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**DATABANK EDUCATIONAL  
INVESTMENT FUND PLC**

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## Table of contents

<i>PREFACE</i> .....	3
THE MANAGER .....	4
<i>BOARD OF DIRECTORS OF THE MANAGER</i> .....	5
THE CUSTODIAN.....	7
<i>BOARD OF DIRECTORS OF THE FUND</i> .....	7
<i>CONSTITUTION AND OBJECTIVES OF THE SCHEME</i> .....	8
<i>INVESTMENT OBJECTIVE, POLICY &amp; RESTRICTIONS</i> .....	9
<i>CHARACTERISTICS OF INTEREST IN THE SCHEME</i> .....	14
<i>VALUATION OF ASSETS, CHARGES, DISTRIBUTION AND FEES</i> .....	14
<i>GENERAL INFORMATION</i> .....	24
RISK FACTORS .....	25
TAXATION.....	27

## **Preface**

This document explains what you should know about this mutual fund before you invest. Please read it carefully. The Securities and Exchange Commission, Ghana (“the Commission”) has licensed the Fund to operate as a mutual fund. The Commission assumes no responsibility for the correctness of any of the statements contained in this document.

The distribution of this document and the offering of the shares in certain jurisdictions may be restricted by law; persons into whose possession this document comes are required by the Fund to inform them about and observe any such restrictions. This document does not constitute an offer to, and may not be used for the purpose of, or solicitation by, any person in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorized or is unlawful.

The shares are offered based on the information and representations contained in this document, and other documents referred to herein. Any further information and representations made by any person may not be relied upon as having been authorized by the Fund. Neither the delivery of this document nor the allotment of shares shall under any circumstance create any implication that there has been no change in the affairs of the Fund since the date hereof.

Before deciding whether to apply for shares, you should consider whether shares are a suitable investment for you. The market of shares can go up as well as down. Past performance is not necessarily indicative of future performance. If you need advice, you should consult a qualified investment representative for professional advice.

It is important for the Scheme Particulars to be read in its entirety before making an application for shares issued by this mutual fund.

**Databank Educational Investment Fund PLC**

July 2023

## **DATABANK EDUCATIONAL INVESTMENT FUND**

Databank Educational Investment Fund (EdiFund) is an outcome-oriented open-ended mutual fund created to help people invest towards financing their educational needs. The Fund has been created mainly for educational institutions, parents, students, scholarship bodies and individuals who want to invest towards meeting future educational expenditures. The Fund has a two-tier structure. The underlying assets of the Fund will be fixed-income instruments, as well as equities in Ghana and other parts of Africa. For Tier 1, the Fund may invest 100% of its assets in fixed-income securities with the option to invest not more than 30% of its total net assets in equities. For Tier 2, the Fund can invest 60% to 100% in fixed-income securities and a maximum of 40% in equities. Tier 1 has a three-month minimum holding period, whereas Tier 2 has a five-year minimum holding period for investors.

The Fund will have an embedded Life and Total Permanent Disability Insurance Cover for clients who invest in Tier2. The address for the Fund is 61 Barnes Road Adabraka, Accra. The Fund can be contacted on +233 302 610610.

### **THE MANAGER**

Name:	Databank Asset Management Services LTD.
Country of incorporation:	Ghana
Registration Number:	CS172092016
Nature of Corporate form:	Limited Liability
Address:	61 Barnes Road, PMB, Ministries Post Office, Accra
Telephone Number:	+233302 610610
E-mail address:	<a href="mailto:info@databankgroup.com">info@databankgroup.com</a>
Website:	<a href="http://www.databankgroup.com">www.databankgroup.com</a>
Date of incorporation:	February 2, 1996
Amount of issued shares:	1,440,000
Paid up Capital:	GHC 375,000
Names of Directors:	Angela Lamensdorf Ofori-Atta Georgetta Striggner-Quartey Franklin Afedzi Hayford Keli Gadzekpo Kojo Addae-Mensah Stephen Douglas Cashin
Holding Company:	Databank Financial Holdings Ltd. incorporated in Bermuda

**Directorship Details for Databank Asset Management Services LTD:**

Name	Position	Other Affiliations	Address	Occupation	Nationality
Angela Lamensdorf Ofori-Atta	Director	Board Member: <ul style="list-style-type: none"> <li>• Databank Financial Services LTD.</li> <li>• Enterprise Funeral Services Ghana Ltd.</li> <li>• Enterprise Group Ltd</li> <li>• The Databank Foundation</li> </ul>	38 Ndebaninge Sithole Street North Labone	Clinical Psychologist/ Lecturer	Ghanaian
Georgetta Striggner-Quartey	Director	Board Member: <ul style="list-style-type: none"> <li>• Databank Brokerage Ltd.</li> <li>• Databank Financial Services Ltd</li> <li>• SSO Advisors Ltd.</li> <li>• Tessina Consult Unlimited</li> <li>• National Insurance Commission.</li> </ul>	P.O.Box 11564 Accra-North	Lawyer	Ghanaian
Franklin Afedzi Hayford	Director	Board Member: <ul style="list-style-type: none"> <li>• Databank Financial Services Ltd.</li> <li>• Databank Securities Ltd.(The Gambia)</li> <li>• Ghana Reinsurance PLC.</li> <li>• Grace Strategic Ventures Ltd.</li> <li>• Insurance Company of Africa (Liberia)</li> <li>• International Bank (Liberia) Ltd</li> <li>• Rhun Palm Consult Ltd.</li> <li>• Trust Bank Ltd (The Gambia)</li> </ul>	P. O. Box 7570, Accra-North	Investment Banker	Ghanaian
Keli Gadzekpo	Chairman	Board Member: <ul style="list-style-type: none"> <li>• Databank Epack Investment Fund PLC.</li> <li>• Databank Financial Services Ltd.</li> <li>• Ecolodge Mole Operating Company Ltd.</li> <li>• Electricity Company of Ghana Ltd.</li> <li>• Enterprise Funeral Services Ghana Ltd.</li> <li>• Enterprise Group Ltd.</li> <li>• Enterprise Insurance Company Ltd.</li> <li>• Enterprise Life Company Ltd.</li> <li>• Enterprise Properties Ltd.</li> <li>• Enterprise Trustees Ltd.</li> <li>• Family Ventures and Offices Ltd.</li> <li>• Grace Strategic Ventures Ltd</li> <li>• Phyto-riker (GIHOC) Pharmaceuticals Company Ltd.</li> <li>• Robert &amp; Sons Ltd.</li> </ul>	Box M.298, Accra	Investment Banker  Group Chief Executive Officer, Enterprise Group Ltd	Ghanaian

		<ul style="list-style-type: none"> <li>• The Databank Foundation</li> <li>• Ventures and Acquisitions Ltd</li> </ul>			
Kojo Addae-Mensah	Chief Executive Officer	Board Member: <ul style="list-style-type: none"> <li>• Databank Ark Fund PLC.</li> <li>• Databank Balanced Fund PLC.</li> <li>• Databank Brokerage LTD.</li> <li>• Databank Epack Investment Fund PLC.</li> <li>• Databank Financial Services LTD.</li> <li>• Databank MFund PLC</li> <li>• The Databank Foundation.</li> <li>• Databank Retirement Fund PLC</li> </ul>	61 Barnes Road Adabraka, Accra	Investment Banker	Ghanaian
Stephen Douglas Cashin	Managing Director	Board Member: <ul style="list-style-type: none"> <li>• Africare</li> <li>• Databank Brokerage LTD.</li> <li>• Databank Financial Services LTD.</li> <li>• Georgetown University, School of Foreign Service</li> <li>• Insurance Company of Africa</li> <li>• International Bank (Liberia) Ltd.</li> <li>• Jesuit Refugee Services</li> <li>• Pan African Capital Group</li> </ul>	1100 Connecticut Ave., NW Suite. 330, Washington, DC 20036	Investment Banker	American

The Manager also manages the following Mutual Funds:

Fund	Address	Phone Numbers	E-mail	Website
Databank Ark Fund PLC.	61 Barnes Road. PMB, Ministries Post Office. Accra	+233 302 610610	<a href="mailto:info@databankgroup.com">info@databankgroup.com</a>	<a href="http://www.databankgroup.com">www.databankgroup.com</a>
Databank Balanced Fund PLC.	61 Barnes Road. PMB, Ministries Post Office. Accra	+233 302 610610	<a href="mailto:info@databankgroup.com">info@databankgroup.com</a>	<a href="http://www.databankgroup.com">www.databankgroup.com</a>
Databank Epack Investment Fund PLC.	61 Barnes Road. PMB, Ministries Post Office. Accra	+233 302 610610	<a href="mailto:info@databankgroup.com">info@databankgroup.com</a>	<a href="http://www.databankgroup.com">www.databankgroup.com</a>

Databank MFund PLC.	61 Barnes Road. PMB, Ministries Post Office. Accra	+233 302 610610	<a href="mailto:info@databankgroup.com">info@databankgroup.com</a>	<a href="http://www.databankgroup.com">www.databankgroup.com</a>
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## THE CUSTODIAN

Name of Custodian:	Stanbic Bank Ghana LTD
Country of incorporation:	Ghana
Date of Incorporation:	08/03/1994
Name of holding company:	Standard Bank of South Africa.
Address:	Stanbic Bank Ghana Limited Plot 215 South Liberation Links Airport City P.O. Box CT 2344 Cantonments Accra, Ghana
Issued share capital:	GHS 221,719,240
Paid up capital:	GHS 414,213,000
Principal Business Activity:	Banking Services

### Full description of principal activities:

The principal activity of Stanbic Bank Ghana Limited is Universal Banking. Stanbic Bank Ghana Limited set up its Custody department in 2004 to take advantage of the broader Stanbic Bank group's expertise in investor services.

## BOARD OF DIRECTORS AND CORPORATE INFORMATION FOR THE FUND

The Directors of the Fund are:

Name	Position	Other Directorship	Address	Occupation
Israel Titi Ofei	Chairman	<ul style="list-style-type: none"> <li>Legacy Girls' School, Akuse</li> <li>Institute of Teacher Education and Development (ITED), Ghana</li> <li>Cambridge Schools, Ghana</li> </ul>	C115, Community 14 Tema	Educationist
Prof. Robert Ebo Hinson	Director	<ul style="list-style-type: none"> <li>Tele media Communications Limited.</li> <li>Africa Environmental Consult Limited.</li> </ul>	University of Ghana, Business School P.O. Box LG 78 Legon	Professor
Dr. Hazel Berrard Amuah	Director	<ul style="list-style-type: none"> <li>Prudential Life Insurance Ghana</li> <li>Reach Out Share Foundation</li> <li>People Factory</li> </ul>	P.O.Box CT 9121 Cantonments, Accra	Chartered Insurer

Alexander Williams	Director	<ul style="list-style-type: none"> <li>Planwell Insurance Brokers Limited</li> <li>Ghana Investment and Securities Institute</li> </ul>	P.O.Box CT 3556 Cantonments, ACCRA	Lawyer
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**Auditors:** KPMG  
Marlin House,  
13 Yiyiwa Drive, Abelenkpe,  
P.O.Box GP 242.  
Accra.

**Lawyer:** Dela Obeng-Sakyi  
PMB Ministries Post Office.  
Accra  
Tel: +233 302 610610  
E-mail: [del.obeng-sakyi@atabankgroup.com](mailto:del.obeng-sakyi@atabankgroup.com)

**Company Secretary:** Accra Nominees Limited  
No. 13 Samora Machel Road  
Asylum Down, Accra  
P. O. Box GP 242  
Accra  
Tel: (233)(307)03 2004  
E-mail: [accranominees@africaonline.com](mailto:accranominees@africaonline.com)  
[accranominees@yahoo.com](mailto:accranominees@yahoo.com)

**Registrar:** The shareholder's register may be inspected at the offices of the Manager:  
Databank Asset Management Services LTD.  
No. 61 Barnes Road.  
Adabraka, Accra  
Tel: +233 302 610610  
**E-mail:** [info@atabankgroup.com](mailto:info@atabankgroup.com)

#### CONSTITUTION OF THE SCHEME

Name of Scheme: Databank Educational Investment Fund PLC.  
Date of Incorporation: 9th March, 2012  
Date of Establishment: 16th March, 2012  
Nature of Scheme: Authorized Mutual Fund  
Promoters of the company: Databank Asset Management Services LTD  
Duration of Scheme: Indefinite



## INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

### *Investment Objective*

Databank Educational Investment Fund PLC is an outcome-oriented open-ended mutual fund created to help people invest towards financing their educational needs. The Fund has been created mainly for educational institutions, parents, students, scholarship bodies and individuals who want to save and invest towards meeting future educational expenditure. The underlying assets of the Fund will be fixed-income instruments and equities in Ghana and other parts of Africa.

The Educational Fund has a two-tier structure to cater for the needs of short-term investors as well as those investing for future educational needs. The Fund will be segmented into 2 tiers:

- **Tier 1:** to meet the short-term needs of investors. The minimum holding period is three months in this tier.
- **Tier 2:** to meet the long-term needs of investors. The minimum holding period is five years in this tier. Tier 2 also provides investors with an embedded insurance cover.

### *Investment policy*

The Fund seeks to achieve its investment objective by investing in fixed-income securities, as well as equities in Ghana and across Africa. For Tier 1, the Fund may invest 100% of its assets in fixed-income securities, with the option to invest not more than 30% of its total net assets in equities. For Tier 2, the Fund can invest 60% to 100% in fixed-income securities and a maximum of 40% in equities. The Fund will be structured to reduce portfolio volatility and exposure to particular issuers and sectors by maintaining a well-diversified portfolio of fixed-income securities. For the equity section of the portfolio, the focus will be on identifying investments with quality management, competitive positions, regular profits and good cash flow positions. In effect 'Defensive Stocks' (i.e. blue-chip dividend-assured companies).

The Fund's investments will mainly be in the following securities:

1. The Fund may invest in equity securities trading on a regulated market
2. The Fund may invest in unlisted equity securities which may not exceed 5% of its total Net Asset Value (NAV)
3. Commercial paper
4. Bankers' acceptances
5. Certificates of deposit
6. Corporate bonds
7. Debt obligations issued or guaranteed as to principal and interest by the Ghana Government or its agencies such as Government of Ghana, Bank of Ghana and Municipal authorities
8. Repurchase agreements, which may be viewed as a type of secured lending by the Fund

The Fund may invest up to 30% of the scheme's total net assets value in government securities of the same issue.

All securities purchased by the Fund will present minimal credit risk in the opinion of the Investment

Manager acting under the supervision of the Investment committee and Board of Directors of the Fund.

In the interest of prudence and efficient management of the Fund, the Manager will maintain prudent levels of liquidity.

### ***Investment strategy***

**Tier 1** seeks to achieve its objective through investing a minimum of 70% and a maximum of 100% of its assets in fixed-income products and a maximum of 30% in equities in Ghana and other parts of Africa.

**Tier 2** seeks to achieve its objective through investing a minimum of 60% and a maximum of 100% of its assets in fixed-income products and a maximum of 40% in equities in Ghana and other parts of Africa.

### ***Investment restrictions***

The Manager shall not undertake investments in the following areas except with the prior approval of the Commission.

1. Invest more than 10% of the net asset value of the Scheme in any type of real estate other than the debt securities of real estate companies or companies that have engaged in real estate investment activities.
2. Invest more than 25% of the net asset value of the Scheme in securities issued by a single issuer, other than securities issued by the government of Ghana.
3. Invest more than 10% of the net asset value of the Scheme in any particular class of securities issued by a single issuer, other than securities issued by the government of Ghana.
4. Invest more than 15% of the net asset value of the Scheme in other collective investment schemes.
5. Invest more than 5% of the total net asset value of the Scheme in securities not listed or quoted on an authorized stock exchange.
6. Purchase securities on margin, except that the Manager may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities constituting or to be included in the assets of the Scheme.
7. Make any investment that will result in the Manager, or the Scheme gaining management control of a company in which the investment has been made.
8. Make short sales of securities or maintain a short position.
9. Acquire any securities which are unpaid or partly-paid for.
10. Apply any part of the assets of the Scheme in the acquisition of an investment which is likely to involve the Scheme in any liability, contingent or otherwise.
11. Enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of any investment.

### ***Base Currency***

The base currency of the Fund is the Ghanaian cedi (GHC).

**Annual accounting period**

The accounting date for every financial year is 31<sup>st</sup> December.

**Borrowing powers**

The Fund will not borrow more than 15% of the total net assets of the Fund at the time of borrowing and then only for liquidity purposes.

The following provisions shall apply in connection with borrowing:

1. The borrowing may be from the Custodian or any associate of theirs on the best commercial terms.
2. The aggregate outstanding of borrowings whether in local or foreign currency at any time shall not exceed 15% of the net value of the assets of the Scheme.
3. Any interest on the borrowing and expenses incurred in negotiating, entering into, varying, carrying into effect and terminating the borrowing arrangements shall be payable out of the assets of the Scheme.
4. For the purposes of securing the borrowing, the Board of Directors of the Fund is entitled, with the concurrence of the Manager, to charge or pledge in any manner all or any part of the assets of the Scheme, and where any part of the assets of the Scheme or any document of title of the assets is for the time being under the custody and control of a person other than the Custodian in consequence of any charge or pledge, the provisions of the Regulations as to the custody and control of the assets of the Scheme or the documents of title to the assets shall be deemed not to have been infringed.
5. Any charge or pledge on the assets of the Scheme shall be made upon the terms that no action shall be taken to enforce the security constituted until thirty days after notice in writing has been given to the board of directors of the mutual fund demanding repayment of the monies secured.
6. Where borrowing is undertaken for the account of the Scheme, assets that form a part of the deposited property may be registered in the lender's name or in the name of a nominee appointed by the lender; provided that the lender or its nominee, enters into a written commitment that under no circumstances will it pledge or obligate any part of the assets to any other person or use any part of them to margin, guarantee, secure, discharge or settle any borrowing, trades or contracts, or dispose of any part of them, or treat them as if any person other than the mutual fund and the lender had any interest in them.
7. Where the assets of the Scheme or any part of the assets is registered in the name of a lender as security for a loan obtained for and on behalf of the Scheme, or Custodian is liable for any act or omission of the lender or the lender's agent with respect to the property.
8. Any cash raised by borrowing for the Scheme shall constitute a part of the assets of the Scheme.

**Management of the Fund**

1. The Manager shall manage the mutual fund on a day-to-day basis, select investments to be owned by the company and carry out any other functions assigned to it under contract from the mutual fund.
2. The Manager shall be subject to the directions of the directors of the mutual fund and shall

perform the normal functions carried out by the managing director of a company.

3. Where the directions given to the Manager by the directors of the mutual fund contravene the Securities Industry Act, 2016 (Act 929) at the time in force or any other enactment, the Manager shall refer the matter to the Commission for guidance.
4. The Manager of the mutual fund shall maintain such minimum paid up capital and have the amount and type of financial and material resources as may be directed by the Commission.
5. The Manager shall not allow the property of the company to be used or invested contrary to the investment restrictions under Act 929 at the time in force or Regulations made there under.
6. The Manager shall ensure that its directors or other persons concerned with the management of its business have the necessary qualifications and experience required by the Commission.
7. The Manager shall act in accordance with investment policies laid down by its directors and the provisions of Act 929.

The Fund has appointed the Manager, Databank Asset Management Services LTD, to provide administrative services, manage its business affairs and invest its assets, including the placing of orders for the purchase and sale of portfolio securities.

The Board of Directors is responsible for the Fund's management and control, including the determination of investment policy.

#### ***Management of other schemes and portfolios***

1. The Manager also manages Databank Epack Investment Fund PLC, Databank MFund PLC, Databank Balanced Fund PLC and Databank ArkFund PLC. Databank Asset Management Services LTD has been investing on behalf of clients for over two decades and provides investment management and advisory services to SEC-licensed collective investment schemes, NPRA-licensed pension schemes, Corporate & Endowment funds and the wealth of high-net-worth individuals. As of December 31, 2022, Databank Asset Management managed over GHC 9 billion in assets.
2. The Manager of a scheme shall only deal with the management of licensed mutual fund schemes except that the Manager may with the prior written approval of the Commission manage other investment portfolios subject to conditions that the Commission may impose.
3. The Manager of a scheme may manage more than one scheme if:
  - a. Each scheme has an Investment Officer
  - b. The names and characteristics of each scheme operated is disclosed to the investors of all schemes under the management.
  - c. Separate accounts are maintained for each scheme, and
  - d. The basis of allocation of expenses between each scheme is disclosed to the investors of all schemes under the management.
4. The Manager is responsible for the actual management of the Fund's portfolio and constantly

reviews the holding of the Fund in the light of its research analysis and research from other relevant sources. The responsibility for making decisions to buy, sell or hold a particular security rests with the Manager.

5. The Fund pays the Investment Manager a monthly management fee as remuneration for services to the Fund. The fee is paid out of the net assets of the Scheme at a rate of 1.5% and 2% per annum for Tier 1 and Tier 2 respectively, calculated on a daily basis.

### ***Custodian***

Stanbic Bank Ghana Limited has been appointed Custodian of the Fund's assets, including the securities and cash of the Fund which will be held on behalf of the Fund either directly by Stanbic Bank or agents of Stanbic Bank. The Custodian shall ensure that assets are held in accordance with Act 929 as amended from time to time.

1. The Directors of a mutual fund shall appoint a Custodian for the mutual fund which shall take into its custody or put under its control the property of the mutual fund which shall be held in accordance with the law and any relevant agreement not inconsistent with the law.
2. The Custodian of a mutual fund shall have such minimum capital requirement as may be determined by the Commission.
3. The Custodian may give notice to the Manager that it is not prepared to accept the transfer of assets in contravention of the law and may require the Manager to give security for the transfer of assets.
4. Subject to the terms of its contract of appointment and the law, the Custodian shall carry out the instructions of the Manager as regards to investments which comprise the assets of the company.

The directors of a company applying to operate as a mutual fund shall appoint for the mutual fund:

1. A Manager who shall be a company incorporated in Ghana and independent of the mutual fund company;
2. A Custodian who shall be independent of the mutual fund company and be a bank, approved by the Commission.

The Custodian shall have and maintain such minimum capital requirement as shall be determined by the Commission.

### ***Interest income, dividend and distribution policy***

All interest income, dividends and coupon payments will be reinvested in the fund.

### ***Winding-up***

1. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, 2019 (Act 992) or by the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), divide among the members in specie or kind the whole or part of the assets of the Company, whether they shall consist of assets of the same kind or not, and may for such purpose set such value as the liquidator considers fair upon any assets to be divided and may determine how such division shall be

carried out as between the members or different classes of members.

2. The liquidator may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall think fit.
3. Notwithstanding the foregoing, no member shall be compelled to accept any securities whereon there is any liability.

## **CHARACTERISTICS OF INTEREST IN THE SCHEME**

### ***Organization of the Fund***

An investor will be entitled to participate in the property and the income of the Fund in proportion to his holdings. All interest and coupon payments will be reinvested in the Fund.

The shareholders of the company have the same rights of a shareholder under the Companies Act, 2019 (Act 992).

### ***Contract Notes***

Share certificates/contract notes shall be issued in accordance with section 55 of the Companies Act, 2019 (Act 992). Contract notes will be issued on a monthly basis in compliance with regulatory requirements and will mainly include all deposit transactions that have occurred during the month in review.

### ***Votes of members***

Each member and each proxy lawfully present at the meeting shall have one vote, and on a poll, each member who is present in person or by proxy shall have one vote for each share held by him.

## **VALUATION OF ASSETS, CHARGES, DISTRIBUTION AND FEES**

### ***Valuation and pricing***

1. The offer prices of a scheme shall be calculated on the basis of the net asset value of the Scheme divided by the number of shares outstanding.
2. The offer prices of a scheme may be adjusted by the fees, levies and charges permitted to be made from the assets of the Scheme in accordance with the Regulations of the scheme.
3. An issue price quoted or published shall be the maximum price payable on the purchase of interests and the redemption price shall be the net prices receivable on the redemption of interests.
4. There shall be no further charges payable by investors other than stamp duty or other taxes.

### ***Pricing fund shares and valuation***

The price of Fund shares, called the net asset value per share, shall be expressed in the base currency which is the Ghanaian Cedi. The net asset value per share will be determined in respect of any valuation day by dividing the net assets of the Fund (being the value of the assets of the fund less liabilities) by the

number of Fund shares then outstanding and shall be rounded up or down to four decimal places.

The Fund determines the value of its debt securities by the market value method (in accordance with Directive Number: SEC/DIR/002/10/2022 of the Securities and Exchange Commission, Ghana), which involves valuing a debt obligation with reference to its market value, rather than cost. An instrument valued at market value will be impacted by fluctuating interest rates. While this method introduces volatility in valuation, it ensures that the value of the instrument reflect the price the Fund would receive if it sold the instrument.

Portfolio securities that are traded on a Stock Exchange are valued at the Volume Weighted Average Price (VWAP) on the Exchange as of the close of business on the day the securities are being valued or lacking any sales at the trade price. Securities traded in the over-the-counter market are valued at the last available trade price in the over-the-counter market prior to the time of valuation.

#### ***Valuation of unquoted securities***

- a. The value of investments not listed or quoted shall be based on the net asset value per share based on the last available financial statements. This is subject to an adjustment upwards or downwards of up to 10% to consider post-balance sheet market conditions except that any adjustment in the price by more than 10% in view of market conditions may be made only in consultation with the Board of Directors of the Fund.
- b. The Manager shall keep all records used to support the valuation of unquoted securities.

The net asset value is the price at which shares are issued and is the basis for determining management fees and Custodian charges. The net asset value per share of the Fund is determined every business day.

The net asset value per share is computed by dividing the value of the securities held by the Fund plus any cash or other assets (including interest and dividends accrued but not yet received) minus all liabilities (including accrued expenses) by the total number of shares outstanding at such times. Expenses including the fees payable to the Manager are accrued daily.

The net asset value per share of the Fund is determined every business day as of close of trading on a Stock Exchange by 5:00 p.m. Shares will not be priced on days that trading does not take place on the Ghana Stock Exchange (GSE), and on days that banks are closed for business.

#### ***Remuneration of the Manager***

1. The Manager shall be entitled to receive as a fee the preliminary charge and the Management Fees set out hereunder. The price of issue will include a preliminary charge of 0.75% of the net asset value per share of Databank EdIFund Tier 1. The preliminary charge shall not in any event exceed 7% of the issue price of an interest. The preliminary charge shall be paid to the Manager upon receipt of the monies payable for all new shares issued. The preliminary charge is currently set at 0.75%.

2. The Manager shall be entitled to receive as a fee, the redemption charge and the management fees. The redemption charge, which shall not exceed 5% of the price at which shares are to be redeemed, shall be subtracted from such price before redemption. The redemption charge shall be paid to the Manager upon redemption of the shares from Databank EdIFund Tier 2.
3. The Management Fee shall be calculated on a daily basis and paid monthly. It shall not exceed a maximum of 1.5% per annum of the value of the net assets of the Fund for Tier 1 and 2% per annum. The Management Fee will be calculated on daily basis as 1.5% and 2% for Tier 1 and Tier 2 respectively of the value of their net assets divided by 365 (or, in a leap year, 366). The management fee will be paid out of the property of the Fund.
4. Any indirect tax chargeable in respect of services supplied by the Manager in consideration of the Management Fee shall be paid out of the assets of the Fund.

### ***Remuneration of the Custodian***

The Custodian is entitled to receive remuneration for its services which shall be paid out of the net assets of the Fund. Such remuneration shall consist of a periodic charge calculated in accordance with sub-clauses (b) and (c) below.

1. Subject as stated herein, the periodic safekeeping charge payable to the Custodian shall be calculated in respect of successive calendar quarterly periods (“Payment Periods”) provided that no charge shall be payable in respect of the initial offer period.
2. The amount of the periodic safekeeping charge for each payment period shall be calculated as such percentage not exceeding 0.5% of Assets under Custody. The custody fee shall be calculated on the basis at the agreed rate multiplied by Assets under Custody (on the basis as agreed between the Manager and the Custodian) divided by 365 (or, in a leap year, 366)
3. For the purposes of calculating the Custodian’s periodic charge in respect of any payment period, the net asset value of the Fund shall be determined by using the bid basis of valuation at the relevant valuation point. The relevant valuation point shall be the most recent point to have occurred.
4. In the event of a winding up of the Fund, the final payment period for the purpose of calculating the Custodian’s periodic charge shall end on the day on which the final distribution in such winding up shall be made. However, in the case where the winding up is by an extraordinary resolution at a meeting of shareholders pursuant to the Regulations, the day of winding up shall be specified by the resolution.
5. The calculation of the remuneration to which the Custodian is entitled under the Regulation shall be made without considering any indirect taxation in respect thereof.
6. Any amount of remuneration payable to the Custodian calculated under sub-Regulation (b) above in respect of any Payment Period shall accrue on a daily basis and shall be paid to the Custodian on or



as soon as possible after the date on which the relevant payment period ends.

### **Remuneration of Directors**

The fees of Non-Executive Directors will be paid out of the assets of the Fund after approval by shareholders at an annual general meeting.

### **Other expenses chargeable to the assets of the Fund**

1. The Manager shall be entitled, out of the assets of the Fund, to make payments to service providers including registrars, insurers, auditors, marketing and client services, by way of remuneration for their services and to make payments by way of contributions to the expenses of regulatory bodies.
2. The Manager shall be entitled, out of the assets of the Fund, to meet the costs incurred in connection with the distribution of contract notes, stationery and the mailing thereof. Accounting and legal expenses, cost of maintaining the Fund's existence, cost of shareholders reports and meetings, as well as the cost of preparing and printing the prospectus, Scheme particulars and statements of additional information will be borne by the Fund.
3. All expenses incurred in the operation of the Fund will be borne by the Fund, except to the extent specifically assumed by the Manager. The expenses to be borne by the Fund will include: the management fees, charges of Custodian, registrar fees, accounting and legal expenses, cost of maintaining the Fund's existence, cost of distributing the shares of the Fund, cost of shareholders' reports and meetings, as well as the cost of preparing and printing prospectus, and statements of additional information.

### **Fees and expenses**

This table summarizes the indicative fees and expenses an investor may pay if he or she invests in the Fund.

- a. EdIFund Tier 1 Shareholder Fees (Fees paid directly from your investment)

<b>EdIFund Tier 1</b>	<b>Rate</b>
<b>Initial Charge</b>	0.75%
<b>Redemption Charge</b>	None

- b. EdIFund Tier 2 Shareholder Fees (Fees paid directly from your investment)

<b>EdIFund Tier 2</b>	<b>Redemption Charge<sup>1</sup></b>
<b>Less than 1 Year</b>	5%
<b>Between 1 and 2 years</b>	4%
<b>Between 2 and 3 years</b>	3%
<b>Between 3 and 4 years</b>	2%
<b>Between 4 and 5 years</b>	1%

- c. Indicative annual fund operating expenses (Expenses that are deducted from Fund assets)

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*1 The redemption charge is prorated based on the number of days each deposit being withdrawn has been invested.*

	<b>Management fee</b>	<b>Custody fees</b>	<b>Other expenses</b>	<b>Total amount of fund operating expenses</b>
<b>Databank Educational Investment Fund Tier 1</b>	1.50%	0.50%	1.25%	3.25%
<b>Databank Educational Investment Fund Tier 2</b>	2.00%	0.50%	2.5%	5.00%

The annual management fee is considered in the pricing of the Fund. Other expenses cover all charges, fees and expenses incurred in the operation of the Fund. These are considered in the pricing of the Fund. The front load chargeable will not exceed 7% at any time for Tier 1 clients only. Tier 2 clients will be charged an exit fee for early withdrawal. The exit fee chargeable will not exceed 5%.

## **THE ISSUE AND REDEMPTION OF INTEREST IN THE SCHEME**

### ***Issue of Shares***

The shares of the Fund are not listed on the Stock Exchange. Applicants may set up a new account to buy Fund shares. When applicants purchase Fund shares, the shares are purchased at the last published price.

Applicants can buy shares of the Fund within normal business hours on every business day that is between 8:00a.m. and 5:00p.m., except on statutory public holidays. Any transaction done on a Saturday will be processed on the next working day.

The Manager will be available to receive requests for the issue and redemption of shares between 8a.m. and 5p.m. on Mondays through to Fridays, except on statutory public holidays and through our partner locations that may also operate on Saturdays. Any transaction done electronically outside normal business hours, or over a weekend will be processed on the next working day. Applicants settling in a currency other than the base currency of the Fund may experience a delay in processing the application to allow for currency conversion. Payment of the total amount due should be made in Ghanaian Cedis. However, payment can be made in a freely convertible currency and the necessary foreign exchange transaction will be arranged on behalf of and at the expense of the applicant. Shares will be issued and redeemed on any day except Saturdays, Sundays and statutory public holidays. The issued shares will not be listed on the GSE.

The issue of shares is conditional upon receipt of subscription monies and cleared funds by 5p.m. on a valuation day. If timely settlement is not made, an application may lapse and be cancelled. In such circumstances, the Fund has the right to bring an action against the defaulting applicant to obtain compensation for any loss directly or indirectly resulting from the failure by the applicant to make good settlement by the settlement date.

No shares of the Fund will be issued during any period when calculation of the net asset value per share

is suspended by the Fund.

### ***Minimum investment***

The minimum initial investment value for all investors not on the regular investment plan is GH¢50. Additional investments should be a minimum of GH¢20.

### ***Maximum investments***

An investor may not purchase shares which will result in him/her holding more than 10% of the total value of the Fund.

### ***Account opening options***

1. Contact Databank or its Agents: Applicants may buy Fund shares with cash or cheque by contacting personnel or agents of Databank Asset Management Services LTD. Shares in the Fund may then be purchased with cash or cheque at any Databank branch, partner location or partner bank located nationwide. Databank client service officers will assist you, step-by-step, with the application to invest in the Fund.
2. By Mail: To open a new account to buy Fund shares the applicant needs to:
  - a. Complete and sign the attached application forms.
  - b. Write a cheque for the investment amount to Databank Educational Investment Fund PLC and mail the application and cheque to the Manager, Databank Educational Investment Fund PLC, c/o Databank Asset Management Services LTD, Private Mail Bag, Ministries Post Office, Accra, Ghana.
3. Online: Applicants may visit the Online services section of Databank's website to open a Databank Educational Investment Fund account. Applicants will be required to upload a scanned copy of a valid photo ID, passport photo, and signature along with the Ghana Post coordinates indicating where they live.
4. By USSD: Applicants may open a Databank Educational Investment Fund account by dialing \*6100#. Applicants will be required to forward a scanned copy of a valid photo ID, passport photo, and signature along with the Ghana Post coordinates indicating where they live to [ebusiness@databankgroup.com](mailto:ebusiness@databankgroup.com) in order to regularize the account. Until the account is regularized, the applicant will be unable to withdraw from Databank EdIFund.

### ***Account top up options***

To buy additional shares for an existing account the applicant can use one of the following channels:

1. **10 Databank locations** across Ghana. Purchases done through this medium reflect in the Applicant's investment account within 1 business day.
2. **470+ bank branches** through our network of partner banks (Access Bank, Absa, Fidelity, GCB, GT Bank, UBA, Zenith). Purchases done through this medium reflect in the Applicant's investment account within 1 business day.

3. **4 mobile money shortcodes:** \*6100# (MTN and Vodafone users only), \*737\*100#, \*790\*100#, \*422\*400#. Purchases done through this medium can take up to 3 business days to reflect in the Applicant's investment account.
4. **2 online platforms for Visa & Mastercard:** Visit online services at [www.databankgroup.com](http://www.databankgroup.com) or myghpay.com. Purchases done through this medium can take up to 3 business days to reflect in the Applicant's investment account.
5. **Databank mobile app:** Available on Google Play Store and the App Store, the applicant can top up Databank Educational Investment Fund using a Visa or Mastercard, or mobile money. Purchases done through this medium can take up to 3 business days to reflect in the Applicant's investment account.
6. **Crossed cheque:** Cheque should be made payable to Databank Educational Investment Fund PLC. The Funds will only be credited to the Applicant's investment account after it has been cleared by the bank. The Fund will not be responsible for the consequences of delays in the clearing of the cheque.
7. **Direct debit:** This option is only available to applicants who wish to purchase shares through regular bank transfers. This is a purchase plan that allows applicants to transfer money automatically from their bank account monthly. The Fund will not be responsible for the consequences of delays and any charges imposed by the applicant's bank. The minimum amount for this option is GH¢100 per month.
8. **CAGD Direct Debit:** This option is only available to applicants who have their salary paid through the Controller and Accountant General (CAGD) and wish to purchase shares through regular deductions. This purchase plan allows applicants to have money deducted directly from their salary by the CAGD monthly. The Fund will not be responsible for the consequences of delays and any charges imposed by the CAGD. The minimum amount for this option is GH¢100 per month.
9. **Bank transfer:** Before sending instructions by wire, please call us at (233) 0302 610610 on weekdays from 8:00 a.m. to 5:00 p.m. at that time you will be provided with details of the bank account to which the purchase amount should be wired. Wire the instructions specifying the name of the Fund, applicant's name, along with the investment amount. When the applicant buys Fund shares, wire purchase instructions will be executed on the next business day. The applicant's Bank may impose a fee for sending a wire. The Fund will not be responsible for the consequences of delays, in the banking wire systems.

### ***Additional Purchase Information***

Investors who want to purchase shares in the Fund in foreign currency other than the base currency of the Fund may experience a delay in processing the application to allow for currency conversion. As soon as the price at which the shares are to be issued has been determined, the Fund will inform the applicant, if practicable, of the total number of shares allotted and the total cost including any applicable initial sales charge in respect of the number of shares applied for.

Payment of the total amount due should be made in Ghanaian cedis. However, payment can be made in a freely convertible currency and the necessary foreign exchange transaction will be arranged on behalf of, and at the expense of, the applicant through the banking system as per Bank of Ghana regulations. Subscription monies in cleared funds must be received on the valuation day before a purchase is made.

No shares of any Fund will be issued during any period when calculation of the net asset value per share is suspended by the Fund. Notice of any suspension will be given to applicants for shares, and applications made or pending during such suspension may be withdrawn by notice in writing received by the Fund prior to the lifting of such suspension. Unless withdrawn, applications will be considered on

the first Valuation Day following the end of the suspension, as if received on that Valuation Day.

### ***Redemption of Shares***

Shareholders can sell some or all of their Fund shares within normal business hours on every business day. Shares will be sold at the prevailing bid price.

Shareholders may use one of the following channels to submit a withdrawal request:

1. *Contact the Manager:* To sell your shares, simply call the Manager and you will be instructed on the procedure. Payment will be sent to the address to which the account is registered or otherwise according to your instruction at the redeemer's expense.
  
2. *By Letter:* You may also sell your shares by writing a letter of instruction that includes:
  - The name of the Fund
  - Shareholder's account number
  - The account registration name(s) and address
  - The Cedi amount or the number of shares the shareholder(s) wish to sell
  - The signature of each shareholder as it appears on the account
  - The name of the payee
  - A signed indemnity form
  - The desired mode of payment from the available options (i.e., cheque, token, bank transfer, payment to mobile wallet)

Mail or hand deliver the letter to the Manager, Databank Educational Investment Fund, c/o Databank Asset Management Services LTD, Private Mail Bag, Ministries Post Office, Accra, Ghana.

3. *By Email:* You may also sell your shares by sending a letter of instruction or completed withdrawal form via e-mail that includes:
  - a. The name of the Fund
  - b. Shareholder(s)'s account number
  - c. The account registration name(s) and address(es)
  - d. The Cedi amount or the number of shares the shareholder(s) wish to sell
  - e. The signature of each shareholder as it appears on the account
  - f. The name of the payee
  - g. A signed indemnity form
  - h. The desired mode of payment from the available options (i.e., token, bank transfer, payment to mobile wallet)

Email a signed copy of the letter to [info@databankgroup.com](mailto:info@databankgroup.com)

Shares in the Fund may be redeemed within normal business hours on every business day. If a redemption request would result in a shareholder's investment in the Fund being less than GHC 50, the Company may redeem the full shareholding in that Fund and pay the proceeds to the Shareholder. The payment for redemption has been delegated to the Manager.

Payment for shares redeemed will be made not later than three (3) bank business days after the redemption request has been received and is in good order. A transfer can be made into the shareholder's bank account at the said shareholder's request and expense.

If, in exceptional circumstances, the liquidity of the Fund is insufficient to enable redemption proceeds to be paid within the specified period above, after the redemption request has been received, payment will be made as soon as reasonably practicable thereafter, but without interest.

The Board of Directors, with the approval of the Commission, is also authorized to extend the period for payment of redemption proceeds to such periods as may be required by settlement and other constraints prevailing in the financial markets of Ghana.

The right of redemption will be suspended with the approval of the Commission when:

1. Any of the principal markets on which any substantial portion of the investments of the Fund quoted are closed otherwise than for ordinary holidays or during which dealings therein are restricted or suspended
2. The existence of any situation that constitutes an emergency as a result of which disposal or valuation of assets owned by the Fund would be impracticable and;
3. There is a breakdown in the means of communication normally employed in determining the price or value of any of the investments of the Fund or during any other period when the Commission by order, so permits.

Any such suspension shall be published in a newspaper of national circulation by the Fund and shall be notified to shareholders requesting redemption of their shares by the Fund at the time of the filing of the request for such redemption.

Under normal circumstances, prior to redemption requests, and before any payment will be made, the Manager must have received a completed withdrawal form (and indemnity form, if applicable).

Where the sale of equities on the Ghana Stock Exchange to meet liquidity needs will be detrimental to the interests of existing shareholders, the Fund will extend the redemption period to a maximum of 30 days with the permission of the Board of Directors who shall seek the approval of the Commission. Any further extension will also be referred to the Commission for approval.

### ***Reservations***

The Fund may stop offering its shares at anytime and may reserve the right to reject any order for the purchase or exchange of shares. The Fund may also modify the conditions of purchase at any time and such information would be included in the updated scheme particulars. The Fund reserves the right to close an account if, in the opinion of the Fund, there is evidence of fraudulent activities or money laundering, violation of regulatory requirements, threat of harm to staff or clients of the Fund, vandalism of Fund property or any other similar actions.

### ***Publication of Share Price***

The most recent issue will be published on Databank's website after determination of the net asset

value on every business day.

### ***Liability For Scheme Particulars***

1. A person responsible for issuing a document that contains the particulars of a scheme is liable to pay compensation to any person who:
  - a. Purchases or agrees to purchase interests in the Scheme
  - b. Suffers loss due to an untrue or misleading statement or the omission of any particulars required by the Unit Trusts and Mutual Fund Regulations, 2001 (L.I 1695) (“The Regulations”) to be in the Scheme particulars.
2. Where the form of a scheme particulars requires details that are not relevant to the scheme, the omission of those details shall not be considered as an omission for purposes of the Regulations.
3. A person shall not incur any liability under the Regulations for any loss in respect of interests in a scheme if the person satisfies the court that at the time when the Scheme particulars were prepared or ought to have been revised the person reasonably believed, having made such enquiries as were reasonable, that the statement was true and not misleading or that the matter which caused the loss was properly omitted if:
  - a. The person continued in that belief until the time when the interests were acquired.
  - b. The interests were acquired before it was reasonably practicable to bring a correction to the attention of persons likely to acquire them.
  - c. Before the interests were acquired the person had taken such steps as were reasonable for the person to have taken to ensure that a correction was brought to the attention of persons likely to acquire them, or
  - d. The person who acquired the interests was not influenced, or not influenced to any material extent, by that statement or would not have been influenced to any material extent, by the inclusion of the matter omitted in deciding to acquire the interest.
4. A person shall not incur any liability under the Regulations if the person satisfies the court that:
  - a. Before the interests were acquired, a correction was published in such a manner as to inform prospective participants in the Scheme.
  - b. The person took such steps as were reasonable to secure the publication and believed it had taken place before the interests were acquired.
  - c. The purchaser acquired the interests with the knowledge that the statement was misleading or with the knowledge of the omitted matter, or
  - d. The failure to revise the Scheme particulars was because the person reasonably believed that the change or new matter was not such as to require a revision of the Scheme particulars.

## **GENERAL INFORMATION**

### ***Information on shareholders' meetings and reports***

- The annual and half-year reports will be published four months and two months, respectively, after the end of the accounting period.
- The Annual General Meeting (AGM) of shareholders will be held each year. Notices of all meetings will be published in the print media, as the Board of Directors shall from time-to-time determine in line with SEC guidelines. This will be sent to registered shareholders at least twenty-one (21) days' prior to the meeting at their email addresses in the register of shareholders. Such notices will include the agenda and specify the time and place of the meeting.
- Annual fact sheets, mini audited annual reports, full audited annual reports and half-year reports will be distributed by electronic mail to email addresses provided by shareholders. In addition, audited annual reports will be posted on the Databank website (i.e., [www.databankgroup.com](http://www.databankgroup.com)). Limited hardcopies of the audited annual report will be made available at the Annual General Meeting.
- Copies of the constitution of the Scheme, any amending instrument and the most recent annual and half-yearly reports may be inspected and obtained at the registered office of the Company. 61 Barnes Road, Private Mail Bag, Ministries Post Office, Accra.

### ***Accounting year***

- The accounting year of the Fund ends on December 31.

### ***Meetings, attendance and voting***

1. The investors of the Fund shall meet for the transaction of business at such times and places as the Board of Directors of the Fund may determine except that the Manager shall hold such meeting at least once a year.
2. The Board of Directors of the Fund shall at the request in writing of investors registered as holding not less than one-twentieth of the number of interests in issue or at the request of a trustee or Custodian made in writing, convene a meeting of the investors within thirty days of the date of the request.
3. The Manager may attend any meeting of investors but the Manager is not entitled to vote or be counted for a quorum.

### ***Performance information***

Databank Educational Investment Fund prices will be published daily on Databank's website and will also be available daily at any of Databank's locations.



### ***Complaints***

Complaints about the operation of the Scheme may be made to Databank Asset Management Services LTD (the Manager).

### ***Complaints procedure***

1. The Manager of a scheme shall maintain a register into which shall be recorded every complaint received, the date on which the complaint was received, and the details of it.
2. The Manager shall investigate or cause the investigation of all complaints received in an expeditious manner.
3. If, for any reason, the complaint is not settled to the satisfaction of the complainant within three months after its receipt by the Manager, the Manager shall give notice to the Commission of the details of the complaint, the action taken in response to it and inform the complainant that the Commission has been notified and provide the date of the notice.
4. After receipt of the notice, the Commission shall investigate the complaint and provide the complainant with such redress as is provided under the law.

### ***Account information changes***

To change information regarding an account (including a new address, change of beneficiary, or change in the automatic investment plan), shareholders must send the new information to Databank Asset Management Services LTD through one of its listed locations or by email to [info@databankgroup.com](mailto:info@databankgroup.com). Shareholders may confirm receipt of this information by calling Databank on (233) 0302 610610.

### **RISK FACTORS**

There is no assurance that the Fund will achieve its investment objective. The investment of the Fund will be subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value will occur.

The value of investments and the income derived therefore, which is linked to the net asset value of the Fund, may rise or fall.

Investing in securities in Ghana and other newer emerging markets, involves certain considerations, which are not usually associated with investing in securities of issues in more developed capital markets. Such risks may include:

- a. Greater economic uncertainty
- b. The small size of the markets for securities and low volumes of trading resulting in illiquidity and price volatility
- c. The relative lack of publicly available information on listed companies

There is the possibility of delays in the settlement of trades which may result in periods when the assets of the Fund are invested and no return is earned thereon.

Shareholders who purchase shares using foreign currency may be subject to significant fluctuations of

currency rates. Changes in foreign currency exchange rates will affect the value of securities when translated into the currency with which the shareholder invested.

Investment in equity securities carries greater risks than investment in government instruments and investors should be aware that while equity securities can be extremely rewarding, the risks are consequently higher. Investors should regard investments in the Fund as medium to long-term in nature and should expect a moderate level of volatility due to the relatively moderate level of risk involved.

A principal risk of investing in the Fund is associated with its equity investments. In general, stock values fluctuate in response to activities specific to the company as well as general market, economic and political conditions. Stock prices can fluctuate widely in response to these factors.

Some other risk factors are:

***Manager Risk and Asset Allocation Risk***

The Fund is subject to manager risk and asset allocation risk, which are the risks that poor investment selections and/or poor asset allocation decisions by the fund manager could cause the Fund to not achieve its objective or to generate lower returns than were possible from different investment selections and/or asset allocation decisions.

***Sovereign risk***

This refers to the possibility that a government will default on its debt obligations.

***Interest rate risk***

If interest rates rise, bond prices usually decline. If interest rates decline, bond prices usually increase. This risk exists because new bonds are likely to be issued with higher yields as interest rates increase, making the old or outstanding bonds less attractive. The longer a bond fund's maturity, the greater the impact a change in interest rates can have on its price. In general, the longer a fund's average portfolio maturity, the more sensitive the fund's share price will be to changes in interest rates and the more the fund's shares will fluctuate in value.

***Credit risk***

Fixed-income securities carry the risk of default, which means that the issuer maybe unable to make further income and principal payments. Since a fixed-income fund is made up of many fixed income instruments, diversification can help mitigate the credit risk which would affect prices of the instrument or a default. Credit risk, especially for companies, is a greater concern for high-yield bonds and bond funds that invest in lower-quality bonds and bonds of issuers whose ability to pay interest and principal may be considered speculative. However, it is less likely that investors will lose their initial investment because bondholders have priority over equity shareholders if the company goes bankrupt. Many issuers of bonds are governments who can print money. Therefore, investments in Government securities are in effect risk-free, at least with regards to principal and interest payments.

***Inflation risk***

High inflation rates can erode the real value of both interest and principal and jeopardize any fixed-income cash flow stream.

***Call risk***

A callable bond has a provision that allows the issuer to call, or repay, the bond early. If interest rates drop low enough, the bond's issuer can save money by repaying its callable bonds and issuing new bonds at lower coupon rates. If this happens, the fund's interest payments cease and the principal will be paid early. If the fund then reinvests the principal in bonds, it will likely have to accept a lower coupon rate that is more consistent with the prevailing interest rates.

***Prepayment risk***

Some classes of bonds, including mortgage-backed bonds, are subject to prepayment risk. Similar to call risk, prepayment risk is the risk whereby the issuer of a security will repay principal. This is paid prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds.

***Reinvestment risk***

Reinvestment risk is based on the assumption that cash flows from a fixed-income security are reinvested, so that interest can be earned on interest. The risk arises when the reinvested money does not earn the same rate of return as the original investment. Therefore, during periods of declining interest rates, the Fund will have to reinvest coupon payments at lower prevailing interest rates.

***Economic risk***

One of the risks associated with the equity component of the Fund is the economic risk. This arises when the economy is in a general decline or there is a recession.

***Liquidity risk***

This risk exists when particular investments are difficult to purchase or sell, possibly preventing the Fund from selling out of these illiquid securities at an advantageous price. This could lead to extended withdrawal periods due to the Fund's inability to meet redemption requests. This will mainly affect the Fund's equity investment.

***Currency risk***

The Fund may incur a loss as a result of currency depreciation since it will be investing across Africa.

**TAXATION**

*Taxation of the Company:* Under Ghanaian tax laws, the interest, dividends or any other income of a mutual fund is exempt from income tax. Currently there is no tax on capital gains on the sale of securities listed on the Ghana Stock Exchange.

*Taxation of Shareholders:* The interest or dividends payable to a member of a mutual fund is exempt from tax.