



'Ensuring Investor Protection'

SECURITIES AND EXCHANGE COMMISSION

INVESTMENT GUIDELINES FOR FUND MANAGERS SEC/GUI/001/07/2021

PREAMBLE

In the exercise of the powers conferred on the Securities and Exchange Commission (hereinafter referred to as “the SEC”) by Section 209 of the Securities Industry Act, 2016 (Act 929) as amended, these Guidelines are made this 16th day of July 2021.

PART ONE: PRELIMINARY

1. Application of Guidelines

- (1) These Guidelines shall apply to all Fund Managers licensed by the Commission and their representatives.
- (2) A Fund Manager of a Collective Investment Scheme shall comply with the requirements of L.I. 1695 in addition to the provisions in these Guidelines.
- (3) In the case of pension funds, a Fund Manager shall, in addition to these Guidelines, comply with the Investment Guidelines issued by National Pensions Regulatory Authority.
- (4) Where a Fund Manager manages any other funds not mentioned in these Guidelines, it shall, in addition to these Guidelines comply with the provisions of any Guidelines or Rules governing such other funds as issued by the relevant government or regulatory authority.
- (5) Where the Commission agrees to waive the full application of any part of these Guidelines, it shall issue a directive to the market operator that states what alternative procedures shall be put in place by the market operator to ensure protection of investors' funds and the market operator shall comply.

- (6) Where any doubt arises about the meaning of any provision contained in these Guidelines and any other Guideline issued by the SEC, the same shall be referred to the SEC and the interpretation provided by the SEC shall be final.

2. Client Mandates

- (1) A Fund Manager shall complete Know Your Client (KYC) details on all clients as prescribed by the Commission.
- (2) A Fund Manager shall have the following client mandates in any desired combinations:
 - a) Retail Clients (Regular)
 - b) Retail Clients (High Net Worth)
 - c) Institutional Clients
- (3) A Fund Manager shall execute an Investment Management Agreement with each client that contains adequate disclosure provisions on the nature of the mandate, the client profile, and the permitted asset classes for investment and performance measurement benchmarks. An Investment Management Agreement template is provided for in Schedule 3 as a guide only.
- (4) A Fund Manager shall not offer a fixed or guaranteed return on any Investment Management Agreement.
- (5) A Fund Manager shall inform regular retail clients that their funds can only be invested in Collective Investment Schemes of their choice.
- (6) A Fund Manager shall invest funds of regular retail clients in Collective Investment Schemes licensed or recognized by the Commission. Institutional clients may elect to have their funds invested in part or wholly in Collective Investment Schemes licensed or recognized by the Commission.
- (7) A Fund Manager shall ensure that investments made for Collective Investment Schemes are duly executed in accordance with the Scheme Particulars approved by the Commission.
- (8) A Fund Manager shall ensure that investments made for a high net-worth retail client or an institutional client are duly executed in accordance with the Investment Management Agreement.

PART TWO: ELIGIBLE ASSETS AND RESTRICTIONS

3. Asset classes for investment of clients' funds

- (1) A Fund Manager may invest in capital and money market instruments and alternative investments.
- (2) A Fund Manager may have proprietary funds, discretionary and non-discretionary client accounts including collective investment schemes subject to paragraph 3 (3).
- (3) Where a Fund Manager wishes to place funds with institutions licensed under 3(3)(a) and 3(3)(b) herein, it shall do so in accordance with paragraph 4 of these Guidelines:
 - a) Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)
 - b) Non-Bank Financial Institutions Act, 2008 (Act 774)

- (4) A Fund Manager prior to investing in a commercial paper shall refer to the Guidelines on Commercial Paper issued by the Commission to ensure full compliance with the requirements therein.
- (5) A Fund Manager shall not invest clients' funds under its management with another Fund Manager except where the investment is in listed securities issued by the Fund Manager or a Collective Investment Scheme managed by the Fund Manager.

4. Limitations on Investment of Clients' Funds

For discretionary client accounts, the following restrictions shall apply:

(1) Investment with Related Parties

- a. A Fund Manager shall not invest more than an aggregate of 15% of its funds under management with related parties (as defined in these Guidelines).
For the purpose of paragraph 4 (1) (a), a Fund Manager shall not invest more than an aggregate of:
 - i. 10% of funds under management where the related party is a bank
 - ii. 5% of funds under management in all other related parties.
- b. A Fund Manager may in addition to 4 (1) (a) invest not more than 10% of funds under management in listed securities of related parties.
- c. A Fund Manager shall, prior to investing in a related party, also refer to the provisions on Related Party Transactions under these Guidelines in order to ensure full compliance with the requirements therein.

(2) Investment with Banks and Specialised Deposit-Taking Institutions

- a. A Fund Manager shall not invest more than an aggregate of:
 - i. 10% of funds under management in a single bank as fixed deposit.
 - ii. 5% of funds under management in a single specialized deposit-taking institution as fixed deposit.
- b. A Fund Manager's investments with a specialised deposit-taking institution that is a Microfinance Institution shall be done in accordance with limits prescribed by the Bank of Ghana.

(3) Investment in unlisted Securities

- a. A Fund Manager shall not invest more than 10% of its funds under management in unlisted equities and bonds subject to paragraph 4 (4) of these Guidelines.
- b. A Fund Manager shall not invest more than 5% of its funds under management in a single unlisted issuer.

(4) Investment in unlisted Corporate Debt Securities

- a. A Fund Manager shall develop appropriate risk management procedures to identify and control risks arising from investments in unlisted corporate debt securities. The nature of the risk management system that is put in place shall be commensurate with the nature, size and complexity of the Fund Manager's investment activities in debt securities.
- b. A sound risk management system shall incorporate:

- i. appropriate and adequate level of oversight responsibilities by the board of directors and senior management;
 - ii. comprehensive risk identification, measurement and valuation methodologies;
 - iii. detailed structure of limits and other parameters used to govern risk taking; and
 - iv. independent control, monitoring and reporting of risk exposures
- c. A Fund Manager shall put in place processes and procedures for the identification of risks including credit risk, market risk, liquidity risk, operational risk and legal risk to which it is exposed in its dealing of the unlisted debt securities activities.
- d. A Fund Manager shall not invest in unlisted debt securities that do not have the following provisions or features:
 - i. clearly defined terms and conditions and maturity dates;
 - ii. coupon and principal payment provisions;
 - iii. interim, terminal and contingent redemption features, except in the case of zero-coupon and convertible bonds;
 - iv. be rated as Investment Grade by a credit rating agency licensed by or registered with the Securities and Exchange Commission; and
 - v. have an offering/private placement memorandum that states the investment objectives, strategy, use of proceeds, sector focus, term and other documents including the annual audited financial statements of the investee company and full disclosure of all risk factors in its offering memorandum
 - vi. be issued in accordance with the laws of Ghana.
- e. A Fund Manager shall fully document its due diligence procedures including detailed risk assessment procedures conducted on the investee company prior to each investment in unlisted debt securities.

PART THREE: INVESTMENT PROCESS

5. Client Profiling

- (1) A Fund Manager shall profile its clients to ensure adequate information is obtained prior to the start of any business relationship. Information to be obtained and which shall be strictly kept confidential, shall include but not limited to;
 - a. age of the client, investment objective, employment status, tax status, how long they wish to invest, financial and liquidity needs, reason why they are investing, expected short term return, expected long term return, all existing investments of the client, among others.
 - b. details about the client's knowledge and experience in relation to the specific investment product that will be considered for recommendation, highest level of education, educational qualifications, investment courses/seminars/attended.
 - c. the level of investment risk that the client is able or willing to bear financially and whether that is consistent with their investment objectives.
 - d. Ascertaining from the client how they will handle a partial or complete loss in value of their investment.

e. Any other information that may be prescribed by the Commission.

6. Disclosure to Clients:

A Fund Manager shall at pre-sale, point of sale and post-sale disclose the following information to its clients to enable them to make informed decisions:

- (1) The proposed investment strategy and asset allocation strategy, including appropriate guidance and warnings of risk-return trade-offs.
- (2) In the case of placements, whether the proposed placement house where the clients' funds shall be invested is regulated or not and where the placement house is regulated, the primary regulator.
- (3) The risk-return characteristics of the proposed or underlying investments and implications to the investment corpus of the client.
- (4) Volatility of the price and any limitations on the available market for such investments (liquidity risks).
- (5) All costs and charges associated with the investments.
- (6) Where funds are placed with related parties, the names of the related parties.

7. Acting in the Best Interests of Clients

- (1) A Fund Manager shall act, at all times, honestly, fairly and professionally and in the best interest of its clients.
- (2) Before providing investment solutions to a client, a Fund Manager shall provide adequate information about the firm, its services, any charges that the client might incur and the basis of recommendations made that will enable the client make informed investment decisions.
- (3) A Fund Manager shall put in place procedures to identify and manage conflict of interests with clients. This includes disclosing any potential conflicts of interest that may exist prior to onboarding a client.
- (4) A Fund Manager shall not pay or accept (receive) any money, fee, commission or provide or receive any non-monetary benefit such as finder's fee, that would impact on its duty to act in the clients' best interest. Payments or receipts from or to a third party may only be permitted where they will not impair compliance with the Fund Manager's duty to act in the clients' best interest and the amount is clearly disclosed in writing to the client.

8. Suitability of Investment

- (1) A Fund Manager shall ensure that all recommendations made are suitable and appropriate for the client at all times including.
 - a) matching a client profile obtained through a Know Your Client procedure to any/all investment solution(s) proposed for the investor taking into consideration the risk-return characteristics as well as the client's risk tolerance level and capacity for loss.
 - b) thoroughly explaining high-risk investment products to retail investors as well as the time horizon of an investment.
- (2) Where an investor has agreed to invest in a Collective Investment Scheme, the Fund Manager shall take reasonable steps to ensure compliance with the objectives, strategy and asset allocation as envisaged in the particulars of the scheme when making investment decisions.
- (3) A Fund Manager shall issue a suitability report after assessing the clients' profile/needs and determining what investment products would suit the

client/investor. The suitability report shall indicate the advice given and how the recommendation provided is suitable to meet the needs of the investor. For regular retail clients, the scheme particulars of the collective investment scheme shall be applied.

- (4) The Fund Manager shall demonstrate, by means of sufficient evidence, that it has acted in the best interests of the client and has met its suitability obligations.

9. Due Diligence

- (1) A Fund Manager shall conduct due diligence on all securities or financial institutions it wishes to invest in and make appropriate recommendations contained in an investment strategy and asset allocation strategy submitted to an Investment Committee for approval. This submission to the Investment Committee shall be accompanied with documented proof of the investment research, including any technical and/or fundamental analysis, conducted serving as the basis for the recommendations.
- (2) The Investment Committee shall document its approval of the investment strategy and asset allocation strategy proposed by the Fund Manager for each portfolio being managed. Any deviation by the Fund Manager from the strategy approved shall be captured in an exception report and submitted to the Investment Committee for ratification.
- (3) The Investment Committee shall not preside over any request that is not accompanied by a documented investment research. The Fund Manager shall comply strictly with the investment strategy and asset allocation strategy approved by the Investment Committee.

PART FOUR: RELATED PARTY TRANSACTIONS

10. Related Party Investments:

A related party shall, for the purposes of these Guidelines, refer to an associated person set out in section 212 of the Act, and shall also include:

- (1) A person or close member of that person's family, if that person:
 - a) has control or joint control over the Fund Manager;
 - b) has significant influence over the Fund Manager; or
 - c) is a member of the key management personnel of the Fund Manager or of a parent of the Fund Manager.
- (2) An entity is related to a Fund Manager if any of the following conditions apply:
 - a) the entity and the Fund Manager are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
 - c) both entities are joint ventures of the same third party.
 - d) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
 - e) the entity is controlled or jointly controlled by a person identified in 10 (1).

- f) a person identified in 10 (1) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (3) A close family member includes that person's:
 - a) children, spouse, domestic partner or dependents;
 - b) stepchildren, brothers and sisters, stepbrothers and stepsisters, parents, in-laws, nephews and nieces, uncles, aunts and cousins.

11. Approval Requirements for related party transactions

- (1) All related party investments shall be referred to a Board committee of the Fund Manager for thorough review after which the Board committee shall make a recommendation on the said investment to the Board of the Fund Manager for approval prior to the investment being made.
- (2) The Board committee shall comprise a combination of independent non-executive directors and executive directors.
- (3) One independent non-executive director shall be appointed as Chairman of the committee.
- (4) The Board committee shall ensure that minutes of meetings are properly documented and communicated to the Board of Directors.
- (5) The Board committee shall ensure that it has or has access to enough knowledge or expertise to assess all aspects of the proposed related party investment, and where necessary, it shall obtain professional and expert advice from an appropriately qualified person or institution.
- (6) Where a Director of a Fund Manager has an interest in a related party investment under consideration for approval, that Director shall not:
 - (a) be present while the matter is being considered at the meeting; and
 - (b) vote on the matter.

PART FIVE: PERFORMANCE MEASUREMENT AND REPORTING

12. Reporting requirements

- (1) A Fund Manager shall submit on quarterly basis, to the Commission, a placement report providing details of where all funds under management have been placed including all placements with related party entities in accordance with the Circular on quarterly placement records from investment advisers managing funds with Circular Number SEC/CIR/001/04/16 issued by the Commission on 11th April 2016.
- (2) The report shall be submitted to the Commission not later than 21 days after the end of each quarter to which the statement relates.
- (3) The report shall be in the form specified in Schedules 1 and 2.
- (4) A Fund Manager shall submit a statement of account to its clients at least once a quarter or as frequently as agreed with the clients. Electronic copies of each statement sent to the clients shall be kept for at least seven (7) years from the date the statement is sent to the clients.
- (5) A Fund Manager shall also report at least quarterly to investors on the performance of its portfolio.

13. Measurement and Monitoring

- (1) A Fund Manager shall measure and monitor the performance of recommended investments on a quarterly basis and advise the clients based on current trends and findings after every review.
- (2) A Fund Manager shall document and disclose the basis for measuring the performance of the portfolio being managed in the reports to the clients and the Commission.
- (3) A Fund Manager shall apply consistently any standardized performance measurement framework that is recommended by the Ghana Securities Industry Association and accepted/approved by the Commission or any other performance measurement standards such as the Global Investment Performance Standards (GIPS) that may be prescribed by the Commission for the asset management industry in Ghana.
- (4) A Fund Manager shall issue a risk warning to an investor where it determines after its performance assessment that the service or product is no longer appropriate for the customer (under either discretionary or non-discretionary mandates). The Fund Manager shall maintain documentary evidence where the customer still decides to maintain the investment despite the risk warning and potential loss of value of investment.

PART SIX

14. Transitional Provisions

All Fund Managers operating prior to the commencement date of these Guidelines shall comply with these Guidelines by 31 December 2021.

15. Penalties

- (1) Where a person fails to comply with these Guidelines, the Commission may take action as set out in Section 209 of the Act or apply such greater penalty where the breach also involves a breach of requirements in the Act or Regulations for which a higher penalty is prescribed.
- (2) The Commission may take account of the nature and seriousness of any breach or pattern of breaches when considering whether or not a market operator continues to meet the license criteria.
- (3) The Commission may take into account the responsibility of any key person for a breach when considering whether or not they continue to be fit and proper or meet the criteria for an individual representative's license.
 - (a) The Commission may also issue a directive under Section 209 of the Act where it considers this to be an appropriate course in the light of a breach and such directive may include a requirement that the market operator;
 - (b) takes immediate action to correct the breach and amend systems and controls to prevent recurrence;

- (c) takes such action as is necessary to place any client or other person in the position that they would have been had the breach not occurred;
- (d) takes steps to review their staff structure or dismiss employees with responsibility for the breach;
- (e) limits their business in such a manner as the Commission may consider appropriate;
- (f) publishes, in such form as the Commission may determine, an announcement about the breach, its effect on clients or other person and the actions taken to rectify the breach.

16. Interpretation

“Act” means Securities Industry Act, 2016 (Act 929) as amended.

“Alternative Investments” means assets other than shares, bonds and cash and may include private equity, hedge funds, real estate securities, commodities and derivative contracts.

“Capital Market Instruments” refer to securities with maturities of over one year and includes the following:

- i. local equities, bonds and preference shares, notes – listed and unlisted
- ii. listed foreign equities and bonds
- iii. collective investment schemes
- iv. private funds
- v. others (as may be prescribed by the Commission);

“Control” means the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

“Discretionary Account” means an investment account that allows a Fund Manager to invest client’s funds on best efforts basis without reference to the clients’ direction or consent”.

“Fund Manager” shall have the same meaning as in the Securities Industry Act, 2016 (Act 929) as amended.

“Institutional investor or client” means corporates, pension schemes, endowments, investment clubs that have clear investment mandates/membership rules.

“Investment Committee” shall consist of competent individuals capable of making sound investment decisions.

“Joint control” is the contractually agreed sharing of control over an economic activity.

“Key management personnel” are those persons with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

“Money Market Instruments” refer to securities with maturities of up to one year and includes the following:

- i. fixed deposits issued by financial institutions regulated under the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930);
- ii. commercial paper;
- iii. treasury bills and notes;
- iv. others (as may be prescribed by the Commission).

“Non-Discretionary Account” means an investment account that does not allow a Fund Manager to invest clients’ funds except at the clients’ direction or consent”.

“Regular retail investor” means an investor whose funds for investment are less than GHS 100,000 or such higher amount as may be determined by the Fund Manager.

“High net-worth retail investor” means an investor whose funds for investment are in excess of GHC 100,000 or such higher amount as may be determined by the Fund Manager.

“Securities” shall have the same meaning as in the Securities Industry Act, 2016 (Act 929) as amended.

“Scheme” means a unit trust or a mutual fund.

“Significant influence” refers to the power to participate in the financial and operating policy decisions of an entity, but not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

PART SEVEN

Schedule 1 - Report on related party transactions

Listed Equity Investments									
Name of Related Party	Nature of Relationship	Industry / Sector	Amount Invested	% of AUM	Investment Rationale	Date of Board Approval	Maturity Date	Terms and Conditions	Sector Regulator
AA Ltd	Parent								
AB Ltd	Associate								
Total									

Unlisted Equity Investments									
Name of Related Party	Nature of Relationship	Industry / Sector	Amount Invested	% of AUM	Investment Rationale	Date of Board Approval	Maturity Date	Terms and Conditions	Sector Regulator
AA Ltd	Parent								
AB Ltd	Associate								
Total									

Listed Bonds Investments									
Name of Related Party	Nature of Relationship	Industry / Sector	Amount Invested	% of AUM	Investment Rationale	Date of Board Approval	Maturity Date	Terms and Conditions	Sector Regulator
AA Ltd	Parent								
AB Ltd	Associate								
Total									

Unlisted Debt Investments									
Name of Related Party	Nature of Relationship	Industry / Sector	Amount Invested	% of AUM	Investment Rationale	Date of Board Approval	Maturity Date	Terms and Conditions	Sector Regulator
AA Ltd	Parent								
AB Ltd	Associate								
Total									

Each quarterly placement report submitted to the Commission shall be accompanied with a sworn statement signed by two board members including the Chief Executive as follows:

- “the quarterly placement report does not contain untrue statements, misleading facts or omit material facts to the best of my knowledge”.
- “investment restrictions, including related party restrictions, provided in the Investment Guidelines for Fund Managers (2021) have been fully complied with”.

Schedule 2 - Quarterly placement reporting template.

Fund Managers shall refer to the Commission’s website to download the template to be used for the quarterly placement report.

<https://sec.gov.gh/wp-content/uploads/Final-Regulatory-Laws/Directives/Client-Placement-Record.xlsx>

Schedule 3 – Investment Management Agreement - Template

INVESTMENT MANAGEMENT AGREEMENT

BETWEEN

.....

AND

.....

INVESTMENT MANAGEMENT AGREEMENT

THIS INVESTMENT MANAGEMENT AGREEMENT is made on
.....between.....

.....
....., a company incorporated under the laws of Ghana, and licensed by the Securities and
Exchange Commission (SEC) having its registered office situated at
.....
.....

AND

.....
.....whose address is
.....

(hereinafter referred to as the “Investor” or “Client”) of the other part;

IT IS HEREBY AGREED AS FOLLOWS:

1.0 APPOINTMENT

- 1.1 The within named Investor hereby appoints the Fund Manager and the Fund Manager accepts the appointment as Fund manager to operate a discretionary managed account(s) on behalf of the Client; and authorized to buy or sell securities on behalf of the Client, in respect of the Client's managed account and in accordance with the terms and conditions set forth in this Agreement, such management hereinafter referred to as the "Services".
- 1.2 The Fund Manager shall open an investment account in the name of the Investor to hold the assets of the Portfolio in accordance with the terms and conditions set forth in this Agreement.
- 1.3 The appointment shall remain in force unless otherwise terminated as per the terms of clause 10 of this Agreement

2.0 FUNCTIONS OF THE FUND MANAGER

The Fund Manager shall:

- 2.1 Have a sole discretion to manage and invest the Portfolio in accordance with the Investment Strategy and Asset Allocation Strategy agreed with the investor.
- 2.2 Invest and manage the Portfolio in accordance with the Client's investment characteristics as reflected in the Client's risk tolerance level, return objectives, liquidity needs, time horizon and any other unique investment circumstances agreed upon.
- 2.3 At all times act in the best interest of the Investor.
- 2.4 Maintain proper books of accounts and provide the reports set out in section 4.0 of this Agreement.
- 2.5 Exercise the necessary standard of care to ensure that the fund investments are done in the best interest of the Investor.
- 2.6 Exercise at its full discretion any voting power as a shareholder on behalf of the Investor, such power having been derived from any shares or other investments held by the Investor, provided that in so doing, it shall always act in the Investor's best interest.
- 2.7 Review periodically the investment exposure strategies of the portfolios to the main asset classes, and to direct the asset make-up within asset classes.

- 2.8 Make, at any time, any change in the investment or condition of the securities, investments, properties and/or assets forming part of the Investment Portfolios, by selling, calling in or converting them or any part into money, and to invest and re-invest the net proceeds received in such manner or in such properties, securities, investments and/or assets as it may consider proper.
- 2.9 Re-invest any income derived from any such investments, or to re-invest any proceeds arising upon their sale or redemption.
- 2.10 Vary any investments at any time as it may consider proper.

3.0 DISCLOSURE TO CLIENTS:

A Fund Manager shall disclose the following information to its clients to enable them to make informed decisions:

- 3.1 The proposed investment strategy and asset allocation strategy, including appropriate guidance and warnings of risk-return trade-offs.
- 3.2 In the case of placements, whether the proposed placement house where the clients' funds shall be invested is regulated or not and where the placement house is regulated, the primary regulator.
- 3.3 The risk-return characteristics of the proposed or underlying investments and implications to the investment corpus of the client.
- 3.4 Volatility of the price and any limitations on the available market for such investments (liquidity risks).
- 3.5 All costs and charges associated with the investments.
- 3.6 Where funds are placed with related parties, the names of the related parties.
- 3.7 Complaints procedure and contact information of internal and external dispute resolution mechanisms.
- 3.8 Outline of actions and remedies client may take in the event of default by Fund Manager.
- 3.9 Procedure for closing an account and transfer of funds.

4.0 INVESTMENT OBJECTIVES, GUIDELINES AND STRATEGIES

The investment objectives to be pursued by the Fund Manager shall be in accordance with the Investment Strategy and Asset Allocation Strategy agreed with the investor.

- 4.1 The Fund Manager shall endeavor to maximize returns consistent with the Client's investment characteristics as reflected in the Client's risk tolerance level, return objectives, liquidity needs, time horizon and any other unique investment circumstances as documented in the Investment Strategy and Asset Allocation Strategy.
- 4.2 The Fund Manager shall only invest in those instruments authorized under the Investment Strategy and Asset Allocation Strategy agreed with the investor and

shall perform its duties with the standard of skill, care and judgment that would be expected of a professional investment manager.

- 4.3 The Fund Manager shall use its best endeavors to observe sound management and financial practice and give no guarantee as to the performance or profitability of any of the assets held in the portfolio.
- 4.4 The Fund Manager shall not be held responsible or be liable for any losses the Client may sustain unless attributable to fraud, bad faith, or proven gross negligence on the part of the Fund Manager.
- 4.5 The Investment Strategy and Asset Allocation Strategy agreed with the investor may be amended, supplemented or substituted by the Investor upon written notice to the Fund Manager requesting such amendment, supplementing or substitution.

5.0 REPORTING OBLIGATIONS

- 5.1 The Fund Manager shall maintain records of all transactions relating to the Portfolio and shall make them available for inspection during normal working hours by authorized representatives of the Investor after prior written notice has been given to the Fund Manager.
- 5.2 Unless otherwise agreed between the Parties, for a more frequent report, the Fund Manager shall on a quarterly basis provide the Investor with reports detailing funds received, withdrawals, transactions executed, performance and earnings; such report to be in a format to be agreed between the Parties.
- 5.3 The Auditor of the Fund (appointed by the Investor) may audit the said reports at the end of each financial year.

6.0 ACKNOWLEDGMENT OF RISK

The Client acknowledges that he/she understands and is aware of the various risks that are involved in holding a portfolio of investments and especially the risks and exposure that may arise from holding equity, bond investments or alternative investments that may experience poor performance and/or capital losses. The Client understands that returns on investments offered by the Fund Manager are not guaranteed and may experience poor performance or result in a loss of capital.

7.0 FEES

- 7.1 The Fund Manager shall be paid a fee of
- 7.2 The fees shall be accrued daily and paid at the end of each month.
- 7.3 The Investor shall be liable for all statutory fees payable on management fees including but not limited to Value Added Tax (VAT), National Health Insurance Levy (NHIL) and GETFund Levy.

8.0 KNOW YOUR CUSTOMER

The Investor agrees to supply on request by the Fund Manager such documents and information as the Fund Manager shall request to fulfill its 'Know Your Customer' or other similar policy.

9.0 REPRESENTATION AND WARRANTY

Each Party represents and warrants to the other that it has been authorized to enter into this Agreement, the terms of which shall be legally binding and enforceable against it, and its entrance into this Agreement shall not violate any applicable law, its constitutive document or any other agreement to which it is a party.

10.0 CONFIDENTIALITY

- 10.1 The Fund Manager agrees to keep and to ensure that its personnel keep all information, documents and all other matters arising or coming to its or their attention regarding the Portfolio by reason of this Agreement confidential and not at any time for any reason whatsoever to disclose or permit same to be disclosed to any third party except as permitted hereunder to enable the Fund Manager to carry out its duties and obligations.
- 10.2 The obligations of confidentiality referred to in clause 10.1 shall not apply to any confidential information which:
 - 10.2.1 is required to be disclosed by applicable law or by the order of a court of competent jurisdiction.
 - 10.2.2 is in the possession of [and is at the free disposal of] the Fund Manager or is published or is otherwise in the public domain prior to the receipt of such Confidential Information by the Fund Manager;
 - 10.2.3 is or becomes publicly available on a non-confidential basis through no fault of the Fund Manager;
- 10.3 The obligations of the parties under this clause 10.1 shall survive the expiry or the termination of this Agreement for whatever reason.

11.0 **DURATION OF AGREEMENT, AMENDMENTS AND TERMINATION**

- 11.1 This Agreement shall come into effect on the date aforementioned and shall continue until terminated by either Party giving one (1) month's written notice sent by registered post, delivered personally to the other Party or via Email sent by either party.
- 11.2 Any variation to this Agreement shall only be effective if in writing and signed by an authorized representative of both parties to this Agreement.
- 11.3 Termination of this Agreement or removal of assets from the Portfolio shall not affect any outstanding orders or transactions or other legal rights or obligations which may already have arisen or any contractual provision intended to survive termination and will be without penalty or other additional payments save that the Investor will pay:
- (i) the Fund Manager's fee pro rata to the date of termination; and
 - (ii) any losses necessarily realized in settling or concluding outstanding obligations. The Fund Manager shall complete transactions already in progress at the time of termination or removal.
- 11.4 Upon termination of this Agreement, the Manager shall transfer the Portfolio or cause the Portfolio to be transferred to the Investor, its successor or assigns at the written direction of the Investor.
- 11.5 This Agreement may be terminated immediately any situation arises for whatever reason in the sphere of operation of the Investor which makes the continuity of business of the Investor, and hence the continued operation of the Portfolio unreasonable.

12.0 **GOVERNING LAW**

This Agreement shall be governed and construed under the laws of Ghana.

13.0 **ARBITRATION**

Should any dispute arise between the Parties hereto in relation to this Agreement, the Parties shall use their best efforts to resolve the dispute, failing which; the same shall be referred to arbitration in accordance with the Alternative Dispute Resolution Act 2010, Act 798.

14.0 MODE OF COMMUNICATION

The official means of communication shall be by official letters or electronic mails only.

AS WITNESS, the parties have caused this Investment Management Agreement to be duly signed by the undersigned authorized representatives for and on behalf of the parties the day and year first above written

For and on behalf of Investor:	In the presence of:
Name:	Name:
Sign:	Sign:
Date:	Date:

For and on behalf of the Manager:	In the presence of:
Name:	Name:
Job Title:	Job Title:
Sign:	Sign:
Date:	Date: