

2015

ANNUAL REPORT



CDH Balanced Fund Ltd.
Wisdom!



Thanks to you, our loyal and cherished shareholders. We dedicate this award to you.

SILVER WINNER
FUND MANAGER
of the Year

2014 GHANA INVESTMENT AWARDS



CDH Asset Management Ltd.

Wisdom!



030 267 1050



info@cdhgroup.co



www.cdhgroup.co



Audited Full Year Report

For The Period Ended December 31, 2015.

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This report shall not constitute an invitation to buy shares of the Fund. Subscriptions are to be made only on the basis of the current scheme particulars, accompanied by a copy of the latest available annual report, and if published thereafter, the most recent half year report.

NOTICE OF ANNUAL GENERAL MEETING

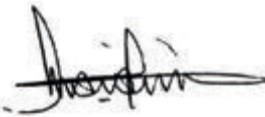
Notice is hereby given that the maiden Annual General Meeting of the members of CDH Balanced Fund Limited will be held at the CDH House, No. 36 Independence Avenue, North-Ridge, Accra, Ghana on Thursday, June 30, 2016 at 10a.m for the following purposes:

1. To receive the Directors' report
2. To receive and adopt the audited statement of accounts for the financial year ended December 31, 2015 and the Auditors' report.
3. To receive the Fund Manager's report
4. To authorise the Directors to fix the remuneration of the Auditors
5. Any other matter

Dated this June 9, 2016.

BY ORDER OF THE BOARD

Kind regards,
CDH Balanced Fund Ltd.



Love MENSAH
Board Secretary



CHAIRMAN'S STATEMENT TO CDH BALANCED FUND SHAREHOLDERS

"A wise investment choice"

Dear Valued Shareholders,

It is with great pleasure that I welcome you all to the 1st Annual General Meeting of the CDH Balanced Fund. On behalf of the Board of Directors, CDH Asset Management – the Fund Manager, and the entire CDH Group, I am honoured to present this statement of your Fund's performance and prospects for the future.

I will first begin with an overview of Ghana's economy and stock market in 2015 and the outlook for the year 2016. It will be followed by highlights of your Fund's performance from June 2015 to December 2015. I will then conclude by looking at our expectation for the CDH Balanced Fund in 2016 and the years ahead.

2015 Economic Developments

Headline Inflation

Headline inflation rose from 17 per cent in January 2015 to 17.90 per cent in August, 2015 and then declined marginally to 17.70 per cent in December, 2015.

The increase during the year was driven largely by the depreciation of the cedi. Looking ahead, the inflation projections show that pressures may persist for the first quarter of 2016, as there are likely hikes in utility prices going forward. It could however, begin to ease from the second quarter of 2016 as measures instituted by the Bank of Ghana to tighten monetary policy continue to have an effect on money supply and the spending power of consumers.

Interest Rates

The Bank of Ghana policy rate increased to 26.0 per cent for December 2015 from 21.0 at the beginning of the year, as the Central Bank merged its lead rate with the Repo-rate it gives to commercial banks. The interest rate on the 91-day Treasury bill for December 2015 was 23% (25% in January, 2015). Similarly, as at December, the rates on one-year and two-year fixed notes stood at 23.00% (22.50% at the end of December 2014) and 24.25% (22.30% at the end of December 2014) respectively. These rates are expected to stay on into next year and it is unlikely that there will be any other significant change during 2016 as the Central Bank, in targeting inflation, is likely to maintain its high base lending rate.

Performance of the Ghana cedi

On the currency market, the Ghana cedi posted losses against the major trading currencies for the year 2015.

This was however, not a smooth descent as activities of speculators against intense and direct interventions by the Bank of Ghana into the forex market resulted in wild swings of the currency throughout the year. The depreciation of the cedi, albeit underpinned by high imports vis-à-vis low exports, is heavily influenced by the activities of speculators. By December 2015, the cedi has depreciated on the interbank market by 16% against the US dollar, year-to-date. During the same period, the cedi depreciated by 11% and 6% against the pound sterling, and euro, respectively.

The Ghana Stock Exchange

The year 2015 witnessed a bearish market on the Ghanaian bourse as the lead tracker, the Ghana Stock Exchange Composite Index (GSE-CI), posted a 12% decline from 2,261.02 points to close the year at 1,994.91. This compares unfavorably with the 2014 performance of the GSE which was a 5.40% rise in the Composite Index. The fortunes of financial stocks also declined as the GSE Financial Stocks Index reported a loss of 14% from 2,243.63 to 1,930.06.

Market Capitalisation was also lower by GH¢7.23 billion from GH¢64.35 billion in 2014 to GH¢57.12 billion.

Table 1: Ghana Stock Exchange Statistics for 2015

| Indicators | Level (Dec 31 2015) | % YTD Change |
|----------------------------|---------------------|--------------|
| GSE Composite Index | 1,994.91 | -11.80% |
| GSE Financial Stocks Index | 1,930.06 | -14.00% |
| Volume Traded | 246,520,431 | 17.00% |
| Value Traded (GHC) | 244,503,051 | -30.00% |
| Market Capitalisation | GHC 57,116.87 | -13.00% |

Top Gainers for 2015

| | |
|----------------------|--------|
| Aluworks | (600%) |
| Starwin | (100%) |
| Trust Bank | (54%) |
| Fan Milk | (40%) |
| Enterprise Group | (37%) |
| Mega African Capital | (33%) |
| GOIL | (33%) |

Top Losers for 2015

| | |
|----------------------------|--------|
| Ghana Web | (-67%) |
| SIC | (-62%) |
| UT Bank | (-60%) |
| HFC Bank | (-40%) |
| Benso Oil Palm Plantations | (-39%) |
| Guinness Ghana Breweries | (-38%) |
| Mechanical Llyod | (-32%) |

Outlook for 2016

Ghana will be holding Presidential and Parliamentary elections in 2016. The outcome of the elections is unlikely to significantly change the business prospects in the immediate term.

On the economic front a number of factors; including the energy crisis, another year of significant depreciation of the cedi and high interest rates in the domestic economy raised the general cost of living and inflationary pressures and affected business and consumer confidence in 2015. Going into 2016, anticipated rises in interest rates globally and the continuing fall in the prices

of commodities are not expected to help the macroeconomic situation. The current IMF programme notwithstanding, it is expected that the macroeconomic fundamentals of Ghana may remain weak in 2016.

Ghana's economic performance, as measured by growth in the Gross Domestic Product (GDP), is however, expected to pick up from the 2015 end-year forecast of 4% to about 6% in 2016, on the back of new oil production in the TEN fields which is expected to commence in August 2016.

Table 2: Ghana's Economic Indicators

| INDICATORS | 2015 Projected | 2015 Outturn | 2016 Projected |
|------------------------------|----------------|--------------|----------------|
| Real GDP Growth (inc. oil) | 3.9% | 4.1% | 5.4% |
| Real GDP Growth (non-oil) | 2.7% | n.a | 5.2% |
| Nominal GDP (GH¢) | 131b | n.a | n.a |
| Agriculture Sector | 2.9% | 0.04% | 3.5% |
| Industry Sector | 5.2% | 9.1% | 7.0% |
| Services Sector | 3.9% | 4.7% | 6.0% |
| Inflation | 11.5% | 17.4% | 10.1% |
| US Dollar/Cedi | n.a | 16% | n.a |
| Pound/Cedi | n.a | 11% | n.a |
| Euro/Cedi | n.a | 6% | n.a |
| Trade Deficit | n.a | \$3.54b | n.a |
| Balance of Payment Deficit | n.a | \$57m | n.a |
| Gross International Reserves | n.a | \$6.47b | n.a |
| Fiscal Deficit (% of GDP) | 6.5% | 7.3% | 5.3% |
| Total Revenue & Grants | GH¢ 32b | GH¢ 32b | GH¢ 38b |
| Total Expenditure & Arrears | GH¢ 39b | GH¢ 42b | GH¢ 46b |

Fund's Performance

In its first seven months of operation, from June 2015 to December 2015, the CDH Balanced Fund generated a return of 17.57% (30.68% annualised). The total funds under management grew by 24%.

This impressive start by the CDH Balanced Fund is due to a strategy employed by the Fund Manager – CDH Asset Management Ltd. to begin right and to pursue planned sound investment strategies suited to the prevailing economic conditions. There was also a conscious effort to minimise and where possible eliminate expenses that are usually a drain on the performance of mutual funds in Ghana.

The wise strategy employed by our Fund Manager means that you invested in a Fund that outperformed the benchmark Treasury bill, the Ghana Stock Exchange Composite Index and most other investment vehicles.

Your Fund in 2016

The CDH Balanced Fund is poised for growth in 2016. Our goal is to build a well-structured investment vehicle that will ensure that we are able to meet your medium to long term financial return expectations.

Table 3: CDH Balanced Fund Performance

| | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Funds Under Management | 879,206 | 905,883 | 944,361 | 1,000,626 | 1,044,094 | 1,072,953 | 1,086,078 |
| Total Shares Purchased | 8,584,902 | 8,623,852 | 8,797,255 | 9,114,567 | 9,149,600 | 9,197,330 | 9,237,887 |
| Net Asset Value (Price) | 0.1024 | 0.1050 | 0.1073 | 0.1098 | 0.1141 | 0.1167 | 0.1176 |
| Returns (YTD) | 2.41% | 5.04% | 7.35% | 9.78% | 14.11% | 16.66% | 17.57% |
| 1-Month Returns | 2.41% | 2.63% | 2.30% | 2.44% | 4.33% | 2.55% | 0.91% |
| 3-Months Returns | 2.41% | 5.04% | 7.35% | 7.37% | 9.07% | 9.31% | 7.78% |
| 6-Months Returns | 2.41% | 5.04% | 7.35% | 9.78% | 14.11% | 16.66% | 15.15% |
| 1 Year Annualised | 35.19% | 32.85% | 30.84% | 30.51% | 34.80% | 34.16% | 30.68% |
| 3 Year Compounded | 105.57% | 98.55% | 92.52% | 91.53% | 104.4% | 102.48% | 92.04% |
| Standard Deviation | 0.49% | 0.71% | 0.39% | 0.52% | 2.41% | 0.63% | 1.01% |

The management of the Fund is committed to a wise investment strategy that focuses primarily on good returns at moderate to low risk, irrespective of the prevailing economic circumstances of the country. This means that our investment decisions are backed by comprehensive research and the know-how of an investment manager with 30 years of experience in funds management.

The Bible says that “By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures.” Proverbs 24:3-4 (King James Version)

Finally, I would like to thank the other members of the Board for the good work done in the first year of the CDH Balanced Fund. It has been their strategic direction that has enabled the smooth take-off of this Scheme and we look forward to many more years of such diligent work.

Thank you fellow shareholders for your continued confidence and trust in the CDH brand, and as partners we look forward to building a wealthy future together.

Emmanuel **ADU-SARCODEE**
Chairman, CDH Balanced Fund



FUND MANAGER'S REPORT TO CDH BALANCED FUND SHAREHOLDERS

Dear Shareholders,

The CDH Balanced Fund commenced trading in June, 2015 after a successful Initial Public Offer (IPO) that was oversubscribed by 60%. This initial show of public interest in the CDH brand's first mutual fund is a testament to the proven track record in fund management by the CDH Asset Management Ltd. – adjudged the 2nd Best Fund Manager in Ghana for the year 2014.

In its first six months of operation – June 2015 to December 2015 – the Fund recorded a gain of 17.57%, increasing the initial funds under management from just above GHC 800,000.00 to GHC 1,000,000.00.

This steady growth in investors' funds is in line with the overall investment objective and policy of the CDH Balanced Fund which is to provide medium to long term growth in income by investing in a combination of fixed income instruments and equities listed on the Ghana Stock Exchange (GSE).

This mandate ensures that the CDH Balanced Fund provides low to medium risk and gives the Fund Manager the flexibility to respond to the prevailing situation in Ghana's economy. It is based on such hindsight that the Fund Manager adopted a very conservative portfolio for the first six months of the existence of the Fund. This was to ensure the smooth take off of the Fund, as well as respond to the bearish nature of trading in riskier investments such as stocks on the Ghana Stock Exchange during the year.

Fund Performance

The CDH Balanced Fund reported a positive return of 17.57% for the year ended 2015. The gains were mostly due to interest income from fixed income investments. The Fund also purchased shares in CAL Bank, Ghana Commercial Bank and Fan Milk Ghana which returned gains of 17.65%, 1.88% and 9.54% respectively by 31st December, 2015. This compares favourably to the end of year return on the Ghana Stock Exchange (GSE) for 2015 which stood at -11.80%.

Strategic Direction for 2016

The CDH Balanced Fund is poised for growth after a solid performance in 2015. The economy of Ghana is expected to improve from the second half of 2016 and this shall have an impact on the performance of shares listed on the Ghana Stock Exchange, as investors seek to pick up value stocks at bargain prices.

The strategy of the Fund Manager shall remain steady investments in high yielding instruments, and a progress towards a more balanced fund. We shall ensure that the riskier assets that we purchase (i.e. stocks) have sound fundamentals and can deliver good returns in the medium to long term. Furthermore, we have embarked on aggressive marketing to grow the contributors and the value of the Fund.

We shall continue to deliver wise management of your funds and with God on our side, the CDH Balanced Fund shall continue to be Your Mutual Fund of Choice. God bless us all.

Seth **ARYITEY**

Executive Director,

CDH Asset Management Ltd



Aspire

DARE TO EXCEL

To make it in life, we all need an x-factor, an ingredient that gives us unfair advantage.

The CDH Balanced Fund gives you the reason to aspire to greater heights, and helps you to excel. Invest a minimum of GH¢ 5.00 and see your investment grow rapidly.

Make payment at any of these banks

- ADB
- HFC Bank
- CDH Savings & Loans
- uniBank



CDH Balanced Fund

Wisdom!

Managed by CDH Asset Management Ltd.

CDH BALANCED FUND LIMITED CORPORATE INFORMATION

Board of Directors

Emmanuel **ADU-SARKODEE** – Chairman
Seth **ARYITEY**
Emmanuel **AMISSAH**
Desmond **NARTEY**
Benjamin **APEAKORANG**

Secretary

Love **MENSAH**
CDH House
No. 36 Independence Avenue
North Ridge
Accra

Registered Office

CDH House
No. 36 Independence Avenue
North Ridge
Accra

Principal Place of Business

CDH House
No. 36 Independence Avenue
North Ridge
Accra

Independent Auditors

Mazars Ghana
Chartered Accountants & Business Advisors
Nos. 7 & 9 NyameAdom Courts
Adonai Lane, Adjiringanor, East Legon, Accra
PMB LG DTD 20014
Accra

Bankers

Agricultural Development Bank
HFC Bank Ghana Ltd
unibank Ghana Ltd
Ivory Savings and Loans Ghana Ltd

CDH BALANCED FUND LIMITED REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31 December 2015, which disclose the state of the affairs of CDH Balanced Fund Limited (the "Fund").

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the Fund and of the statement of operations for that year. In preparing these financial statements, the Directors have put suitable accounting policies in place and generally applied them consistently, made judgments and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The Directors are responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Fund.

Financial and operational results

The financial and operational results for the year ended 31 December 2015 are as set out below:

| | 2015 GH¢ | 2014 GH¢ |
|--|----------------|-------------|
| Increase/(Decrease) in Net Assets from operation for the year is | 131,491 | (750) |
| From which is deducted Income Tax Expense | - | - |
| | <hr/> | <hr/> |
| Giving Increase/(Decrease) in Net Assets after tax of | 131,491 | (750) |
| To which is added balance on Accumulated Net Investment Income brought forward of | (9,560) | (8,810) |
| | <hr/> | <hr/> |
| Leaving a balance on Accumulated Net Investment Income of | 121,931 | (9,560) |

The Directors are also responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activities

The nature of business of the Fund is to invest the monies of its members for their mutual benefit. The Fund is licensed by the Securities and Exchange Commission to operate as an authorized Mutual Fund.

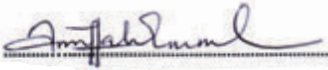
In preparing these financial statements, the Directors confirm that suitable accounting policies have been used and applied consistently; and that judgements and estimates made, are reasonable and prudent and complied with the requirements of the Ghana Accounting Standards, Securities Industry Law, 1993 (P.N.D.C.L.333 as amended), Unit Trust and Mutual Funds Regulations, 2001, (L.I.1695) and the Ghana Companies Code, 1963, (Act 179).

Auditors

Mazars has expressed its willingness to continue in office in accordance with the provisions of section 134 (5) of the Companies Act, 1963 (Act 179).

Approval of Financial Statements

The financial statements for the year set out on pages 16 to 24 which have been prepared on the going concern basis, were approved by the Board of Directors on 19th April 2016 and are signed on their behalf by:



Emmanuel AMISSAH
Director



Benjamin APEAKORANG
Director

CDH BALANCED FUND LIMITED CORPORATE GOVERNANCE

Introduction

CDH Balanced Fund Limited recognises the valuable contribution that corporate governance makes to long-term business prosperity and to ensuring accountability to its shareholders. The Fund is therefore fully committed to the principles and practices of good corporate governance. The Fund is managed in a way that maximises long-term shareholder value and takes into account the interest of all of its shareholders.

CDH Balanced Fund Limited believes that full disclosure and transparency in its operations are in the interest of good governance. As indicated in the Statement of Responsibilities of Directors and in the notes to the financial statements, CDH Balanced Fund Limited adopts standard accounting practices and ensures sound internal controls to facilitate reliability of the financial statements.

The Board of Directors

The Board of Directors (the “Board”) is responsible for setting the Fund's strategic direction, for leading and controlling the Fund and for monitoring activities of the executive management. The Board presents a balanced and understandable assessment of the Fund's progress and prospects. They have experience and knowledge of the industry, markets, and financial and/or other business information to make valuable contributions for the Fund's progress. The Fund Manager is a separate individual from the Chairman and the Fund Manager implements the management strategies and policies adopted by the Board.

Systems of Internal Control

CDH Balanced Fund Limited has a well-established internal control system for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that the risks facing the organisation are controlled.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CDH BALANCED FUND LIMITED

We have audited the financial statements of CDH Balanced Fund Limited which comprise the Statement of Assets and Liabilities as at 31 December 2015, Income and Distribution Account and Statement of Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 14.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the Ghana Accounting Standards, the Securities Industry Law, 1993 (PNDCL 333) as amended by the Securities Industry (Amendment) Law, 2000 (Act 590), Unit Trust and Mutual Fund Regulation, 2001 (L.I.1695) and in the manner required by the Companies Act, 1963 (Act 179) and the Securities and Exchange Commission's Regulations 2003, (L.I. 1728).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit work has been undertaken so that we might state to the company's members those matters that are required of us to be stated in this report as required by the Companies Act, 1963 (Act 179) and for no other purpose. To the fullest extent permissible by law we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CDH BALANCED FUND LIMITED
(CONT'D)**

Opinion

In our opinion, the financial statements present fairly, in all material respects, the Assets and Liabilities of CDH Balanced Fund Limited as at 31 December 2015 and of its financial performance and changes in Net Assets for the year then ended in accordance with the Ghana Accounting Standards, and in the manner required by the Companies Act, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179) and the Securities Industry Law, 1993 (PNDC 333) as amended by the Securities Industry (Amendment) Law, 2000 (Act 590), Unit Trust and Mutual Fund Regulation, 2001 (L.I.1695) and the Securities and Exchange Commission's Regulations 2003, (LI 1728).

The Companies Act 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books and
- iii) the statement of financial position and comprehensive income are in agreement with the books of account.

We also confirm that, the company's transactions were within its powers and the company has complied with relevant provisions of the Securities Industry Law, 1993 (PNDC 333) as amended by the Securities Industry (Amendment) Law, 2000 (Act 590), Unit Trust and Mutual Fund Regulation, 2001 (L.I.1695) and the Securities and Exchange Commission's Regulations 2003, (LI 1728).

MAZARS

Signed by: William Ofori Darko
Practitioner's Number (ICAG/P/1316)

For and on behalf of:
Mazars (ICAG/F/054)
Chartered Accountants and Business Advisors
Nos. 7 & 9 Nyame Adom Courts
Adonai Lane, Adjiringano, East Legon, Accra
PMB LG DTD 20014, Accra

31 MARCH, 2016

CHARTERED ACCOUNTANTS AND BUSINESS ADVISORS

7/9 NYAME ADOM COURTS ADONAI LANE ADJIRINGANO EAST LEGON ACCRA GHANA • PO BOX CP 2957 ACCRA GHANA
TEL: +233 302 530 943 • FAX: +233 302 500 038 • CONTACT@MAZARS.COM.GH • WWW.MAZARS.COM.GH

A FULL LIST OF PARTNERS IS AVAILABLE ON REQUEST OR AT WWW.MAZARS.COM.GH

CDH BALANCED FUND LIMITED
INCOME AND DISTRIBUTION ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

| | Note | 2015 | 2014 |
|--|------|----------------|--------------|
| Investment Income | | | |
| Interest income | 3a | 145,492 | - |
| Other Income | 3b | 292 | - |
| Total income | | 145,784 | - |
| Expenses | | | |
| Professional fees | | - | 100 |
| Audit fees | | 2,000 | 400 |
| Custodian fees | | 2,322 | - |
| Statutory fees | | - | 100 |
| Business Development & Advert | | 9,538 | - |
| Other expenses | 4 | 433 | 150 |
| Total expenses | | 14,293 | (750) |
| Net increase/decrease in net assets from operations | | 131,491 | (750) |

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

| | 2015 | 2014 |
|--|----------------|----------------|
| At 1 January | (9,560) | (8,810) |
| Net increase/(decrease) in net assets for the period | 131,491 | (750) |
| At 31 December | <u>121,931</u> | <u>(9,560)</u> |

CDH BALANCED FUND LIMITED
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

| | | 2015 | 2014 |
|--------------------------|---|------------------|--------|
| ASSETS | | | |
| Cash and Bank | 5 | 14,099 | 11,190 |
| Accounts Receivables | 6 | 32,861 | - |
| Fixed Deposit | | 988,078 | - |
| Equity Investment | 7 | 51,040 | - |
| Total Assets | | 1,086,078 | 11,190 |
| LIABILITIES | | | |
| Accounts payable | 8 | 25,478 | 750 |
| Total Liabilities | | 25,478 | 750 |
| NET ASSETS | | 1,060,600 | 10,440 |

CDH BALANCED FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

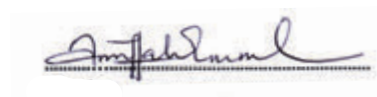
| | Capital Transaction | Investment | Total |
|-----------------------|--------------------------------|-------------------------|---------------------------|
| At 1 January | 10,440 | - | 10,440 |
| Net Investment income | | 131,491 | 131,491 |
| Issue of shares | 918,669 | | 918,669 |
| At 31 December | <u>929,109</u> ===== | <u>131,491</u> ===== | <u>1,060,600</u> ===== |

CDH BALANCED FUND LIMITED
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

| | Notes | 2015 | 2014 |
|---|-------|------------------|--------------|
| Change in Net Assets From Operations: | | | |
| Accumulated net increase/(decrease) in net assets | | 131,491 | (750) |
| Change in net assets from operations | | 131,491 | (750) |
| Capital transactions: | | | |
| Beginning of period | | 10,440 | 11,190 |
| Proceeds from shares issued during the year | 9 | 918,669 | - |
| NET ASSETS | | 1,060,600 | 10,440 |
| | | ===== | ===== |

These Financial Statements were approved by the Board on ...31..... March 2016 and signed on their behalf by:



Emmanuel **AMISSAH**
 Director



Benjamin **APEAKORANG**
 Director

The accounting policies and notes on pages 11 to 14 are integral part of these financial statements.

CDH BALANCED FUND LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

1. Reporting entity

CDH Balanced Fund Limited is a limited liability company, incorporated and domiciled in Ghana. The address of its registered office is, No.36 Independence Avenue, North Ridge, Accra.

Description of the Fund

CDH Balanced Fund Limited is an authorized Mutual Fund to provide high current income with the maintenance of liquidity and preservation of capital. All securities purchased by the Fund present minimal credit risk in the opinion of the Fund Manager (CDH Asset Management Limited) acting under the supervision of the Directors. In the interest of prudence and efficient management of the Fund, the Fund Manager shall maintain prudent levels of liquidity.

The Manager is responsible for the actual management of the Fund's portfolio and constantly reviews the holdings of the Fund in the light of its research analysis and research for other relevant services.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented unless otherwise stated. The financial statements are presented in Ghana Cedis.

2.1 Income Recognition

Interest income is recognized on the accrual basis of accounting. The recognition of interest ceases when the payment of interest or principal is in doubt. Thereafter, interest is included in income only when it is received. Commissions and fees are credited to income when earned.

2.2 Expenses

Expenses are recognized when incurred, without regard to receipt or payment of cash.

2.3 Investments

Valuation of the Fund is determined by the amortized cost method. This involves the valuing of a debt obligation in reference to its cost rather than market value. In this regard, short-term securities having maturity of ninety-one days or less are valued at amortized cost.

2.4 Foreign Currency

Transactions in foreign currencies during the period are converted into Ghana Cedis at rates ruling at the transaction dates. Assets and liabilities denominated in foreign currencies are translated into Ghana Cedis at exchange rates ruling at the financial year-end. The gains and losses resulting from exchanges are dealt within arriving at the period's operating profit.

CDH BALANCED FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

Summary of significant accounting policies (Contd.)

2.5 Commercial Paper

Commercial paper is stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions against commercial paper are based on an appraisal of the portfolio and are made having regard to specific risks. There is no provision for doubtful debts.

2.6 Certificates of Deposit

Certificates of Deposit are stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions against Certificates of Deposit are made having regard to specific risks. There is no provision for doubtful debts.

2.7 Dividend to shareholders

A dividend to shareholders is recognised in the profit and loss Accounts when their right to receive payment is established. This occurs when the dividends are approved by the Company's shareholders at the annual general meeting.

2.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.9 Dividend income

Dividends are recognised in the Income and Distribution Accounts 'Dividend income' when the entity's right to receive payment is established.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with other financial institutions and other short-term highly liquid investments with original maturities of three months or less.

CDH BALANCED FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

| | 2015 | 2014 |
|---------------------------------------|----------------|---------------|
| 3a. Interest Income | | |
| Interest on bank accounts | 31 | - |
| Interest on Call accounts | 37 | - |
| Interest on fixed deposit | <u>145,424</u> | <u>-</u> |
| | <u>145,492</u> | <u>-</u> |
| | ===== | ===== |
| 3b. Other Income | <u>292</u> | <u>-</u> |
| | ===== | ===== |
| 4. Other Expenses | | |
| Bank charges | 433 | |
| Office expenses | - | 100 |
| Others | <u>-</u> | <u>50</u> |
| | <u>433</u> | <u>150</u> |
| | ===== | ===== |
| 5. Cash and Bank | | |
| Balance with financial institution | <u>14,009</u> | <u>11,190</u> |
| | <u>14,099</u> | <u>11,190</u> |
| | ===== | ===== |
| 6. Receivables | | |
| Interest Receivable – Fixed deposit | 21,671 | - |
| Intercompany Receivables | <u>11,190</u> | <u>-</u> |
| | <u>32,861</u> | <u>-</u> |
| | ===== | ===== |
| 7. Equity investment | | |
| Cost | 50,748 | - |
| Unrealised Gain on equity investments | <u>292</u> | <u>-</u> |
| | <u>51,040</u> | <u>-</u> |
| | ===== | ===== |
| 8. Accounts payable | | |
| Audit fees | 2,400 | 400 |
| Sundry creditors | 350 | 350 |
| Withholding tax payable | 406 | - |
| Intercompany | 20,000 | - |
| Custodian fees | <u>2,322</u> | <u>-</u> |
| | <u>25,478</u> | <u>750</u> |
| | ===== | ===== |

CDH BALANCED FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(All amounts are expressed in Ghana Cedis unless otherwise stated)

9a. Statement of movement in issued number of shares

| | | |
|--|----------------|-------------|
| Shares in issue at 1 January of period | 20,000 | 20,000 |
| Shares in issued during the period | 918,669 | - |
| | <hr/> | <hr/> |
| Shares in issue at 31 December | 938,669 | 20,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

9b. Statement of movement in issued value of shares

| | | |
|--|----------------|-------------|
| Shares in issue at 1 January of period | 10,440 | 11,190 |
| Shares in issued during the period | 918,669 | - |
| | <hr/> | <hr/> |
| Shares in issue at 31 December | 929,109 | 10,440 |
| | <hr/> <hr/> | <hr/> <hr/> |

10. Directors' remuneration

The directors waived their rights to receive remuneration during the year

11. Taxation

Mutual Funds, under the current legislation, are not subject to taxes on interest income nor to any taxes on income distributions.

12. Contingent Liabilities

There were no contingent assets or liabilities as at 31 December 2015.

13. Capital Commitments

There were no commitments for capital expenditure not provided for in these financial statements at 31 December 2015.

14. Exchange Control

All remittances from Ghana are subject to the approval of the exchange control authorities.

15. Subsequent Events

Events subsequent to the balance sheet date are reflected only to the extent that they are related directly to the financial statements and their effect is material.



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- HFC Bank
- CDH Savings & Loans
- uniBank



CDH Balanced Fund

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Managed by CDH Asset Management Ltd.

DIRECTORS' INFORMATION

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Below are the Directors of the Fund:

BOARD OF DIRECTORS

Name:
Emmanuel ADU-SARCODEE

Position:
Board Chairman

Address:
P.O. Box 14911, Accra

Occupation:
Business Executive

Board Member and/or Chairman:
Phoenix Health Insurance Ltd
CDH Financial Holdings Ltd
Phoenix Life Assurance Ltd
CDH Savings & Loans Ltd
Phoenix Insurance Ltd
CDH Securities Ltd
Ghana Catfish Ltd
Accra City Hotel



Name:
Seth ARYITEY

Position:
Board Member

Address:
P.O. Box 6 Oko Estates
Dome - Accra

Occupation:
Investment Banker

Board Member and/or Chairman:
CDH Asset Management Ltd
Seers Communications Ltd
Sedan Ventures Ltd
CDH Securites Ltd



Name:
Desmond NARTEY

Position:
Board Member

Address:
P.O. Box CT 137,
Cantoment - Accra

Occupation:
Economist

Board Member and/or Chairman:
Phoenix Health Insurance Ltd
CDH Savings & Loans Ltd
Manya Krobo Rural Bank
Phoenix Insurance Ltd
CDH Securities Ltd
JACVA Ghana



Name:
Benjamin APEAKORANG

Position:
Board Member

Address:
P.O. Box 14911, Accra

Occupation:
Chartered Accountant

Board Member and/or Chairman:
Phoenix Health Insurance Ltd



Name:
Emmanuel AMISSAH

Position:
Board Member

Address:
P.O. Box KA 16064
Airport - Accra

Occupation:
Lawyer



Name:
Love MENSAH

Position:
Board Secretary

Address:
P.O. Box 766,
Teshie-Nungua Estates
Accra

Occupation:
Lawyer





Monday June 20, 2016.

The Manager
CDH Balanced Fund Limited
CDH House
No. 36 Independence Avenue
North Ridge
Accra.

Our Ref: 20151231CDFBF

REPORT OF THE CUSTODIAN TO THE INVESTORS OF CDH BALANCED FUND LIMITED

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I 1695 and attached a statement of holdings of securities in custody with HFC Bank Custody Services for the above fund as at December 31, 2015.

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

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

Opinion

In our opinion, the statement of holdings is in agreement therewith and gives a true and fair view of the state of affairs of the Fund as at December 31, 2014 and the manager has managed the fund for the year ended December 31, 2015 in accordance with,

- (a) The limitations imposed on the investment and borrowing powers of the managers, and
- (b) Provisions pursuant to the above mentioned regulations

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Elias Augustine Dey".

Elias Augustine Dey
Head, HFC Bank Custody Services

PROXY FORM
CDH BALANCED FUND LTD

I/We.....

of being a member/members of

CDH Balanced Fund Limited here by appoint

.....
 or failing him the duly appointed chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the **CDH House, No. 36 Independence Avenue, North-Ridge, Accra on June 30, 2016 at 10:00 a.m prompt** and any adjournment thereof.

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the appropriate space.

| RESOLUTIONS | FOR | AGAINST |
|---|-----|---------|
| 1. To receive the Directors' report | | |
| 2. To receive and adopt the audited statement | | |
| 3. To receive the Fund Manager's report | | |
| 4. To authorise the Directors to fix the remuneration of the Auditors | | |

Signed this day of 2016

Signature



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FOR MORE INFORMATION, CONTACT CDH BALANCED FUND AT THE FOLLOWING ADDRESSES:

Copies of the scheme particulars may be obtained free of charge from the office of the Fund Manager below:

FUND MANAGER

 CDH Asset Management Ltd,
CDH House, No. 36 Independence Avenue,
North-Ridge, Accra - Ghana

 P.O. Box 14911, North Ridge - Accra.

 030 266 8437

 info@cdhgroup.co

 www.cdhgroup.co

RECEIVING AGENTS

- CDH Savings & Loans Ltd
- Phoenix Insurance Company Ltd
- Phoenix Life Assurance Company Ltd
- adb (Agriculture Development Bank)
- umb (Universal Merchant Bank)
- uniBank Ghana Ltd
- HFC Bank

CDH Balanced Fund is the best performing mutual fund in Ghana for the first quarter of 2016 according to self reported data from Fund Managers in the industry. The CDH Balanced Fund has maintained a consistent growth pattern since its emergence into the country's mutual funds market a little over a year ago. The Fund Manager, CDH Asset Management has been instrumental in the development of the Ghanaian capital market and has built a strong reputation for its pioneering works in the industry.

Driven by the goal of helping Ghanaians achieve financial independence, CDH Asset Management is keen on promoting financial literacy and offers a diversified range of products and services to suit the investment styles of different investors.