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CDH Balanced Fund Ltd

***PROSPECTUS
(SCHEME PARTICULARS)***

(Rules and Regulations of the Fund & the Scheme Particulars)

Offer for Subscriptions

Initial application for minimum of (5,000,000) shares at GH¢0.10 per share

Payable in full on application

OFFER OPENS: October 06, 2014

OFFER CLOSES: October 06, 2014

Promoter

CDH FINANCIAL HOLDINGS LIMITED

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DEFINITIONS

In this document, the words and expression set out below have the meanings set out opposite them:

“Application Form”	The application form for shares enclosed with this Document
“Business Day”	Monday to Friday excluding any day designated as a public or statutory holiday in Ghana.
“The Act”	Companies Act of 1963, Act 179
“The Custodian”	HFC Bank (Ghana) Limited.
“The Directors” or Board of Directors	The Directors of CDH Balance Fund.
“The Fund”	CDH Balance Fund.
“Lump Sum Purchase”	A one-time purchase.
“The Manger”	CDH Asset Management Limited
“Management Fee”	Annual charge of 2.5% of the (average daily Net Value of the Fund due to the Manager) for providing management, Advisory and supervisory services to the Fund.
“Net Asset Value”	The value of the net assets of the Fund as determined in accordance with the terms of the Prospectus.
“The Offer”	The offer of shares of CDH Balance Fund to the general public.
“The Promoters”	CDH Financial Holdings Limited
“Regular Investment Purchase”	The regular periodic purchase of shares
“SEC”	Securities and Exchange Commission or Commission
“GSE”	Ghana Stock Exchange
“Share”	Ordinary Shares of no par value of the Fund which are hereby offered.
“Shareholder”	The registered holder of ordinary shares in the Fund.

THE FUND

The CDH Balance fund (The Fund) is an open –ended mutual Fund which shall invest primarily in equity securities listed on the Ghana Stock Exchange (GSE) and fixed income securities. CDH Balanced Fund is a balanced fund with the objective of preserving and enhancing shareholders wealth to meet medium to long term financial goals, while creating liquidity to meet short term needs.

The address of the Fund is:

**CDH House,
36 Independence Avenue,
North Ridge, Accra.**

And the contact telephone numbers are:

(233) 0302-671-050

(233) 0302-667-426

IMPORTANCE NOTICE

The information contained herein known as the “Prospectus” gives details of the Initial Public Offer (IPO) and a description of CDH Balance Fund (the “Fund”). The directors of the Fund, whose names appear on page 10 of this document, accept responsibility for the information contained in this document. To the best knowledge of the Promoter, CDH Financial Holdings Limited the information contained in this document is factual. A copy of this document has been delivered to the Registrar General Department in Ghana for registration. The registrar has not checked and will not check on the accuracy or completeness of any statement made herein and accepts no responsibility therefore or for the financial soundness of the Fund.

No person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, and give or made such other information or representations must not be relied upon as having been authorized by the Fund or Manager. This Prospectus does not constitute an offering in any country in which such an offering may not lawfully be made.

Neither the delivery of this document nor the allotment of shares shall under any circumstances create any implication that there has been no changes in the affairs of the fund since the date hereof. An application has not been made to list of the Fund on the Ghana Stock Exchange. Anybody wishing to dispose of shares can only do so by placing a request with the manager. This prospectus has been reviewed and approved by the Securities and Exchange Commission (the Commission) in accordance with section 9 of LI 1695. In its review, the Commission examined the content of the Prospectus to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of securities on offer, investors are advised to consult an investment advisor, a dealer or other professionals for appropriate advice.

THE VALUE OF SHARES CAN FALL AS WELL AS RISE

This Prospectus should be read in its entirety before making an application for shares and should be retained for future reference.

THE OFFER

The Fund is initially offering a minimum of 5,000,000 shares. CDH Balanced Fund consists of an unlimited number of shares at an initial cost of GH¢ 0.10 per share. The minimum investment purchase of shares under the IPO is set at 200 shares and thereafter in multiples of **50** shares. The prospectus is being issued under the Securities Industry Law 1993 (P.N.D.C.L 333) as amended and the Unit Trusts and Mutual Fund Regulations (LI 1695). Copies of the prospectus, together with copies of document specified therein, have been delivered to the Commission. The initial offering period for shares of the CDH Balance Fund will begin **8: 30 am on October 06 and end 5.00 pm on October 24, 2014**. Any change to this period will be made by the manager with the approval of the Commission.

All application for shares should be directed to the Manager at its registered offices below:

CDH Asset Management Limited
#36, Independence Avenue
North Ridge - Accra

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere in the prospectus.

The Fund	The name of the fund is CDH Balance Fund. It is an open-end mutual fund, which was established on February 14, 2000 with a unlimited duration. The Fund shall invest in equity securities listed on all organized stock exchanges including the Ghana Stock Exchange (GSE), unlisted equities, as well as other fixed income securities.
Shares Offered	Ordinary shares of no par value.
Initial Minimum Purchase	Two Hundred (200) shares and thereafter in multiples of Fifty (50) shares under the IPO.
Investment Objective and Policy	CDH Balance Fund is a fund with the objective of preserving and enhancing shareholders wealth to meet medium to long term financial goals, while creating liquidity to meet short- term needs. Under normal market conditions, 50% of the Fund's net assets shall be invested in fixed income securities and the residual 50% in equities. The Fund seeks to provide long term income and capital growth, by producing returns commensurate with the risk levels based on careful attention to detail, extensive forward planning rigorous portfolio selection.
The Fund Manager	CDH Asset Management Limited, a SEC- Licensed Investment Adviser
Regular Investment Purchases	A regular investment plan exists for the benefit Investors who would like to purchases shares on regular basis. This is set at a minimum investment value of GH¢10.00
Management Fee	The manager shall receive a management fee not exceeding 2.5% per annum of the Fund's average daily net assets value on a monthly basis.
Dividends and Distribution	No dividends shall be put out to investors. All net investment income and realized capital gain, if any, will be reinvested. Any investor who wishes to cash out his/her investment may redeem their shares.
Redemption	Shares can be redeem by applying in person at the offices of the Manager

PROSPECTUS SUMMARY

Base Currency

The base currency of the Fund is the Ghana Cedi.

Risk Factors

The Fund is a newly organized investment company that will invest in equity securities and fixed income instruments. Investments of the Fund shall be subject to normal markets fluctuations. Investment in the securities carry certain risks associated with greater economic uncertainty, small size of markets, and greater price volatility.

OFFER TIMETABLE

Application List Opens	October 06, 2014
Application List Closes	October 24, 2014
Receiving Agents make returns to Fund Manager	October 31, 2014
Issue and Distribution of Contract Notes	November 7, 2014
Final Dispatch of Contract Notes	November 14, 2014

BOARD OF DIRECTORS OF THE FUND

The Board of Directors of the Fund will consist of the following persons;

NAME OF DIRECTORS/ SECRETARY	MR. EMMANUEL ADU-SARKODEE	MR. SETH AKORLU ARYITEY	MR. BENJAMIN APEAKORANG	MR. DESMOND NARTEY	MR. EMMANUEL AMISSAH	MS. LOVE MENSAH (SECRETARY)
POSTAL ADDRESSES	P.O. BOX 14911, ACCRA	P.O. BOX MB 574, MINISTRIES, ACCRA	P.O. BOX 14911, ACCRA	P.O. BOX CT 137, CANTONMENTS, ACCRA	BOX KA 16064, AIRPORT ACCRA	P.O. BOX 766, TESHIE-NUNGUA ESTATES, ACCRA
RESIDENTIAL ADDRESS	20 MANKRALO STREET, EAST CANTONMENTS, ACCRA	6 OKO ESTATES, DOME, ACCRA	90B, TRAVELLERS PALM ROAD, HFC ESTATES, C20, BAATSONA	40, ST ADJEI ANNANOR STREET, ADENTAN, ACCRA	15, AKWADUM STREET, ADENTA	A2 JOGIS ESTATES, ADJIRINGANO, ACCRA
DATE OF BIRTH/AGE	9 SEPTEMBER 1968/ 45 YRS	6 OCTOBER 1959 / 54 YRS	11 DECEMBER 1973/ 40 YRS	22 MAY 1958 / 55 YRS	10 MAY 1970 / 44 YRS	14 DECEMBER 1976/ 37 YRS
NATIONALITY	GHANAIAAN	GHANAIAAN	GHANAIAAN	GHANAIAAN	GHANAIAAN	GHANAIAAN
PROFESSION / LINE OF BUSINESS	BUSINESS EXECUTIVE	INVESTMENT BANKER	CHARTERED ACCOUNTANT	ECONOMIST	LAWYER	LAWYER
EDUCATIONAL BACKGROUND	LLB, EMBA, B.A	EMBA, PPGD, CERT. IN CORPORATE GOVERNANCE	MSC, FCCA, CIA	MA ECONS, MBA FINANCE	BL, QLC, BA	BL, QLC, BA
WORK EXPERIENCE	OVER 13 YEARS EXPERIENCE IN CORPORATE GOVERNANCE & ENTREPRENEURAL MANAGEMENT	OVER 29 YEARS EXPERIENCE IN INVESTMENT BANKING	OVER 15 YEARS EXPERIENCE IN FINANCE & ACCOUNTING	OVER 18 YRS EXPERIENCE IN FINANCE AND ECONOMICS	OVER 17 YEARS EXPERIENCE IN HUMAN RESOURCES, LAW & PRACTICE	OVER 9 YEARS EXPERIENCE IN HUMAN RIGHTS, HR, LAW & PRACTICE
PARTICULARS OF OTHER DIRECTORSHIP	CDH FINANCIAL HOLDINGS LTD CDH SECURITIES LTD IVORY FINANCE CO LTD CDH COMMODITIES LTD PHOENIX LIFE ASSURANCE CO. LTD PHOENIX INSURANCE LTD ACCRA CITY HOTELS (NOVOTEL) GHANA CATFISH LTD	SEERS COMMUNICATIONS LTD SEDAN VENTURES LTD CDH SECURITIES LTD CDH ASSET MANAGEMENT LTD	CDH HEALTH LTD KINGDOM PROFESSIONALS PARTNERS	IVORY FINANCE COMPANY LTD, CDH SECURITIES LTD PHOENIX INSURANCE COMPANY LTD MANYA KROBO RURAL BANK LTD JACVA GHANA	-	-

The Board of Directors of the Fund is responsible for the overall supervision of the operations of the Fund.

THE MANAGER

Name:	CDH Asset Management Limited
Date of Incorporation:	14th February, 2000
Country of Incorporation:	Ghana
Registration Number:	89,120
Nature of Corporate Form:	Limited Liability Company
Address:	CDH House
	No. 36, Independence Avenue North Ridge, Accra P. O. Box 14911, Accra
Telephone Number:	(233) 0302-671050
Fax Number:	(233) 0302-662167
Holding Company:	CDH Financial Holdings Limited

BOARD OF DIRECTORS OF THE FUND MANAGER

NAME OF DIRECTORS/ SECRETARY	MR. EMMANUEL ADU-SARKODEE	MR. SETH AKORLU ARYITEY	MR. YAW KWAKYI	MS ARETHA DUKU	MS. LOVE MENSAH (SECRETARY)
POSTAL ADDRESSES	P.O. BOX 14911, ACCRA	P.O. BOX MB 574, MINISTRIES, ACCRA	NO.91 OSU BADU STREET, WEST AIRPORT, ACCRA	C/O GHANA UNION ASSURANCE COMPANY LTD, P.O. BOX 1322, ACCRA	P.O. BOX 766, TESHIE-NUNGUA ESTATES, ACCRA
RESIDENTIAL ADDRESS	20 MANKRALO STREET, EAST CANTONMENTS, ACCRA	6 OKO ESTATES, DOME	4 SECOND CLOSE, MCARTHY HILL, ACCRA	G2 MANETVILLE, SPINTEX ROAD, ACCRA	A2 JOGIS ESTATES, ADJIRINGANO, ACCRA
DATE OF BIRTH/AGE	9 SEPTEMBER 1968/ 45 YRS	6 OCTOBER 1959 / 54 YRS	29 MARCH 1962/ 52 YRS	2 MARCH, 1971 / 43 YRS	14 DEC. 1976/ 37 YRS
NATIONALITY	GHANAIAIN	GHANAIAIN	GHANAIAIN	BRITISH/GHANAIAIN	GHANAIAIN
PROFESSION / LINE OF BUSINESS	BUSINESS EXECUTIVE	INVESTMENT BANKER	INVESTMENT BANKER	INSURER	LAWYER
EDUCATIONAL BACKGROUND	LLB, EMBA, B.A	BA (HONS), EMBA, PPGD, CERT. IN CORPORATE GOVERNANCE	ICA, BA	New York Bar Practising Licence, MSC, LLB	BL, QCL, BA
WORK EXPERIENCE	OVER 13 YEARS EXPERIENCE IN CORPORATE GOVERNANCE & ENTREPRENEURAL MANAGEMENT	OVER 29 YEARS EXPERIENCE IN INVESTMENT BANKING	OVER 20 YEARS EXPERIENCE IN INVESTMENT BANKING	OVER 19 YRS EXPERIENCE IN MARKETING & REINSURANCE	OVER 9 YEARS EXPERIENCE IN HUMAN RIGHTS, HR, LAW & PRACTICE
PARTICULARS OF OTHER DIRECTORSHIP	CDH FINANCIAL HOLDINGS LTD, CDH SECURITIES LTD, IVORY FINANCE CO LTD, CDH COMMODITIES LTD, CDH BALANCED FUND LTD, PHOENIX LIFE ASSURANCE CO. LTD, PHOENIX INSURANCE LTD, ACCRA CITY HOTELS (NOVOTEL), GHANA CATFISH LTD	SEERS COMMUNICATIONS LTD, SEDAN VENTURES LTD CDH SECURITIES LTD, CDH BALANCED FUND LTD.	BOULDERS ADVISORS LTD, SECURE PENSIONS TRUST, ONE 4ALL LTD.	GHANA UNION ASSURANCE COMPANY LTD	-

OTHER ADVISORS

THE CUSTODIAN

Name:	HFC Bank (Ghana) Limited
Date of Incorporation:	May 7th 1990
Country of Incorporation:	Ghana
Registration Number:	C-39,755
Nature of Corporate Form:	Limited Liability Company
Address:	No. 35, Sixth Avenue, North Ridge, Accra P. O. Box CT 4603, Cantonments - Accra
Telephone Number:	(233) 0302-258118
Fax Number:	(233) 0302-668890

NAME OF DIRECTORS

Nana Agyei Duku
Asare Akuffo
Charles Ofori-Acquah
Osei Asafo-Adjei
Robert Le Hunte
David Dulal-Whiteway
Michael Atiboly
Muriel Susan Edusei
Francis Koranteng
Professor Joshua Alabi
Holding Company:

HFC Bank (Ghana) Limited

THE AUDITORS

Mazars Ghana
Chartered Accountants and Business Advisors
Nos. 7 & 9 Nyame Adom Courts, Adonai Lane
Adjiringanor, East Legon - Accra
P. O. Box GP 2957
Accra

THE SOLICITORS

Love Mensah
CDH House
No. 36 Independence Avenue
North Ridge - Accra

THE CONSTITUTION AND OBJECTIVE OF THE SCHEME

PART 1:

1.1 Name of the Scheme

The name of the scheme is **CDH Balanced Fund** (the "Fund")

1.2 Nature of the Scheme

The Scheme is an open-end mutual fund.

1.3 Date of Establishment and Duration

The scheme was established on the 14th of February 2000 with unlimited duration

1.4 Investment Objective of the Fund

The objective of the fund is to preserve and enhance shareholders wealth to meet medium to long-term financial needs.

1.5 Fundamental Investment Policy

The Fund shall be established and shall operate in accordance with L.I. 1695 and PNDC 333

The Fund shall be marketed as a ["balanced fund"], which means it shall invest in a combination of listed equities, bonds as well as other suitable fixed income securities to achieve its investment objectives.

The Fund Manager shall have the discretion to select specific investment within these three assets classes:

Assets Class	Percentage of Fund's Assets Invested	Rebalancing Range
Fixed Income	50%	+/-20
Equity	50%	+/-20
Total	100%	

These limits shall be subject to an periodic review.

Although the funds shall be managed to achieve maximum returns, due to the inherent risk in stocks the total attainment of the objectives of the investment cannot be guaranteed. The Fund shall, however, be expected to deliver optimum returns on a best effort basis.

1.6 Permissible Investments

The Fund is authorized to invest in securities issued by listed Companies on the Ghana Stock Exchange as well as fixed income /money market instruments and to employ a variety of investment techniques to protect the fund against market and currency risks to the extent allowable by law.

1.7 Investment in Schemes or Assets managed by the Manager or its Associates

The Manager is authorized to invest in other collective investment schemes whether managed by the Manager, its associates or by any other person. The assets of the scheme may be invested in assets managed by the manager.

1.8 Limitation on investment

Except with prior approval of the Commission, the Manager shall not undertake the following on behalf of the Scheme:

- a. Invest in commodities, futures or options ;
- b. Invest more than 10 percent of the net assets 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 ;
- c. Invest more than 25 percent of the net asset value of the scheme in any particular class of securities issued by a single issuer ;
- d. Invest more than 10 percent of the net assets value of the Scheme in any particular class of securities issued by a single issuer ;
- e. Invest more than 10 percent of the net assets value of the Scheme in other collective investment schemes ;
- f. Invest more than 15 per cent of the total net assets value of the scheme in securities not listed or quoted on an authorized stock exchange ;
- g. 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 ;
- h. Make any investment that shall result in the Manager, trustee or the scheme gaining management control of a company in which the investment has been made ;
- i. Make short sales of securities or maintain a short position ;
- j. Acquire any securities which are unpaid or partly paid for ;
- k. 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 ;
- l. Enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of any investment and ;
- m. Invest in any class of securities of a company or other body, if any officer or collectively officers of the Manager of the scheme owns more than 5 per cent of the total nominal amount of the securities of that class issued by the company or body.

1.9 Dividend Policy

It is the intention of the Fund to re-invest all its investment income if any. Therefore dividend shall neither be declared nor distributed. As such individual investors should benefit from growth in the Net Assets Value of each unit of the Fund they hold.

1.10 Borrowing Power

1. Subject to any statutory requirements and prohibitions for the time being in force and to the terms and conditions of the constitution of the Scheme and the Scheme particulars, the Board of Directors may upon request of the Manager borrow for the account of the Scheme, any money whether in local or foreign currency for the sole purpose of enabling the Manager to meet request for redeeming interest in the Scheme.
2. The following provision shall apply in connection with:
 - a. The borrowing may be from the Custodian or its associate on the best commercial terms;
 - b. The aggregate outstanding of the borrowing whether in local or in foreign currency at any time shall not exceed 15 per cent of the net assets value of the Scheme;
 - c. Any interest on the borrowing and expense incurred in negotiation, entering into, varying, carrying into effect and terminating the borrowing arrangements shall be payable out of the assets of the Scheme;
 - d. For the purpose of securing the borrowing, the board of directors of the Fund is entitled, with the concurrence of the Manager, to charge or pledge in any manner all or any part of the assets of the Scheme, and where any part of the assets of the Scheme or any document of title of the assets is for the time being under the custody and control of a person other than the Custodian in consequence of any charge or pledge, the provision of the regulations as to the custody and control of the assets of the scheme or the document of title to the assets shall be deemed not to have been infringed;
 - e. any charge or pledge of the assets of the scheme shall be made upon the terms that no action shall be taken to enforce the security constituted until 30 days after notice in writing has been given to the Board of Directors of the Fund demanding prepayment of the monies secured;
where borrowing is undertaken for the account of the Scheme, assets that form part of the deposited property may be resisted in the lenders name and or its nominee appointed by the lender: provided that the lender or its the nominee, entered into written commitment that under no circumstances shall its pledge or obligate any part of the assets to any other person or use any part of them as margin, guarantee or to secure, discharge or settle any borrowing, trade or contracts, or dispose of any part of them, or treat them as if any person other than the fund and the lender had any interest in them.
3. Where the assets of the Scheme or any part of the assets is registered in the name of lender as a security for a loan obtained for and on behalf of the Scheme, the Custodian is liable for any act or omission of the lender's agent with respect to the property
4. Any cash raised by borrowing for the schemes shall constitute a part of the assets of the scheme.

1.11 Maintenance of the Prudent levels of Liquidity

In the interest of prudent and efficient management of the scheme, the Manager shall maintain prudent level of liquidity.

1.12 Winding up of Scheme

Any business entity stands the risk of failure and as such if the Fund has to wind up it shall be done in accordance with provisions of the Companies Code, 1963 (Act 179), where the company is wound up,

the Liquidator may vest the whole assets or any part of the assets in Trustees upon trust of the benefit of the shareholders on such condition as the Liquidator thinks fit. No member shall be compelled to accept any securities on which there is any liability.

1.13 Accounting Date

The accounting period of the scheme or the Fund shall begin from the first day of January and end on the last day of December in each calendar year, except for the year of establishment.

PART 2.0: CHARACTERISTICS OF INTEREST IN THE FUND

2.1 Types of Interest

Interest in the Fund shall be in the form of shares.

2.2 Entitlement of Shares

All shares are entitled to equal participation in the income and property of the Scheme. Shareholders' right in respect of the scheme is that of a right as a shareholder in the company.

2.3 Evidence of Shares

Contract Note shall be issued to the shareholders for the purchase of shares and shall be the evidence of title to the shares.

2.4 Voting Right

Shareholders are entitled to vote on the election of a new Director and other matters submitted to shareholders' vote. The voting right of shares is as follows:

- a. If there is a show of hands every member present at the meeting in person or by Proxy shall have one vote; and
- b. If there is a poll every member present at the meeting in person or by proxy shall have one vote for every share held.

PART 3.0: VALUATION OF PROPERTY, CHARGES, DISTRIBUTION & FEES

3.1 Determination of Net Asset Value

The Manager of the Fund shall publish the Net Assets Value of the shares of the Fund at 4.00pm on dates that the Ghana Stock Exchange is open for trading and the Net Assets Value (NAV) per share shall be computed by dividing the Net Value of the Assets (the value of its assets less liabilities) by the total number of shares outstanding at such time.

The following methods shall be used in valuing the Fund's assets:

- i. Shares and other investments listed or quoted on the Ghana Stock Exchange shall be valued at their last traded price before the close of the business on the Exchange.
- ii. Fixed Income instruments shall be valued at cost plus accrued interest as at the date of valuation. All other investments shall be valued at market price using conventional valuation methodologies.

The Manager shall continually assess the method of valuation and recommend changes where necessary to ensure that the Fund's investments are valued at fair value as determined in good faith by the Board of Directors.

3.2 Manager's Remuneration

The Manager shall be paid a management fee from the assets of the Fund. The management fee of 2.5 per cent per annum shall be computed on the value of assets and paid at the end of each month based on the number of days within the period.

The Board and the Manager, by mutual agreement, can authorize the management fee to be calculated and paid at the period other than monthly intervals provided the interest of the shareholders is not jeopardized.

3.3 Custodian Remuneration

The Custodian shall be entitled to a transaction charge of GH¢ 1.5 per transaction and a safe keeping fee of 25 bases points (0.25%) per annum. The Custodian shall also be entitled to GH¢48.00 per stock per annum for unlisted securities and a transaction charge of GH¢1.5 per transaction. The fee is inclusive of communication charges relating to the conduct of normal business. However any out of pocket expenses anticipated outside the above charges shall be incurred only after obtaining clearance from the client.

The Custodian's fee shall be payable from the assets of the Scheme. In addition, the Fund shall reimburse the Custodian for agreed upon out-of-pocket expenses incurred by the Custodian in connection with the performance of its duties as Custodian. However, out of pocket expenses shall be incurred only after obtaining clearance from the Fund.

3.4 Director's Remuneration

The remuneration of the Directors of the Fund shall be determined from time to time by its Board of Directors and approved by shareholders. The remuneration and other expenses of the directors shall be paid out of the assets of the Scheme.

The Board of Directors of the Fund Manager shall not directly receive any remuneration and expenses from the Fund.

3.5 Other Expenses

All other expenses allowed by law, including fee payable to Auditors, Depositories, Custodians and Regulators shall be paid out of the assets of the Scheme. Other expenses incurred by the Fund shall relate to direct costs associated to its operations such as bank charges, publication of annual reports etc.

PART 4.0: THE ISSUE AND REDEMPTION OF INTERESTS IN THE FUND

4.1 Initial Offer of Interest and Minimum Interest

The Initial Offer of Interests in the Scheme shall be at GH¢ 0.10 per share and expected to raise a minimum amount of GH¢500,000.00 The initial offer shall remain opened for a period not exceeding twenty-one (21) days inclusive of the days on which the offer opens and closes. The minimum initial purchase per investor

shall be 200 shares and subsequently in multiples of 50 shares.

4.2 Days and Times of Issues and Redemption

The Manager shall be available to receive request by investors for the purchase and redemption of interests of the Fund on each business day from 8.30am to 5.00 pm at the offices of the Manager.

4.3 Purchase of Shares

The office of the Manager shall be opened from 8.30am GMT to 5.00pm GMT from Monday to Friday unless at weekends and statutory public holidays to receive request for the purchase of shares. The price at which shares of the Fund shall be purchased shall reflect the Net Asset Value of the Fund at any time. The Manager reserves the right to reject any order received for the purchase of shares / interest in the Fund.

4.4 Procedure for Purchase

An applicant shall complete a standard application form that shall then be sent to the office of the Manager. Telephone or electronic requests must be confirmed in writing. Application for form shall be at the discretion of the Board of Directors. The Manager shall clear cheques first before the processing of applications.

The base currency is the Ghana Cedi. However, applications making purchases with other currencies should allow for currency conversion which may result in delay. Foreign currencies shall be converted using the prevailing inter-bank exchange rate. The Fund shall inform the applicant if possible, of the total number of shares allotted and the total cost after the price at which the shares are to be issued have been established. Payment for shares shall be made in Ghana Cedi; however, applicants can settle their payment with easily convertible currencies but shall bear transaction cost. Shares can only be issued after receipt of payment by 4:00 pm GMT on valuation day. Applications may lapse and be cancelled if settlement is not made.

After payments have been fully made and the registration particulars submitted, contract notes shall be mailed to the applicant or to the appointed agent, if requested, at the risk of the applicant. The Board of Directors has the right to reject any application. When an application is rejected the subscription money (without interest) shall be returned to applicants through the post or by electronic transfer at the risk of the applicant.

4.5 Redemption of Shares

- a. Shares can be redeemed by applying in person at the office of the Manager or in writing to the Manager or duly authorized agents of the Manager, on every business day except on public and statutory holidays.
- b. The Manager shall on receipt by its duly authorized agent a completed form from an investor to redeem all or any part of the interests comprised in the investor's holding, proceed to do so at a price per interest as at the date of request less any fee, levies and charges to the redemption.
- c. A request for redemption shall be satisfied by the Manager on first come first serve basis.
- d. A request for redemption is not valid unless the investor has delivered to the Manager or its authorized
- e. An investor is not entitled to require the Manager to purchase only part of the investor's interest only if, as a result of the purchase, shall remain an investor with less than the minimum number of interests

where such a minimum has been specified.

- f. The maximum interval between the receiver of properly documented request for the redemption of interest in the Scheme by the Manager and the payment of the redemption money to the investor shall not exceed five working days except that if for any reason it is not possible to make a payment of the redemption money within this time frame, the Commission shall be notified immediately of this with reasons.
- g. A receipt signed by the investor for the payments made to the investor in respect of the interests held by the investor shall be a valid and sufficient discharge to the Manager and Board of Directors of the Fund, of all obligations on account of an application for redemption of receipt of interests, and in the case of several persons who are registered as joint investors, the receipt shall be signed by every one of the investors.

4.6 Redemption Charge

The Manager shall receive as fees, as well as redemption charges, a sliding charge of 3% placed on funds redeemed during the first year of investment, and 2% during the second year, and no charge after the second year. The charges that shall be paid to the Manager at the time of redemption shall be deducted from the market value of the shares / interest before the redemption proceed is paid out.

4.7 Procedure for Redemption

Notice of redemption shall be deposited with the Manager, and accompanied by the contract note relating to the shares to be redeemed together with such evidence, as may be required to prove the holder's title to and the right to redeem. The notice shall require, among other things, signatures of the persons in whose names the shares are registered, signed exactly as their names appear on the purchase documents. In the event that no contract note is issued to a shareholder, evidence of his or her investment shall be via the person's records in the register of the Fund.

The Manager shall redeem all investments of the shareholder in the Fund if as a result of the redemption the investor shall remain an investor with less than GH¢ 10.00. Cheques shall be issued for payment of share and shall be drawn on an account lodged with the Custodian. The payment of the redemption money for a properly documented request shall not exceed five (5) bank business working days from the date of receipt of redemption instructions, unless for any reason it is not possible to make payment of the redemption money within the time frame. Under such situation payment shall be effected as soon as practicable when the difficulty is resolved.

If constraints prevail in the financial markets of the country in which the investment of fund are made to such extent that it affects redemption, the Board of Directors, with the approval of Securities and Exchange Commission shall extend the period of paying redemption proceeds to a time not exceeding thirty (30) working days. Any further extension of the payment period shall be approved by SEC.

The Board of Directors may require that redemption requests be made within 24 hours prior to when investors wish to withdraw interests in the Fund.

4.8 Suspension in Dealings

1. The Manager may, with the approval of the Board of Directors of the Fund, suspend dealings during:
 - a. Any period when the stock exchange on which any investments that form a part of the assets of the Scheme for the time being are listed, is closed or when dealings at that exchange are restricted or suspended;
 - b. The existence of any state of affairs as a result of which disposal of investments of the Scheme shall not be reasonably practicable or might seriously prejudice interests of investors as a whole and of assets of the Scheme;
 - c. Any breakdown in the means of communication employed in determining the value of any investment of the Scheme or the current price on any stock exchange or when, for any reason, the value of investments of the Scheme cannot be promptly or accurately ascertained; or
 - d. Any period when remittance of money, which shall or may be involved in the realization of the investment of the scheme or in the payment for investments cannot be carried out;
2. The Board of Directors of the Fund shall immediately notify the Commission of any suspension in dealings and shall provide the reasons for it
3. A suspension in dealings may be permitted in exceptional circumstances having regards to the interest of investors and with prior written consent of the Commission.
4. The suspension shall take effect immediately upon its declaration by the Manager and dealings shall resume on the first dealing day after the day on which the condition that caused the suspension ceases.
5. A notice to the effect that dealings have been suspended or resumed shall be published immediately in the news paper in which the Scheme price are normally published and shall be published at least a month after the publication during the period of suspension.

4.9 Publication of Share Price

1. The Manager shall publish or cause to be published in a newspaper of national circulation, the issued, and redemption prices of interest in the Scheme at least once a week except that with prior approval from the Commission, the frequency of the publication may be reduced if the reduction is not prejudicial to the interests of investors.
2. The price published in consequence of (1), shall be those calculated at the last valuation point prior to publication of the price.
3. The last valuation point shall be the close of business day immediately preceding the day on which prices of the Scheme are published.

4.10 Market for the Shares

Shares of the Fund shall not be listed on any stock exchange. All dealings in the share shall be at the registered office of the Manager.

PART 5.0: RISK FACTORS AND SPECIAL CONSIDERATION

5.1 Cautionary Statements

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that there shall be any appreciation in the investment value of the shares. The value of investment and the income derived from them can fall as well as rise during the tenor of the investment which may lead to investors losing the original amount invested in the Fund. There is no certainty that the investment objective of the Fund shall actually be achieved and no warranty or representation is given to that effect.

Investment advice may be sought by an investor from any qualified person, before subscribing to the scheme.

5.2 Legal Risk

Ghana's law regarding fiduciary duties of officers and directors of investment management firms and protection of investors are developing and laws may not exist to cover all contingencies. As a result, the administration of laws and regulations by government agencies may be subject to considerable discretion. However the Fund shall be subject to the Companies Code and other laws applicable and related to the securities industry.

5.3 Market Risk and Availability and Liquidity of Securities

The Ghanaian securities market is small, illiquid and potentially volatile. The limited liquidity of the Ghanaian securities market may also affect the Funds ability to acquire or dispose off securities at the price it so wishes to do.

5.4 No Rating Criteria for Debt Securities

There is no credit rating agency in Ghana and therefore no rating criteria for the debt securities in which the Fund may invest. In purchasing such securities, the Fund shall rely on the Manager's thorough due diligence, analysis of such investments, professional judgment, analysis and experience in evaluating the credit worthiness of an Issuer. The Manager shall take into consideration, among other things, the Issuer's resources, and its sensitivity to regulatory matters

5.5 Taxation

Under Ghanaian tax law, the interest, dividend, or any other income of a Mutual Fund or Unit Trust is exempt from income tax. Capital gains on sale of securities listed on Ghana Stock Exchange are exempted from tax until 2015. However, capital gains on unlisted securities attract a 5% tax. There is however an 8% withholding tax on dividends.

5.6 Issue Risk – Effect of Redemption Charge

With the imposition of a redemption charge, an investor who realizes his/her share after a short period may not (even in the absence of a fall in the value of the relevant shares) realize the amount originally invested. The purchase of CDH Balance Fund shares should be viewed as a medium to long-term Investment.

5.7 Issuer Specific Risk (Operational Risk)

CDH Balance Fund is a new Fund that may encounter start-up difficulties that may impact its operations. These may include disruptions to the computer system that drive the business, stall adherence to internal policy relating to executive client order etc. An internal system of checks and balances shall be put in place to identify and resolve these issues as they occur.

5.8 Target Market Risk

CDH Balance Fund has identified lecturers, students, workers of tertiary institutions and public sector workers as some of its primary target market. The general public, recent graduates, young professionals, and the Funds first time investors constitute the secondary market. There is the risk that members of the primary market may either provide insufficient funds or interest in the Scheme to make it a success. The Board of Directors of the Fund guarantees an initial minimum subscription of Five Hundred Thousand Ghana Cedis (GH¢ 500,000.00). In the event that after the closure of the initial public offering the minimum subscription is not raised, the directors guarantee to purchase from the Manager to make up for the short fall between the amount raised and the guarantee minimum subscription. This sufficiently ensures that the offer shall be a success.

PART 6.0: GENERAL AND ADDITIONAL INFORMATION

6.1 Publication of Reports

The annual and half-year accounts shall be published before the expiry of four months and two months, respectively, after the end of the accounting period for a full and a half-year. Annual and half year accounts shall be mailed online to shareholders and/or to their registered address.

6.2 Inspection of Constitution and Report of the Fund

Copies of the constitution of the Scheme plus any amending instrument to the constitution and the recent annual and half-year report may be inspected and obtain from the Manager's Head Office below:

CDH House
No. 36, Independence Avenue,
P.O. Bo 14911,
North Ridge - Accra

6.3 Complaints procedure

1. The Manager shall maintain a register in which all complaint received shall be recorded, the date on which the complaint was received, and the details of its outcome, remedy or any other action taken.
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 the 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 and response to it and inform the complainant that the Commission has been duly notified and provide the date of the notice.

4. After receipt of the notice, the Commission shall investigate and provide the complainant with such redress as is provided under the law.

6.4 Guaranteed Minimum Initial Subscription

The Board of Directors of the Fund guarantees the initial minimum subscription of Five Hundred Thousand Ghana Cedis (GH¢500,000.00). In the event that after the closure of the Initial Public Offering the minimum subscription is not raised, the directors guarantee to purchase from the Manager to make up for the short fall between the amount raised and the guarantee minimum subscription.

6.5 Regular Investment Plan

This is a purchase plan that allows the investor to make payments to the Manager on periodic basis to purchase shares in the Fund. The minimum value of subscription to the Regular purchase plan shall be a minimum GH¢ 10.00 and may be transferred automatically from a bank account on a periodic basis to the Manager for investment in the Fund by the shareholder. The Fund may alter or terminate the arrangement at any time. Investors are to contact the Manager for further information about this service. The Regular purchase plan may also be done by cash payment or through money transfer to the Manager or the designated Agents of the Manager.

6.6 Investment Account

The Manager shall maintain an investment account for every shareholder and send a statement on the account to the shareholders at least once a year. The statement shall show activities in the account since the preceding statement, if any. Shareholders shall receive separate confirmations for each purchase or sale transactions other than automatic investment purchase and the reinvestment of income dividends.

6.7 Benefit of Investing in the Fund

Investing in shares of the Fund potentially offers several benefits. Many investors particularly individuals, lack the information or the capability to invest in a variety of high capital appreciating and income earning securities. This Fund shall significantly address this by changing the characteristics of the investor's portfolio in terms of risk diversification, liquidity and high returns. The Fund shall offer investors the possibility of obtaining capital appreciation through strong portfolio of assets.

6.8 Material Contracts

The contract entered into by the Fund which is considered material for the purpose of this issue is the Custodian agreement dated **25th of June, 2014** between the Fund and HFC Bank (Ghana) Limited and the Fund Management agreement dated **25th of June, 2014** between the Fund and the Fund Manager.

6.9 Claims and Pending Litigation

There are no existing claims or pending litigations on the assets of the Fund.

6.10 Issue Cost

All cost in making of this offer for subscription, including fee payable to regulatory authorities, shall be paid

from the assets of the scheme.

6.11 Meetings, Attendance and Voting

1. The investors' of the Scheme shall meet on 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 meetings 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 twentieth of the number of interest in issue or at the request of the Custodian made in writing, convene a meeting of the investors within thirty days of the date of request.
3. The Manager may attend any meeting of the investors but the Manager is not entitled to vote or to be counted for quorum in its capacity as the Manager.

6.12 Shareholder Services

The Fund may offer a number of shareholder services to facilitate investment in the shares of the Fund. Full details as to each of such services may be obtained from the Manager. These services shall be free of charge.

Documentation for Inspection

Copies of the following documents may be inspected at the office of the Manager :

- i. Regulations of the CDH Balanced Fund Limited
- ii. Certificate of incorporation of the CDH Balanced Fund Limited
- iii. Audited Financial Statements of the Fund
- iv. Custodian agreement between CDH Balanced Fund Limited and HFC Bank (Ghana) Limited.
- V. Fund Management agreement between CDH Balanced Fund Limited and CDH Asset Management Ltd.
- Vi. Certificate to commence business

PART 7: APPLICATION AND DISPATCH OF CONTRACT NOTE

7.1 Application

Application must be made on the application form attached. Care must be taken to complete the form, as wrongly completed form shall be rejected.

Application for shares now offered shall open at GH¢ 0.10 per share. Application for the shares shall be for a minimum of 200 shares. The number of shares for which application is made and amount of cheque, money order, money transfer or cash attached shall be entered in the space provided. A single applicant shall write his / her full name and address in the space provided. All other applicants shall provide their full names and address in the space provided.

Each application shall be forwarded together with cheque or cash for the full amount of the purchase price to any of the Receiving Agents listed below.

Cheques and money orders shall be crossed “**CDH BALANCED FUND SHARE OFFER**” and made payable to the Receiving Agent with whom the application is lodged. The applicant shall pay all transfer charges by boldly endorsing and signing as commission to the drawer’s account number. No applications shall be accepted unless this has been done. All cheques shall be presented upon receipt of all applications in respect of which cheques returned unpaid shall be rejected.

7.2 Dispatch of Contract Notes

The Directors of the Fund reserve the right to accept or reject any application. Application proceeds shall be retained in a separate bank account by **CDH BALANCED FUND**, pending investment. Contract notes for accepted applications shall be sent by post at the applicant’s risk within twenty eight (28) days of the close of the offer. If any application is not accepted, the amount paid on application shall be returned in full, either in person to the subscriber, through the post, or a designated bank account within 28 days of the offer, or after 28 days, interest shall be paid at the prevailing Bank of Ghana Prime Rate.

7.3 Receiving Agents

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

**CDH Asset Management Limited,
No. 36 Independence Avenue,
P.O. Bo 14911,
North Ridge - Accra.**

RECEIVING AGENTS

Agriculture Development Bank
Ivory Finance Company Limited
Phoenix Insurance Company Limited
Phoenix Life Assurance Company Limited



CDH Balanced Fund Ltd

APPLICATION FORM

Account Number

Initial Investment Amount

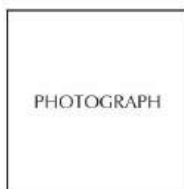
Lump Sum Investment GH¢

Regular Investment Plan GH¢

CDHBF

CDH Balanced Fund Ltd

Member of the CDH Group



CDH House, No. 36 Ind. Ave., North Ridge
P.O.Box 14911, Accra
Tel: [+233 302] 667426/671050
Fax: 233 302 662167
Email: info@cdhgroup.co

ACCOUNT NUMBER

[illegible]

☐ INDIVIDUAL	☐ JOINT ACCOUNT	☐ ITF ACCOUNT (Please tick)
☐ CDH INCOME FUND	☐ CDH JOINT ACCOUNT (Please tick)	

First Name(s) and Other Name(s)

[illegible]

Surname															
Nationality															
Date of Birth								Sex							
D	D	/	M	M	/	Y	Y	☐ Male	☐ Female						
Mobile Number															
Direct Telephone															
Initial Investment Amount															
GH4															
Regular / Monthly Investment Amount															
GH4															

First Name(s) and Other Name(s)

Address (Postal/Residential)
Email
ID Type ID Number

Surname

Nationality

Mobile Number

Date of Birth

Sex ☐ Male ☐ Female

ITF Name

[illegible]ITF Date of Birth

D	D	/	M	M	/	Y	Y
---	---	---	---	---	---	---	---

Do you want to receive Contract Notes, Statements or Correspondence on investment by email? Yes ☐ No ☐

Do you want to subscribe to the CDH Notification Alerts?

(Please tick) SMS: Yes ☐ No ☐ Email: Yes ☐ No ☐ (*Terms and Conditions Apply)

MANDATE TO OPERATE ACCOUNT

One Sign 

Two to Sign

(Please tick one)

CDH EQUITY FUND

Plan investor ☐Non-Plan Investor ☐

(Please tick one)

CDH Equity Fund is an open ended mutual fund investment, offered to investors who seek superior returns in the long term. The Fund invests in a diversified portfolio of stocks and fixed income securities. The recommended holding period for each investment is five (5) years. Any withdrawal made before the minimum holding period of five years attracts an exit load/fee of 1% to 4%. Investment Plan Terms and conditions Apply.

Signature of 1st Application

Signature of joint A

CDH Income Fund is an open ended mutual fund investment, offered to investors who aim at preserving their capital while generating steady returns on their investments. The recommended holding period for each investment is three (3) years. Any withdrawal made before the minimum holding period of the three (3) years attracts an exit load fee of 2% to 4%.

Signature of 1st Applicant

Signature of Joint A

Name of Officer Setting up Client _____

Name of Supervising Officer _____

Date _____

D	D	/	M	M	/	Y	Y
---	---	---	---	---	---	---	---

BENEFICIARY (IES) INFORMATION

Name	%Share	Contact Number
1.		
2.		
3.		
4.		

Beneficiary (ies) Address	Email Address
1.	
2.	
3.	
4.	

DATA PROVIDED IN THIS SECTION WILL BE USED MAINLY FOR STATISCAL PURPOSES**Occupation (please tick one)**

☐ Trading / General Business
 ☐ Student
 ☐ Professional
☐ Administration
 ☐ Others (please specify)

Nature of Employers Business:

Monthly Net Income (GH¢)

☐ 30 - 100
 ☐ 100 - 400
 ☐ 300 - 700
☐ 700 - 1,000
 ☐ 1,000 - 2,000
 ☐ over 2,000

Date Employed:

Type of Investor

☐ Multi-national Company
 ☐ Foreign Company
 ☐ Local Company
☐ Individual
 ☐ Institutional

Name of Introducer / Agent (where applicable)

CDH BALANCED FUND OPERATIONS AND MANAGEMENT AGREEMENT

CDH Balanced Fund is an open ended mutual fund. This is a balanced fund and medium term in nature. The objective of the fund is to preserve and enhance shareholders wealth to meet medium to long term financial goals while creating liquidity to meet short term needs. The fund aims to accumulate capital for investors in stocks listed on regular stock markets and fixed income instruments. A shareholder is advised to be in the fund for at least two years before making withdrawal. Any withdrawals made before two years is subjected to a sales commission of 2-3years. Return on CDH Balanced Fund is in the form of capital gain/loss and not guaranteed interest. The price at which shares in the fund are redeemed may be more or less than the cost of the shareholder or the price per share of the fund at the time of redemption. The minimum periodic deposit of GH¢10 or lump sum start up of GH¢ 20 is applicable. All regular investment plan applicants should fill the Bank Transfer Form. Payment above GH¢ 500 are by crossed cheques.

Name of Applicant Name of Applicant

NB: If your account is below GH¢ 50 at the time of withdrawal, it will be liquidated

First Applicant Date	Joint Applicant (if any) Date
Signature	Signature

Office Use only

Receiving Officers Name
 Date
 Signature