INVESTMENT RISK MANAGEMENT AND LIQUIDITY POLICY

MINERALS INCOME INVESTMENT FUND

In fulfilment of the requirements of section 4(1)(d)(i) of the Minerals Income Investment Fund Act, 2018 (Act 978) as amended by the Minerals Income Investment Fund (Amendment) Act, 2020, (Act 1024)

List of Abbreviations

AUM	-	Assets Under Management
ABS	-	Asset-Backed Securities
BoG	-	Bank of Ghana
ESG	-	Environmental, Social and Governance
Fund	-	Minerals Income Investment Fund
GBP	-	Great British Pounds
IAC	-	Investment Advisory Committee
IPG	-	Investment Policy and Guidelines
IPO	-	Initial Public Offering
IRMLP	-	Investment Risk Management and Liquidity Policy
KYC	-	Know Your Customer
MIIF	-	Minerals Income Investment Fund
Policy	-	Investment Risk Management and Liquidity Policy
RR	-	Risk Register
RRS	-	Risk Rating Scale
S&P	-	Standard and Poor's
SOEs	-	State-Owned Enterprises
SPV	-	Special Purpose Vehicle
USD	-	United States Dollars

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1. Introduction

(a) The Minerals Income Investment Fund (MIIF or the Fund) Investment Risk Management and Liquidity Policy (IRMLP or the Policy) is primarily aimed at providing controls for risk minimization in the investment operations of the Fund and ensuring that investable funds are sufficiently available to meet the cash flow needs of the Investment Department on a timely basis. The assumption of risk by the Fund is designed in line with the Minerals Income Investment Fund Act, 2018 (Act 978), as amended (MIIF Act) and the Investment Policy and Guidelines (IPG), which provide a framework and procedures for the investment activities of the Fund.

(b) Investment risk management at MIIF, is largely a shared responsibility of the Board, Risk Management Committee (RMC), Investment Advisory Committee and Management. Matters in relation to risk is collectively reviewed to provide effective guidance for risk reduction and mitigation, if not complete prevention with reference to capital preservation and returns on investment in the short, medium to long term.

(c) One of MIIF's flagship goals is to provide capital, capacity building and an enabling environment for growth and innovation in the Ghanaian mining sector by undertaking short to long term investments. Risks associated with the Fund's investments must therefore be effectively identified, assessed, measured, monitored, evaluated and reported on regular basis to stakeholders, mainly the Board and the Ministry of Finance.

(d) The Fund's risk appetite framework in this Policy sets out the general principles for the management of risks, covering notably, credit risk, market risk, liquidity risk, operational risk, climate and environmental risk, portfolio risk, reputational risk and compliance risk.

(e) MIIF has also adopted Environmental, Social and Governance Policy (ESG) guidelines with the goal of ensuring that the Fund's actions meet environmental sustainability guidelines and are predictable, transparent and accountable in its quest to optimize returns. The ESG Policy ensures that projects and investments undertaken by the Fund promotes sustainable developments in line with best practices locally and internationally.

(f) Ensuring long term stable earnings from the MIIF capital base (mineral royalties and dividends) is highly prioritized by the Fund. A strong capital base helps build buffers to absorb probable losses and unforeseen risks. The Board and Management of MIIF believe that the fundamental element of ensuring good governance is to have a sound framework of risk assessment and internal controls. The fundamental premise of this Policy is to achieve this.

2. Policy Objectives

The purpose of this Policy is to identify and monitor MIIF investment and liquidity risk exposures, and the actions to be taken by the Fund as mitigants to these risks. The Policy underscores the fact that risk cannot be explicitly avoided, but to maintain capital preservation and ensure optimal adjusted risk returns, these actions are key in managing MIIF's Portfolio ("Portfolio"). This Policy has three (3) main objectives:

(a) Identify, measure and monitor MIIF's Portfolio Risk;
(b) Evaluate investment returns and risks trade-offs; and
(c) Ensure timely disbursement of investable funds from royalties and dividend income for investment activities.

3. Roles and Responsibilities

The enforcement and the implementation of the Policy lies with the Board, supported by the Risk Management Committee (RMC), the Investment Advisory Committee (IAC) and the Management of the Fund.

(a) The Board

The Board is the custodian of the Policy and has ultimate risk management responsibility.

(b) Risk Management Committee (RMC)

The Risk Management Committee (RMC) shall be responsible for the following and report to the Board accordingly:

i. Assess and advise the Board on the Fund's acceptable levels of risk exposure and assist in setting risk strategies, policies, frameworks and models for the Fund;

ii. Develop and recommend to the Board a risk management framework and internal control system for purposes of risk mitigation including ensuring that a risk awareness culture is pervasive throughout the Fund;

iii. Appraise the quality, integrity and effectiveness of the Fund's risk management systems and ensure that the risk policies and strategies are effectively managed;

iv. Ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken by the Fund annually;

v. Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective risks the Fund may be exposed to;

vi. Provide input to Management regarding the Fund's risk appetite and tolerance; and

vii. Perform any other functions that may be directed by the Board.

(c) Investment Advisory Committee (IAC)

The Investment Advisory Committee taking cognizance of international best practice of investments risk of a similar nature shall:

i. Advise the Board on the performance of functions of the Board in respect of investment decisions to be taken by the Board with emphasis on risk and investment of idle funds;
ii. Recommend to the Board, broad investment guidelines and overall management strategies of the Fund; and
iii. Advice on the development of investment guidelines, the benchmark portfolio, the desired returns and the associated risks of the Fund.

(d) Management

Management shall be primarily responsible for the operational implementation of the Policy and shall report to the Investment Advisory Committee (IAC) and the Board. Specifically:

i. The Chief Executive Officer (CEO) is to ensure day-to-day implementation of the Policy;
ii. Management is responsible for creating a risk awareness culture amongst staff of the Fund;
iii. Legal, reputational and regulatory risk is to be overseen by the Legal and Compliance Department of the Fund; and
iv. The Chief Investment Officer shall develop for the Board as part of the investment guidelines, the benchmark portfolio, the desired returns from and the associated risks of the Fund.

4. Investment Risk Management Process

MIIF employs mainly six (6) processes in managing investment risk in our Portfolio. These processes are:

(a) Identification of Risk;
(b) Assessment of Risk;
(c) Ranking of Risk;
(d) Risk Action/mitigation measures;
(e) Monitor and Review; and
(f) Risk Reporting.

Figure 1: MIIF Investment Risk Management Process

(a) Identification of Risk

The first step in our investment risk management is to detect in our decisions, activities and actions that may hinder the Fund from realizing its goal of an investment activity. This risk could potentially lead to loss of capital, returns or assets. This risk is expected to be identified in the environment in which the Fund operates and in the characteristics of the asset class. The identified risks are documented in a designated system or logbook visible to all stakeholders, including the MIIF Board.

(b) Assessment of Risk

i. The valuation of risk must be conducted after the identification of that risk. The connection between the identified risk and other variables from operation to portfolio should be established. The severity of the risk is measured based on the factors that will be affected in the likelihood of the risk materializing.

ii. The Fund shall conduct an analysis of the identified risk and link it to the other factors of the Fund's operations to inform the next line of action. The risk assessed, in line with a framework will then be mapped to other policy documents such as the Investment Policy and Guidelines (IPG), the Environment, Social and Governance Policy (ESG) and the entire business processes and procedures of MIIF to establish the effects of each identified risk. The identified risks must be ranked for an appropriate mitigant to be employed.

iii. The risk assessment covers qualitative and quantitative variables with well-defined weights assigned to each variable.

(c) Ranking of Risk

The analysis of risk provides opportunity to rank the risk in order of priority after assessment. The risks are then graded depending on its severity and likelihood of first occurrence. The categorization and ranking of risk provide a general overview of the Fund's risk exposure and its corresponding impact on the Portfolio. This also helps facilitate Board and Management decision for intervention.

(d) Risk Action

The objective of MIIF in every aspect of its operations, more importantly in investment is to ensure that risks identified are reduced to our appetite levels if not eliminated. A Risk Management Committee (RMC) is therefore established to (i) act as the first line of oversight of risk management issues of the MIIF, (ii) discuss the risk issues, including the assignment of responsibilities and (iii) prepare a report to the Board on quarterly basis or as frequently as possible.

The Risk Management Committee (RMC) is a five (5) member committee comprising two (2) members of the Board and three (3) external persons with backgrounds in risk management, investment and legal. A representative of Management shall be an invitee of the Risk Management Committee (RMC).

(e) Monitor and Review

i. MIIF risk monitoring covers market, project and operational risks to enhance the position of the Fund's assets, and to facilitate astute decision making. The monitoring focuses on market risk that could derail the Funds objectives of achieving financial stability and investment returns. The monitoring strategy is implemented through information gathering manually or automated as may be directed by the Board.

ii. A monitoring and review dashboard is designed to highlight trends and vulnerabilities. This measures the effectiveness of MIIF risk responses and processes. Depending on risk assumptions, constraints, priorities, and tolerance levels, the set of risk monitoring practices implemented may differ from time to time and on a case by case basis.

iii. The findings of the risk monitoring processes are also used to update the risk strategy or develop new strategies.

(f) Risk Reporting

This is a method of identifying risks tied to or potentially impacting on MIIF's operations or processes. The report must include the following:

i. Executive summary
ii. Risk profile
iii. Risk capacity
iv. Tolerance levels
v. Key risk indicators
vi. Effective risk management

5. Risk Appetite

Risk Appetite is the amount of risk that MIIF is willing to accept in pursuit of its objectives under the MIIF Act. Unlike risk appetite, risk tolerance is the amount of risk MIIF can bear without jeopardizing its objectives under the MIIF Act.

(a) Fulfilling MIIF's objectives of maximizing royalties' income require the Fund to take a considerable level of risk. The risk appetite provides a range of risk that the Fund is willing to accept in pursuit of its goals at a given period. Operational and statutory metrics are therefore employed to establish the risk appetite levels in accordance with the IPG and the establishing Act of the Fund.

(b) Apart from the acceptance of risk at a particular level, MIIF may also employ risk transfer, risk sharing or avoidance as approaches to reducing investment risks exposures. The risk culture of the Fund shall be adhered to by all personnel and embedded in the systems of the Fund.

(c) The risk appetite is established in line with the MIIF Risk Rating Scale (RRS), which includes the impact of the various types of risk to determine an overall score for an investment operation. These risk types include market risk, liquidity risk, credit risk, country risk, operational risk, political risk, legal and compliance risk. The Table 1 below shows the cumulative score levels (30-180 points) for risk appetite, risk tolerance and risk thresholds.

Table 1: Cumulative Risk Scale (30-180 points)

30 Very High Risk	60 High Risk	90 Manageable Risk	120 Medium Risk	150 Low Risk	180 Very Low Risk
Risk Threshold		**Risk Tolerance**		**Risk Appetite**	

6. Risk Budgeting

Risk budgeting focuses on the implementation of the risk tolerance decisions made pursuant to the objectives of the MIIF Act.

7. Types of Risk

MIIF views risk from the perspective of its asset classes since each asset class has a unique level of risk and potential reward. This informs the reason why MIIF must maintain a diversified portfolio in order to mitigate risk and reduce the probability of loss. MIIF currently maintains four (4) asset classes including cash and cash equivalents. The objective is to ensure a balance in terms of growth and stability of the Fund's investments in these asset classes.

MIIF groups the investment risk into two (2) broad areas: systematic and unsystematic risks. In relation to risks beyond our control (systematic) which is non diversifiable and affects the entirety of an economy, political and societal spheres, the Fund will frequently monitor market trends, geo-political nuances and market bubbles to minimize the exposure of our Portfolio to these risks. Unsystematic risk pertains to the operations/activities of MIIF in relation to the mining value chain, particularly the investment in entities. This can be mitigated through diversification of investment activities as provided under the Investment Policy and Guidelines. The MIIF Risk Rating Scale (RSS) takes into consideration the following risk types from the two (2) broad areas:

(a) Market Risks

The Fund shall closely follow the direction of the markets to make investment decisions. These risks include but not limited to interest rate risk for investment in debt securities, foreign exchange risk for cross-currency investments, equity price risk and commodity price risk. MIIF will continue to align market risk to the Fund’s risk tolerance levels. MIIF may hedge unwanted risks as and when appropriate using derivative instruments.

(b) Credit Risk

MIIF's allocations in line with the Investment Policy Guidelines of which 75.6% is allocated to equity investments shall require a comprehensive analysis of credit risk. Determining the creditworthiness of potential entities to invest in or in assessing alternative investments is key to assessing financial sustainability of investment opportunities and must therefore be robust. MIIF shall have a non-exhaustive due diligence table borne out of risk identification connected to the creditworthiness of an investment option. This shall cover among others, cash flow analysis, asset valuation and whether the subject entity has sustainable cash flow to meet its debt service obligations.

MIIF also monitors the credit rating status of entities in which it is to invest when making decisions with much emphasis on the possibility of a downgrade by an international rating agency. Our investments in foreign sovereign or private bonds for example are restricted to Baa1 rated bonds by Moody's or equivalent by Standard and Poor’s (S & P) or Fitch.

The Fund shall not invest in bonds issued by the Government of Ghana or Government backed state-owned enterprises (SOEs).

(c) Liquidity Risk

MIIF looks at liquidity risk under two (2) principal folds: ability to convert our assets into cash within the shortest possible time and ability of an investment to meet its obligation on a timely basis. The Fund views both in terms of risk of incurring significant losses from either option.

(d) Operational Risk

The operational risk of MIIF is viewed from the perspective of structures, systems, personnel and processes for its internal and external operations. More importantly, operational risk in relation to its investments is viewed also from the perspective of models and systems. The investment operational risk focuses on trade execution risk, valuation risk, model risk and systems failures. Some of these risks cannot be measured and are managed through appropriate cost basis. In assessing this risk, the Fund shall always take Counterparty risk(s) as a major consideration in its risk measurement.

These risks are primarily managed through MIIF internal controls and practices, and a risk management culture created through risk workshops with staff on global best practices, training and the employment of cutting edge technology as additional buffers.

(e) Country Risk

The host countries for MIIF's investments are thoroughly assessed quantitatively and qualitatively since a country's risk can replicate effects on the other types of risks. MIIF shall continuously assess the operating business and investment environment of host countries. This assessment includes but not limited to political, economic and social risks. The possibility of changes in the business environment of the country of investment could negatively affect our investments, such as capital controls, devaluations, change of government, country's credit ratings, etc which makes a continuous assessment imperative.

(f) Sector Risk

MIIF will continuously monitor the sectorial concentration of its investments, including co-investments, treasury management and alternative investments. The sectorial limits for investments may be determined by the Board for implementation by Management.

(g) Reputational Risk

MIIF will continue to operate in line with its establishing Act and other regulations as prescribed by the Board as well as international conventions and laws associated with bribery and corruption, money laundering, fraud, terrorist financing, tax evasion, breaches of sanction regimes and related reputational risks, which would negatively impact MIIF's ability to operate and deliver on its objectives. Details of MIIF's position on this are captured in the MIIF Anti-Money Laundering/ Combating Financing of Terrorism (AML/CFT) Policy.

(h) Portfolio Risk

The control of this risk provides MIIF the opportunity to protect the Fund's investments and establish a balance between returns and risks trade-offs. MIIF's Portfolio risks covers but not limited to, volatility of investment returns, deviation from strategic exposures, concentration risk, managers selection risk, currency risk, interest rate risk, liquidity risk, inflation risk and compliance risk and other risks associated with equity investments. These risks shall frequently be measured accordingly.

(i) Political Risk

MIIF faces major political risk which may arise due to successive governments' interventions in the mining sector and the use of the funds of MIIF. Particularly, the interventions may be seen in the granting and revocation of mining leases and other requisite mining licences. Regarding the use of funds, the consistent utilisation of MIIF's funds by government without recourse to approval by MIIF's Board poses a risk to the operation of MIIF.

The political risk may be mitigated through the following measures:

i. Government interventions

The Minerals and Mining Act, 2006 (Act 703) stipulates the processes for obtaining mining leases and other requisite mining licences. The law provides for the free carried interest by government and any further participation by government. The effective implementation of the law will mitigate any political risk that may arise.

ii. Dividend Payout Policy

This Policy will mitigate or eliminate the frequent utilisation of MIIF's funds by government without recourse to approval by MIIF's Board. This Policy will address amongst other things the dividend payout ratio, timelines for payment of dividends.

(j) Environmental and Social Risk

MIIF may face Environmental and Social Risk as its income from investments would be affected if climatic conditions or agitations by mining communities go against the exploration and production schedules of the mining companies. The Constitution of the Republic of Ghana, 1992, the Environmental Protection Agency Act, 1994 (Act 490) and the Environmental Assessment Regulations, 1999 (LI 1652) provide for the protection of the environment and any activity which has or is likely to have adverse effect on the environment or public health.

In addition, the Environmental, Social and Governance (ESG) Policy will require all investee companies to have ESG policies as condition precedents for investments by the Fund.

8. Risk Register (RR)

All identified risks in MIIF's investment operations are documented by providing a summary of the risk elements. The elements include the likelihood of occurrence, its impact, the time or rate required to respond to its internal and external stakeholders, the actions being taken to reduce the identified risks and the allocated responsibilities for managing and monitoring as part of mitigation measures. The Risk Register shall be summarized and reviewed by the Management and the Risk Management Committee (RMC) and reported to the Board on a quarterly basis.

The Risk Register enables MIIF to store all risk information in one easily accessible location. Importantly, the Risk Register specifies the way the Fund commits to manage the identified risks with responsibility assigned to specific personnel.

Table 2: Risk Register (RR)

Risk #	Date	Description of Risk	Risk Source	Risk Consequences	Consequence Rating	Likelihood Rating	Existing Controls	Planned Treatments	Risk Owner	Treatment Due Date	Risk Review Date
1											
2											
3											
4											
5											

9. MIIF Risk Behaviours and Culture

Every member of staff at MIIF shall be sensitized to the investment risks and encouraged to adopt a culture and behaviour synonymous to the risk appetite of the Fund. The role of staff is critical in ensuring efficient and effective risk management.

The Fund encourages a culture of openness, willingness to identify and accept risks and pride in fixing identified risks among all staff. Risk management principles shall form part of the Fund’s staff culture with regular assessments aimed at ensuring compliance.

10. Public Reporting and Transparency

The Fund adopts a culture of frequent risk reporting on the MIIF Portfolio monthly to Management, quarterly to the Board and semi-annually to the public. The identified risks shall be reported on each asset class highlighting exposures and corresponding risks in terms of size, country, industry, market, sector, interest rates, spread, credit and foreign exchange and inflation.

The report may include stress testing under different scenarios and impact on the MIIF Portfolio. The stress testing generally focuses on identifying and adjusting to downside risks using "what if" analysis (i.e., under different macroeconomic uncertainties) to identify resilience and vulnerabilities in our Portfolio.

11. Asset Class Exposures Risks

(a) Deposit/Short Term Placement

The fixed deposit/placement operations of the Fund is limited to idle cash, aimed at supporting liquidity. The Fund in line with its IPG can maintain a target AUM of 1.5% in cash and a maximum band of 3% of its AUM in cash unless an exception is provided by the Board. This allocation is significant and must be invested to add value to MIIF's funds. All arrangements in relation to short-term deposits must be negotiated by the Investment Department with the support of the Chief Finance Officer (CFO).

The placement of term deposits shall be limited to some selected financial institutions approved by the Board based on their credit status, appraised by the Bank of Ghana (BoG) or an approved agency.

The Investment Department also sets limits and a nominal basis for these placements per bank/ financial institution and same must be approved by the Board.

(b) Debt/Lending

MIIF shall not provide credit to Government, a public enterprise, a private sector entity or any other person or entity.

(c) Foreign Bonds

MIIF may invest in financial instruments issued by Banks, foreign countries, foreign companies and other financial institutions/ corporations with an approved legal mandate by regulatory authorities with the exception of the Ghanaian Government or private companies or bonds issued by the Government of Ghana or any Ghanaian state owned enterprise or agency.

(g) Most of MIIF's investments in bonds may preferably be held to the end of the tenor. The following are key checklist to be fulfilled before an investment in bonds:

i. The issuer (sovereign/corporate) should have a rating by an international agency or a locally accepted agency of a score to Baa1 rated bonds by Moody's or equivalent by Standard and Poor's (S&P) or Fitch with a maximum maturity not exceeding fifteen (15) years;

ii. The instrument should be marketable and liquid such that if the bond is subsequently downgraded below the required rating threshold after purchase, the security shall be disposed-off at the earliest opportunity;

iii. A reputation of good credit history shall be established in relation to the issuer; and

iv. Issuers which are corporate shall be considered as sovereign if a guarantee is provided by its government, or otherwise.

(d) Equity

Equity investment has the highest allocation in MIIF asset class with a target of 75.6% of Assets Under Management. This also implies that the greatest risk to the Fund portfolio is equity. The Fund has adopted a value investing approach and largely concentrates on companies which are listed on the Ghanaian bourse or worldwide exchanges and in currencies which are convertible except for the Ghanaian cedi.

Investment in unlisted companies is also considered with stricter appraisal metrics. Equity investments cover both common and preference shares with a strict assessment of foreign exchange risks associated with these investments.

Decision making in relation to equity investment shall be varied on case by case basis with clearly stated exit strategies. The exit plan shall be frequently updated based on market conditions such as share price volatility. Some of the key metrics MIIF considers before investing in equity are:

i. Risk measured at acceptable levels.
ii. Established exit plan.
iii. the IRR falls within the acceptable range as set by the Fund.
iv. Demonstrated approved regulatory requirements.
v. Strategic sovereign interest.

12. MIIF Liquidity Policy

(a) Objective

The Policy is designed to work in conjunction with the Board-approved policies that impact financial risk management. The Policy is to preserve a cash position or position which allows the Fund to meet its financial obligations without incurring costs, losses or liquidity constrictions that may arise from many factors including having excess cash sitting in the Fund's account(s).

This Policy forecasts and plans for the liquidity needs of the Fund over various periods and to consider how funding requirements may evolve under various scenarios, including adverse conditions.

In this Policy, MIIF's liquidity risk essentially mirrors the possibility of mining companies running aground, non-payment or reduction in royalties, decommissioning of mines, government policy changes leading to an adverse impact on mining such as mining closures and exits, mining staff agitations which could lead to non-maintenance of mines and long closures and falling gold or mineral prices. Failure to adequately manage liquidity risk can threaten the profitability and sustainability of MIIF.

The Board and Management must therefore maintain sound policies and procedures to effectively measure, monitor, and control liquidity risks. The Fund's liquidity management strategies involve short and long term decisions amendable to change, especially during times of stress by continuously:

i. Performing periodic liquidity and profitability evaluations for existing activities;
ii. Identifying and enhancing primary and contingent funding sources needed to meet daily operations, as well as seasonal and cyclical cash flow fluctuations; and
iii. Evaluating liquidity and profitability risks associated with new business activities.

(b) Sources of Liquidity

MIIF will continue to diversify its various sources of liquidity from the base origin of royalties and dividend income from mining operations to various market base liquidity support or options.

By virtue of MIIF's sources of funds, liquidity is therefore defined as cash and cash equivalents, liquid investment balances, access to cash and the convertibility of assets to cash in order to meet operating and financial needs during its operating cycle.

(c) Collateralization of MIIF Assets

The Fund may raise funds for its operations and investment programs by using its royalty income as collateral subject to approval by the Board and the sector Ministry.

(d) Assets Securitization and Monetization

As indicated in 'c' above, assets can be used as collateral for secured borrowings or sold for cash in the secondary market.

The Fund may use securitizations as an alternative funding vehicle (Special Purpose Vehicle) by converting its assets into cash through issuance of asset-backed securities (ABS) or monetization in a form of equity through an Initial Public Offering (IPO).

Securitization can be an effective funding method for the Fund, however, there are several risks associated with using securitization and monetization as a funding source. A comprehensive risk assessment must always be conducted with in-depth involvement of stakeholders when securitizing or monetizing the future cash flows of the Fund with the interest of the State as an anchor.

(e) Investment Portfolio

MIIF's Portfolio also provides liquidity support through regular cash flows, maturing securities, the sale of securities for cash, or by pledging securities as collateral for borrowings, repurchase agreements, or other transactions. This is done by periodically assessing the quality and marketability of our Portfolio.

(f) Liquidity Reporting

A liquidity report of the Fund is prepared on quarterly basis for the Board clearly highlighting MIIF's liquidity position, risk exposures, and level of compliance with internal risk limits.

The features and content of the report vary with time and needs as follows:

i. Current liquidity needs and the sources of funds available to meet these needs;
ii. Collateral positions, including pledged and unpledged assets;
iii. Securitization/ monetization positions including pledged and unpledged assets;
iv. Funding categories and concentrations;
v. Early warning indicators for contingency funding events;
vi. The stability of royalty income inflows;
vii. The level of highly liquid assets;
viii. Stress test results; and
ix. Other items as may be requested by the Board.

(g) Liquidity Oversight Responsibility

The Policy is approved by the Board. The Chief Executive Officer (CEO) is responsible for policy compliance, periodic review, and all liquidity management activities for the Fund.

(h) Conclusion

MIIF is a major investment vehicle and a lever of development for the Ghanaian mining sector and the country. The Fund owes a fiduciary responsibility to the people and the Republic of Ghana which requires its assets to be treated with utmost prudence for the benefit of all Ghanaians and future generations of Ghanaians. The aim is to help develop the mining sector and its entire value chain through the prudent investment of the royalties and dividends from mineral companies for the benefit of Ghana.

Risk management is dynamic and constantly evolving with time. The Board and Management shall continue to pursue the mandate of the Fund by developing frameworks and systems that ensure risks and liquidity standards of the Fund are always maintained.