



**Scheme  
Particulars**



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**DATABANK EDUCATIONAL  
INVESTMENT FUND LIMITED**

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## **Preface**

This document explains what you should know about this mutual fund before you invest. Please read it carefully. The Securities and Exchange Commission (SEC) has licensed the Fund to operate as a mutual fund. The Securities and Exchange 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 on the basis of 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 circumstances 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.

## **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**

|                           |   |
|---------------------------|---|
| Country of incorporation: | Ghana   |
| Registration Number:      | 65,985  |
| Name:                     | Databank Asset Management Services Limited  |
| Nature of Corporate form: | Limited Liability   |
| Address:                  | 61 Barnes Road, PMB, Ministries Post Office, Accra  |
| Telephone Number:         | +233 302 610610   |
| Fax Number:               | +233 -302 681443, 681442  |
| E-mail address:           | <a href="mailto:damsel@databankgroup.com">damsel@databankgroup.com</a>  |
| Website:                  | <a href="http://www.databankgroup.com">www.databankgroup.com</a>  |
| Date of incorporation:    | February 2, 1996  |
| Amount of issued shares:  | 240,000   |
| Paid up Capital:          | GH¢ 375,000   |
| Names of Directors:       | Angela Ofori-Atta<br>Daniel Ogbarmey Tetteh<br>Franklin Hayford<br>Keli Gadzekpo<br>Kojo Addae-Mensah<br>Stephen Douglas Cashin |
| Holding Company:          | Databank Financial Holdings Ltd. incorporated in Bermuda  |

## BOARD OF DIRECTORS OF THE MANAGER

| Name                   | Position                | Other Affiliations  | Address                                   | Occupation                | Nationality |
|------------------------|-------------------------|---|---|---------------------------|-------------|
| Angela Ofori-Atta      | Director                | Board Member: <ul style="list-style-type: none"> <li>• Alpha Ghana</li> <li>• Databank Financial Services Ltd.</li> <li>• Enterprise Insurance</li> <li>• Sickle Cell Foundation Ghana</li> </ul>   | 38 Ndebaninge Sithole Street North Labone | Psychologist/<br>Lecturer | Ghanaian    |
| Daniel Ogbarmey Tetteh | Director                | Board Member: <ul style="list-style-type: none"> <li>• Databank Ark Fund Ltd</li> <li>• Databank Educational Investment Fund</li> <li>• Future Leaders Investment Limited</li> <li>• UGBS Endowment Fund Board of Trustees</li> <li>• XDS Data Ghana</li> </ul>   | P.O. Box AN 11749 Accra-North             | Investment Banker         | Ghanaian    |
| Franklin Hayford       | Director                | Board Member: <ul style="list-style-type: none"> <li>• Bayba Financial Services Ltd (Banjul, The Gambia)</li> <li>• Databank Brokerage Ltd.</li> <li>• Databank Financial Services Ltd.</li> <li>• Databank Securities Ltd.</li> <li>• International Bank (Liberia) 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</li> <li>• Databank Financial Services Ltd.</li> <li>• Enterprise Properties</li> <li>• Enterprise Group Ltd.</li> <li>• Nature Conservation Research Centre</li> <li>• The Roman Ridge School</li> </ul>                             | Box M.298, Accra                          | Investment Banker         | Ghanaian    |
| Kojo Addae-Mensah      | Chief Executive Officer | Board Member: <ul style="list-style-type: none"> <li>• Changing Lives Endowment Fund</li> <li>• College of Health Sciences</li> <li>• Databank Ark Fund Ltd.</li> <li>• Databank Balanced Fund Ltd.</li> <li>• Databank Brokerage Ltd.</li> </ul>   | 61 Barnes Road Adabraka, Accra            | Investment Banker         | Ghanaian    |

|                        |                   |  |  |                   |              |
|------------------------|-------------------|--|--|-------------------|--------------|
|                        |                   | <ul style="list-style-type: none"> <li>• Databank Epack Investment Fund Ltd.</li> <li>• Databank Financial Services Ltd.</li> <li>• Databank Money Market Fund</li> <li>• Women’s World Banking Ghana Savings &amp; Loans Ltd.</li> </ul>  |  |                   |              |
| 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>• Equity Group Foundation</li> <li>• Insurance Company of Africa</li> <li>• International Bank (Liberia) Ltd.</li> <li>• Pan African Capital Group</li> <li>• Jesuit Refugee Services</li> <li>• Sayari Analytics</li> </ul> | 1100 Connecticut Ave., NW Suite. 330, Washington, DC 20036 | Investment Banker | U.S. Citizen |

The Manager also manages the following Mutual Funds:

| Fund                                | Address   | Phone Numbers   | E-mail   | Fax Number         | Website  |
|-------------------------------------|---|-----------------|--|--------------------|--|
| Databank Ark Fund Ltd.              | 61 Barnes Rd.<br>PMB, Ministries<br>Post Office.<br>Accra | +233 302 610610 | <a href="mailto:info@databankgroup.com">info@databankgroup.com</a> | +233 302 681442/3  | <a href="http://www.databankgroup.com">www.databankgroup.com</a> |
| Databank Balanced Fund Ltd.         | 61 Barnes Rd.<br>PMB, Ministries<br>Post Office.<br>Accra | +233 302 610610 | <a href="mailto:info@databankgroup.com">info@databankgroup.com</a> | +233 0302 681442/3 | <a href="http://www.databankgroup.com">www.databankgroup.com</a> |
| Databank Epack Investment Fund Ltd. | 61 Barnes Rd.<br>PMB, Ministries<br>Post Office.<br>Accra | +233 302 610610 | <a href="mailto:info@databankgroup.com">info@databankgroup.com</a> | +233 302 681442/3  | <a href="http://www.databankgroup.com">www.databankgroup.com</a> |
| Databank Money Market Fund Ltd.     | 61 Barnes Rd.<br>PMB, Ministries<br>Post Office.<br>Accra | +233 302 610610 | <a href="mailto:info@databankgroup.com">info@databankgroup.com</a> | +233 302 681442/3  | <a href="http://www.databankgroup.com">www.databankgroup.com</a> |

## BOARD OF DIRECTORS AND CORPORATE INFORMATION

The Directors of the Fund are:

| Name                   | Position | Other Directorship   | Address   | Occupation        |
|------------------------|----------|--|---|-------------------|
| Israel Titi Ofei       | Chairman | <ul style="list-style-type: none"> <li>International Schools Association (Geneva)</li> <li>International Community School (Kumasi)</li> <li>Legacy Girls' College</li> <li>Morgan International Community School</li> <li>SOS – Ghana</li> <li>SOS – International, Austria</li> </ul> | SOS-HGIC Hostels, PMB Tema  | Educationist      |
| Daniel Ogbarmey Tetteh | Director | <ul style="list-style-type: none"> <li>Databank Asset Management Services Ltd.</li> <li>Databank Ark Fund Ltd.</li> <li>Future Leaders Investment Limited</li> <li>UGBS Endowment Fund Board of Trustees</li> <li>XDS Data Ghana</li> </ul>  | P.O. Box AN 11749 Accra-North                                     | Investment Banker |
| Nii-Anyetei Ampa-Sowa  | Director | <ul style="list-style-type: none"> <li>Trenor Coats and Gowns Limited</li> <li>Maarifa Consulting Services Ltd.</li> </ul>   | Databank, PMB, Ministries Post Office, Accra                      | Investment Banker |
| Robert Ebo Hinson      | Director | <ul style="list-style-type: none"> <li>Telemedia Communications Ltd.</li> </ul>  | Department of Marketing and Customer Management UGBS, Legon-Accra | Professor         |
| Bill Buenar Puplampu   | Director | <ul style="list-style-type: none"> <li>Psycon HR Limited</li> </ul>  | Academic Affairs, Central University College, P.O. Box 2305, Tema | Professor         |
| Rosalyn Darkwa         | Director | <ul style="list-style-type: none"> <li>Emage Lynx Ltd.</li> <li>Mega African Capital Ltd.</li> </ul>   | P.O. Box CT 4341 Cantonments-Accra                                | Investment Banker |
| Eudora Hilda           | Director | Board Member:  | Hse No 64   | Legal Consultant  |

|           |  |   |  |  |
|-----------|--|---|--|--|
| Koranteng |  | <ul style="list-style-type: none"> <li>Secure Pensions Trust Limited</li> </ul> | Kinshasa Street,<br>East Legon,<br>Accra |  |
|-----------|--|---|--|--|

**Custodian**

Name of Custodian: Stanbic Bank Ghana Limited  
Country of incorporation: Ghana  
Address: Stanbic Bank Ghana Limited  
Head Office Branch  
P.O. Box CT 2344  
Cantonments Accra, Ghana  
Principal Business Activity: Banking Services

**Full description of principal activities:**

The principal activity of the 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.

Auditors: Baker, Tilly, Andah and Andah  
C645/3 4<sup>th</sup> Crescent  
Asylum Down, Accra  
P. O. Box CT5443  
Cantonments, Accra  
Tel: +233 302 252372, 246 817128  
E-mail: [info@bakertillyandahandandah](mailto:info@bakertillyandahandandah)

Lawyer: Geta Striggner-Quartey  
P. O. Box 11564  
Accra-North  
Tel: +233 302 610610  
E-mail: [geta.striggner-quartey@databankgroup.com](mailto:geta.striggner-quartey@databankgroup.com)

Company Secretary: Dorcas Taylor  
P. O Box CT 203  
Cantonments, Accra  
Tel: +233 302 610610  
E-mail: [dorcas.taylor@databankgroup.com](mailto:dorcas.taylor@databankgroup.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  
Fax: +233 681442/3  
E-mail: [info@databankgroup.com](mailto:info@databankgroup.com)

## CONSTITUTION AND OBJECTIVES OF THE SCHEME

Name of Scheme: Databank Educational Investment Fund  
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 Limited  
Duration of Scheme: Indefinite

### 1. Investment objective, policy and restrictions

#### *Investment Objective*

The Databank Educational Investment Fund 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:

- a. Government of Ghana Bills
- b. Fixed Deposits
- c. Corporate Obligations
- d. Repurchase agreements, which may be viewed as a type of secured lending by the Fund
- e. Stocks

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 resources 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 resources 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 SEC.

- a. Invest more than 10% of the net asset value of the Scheme in any type of real estate other than the securities of real estate companies or companies that have engaged in real estate investment activities.
- b. Invest more than 25% of the net asset value of the Scheme in securities issued by a single issuer.
- c. Invest more than 15% of the net asset value of the Scheme in any particular class of securities issued by a single issuer.
- d. Invest more than 10% of the net asset value of the Scheme in other collective investment schemes.
- e. Invest more than 15% of the total net asset value of the Scheme in securities not listed or quoted on an authorized stock exchange.
- f. 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.
- g. 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.
- h. Make short sales of securities or maintain a short position.
- i. Acquire any securities which are unpaid or partly-paid for.

- j. 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.
- k. Enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of any investment.

## **2. Base Currency**

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

## **3. Annual accounting period**

The accounting date for every financial year is 31st December.

## **4. 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:

- a. The borrowing may be from the custodian or any associate of any of theirs on the best commercial terms.
- b. 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.
- c. 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.
- d. 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 trustee or 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.
- e. 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.
- f. 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.
- g. 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.

- h. Any cash raised by borrowing for the Scheme shall constitute a part of the assets of the Scheme.

## **5. Management of the Fund**

- a. 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.
- b. 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.
- c. Where the directions given to the Manager by the directors of the mutual fund contravene the Law or any other enactment, the Manager shall refer the matter to the Commission for guidance.
- d. 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.
- e. The Manager shall not allow the property of the company to be used or invested contrary to the investment restrictions under the Law or Regulations made under the Law.
- f. 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.
- g. The Manager shall act in accordance with investment policies laid down by its directors and the provisions of the Law.

The Fund has appointed the Manager of 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. The Manager also manages Databank Epack Investment Fund, Databank Money Market Fund, Databank Balanced Fund and Databank Ark Fund. Databank Asset Management has been investing on behalf of clients for the past twenty years and provides investment management and advisory services to collective investment funds, pension schemes, endowment funds and individuals.

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

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.

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

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. 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 1.25% and 2% per annum for Tier 1 and Tier 2 respectively, calculated on a daily basis.

## **7. 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 or agents of Stanbic.

The Custodian shall ensure that assets are held in accordance with the Securities Industry Law 1993, (PNDCL 333) as amended from time to time.

- a. 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
- b. The Custodian of a mutual fund shall have such minimum capital requirement as may be determined by the Commission
- c. 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
- d. 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

- a. A Manager who shall be a company incorporated in Ghana and independent of the mutual fund company; and
- b. A Custodian who shall be independent of the mutual fund company and be a bank, an insurance company or any other financial institution approved by the Commission or a wholly owned subsidiary of any of them approved by the Commission.

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

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

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

#### **9. Winding-up**

- a. 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 Code or by the Bodies Corporate (Official Liquidations) Act, 1963 (Act 180), 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.
- b. 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.
- c. 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***

The Fund was incorporated under Ghanaian law on March 9, 2012. It has authorized shares of 500,000,000 common shares of no par value. Each share has one vote. At the time of issuing this document, the Company was capitalized at GH¢1,000.

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 Code, 1963 (ACT 179).

#### ***Share certificates***

Contract notes shall be issued to prospective shareholders in respect of purchase of shares as evidence of title of shares.

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

On a show of hands, each member and each proxy lawfully present at the meeting shall have one vote, and on a poll, each member present in person or by proxy shall have one vote for each share held by him.

In the event of a postal ballot being directed pursuant to sub-sections (6), (7) and (8) of Section 170 of the Companies Code, each member entitled to attend and vote at the meeting shall have one vote for each share held.

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

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

- a. 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 interests outstanding.
- b. 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.
- c. 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 two decimal places as the Board of Directors will decide.

The Fund determines the value of its portfolio securities by the amortized cost method which involves valuing a debt obligation in reference to its cost, rather than market value. An instrument is valued at cost and thereafter assumes a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the instrument.

While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Fund would receive if it sold the instrument.

Portfolio securities that are traded on a Stock Exchange are valued at the last trade price on the Exchange as of the close of business on the day the securities are being valued. 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% and takes into account 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.

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

- a. The Management Fee shall be calculated on a daily basis but 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 of the value of the net assets of the Fund for Tier 2. The Management Fee will be calculated 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.
- b. 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 (together with any indirect taxation thereon) 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.

- a. Subject as stated herein, the periodic 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. The first payment period shall begin on the day following the end of the initial offer period and end on the last day of the quarter in which such offer periods expire. In respect of the first payment period, the relevant valuation point shall be the first valuation point of the Fund following the end of the initial offer period.
- b. The amount of the periodic charge for each payment period shall be calculated as such percentage of the value of the assets of the Fund divided by 365 (or, in a leap year, 366).
- c. 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.
- d. 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 or, in the case of a winding up following the passing of an extraordinary resolution at a meeting of shareholders pursuant to the Regulations such other day as may be specified by the resolution of the terms of the Fund or proposal thereby approved.
- e. The calculation of the remuneration to which the Custodian is entitled under the Regulation shall be made without taking into account any indirect taxation in respect thereof.



- f. 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 property of the Fund after approval by shareholders at an Annual General Meeting (AGM).

**Other expenses chargeable to the property of the Fund**

- a. 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.
- b. The Manager shall be entitled, out of the assets of the Fund, to meet the costs incurred in connection with the production of certificates of title, distribution, 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 prospectus’ and statements of additional information will be borne by the Fund.

**Fees and expenses**

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

**Indicative annual fund operating expenses (Expenses that are deducted from Fund assets)**

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

The annual management fee is taken into account in the pricing of the Fund. Other expenses cover items such as audit fees, accounting charges, administrative fees, marketing and retail services, shareholder services as well as all other charges and expenses incurred in the operation of the Fund. These are taken into account 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 a.m. GMT and 5 p.m. GMT.

The Manager will be available to receive requests for the issue and redemption of shares between 8 a.m. GMT and 5 p.m. GMT on Mondays through to Fridays, except on statutory public holidays. 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 Ghana Stock Exchange.

The issue of shares is conditional upon receipt of subscription monies and cleared funds by 5 p.m. GMT 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.

#### ***Minimum investment***

The minimum initial investment value for all investors not on the regular investment plan is GH¢200. Additional investments should be a minimum of GH¢20.

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***

- a. Contact Databank or its Agents: Applicants may buy Fund shares with cash or cheque by contacting personnel of Databank Asset Management Services Limited or other agents of Databank Asset Management Services Limited. Relationship Managers of Databank Asset Management Services Ltd. will assist you, step-by-step, with the application to invest in the Fund.
- b. By Mail: To open a new account to buy Fund shares the applicant needs to:
  - Complete and sign the attached application forms.
  - Write a cheque for the investment amount to Databank Educational Investment Fund Limited and mail the application and cheque to the Manager, Databank Educational Investment Fund Ltd, c/o Databank Asset Management Services Ltd, Private Mail Bag, Ministries Post Office, Accra, Ghana.

#### ***To buy additional shares for an existing account the applicant needs to:***

- Write to the Fund specifying the name(s) on the account, the account number and the

additional investment amount. The letter must be signed by the account holder(s).

- Make out a cheque for the investment amount to Databank Educational Investment Fund Limited, and
  - Mail the letter and cheque to the Manager, Databank Educational Investment Fund at the same address as for new accounts.
- c. By Bank Wire: To open a new account to buy Fund shares:
- Mail or fax the attached application form, completed and signed, to The Manager, Databank Educational Investment Fund, c/o Databank Asset Management, Private Mail Bag, Ministries Post Office, Accra, Ghana. Before sending instructions by wire, please call us at +233 302 610610, weekdays from 8 a.m. to 5 p.m. (at that time we will provide you with details of our bank account to which the Fund should be wired).
  - Wire the instructions specifying the name of the Fund, applicant's name and 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.

***To buy additional shares for an existing account:***

- Before sending instructions by wire, please call us on +233 302 610610, weekdays from 8 a.m. to 5 p.m. advising us of your purchase.
  - Wire the instructions specifying the name of the Fund, shareholder's name and account number, along with the investment amount in the same manner as that for opening a new account.
- d. By Regular Investments: 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 on a monthly basis. 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¢20 per month. Contact Databank Asset Management Services Limited for further information about this service.
- e. Other Options: Use of mobile money platform, VISA online payments, direct debit, Western Union and MoneyGram are alternative payment options.
- f. Additional payment and receipt options: Please contact one of our Relationship Managers on +233 302 610610 to find out about our additional payment and receipt options that are available online, through mobile money as well as through our partner banks.

**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 suspensions may be withdrawn by notice in writing received by the Fund prior to the lifting of such suspensions. 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. The minimum value for partial redemptions is GH¢10. Shareholders who have not invested a minimum amount of GH¢100 within the first twelve months of joining the Fund will have their investment redeemed.

- a. **Contact Databank Asset Management:** To sell your shares, shareholders should simply call Databank Asset Management to be instructed on the procedure.  
Payment will be sent to the address to which the account is registered or otherwise according to the shareholder's instruction at the redeemer's expense.
  
- b. **By Letter:** Shareholders may also sell their 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 amount in Ghana cedis or the number of shares the shareholder wishes to sell
  - The signature of each shareholder as it appears on the account
  - The name of the payee

Mail the letter to: The Manager, Databank Educational Investment Fund, C/o Databank Asset Management Services Ltd, Private Mail Bag, Ministries Post Office, Accra, Ghana.

A crossed cheque will be mailed to the name(s) and address in which the account is registered or otherwise according to shareholder's instructions at the expense of the same.

- c. **By Telephone:** To sell shares by telephone, first fax a redemption letter to us on +233 302 681443. Shareholders must provide account name(s), address, fund, account number, social security number or any valid identification number before you may redeem shares by telephone. All telephone redemption requests are recorded.

- d. By Email: You may also sell your shares by sending a letter of instruction via e-mail that includes:
- The name of the Fund
  - Your account number
  - The account registration name(s) and address
  - The cedi amount or the number of shares you wish to sell
  - The signature of each owner as it appears on the account
  - The name of the payee
  - Indemnity Form

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

- e. By Electronic Transfer: Databank clients can now make withdrawals from their fund accounts straight to their current accounts. To complete an electronic transfer form, clients are required to provide their current account numbers and their operating branch in addition to their Databank Fund account numbers on the Electronic transfer withdrawal form. Please contact a Databank Relationship Manager on +233 302 610610 for more information. Again, clients need to provide a valid National Identification Card Number (e.g. passport, Voter's ID, Driver's license, NHIS ID, or National ID) in order to be able to access this new product enhancement service.
- f. 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 500 shares, 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 by crossed cheque not later than five (5) bank business days after the redemption request has been received in good order. A transfer can be made into the shareholder's bank account at the said shareholder's request and expense.

The right of redemption will be suspended with the approval of the Securities and Exchange Commission at times when:

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.

- a. The existence of any state of affairs which constitute an emergency as a result of which disposal or valuation of assets owned by the Fund would be impracticable.
- b. 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 SEC, 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 the registered share certificate(s), if any, to be redeemed and the duly completed transfer information. In the event that no share certificates are issued, evidence of the shareholder's investment will be via the shareholder's records in the register of the Fund.

A shareholder may not withdraw his request for redemption except in the event of a suspension of the valuation of assets of the Fund and in such event, a withdrawal of a redemption request will be effective only if written notification is received by the Manager before termination of the period of suspension.

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 SEC. Any further extension will also be referred to the SEC for approval.

### ***Reservations***

The Fund may stop offering its shares at any time 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, the account is suspected of being opened for fraud or money laundering purposes. The Fund reserves the right to revise or terminate the telephone redemption privilege at any time. In the event that a Fund suspends telephone redemption privileges, shareholders will still be able to redeem their shares by mail. A fax and telephone indemnity must be provided by anyone who wishes to send instructions by fax and telephone.

### ***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 Regulations to be in the Scheme particulars.
  
2. Where the form of a scheme particular requires details which are not relevant to the particular 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 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 copies of the audited annual report will be made available at the AGM.

Copies of the Scheme particulars, 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.

### **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 available daily at Databank's premises and on the Databank website.

### ***Copies of Regulations***

Copies of the regulations of the Scheme can be inspected and obtained from Databank Asset Management Services Limited (the Manager) at 61 Barnes Road, Adabraka, Accra.

### ***Material contract***

The Management Agreement is between Databank Asset Management Services Limited and the Databank Educational Investment Fund Limited. Copies of Management Agreement of the Scheme can be inspected



and obtained from Databank Asset Management Services Limited (the Manager) at 61 Barnes Road, Adabraka, Accra.

### ***Complaints***

Complaints about the operation of the Scheme may be made to Databank Asset Management Services Limited (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 Limited. Please mail the new information to Databank Asset Management Services Limited, PMB Ministries Post Office, Accra.

Include Shareholder's Databank Educational Investment Fund account number, as well as name, address, signature and phone number, a valid national ID along with the new information. Shareholders may fax this information to Databank Educational Investment Fund, +233 302 681442. Shareholders may confirm receipt of this information by calling Databank Asset Management Services Ltd or Databank Retail Services Ltd on +233 302 610610.

## **ADDITIONAL INFORMATION**

### ***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:

***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 bond fund is made up of many individual bonds, diversification can help mitigate the credit risk which would affect bond prices, 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.

***Taxation***

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

***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.