Government Securities	136,178,573	2,287,656
Treasury Bills	27,417,692	5,470,989
Cash and Cash Equivalent	4,217,846	162,478
Receivables	-	8,359
	<b>167,814,111</b>	<b>7,929,482</b>

The Assets value for the GoG instruments for 2022 are marked to market to reflect the current tradeable values in line with Securities and Exchange Commission (SEC) requirements on classifications and presentation

#### iii. BELOW ARE THE ASSET ALLOCATION PERCENTAGES FOR THE YEAR ENDED:

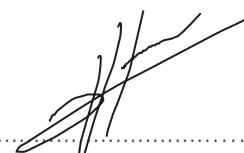
ASSETS	2022	2021
	%	%
Government Notes and Bonds	81	29
Treasury Bills	16	69
Cash	3	2
Receivables	0	-
	<b>100</b>	<b>100</b>

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the unit trust were approved by the Directors of the Fund Manager EDC Investment Ltd on 31/05/2023 and signed on its behalf by:



PAUL KOFI MANTE (Director)



DAVID OFOSU-DORTE (Director)



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC MONEY MARKET 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 Money Market 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 24 to 31.

In our opinion, the financial statements give a true and fair view of the financial position of EDC Ghana Money Market 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, 2002 (L.I 1695), Securities Industry Act, 2016, (Act 929).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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 EDC Investments Ltd for the Financial Statements

The fund manager 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 the Board of EDC investments determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The fund manager is also responsible for overseeing the Unit Trust's financial reporting process.

In preparing the financial statements, the Fund manager is responsible for assessing the Unit Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee 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 on the basis of these financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC MONEY MARKET UNIT TRUST



**John Kay & Co.**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 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 Trustee.
- Conclude on the appropriateness of the Fund manager'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. We determined that there are no matters to report under key audit matters.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC MONEY MARKET UNIT TRUST



**John Kay & Co.**

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

### Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

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 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.

31/05/2023

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

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**Invest in the EDC Ghana Money Market Unit Trust**  
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2nd Floor, New Ecobank Head Office,  
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Telephone: 0302634165

Whatsapp: 0595235065

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



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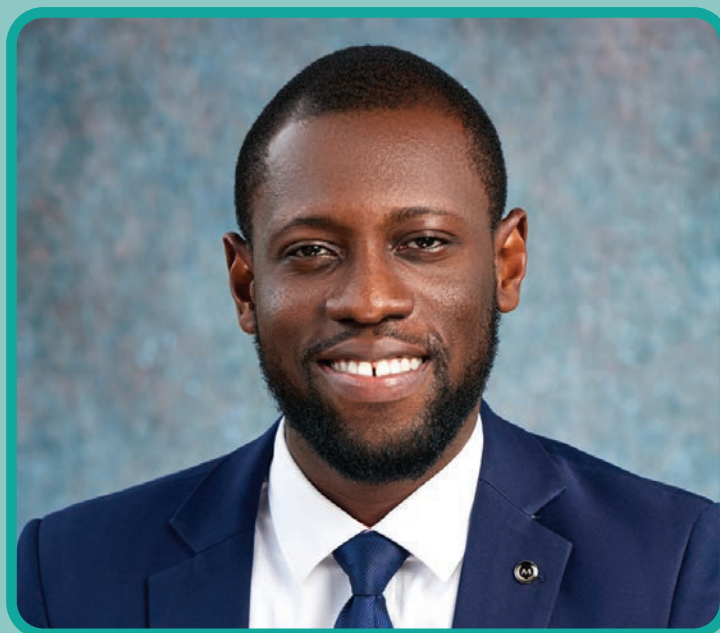


The Portfolio Manager's

# REPORT



## PORTFOLIO MANAGER'S REPORT



**Michael OWUSU**

Portfolio Manager

”

**Russian-Ukraine war exacerbated an already strained global supply chain, as the persistent upward trend in energy and food prices led to record-level inflation figures and tightening of global financial conditions.**

**NAVIGATING UNCERTAINTIES: FROM COVID CHALLENGES TO THE RUSSIAN -UKRAINE WAR**

With the global economy displaying signs of recovery in 2021 (6.1% GDP growth), expectations of sustained growth in 2022 arose, reflecting monetary and fiscal policy support, along with successful implementation of public health measures and increased vaccination. However, Q4 2021 data from the IMF indicated a softening of momentum due to the resurgence of supply bottlenecks caused by China's zero Covid Policy. This situation was further compounded by the spillover from the Russian-Ukraine war in Q1 2022.

The war exacerbated an already strained global supply chain, as the persistent upward trend in energy and food prices led to record-level inflation figures. This prompted swift and coordinated monetary policy responses from major central banks in advanced economies. Consequently, the global economy faced threats of record-level inflation and sluggish growth, raising undertones of potential recessions. As a result, global GDP figures witnessed consecutive downgrades from 4.9% to 3.6% in Q2 2022 and further to 3.2% in Q4 2022, while closing the year with an estimated growth of 3.5%

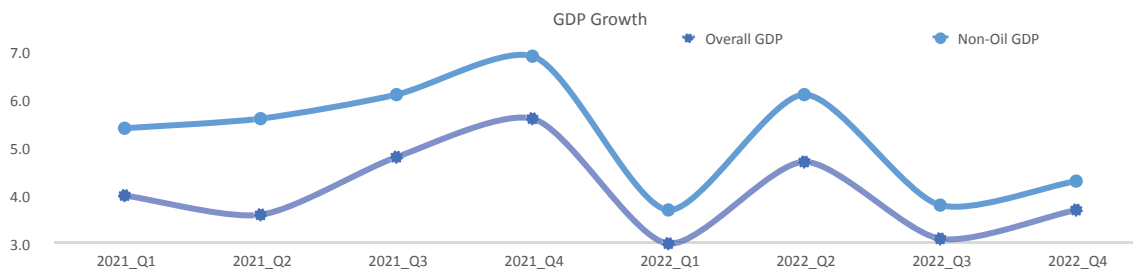
A hawkish global policy stance prevailed across Advanced, EMDEs, and frontier markets throughout the year, tightening global financing conditions and leading to the widening of

## PORTFOLIO MANAGER'S REPORT

spreads and increased yields across the curve. Emerging and frontier markets bore the brunt, as capital flow reversals and currency pressures unveiled economic frailties, highlighted by escalating and unsustainable debt levels.

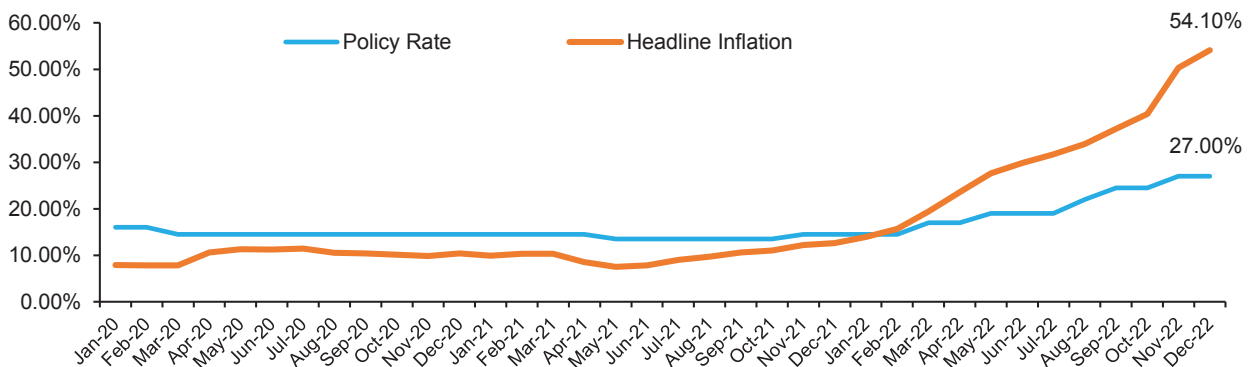
### SPILLOVER OVER ON THE GLOBAL ECONOMY

The spillover effects onto the Ghanaian economy were evident, leading to a moderation in economic activity during all four quarters of the year. The agriculture sector and services sector experienced diminished growth compared to the previous year's performance. Latest data from the Ghana Statistical Service showed that real GDP moderated to an annual average rate of 3.1% compared to an average growth rate of 5.1% in 2021.



Price developments throughout the year revealed heightened pressures originating from significant increases in commodity prices, particularly staples and crude oil. As result, consumer inflation surged from 12.6% at the close of December 2021 to reach 54.10% by year-end, underscoring the far-reaching influence of inflationary pressures.

In light of sustained elevated inflation levels and the looming threat of entrenched price pressures, the central bank ramped up the policy rate hike it commenced in the fourth quarter of 2021. Within the year, the central bank among other measures, increased policy rate by 12.5% from 14.5% to 27% to re-anchor inflation expectations.

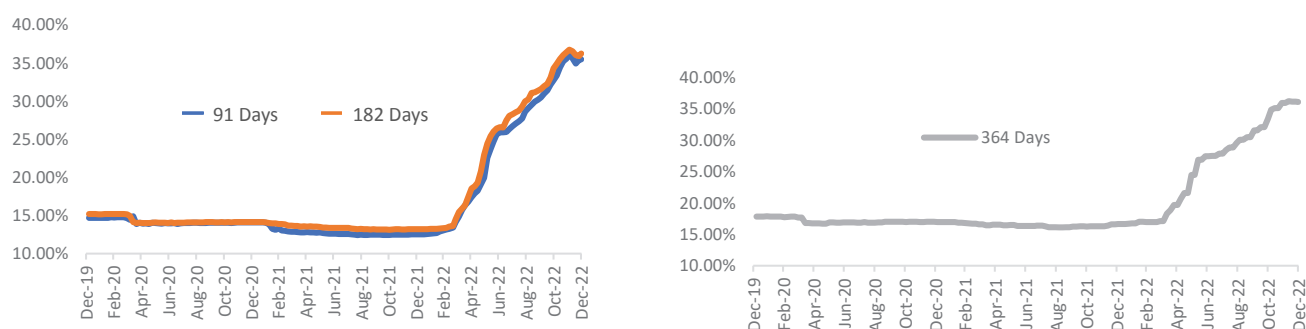


### INTEREST RATE DEVELOPMENT

Due to a substantial surge in inflation, and a corresponding spike in the policy rate, there was a widespread increase of interest rates across the yield curve. The interbank weighted average interest rate stood at 25.51% in December 2022, compared to the 12.68% observed in December 2021. Interest rates on Government bills also displayed an upward trajectory, with the 91-day, 182-day, and 364-day Treasury bill rates climbing to 35.48%, 36.23%, and 36.06%, from 12.51%, 13.19% and 16.57% respectively.



## PORTFOLIO MANAGER'S REPORT

**EXTERNAL SECTOR DEVELOPMENT AND FISCAL OPERATIONS**

Amid global supply chain limitations, Ghana achieved a healthy trade surplus; however, the balance of payments experienced a deficit of US\$3.64 billion due to significant net outflows in the capital and financial account. Consequently, there was a drawdown of US\$3.46 billion from the Gross International Reserves, from US\$9.70 billion at the end of December 2021 to US\$6.24 billion at the end of December 2022, thus providing 2.7 months of import cover and prompting notable currency pressures.

In terms of currency performance, the Ghana Cedi underwent a cumulative 30% depreciation against the USD, a stark contrast to the 4.1% depreciation witnessed in 2021 driven by portfolio flow reversals, and lingering impacts of the pandemic and the Russia-Ukraine war.

On fiscal operation, Total Government Revenue and Grants reached GH¢96.65 billion, marginally falling short of the GH¢96.84 billion target. The year's Total Government Expenditure, including payment arrears, amounted to GH¢146.33 billion surpassing the target of GH¢135.74 billion. Consequently, an overall deficit of 8.3% of GDP was recorded, a reduction from 9.2% in 2021 but exceeding the target of 6.3%. By the close of 2022, the Total debt stock stood at GH¢473.2 billion, higher than the GH¢351.79 billion at the end of December 2021.

**THE DOMESTIC DEBT EXCHANGE PROGRAM (DDEP)**

With external financing options closed and worsening balance of payment deficit, Government in July 2022, requested for financial assistance from the IMF, primarily aimed at macroeconomic stability and debt sustainability.

In December, a staff-level Agreement was reached with the IMF for a 3-year extended credit facility amounting to \$3 billion USD. A Debt Sustainability Analysis (DSA) was conducted to evaluate Ghana's overall debt burden which confirmed a public debt burden surpassing 100% of GDP, necessitating a Domestic Debt Exchange Programme (DDEP) and external debt restructuring.

**FUND ACTIVITIES**

- **Change in Valuation Methodology**

To provide consistency in the valuation of assets and portfolios in the securities industry and to ensure that the portfolios reflect market values, as well as protect investors, the regulator on the 20th of October directed all market operators to use the marked-to-market valuation method in the valuation of investment assets or securities in portfolios.

- **Participation in the Domestic Debt Exchange Program**

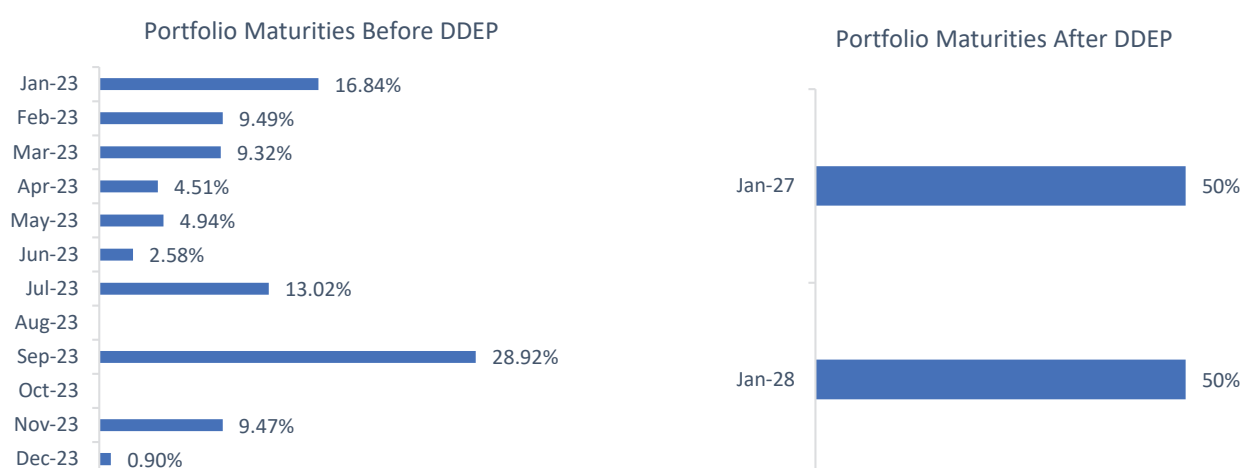
After careful deliberation, management in consultation with the Trustees, opted to participate in the program. The decision was made due to the potential dire consequences, as evidenced by the current delays in coupon and

## PORTFOLIO MANAGER'S REPORT

maturity payments from the Government. Our participation in the program led to the conversion of all investments into long-term GOG bonds with maturities of 2027 and 2028, despite an investment mandate that prescribes a maximum tenor of 13 months.

The most notable impact, beyond the extended maturities and low coupon rates of 10%, was the introduction of illiquidity into the portfolio. The previously diversified portfolio, spread across months, was consolidated into two securities with cashflow payment in August and February. The situation is exacerbated by the elevated interest rates in Treasury bills, discouraging bond sales due to their currently depressed prices.

Our primary objective is to safeguard the value of your investment, and opting for a sale at a loss is not deemed a prudent option. Management has however diligently pursued a range of alternatives throughout this period to enhance the fund's liquidity. We continue to actively engage with the SEC to communicate the fund's challenges and present concerns to the Ministry of Finance.



### • The new Money Market Unit Trust Sub Account

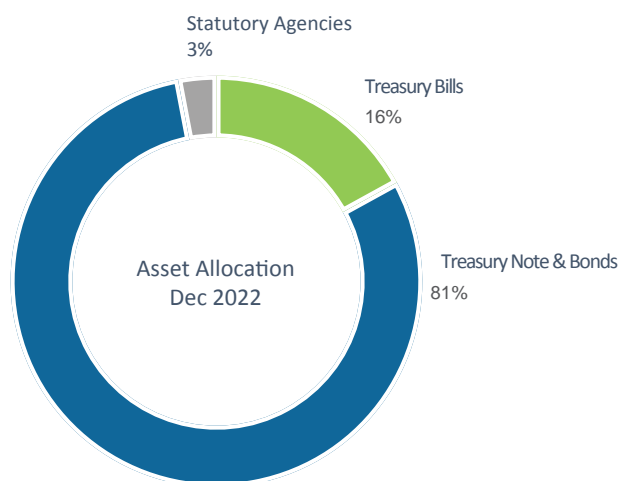
As highlighted previously, the past year has presented challenges within the investment industry. Nevertheless, investors continue to seek for investment opportunities. In response to our clients' requests for alternative investment avenues in light of recent developments and the shift in the current asset policy mix of the money market, a sub-account was established and subsequently received no objection from the Securities and Exchange Commission (SEC).

This newly introduced Fund has been meticulously crafted with a strong focus on both capital preservation and the maintenance of consistently elevated liquidity levels. The core objective of this Fund is to invest 100% of its assets in a broadly diversified portfolio of short-term, high-quality money market securities. We believe this approach will cater to the need for near-term investments while maintaining prudent risk management.

### PORTFOLIO STRUCTURE

We provide below an overview of the portfolio structure in 2022. By year-end, 17% of our assets were allocated to Tbills, 2% in Cash, and 81% in Notes and Bonds, all of which were in compliance with the mandated maturity period of less than 13 months. Notably, the Money Market Fund experienced a substantial influx of funds throughout the year, driven by investors seeking short-term investment opportunities. Consequently, our Assets Under Management (AUM) expanded significantly, growing from GHS 7.9 million at the close of 2021 to GHS 167 million by the end of 2022.

## PORTFOLIO MANAGER'S REPORT



The Trust recorded a total subscription of 249,695,981 and a total redemption of 134,817,694, culminating in a total unit balance of 122,047,266—markedly surpassing the unit balance of 7,168,979 in 2021. Moreover, alongside the growth in AUM, our total client base witnessed a notable expansion, increasing from 203 clients at the end of 2021 to 2988 clients in the year 2022.

### PORTFOLIO PERFORMANCE

Within the course of the year, the Trust yielded a return of 19.37% (based on Marked-to-Market) and 22.26% (based on Held-to-Maturity) in 2022. The returns outperformed the benchmark return of 11.47%.

It is anticipated that the fund's performance may experience fluctuations due to the adoption of the new valuation methodology, which entails valuing the underlying securities based on prevailing market prices. As previously

Performance Summary %	1 Month	3 Months	6 Months	YTD	3 Year	5 Years	Since Inception
Money Market Fund Performance at Amortized Cost	2.60	7.40	13.43	22.26	62.24	117.79	192.31
*Benchmark	0.95	2.87	5.77	11.47	35.49	63.45	82.48
Money Market Fund Performance at Marked-to-Market	1.65	4.87	10.76	19.37	58.41	112.66	185.41

### OUTLOOK

Global environment has shown signs of improvement, with the first quarter of 2023 witnessing positive estimates in global growth. This has been accompanied by a reduction in oil prices, leading to a decrease in global inflation, although it remains somewhat elevated. The immediate outlook for global growth retains an element of uncertainty.

In the domestic economy, we anticipate encountering challenges attributed to the IMF program, which prioritizes the early implementation of fiscal consolidation measures. As indicated in the Mid-Year Budget review, GDP is projected to moderate to 1.5% in 2023.

The Ghana cedi has exhibited a relatively stable trend since February 2023, following a sharp depreciation in January.

## PORTFOLIO MANAGER'S REPORT

There is the optimism from the full implementation of the IMF program, nevertheless, the potential discontinuation of BDC auction poses a risk to currency performance.

Headline inflation has remained elevated despite the observed decrease from 54.1% in December to 43.1% in July. We anticipate that inflationary pressures will persist at heightened levels, as baseline projections indicate an elevated trajectory in the upcoming months.

Aligned with elevated inflation, we anticipate an environment of heightened interest rates, particularly in the short-term securities. Despite the increasing demand for bills, the government's limited access to the international capital market and the need to finance the deficit will sustain elevated rates.

### CONCLUSION

In conclusion, we wish to convey our sincere gratitude for your patience and ongoing support throughout these demanding circumstances.

The prevailing macroeconomic environment has introduced numerous hurdles, and your understanding and unwavering loyalty are deeply valued.

We wish to assure our esteemed clients of our commitment to facilitating the essential liquidity for the Trust and encourage you to maintain investment confidence in EDC.

We wholeheartedly appreciate your continued patronage.



**Michael Owusu** - Portfolio Manager

## REPORT OF THE TRUSTEES TO THE UNIT HOLDERS OF THE EDC GHANA MONEY MARKET UNIT TRUST

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 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).

Dated: , 2023



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

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

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- 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

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The Pan African Bank



**Financial**

# **STATEMENTS**





## STATEMENT OF FINANCIAL ASSETS AS AT 31 DECEMBER 2021

### FIXED INTEREST SECURITIES

	Market Value GH¢	Percentage of Net Asset (%)
<b>TREASURY BILLS</b>		
182- Day Treasury Bills	7,404,903	4.42
364- Day Treasury Bills	4,985,660	2.98
91- Day Treasury Bills	15,027,129	8.98
	<b>27,417,692</b>	<b>16.38</b>
<b>TREASURY NOTES &amp; BONDS</b>		
2-Year GOG Note	90,629,695	54.14
3-Year GOG Note	39,896,675	23.83
5 Year GOG Note	5,652,203	3.38
	<b>136,178,573</b>	<b>81.35</b>
<b>Funds on Call</b>		
Cash	4,217,846	2.52
	<b>4,217,846</b>	<b>2.52</b>
TOTAL INVESTMENT IN FINANCIAL ASSETS	167,814,111	100.25
TOTAL FINANCIAL & OTHER LIABILITIES	(421,045)	(0.25)
<b>TOTAL FINANCIAL ASSETS</b>	<b>167,393,066</b>	<b>100.00</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

<b>FINANCIAL ASSETS</b>	<b>NOTE (S)</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Cash and cash equivalents	11	4,217,846	162,478
Financial assets designed as at fair value	12	163,596,265	7,758,645
Receivables		-	8,359
		<b>167,814,111</b>	<b>7,929,482</b>

<b>REPRESENTED BY:</b>	<b>NOTE (S)</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Members' Fund	16	167,393,066	7,846,904
<b>FINANCIAL &amp; OTHER LIABILITIES</b>			
Accounts payable	12	421,045	82,578
<b>Total Members' Fund and Financial &amp; Other Liabilities</b>		<b>167,814,111</b>	<b>7,929,482</b>



.....  
PAUL KOFI MANTE (Director)



.....  
DAVID OFOSU DORTE (Director)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE (S)	2022 GH¢	2021 GH¢
<b>REVENUE</b>			
Interest Income	9	28,235,992	1,101,913
Realized Gain/(loss) on Debt Securities	14b	(1,149,055)	-
		<b>27,086,937</b>	<b>1,101,913</b>
<b>EXPENSES</b>			
Investment management fees		1,119,807	83,221
Trustee Fees		191,787	28,945
General administrative expenses	13	298,321	26,279
Audit Fees		40,000	10,000
		<b>1,649,915</b>	<b>148,445</b>
OPERATING PROFIT BEFORE TAX		25,437,022	953,468
<b>INCREASE IN NET ASSETS AVAILABLE FOR REDEMPTIONS</b>		<b>25,437,022</b>	<b>953,468</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Unrealized Gain/(loss) on Debt Securities	14a	4,120,091	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>29,557,113</b>	<b>953,468</b>

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

	2022 GH¢	2021 GH¢
Balance as at 1 January	3,166,492	2,213,024
Transfer from income and distribution statement	25,437,022	953,468
<b>Balance as at 31 December</b>	<b>28,603,514</b>	<b>3,166,492</b>

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

2022	CAPITAL TRANSACTIONS	INVESTMENT INCOME GH¢	Valuation Reserve GH¢	TOTAL GH¢
Balance as at 1 January	4,680,412	3,166,492	-	7,846,904
Net income from operations	-	25,437,022	-	25,437,022
Other Comprehensive Income	-	-	4,120,091	4,120,091
Units Issue	297,596,970	-	-	297,596,970
Units Redemption	(167,607,921)	-	-	(167,607,921)
<b>At 31 December</b>	<b>134,669,461</b>	<b>28,603,514</b>	<b>4,120,091</b>	<b>167,393,066</b>

2021	CAPITAL TRANSACTIONS	INVESTMENT INCOME GH¢	VALUATION RESERVE GH¢	TOTAL GH¢
Balance as at 1 January	4,212,639	2,213,024	-	6,425,663
Net income from operations	-	953,468	-	953,468
Other Comprehensive Income	-	-	-	-
Units Issue	4,401,308	-	-	4,401,308
Units Redemption	(3,933,535)	-	-	(3,933,535)
<b>At 31 December</b>	<b>4,680,412</b>	<b>3,166,492</b>	<b>-</b>	<b>7,846,904</b>

## MOVEMENTS IN ISSUED SHARES (UNITS) FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 NO. OF UNITS	2021 NO. OF UNITS
Balance as at 1 January	7,168,979	6,253,439
Issued during the year	249,695,981	4,265,031
Redemption during the year	(134,817,694)	(3,349,491)
<b>Balance at 31 December</b>	<b>122,047,266</b>	<b>7,168,979</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 2022

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Increase in Net Assets Attributable to Unit Holders	29,557,113	953,468
<b>Adjusted for:</b>		
Interest Receivable	(7,177,465)	(509,185)
Unrealized gain/(loss)	(4,120,091)	-
Interest income	(21,058,527)	(592,728)
<i>Changes in working capital:</i>		
Change in liabilities	338,467	31,255
Change in Other Receivables	8,359	(8,359)
<b><i>Net Cashflows from Operating Activities</i></b>	<b><u>(2,452,144)</u></b>	<b><u>(125,549)</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Purchase of financial assets	(144,540,064)	(922,409)
Interest Income	21,058,527	592,728
<b><i>Net Cashflows from Investing Activities</i></b>	<b><u>(123,481,537)</u></b>	<b><u>(329,681)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Units	297,596,970	4,401,308
Amount paid on redemption of units	(167,607,921)	(3,933,535)
<b><i>Net Cashflows from Financing Activities</i></b>	<b><u>129,989,049</u></b>	<b><u>467,773</u></b>
<b>Net Increase (Decrease)</b>		
In Cash and Cash Equivalent	4,055,368	12,543
Cash and Cash Equivalent At 1 January	162,478	149,935
<b>CASH AND CASH EQUIVALENT AT 31 DECEMBER</b>	<b><u>4,217,846</u></b>	<b><u>162,478</u></b>

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# NOTES

TO THE FINANCIAL STATEMENTS



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### NOTES TO FINANCIAL STATEMENTS

#### 1. REPORTING ENTITY

EDC Ghana Money Market Unit Trust is a unit trust investment whose primary objective is to obtain contributions from members and invest same for their benefit. EDC Ghana Money Market 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 members contribution in, investment-grade debt securities and derivatives, with the objective of providing members with above-average returns over 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 is 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 Fund'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 judgements, 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), 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

### **iii. Financial Instruments**

Financial assets and financial liabilities are recognised in the trust's statement of financial position when the trust becomes a party to the contractual provisions of the instrument.

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 Trust may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Trust 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 Trust may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

### **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 as 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Trust 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 Trust has designated all debt and equity instruments as at FVTPL.

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

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

### **(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 realise the asset and settle the liability simultaneously.

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

### **(e) Amortised cost measurement**

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

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

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

Recognition of hedged transactions depends on the hedged categories.

## NOTES TO 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, 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 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.

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

The effective interest method is a method of calculating the amortised 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 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:

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

difficulty, a concession that The Unit Trust 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 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.

### **iii. Foreign Currency**

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

### **iv. 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.

### **v. Cash and Cash equivalents**

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

### **vi. 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**

There are 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. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE**

There are 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 receive a fee at an annual rate of 0.40% of the net asset value attributable to members of the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Unit Trust. The total Trustees fees charged during the year amounted to GH¢ 191,787. Included in the payables as at 31 December 2022 were trustee fees payable of GH¢ 171,064.

### **b. Managers Fund**

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 1% and 1.25% of the net asset value attributable to institutional and retail members of the Unit Trust respectively. The management fees incurred during the year amounted to GH¢ 1,119,807. Included in the payables as at 31 December 2022 were fund management fees payable of GH¢ 176,959.

<b>7 CONTRIBUTION</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Balance as at 1 January	4,580,412	4,112,639
Contributions during the year	297,596,970	4,401,308
	<u>302,177,382</u>	<u>8,513,947</u>
Redemptions paid	(167,607,921)	(3,933,535)
	<u><b>134,569,461</b></u>	<u><b>4,580,412</b></u>
<b>8 REDEMPTIONS</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Redemptions paid	167,607,921	3,933,535
	<u><b>167,607,921</b></u>	<u><b>3,933,535</b></u>
<b>9 INTEREST INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Cash and bank	675,074	35,732
GoG Notes and Bonds	22,544,732	128,153
Treasury bills	5,016,186	938,028
	<u><b>28,235,992</b></u>	<u><b>1,101,913</b></u>

### **10 FINANCIAL INSTRUMENTS**

c. Analysis of changes in fair value of financial instruments at fair value through OCI

<b>2022</b>	<b>Balance 1/1/2022</b>	<b>Purchase/sales at Cost</b>	<b>Accrued Interest</b>	<b>Change in Fair Value</b>	<b>Value 31/12/2022</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Ghana Government Securities	2,287,656	123,372,468	7,177,465	3,340,984	136,178,573
Treasury Bills	5,470,989	21,167,596	-	779,107	27,417,692
	<u><b>7,758,645</b></u>	<u><b>144,540,064</b></u>	<u><b>7,177,465</b></u>	<u><b>4,120,091</b></u>	<u><b>163,596,265</b></u>

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 FINANCIAL INSTRUMENTS

Analysis of Changes in Fair Value of Financial Instruments

2021	Balance 1/1/2021	Purchase/ sales at Cost	Accrued Interest	Change in Fair Value	Value 31/12/2021
	GH¢	GH¢	GH¢	GH¢	GH¢
Ghana Government Securities	2,158,379	93,308	35,969	-	2,287,656
Treasury Bills	4,168,672	829,101	473,216	-	5,470,989
	<b>6,327,051</b>	<b>922,409</b>	<b>509,185</b>	<b>-</b>	<b>7,758,645</b>

### 11 CASH AND CASH EQUIVALENTS

	2022 GH¢	2021 GH¢
Cash and Bank Balances	4,217,846	162,478
	<b>4,217,846</b>	<b>162,478</b>

### 12 PAYABLE UNDER SERVICE LEVEL AGREEMENTS

	2022 GH¢	2021 GH¢
Investment management fees	176,959	27,502
Trustee fees	171,064	7,794
Audit fees and expenses	40,000	10,000
AGM expenses	-	10,000
Due to EDC	25,357	25,357
VAT on Audit Fees	7,665	1,925
	<b>421,045</b>	<b>82,578</b>

### 13 GENERAL ADMINISTRATIVE EXPENSES

	2022 GH¢	2021 GH¢
AGM Expenses	22,061	10,000
Printing & Stationery	6,775	10,014
Bank Charges	809	4,340
VAT/NHIL on Audit Fees	7,665	1,925
Postage and Telephone	1,240	-
Broker Commissions	254,912	-
Legal charges	2,552	-
Other Expenses	2,307	-
	<b>298,321</b>	<b>26,279</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

<b>14 UNREALISED GAIN/LOSS/ (REALISED GAIN/LOSS)</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Unrealised Gain/(Loss) on GoG Notes and Bonds	3,340,984	-
Unrealised Gain/(Loss) on Treasury Bills	779,107	-
e. Unrealised gain/loss on Debt Securities	4,120,091	-
f. Realised Gain/loss on Debt Securities	(1,149,055)	-
	<b>2,971,036</b>	<b>-</b>

### 15 TAXATION

Income of 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)

<b>16 MEMBER'S FUND</b>	<b>2022</b>	<b>2021</b>
	<b>GH¢</b>	<b>GH¢</b>
Accumulated Net Investment Income	32,723,605	3,166,492
Stated Capital	100,000	100,000
Movement on Units Issued	134,569,461	4,580,412
	<b>167,393,066</b>	<b>7,846,904</b>

### 17 TRANSACTIONS THROUGH STOCKBROKERS

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

### 18 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 March 2023.

The fund has signed on to fully participate in the exchange program. The impact of this program will affect profitability in 2023 as the coupon rate on these bonds will be revised down wards.

### 19. 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)

# 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

# PROXY FORM

I/We.....of.....  
 being a Unit Holder(s) of **EDC Ghana Money Market Unit Trust** (the “Unit Trust”) hereby  
 appoint.....of..... as my/our proxy  
 to attend on my/our behalf, the **6 th Annual General Meeting of the Trust**, to be held at **https://www.  
 edcghanaagm.com** on **Wednesday September 20, 2023** at **11:00 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 ratify the creation of a Sub Account for the Unit Trust;			
5. 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 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.

EDC INVESTMENTS LIMITED  
(A member of the Ecobank Group)



## Introducing the new **EDC Ghana Money Market Unit Trust Sub-Account B!**

In response to our clients request for alternatives and options for short term investments, we have introduced the **EDC Ghana Money Market Unit Trust Sub-Account B.**

This Fund is specifically crafted with a strong emphasis on safeguarding capital and ensuring a consistently elevated level of liquidity.

The fund shall invest 100% of its assets in a broadly diversified portfolio of short-term, high quality money market securities such as:

- Fixed Deposits
- Commercial papers
- Treasury Bills

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

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The Pan African Bank

The fund will be guided by the EDC Ghana Money Market Unit Trust Scheme Particulars.

#### How much can I invest?

Minimum initial investment

- Individual - GHS 100
- Corporate - GHS 50,000

Minimum additional investment

- Individual - GHS 50
- Corporate - GHS 10,000

#### How long should I be in the Fund?

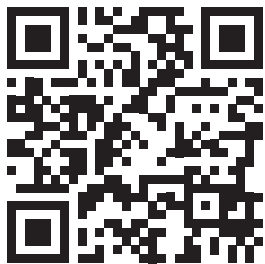
- An individual can invest in the Fund for as long as he/she wishes.

#### Withdrawal

- Maximum 48 Hours
- Withdrawals can be made in part or full with no charges.
- No Front-Load, No Back-Load.

#### What can I invest towards?

- Financing of children's education.
- Starting a business.
- Terminal school fees.
- Other desired goals by investor.






#### What are the modes of payment?

- Cash and Cheque payment at any Ecobank branch.
- Standing order from investors' bank account to EDC Ghana Money Market Unit Trust.
- Mobile Money from all networks in Ghana using \*887\*505#
- Fund Transfer from any bank
- Post – dated cheques for periodic payments.
- Scan and invest using our QR code.
- Invest through the Ecobank mobile App.
- Top up at your own convenience through your desired bank's internet banking.



Call or WhatsApp us today  
to speak to a financial planner  
on how to get started

 0302 634 165  
 0595 235 065  
 [edc-clientservice@ecobank.com](mailto:edc-clientservice@ecobank.com)

**Financial Independence is possible with EDC**

