

FINANCIAL STATEMENTS

FOR THE HALF YEAR
ENDED 30 JUNE 2014
(UNAUDITED)



MANAGED BY



A stylized graphic of a folder with a tab at the top, rendered in shades of blue. The folder is open, and a white rectangular label is attached to the front. The text on the label is centered and reads: OMEGA EQUITY FUND LIMITED, FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2014, and (UNAUDITED).

OMEGA EQUITY FUND LIMITED

**FINANCIAL STATEMENTS
FOR THE HALF YEAR
ENDED 30 JUNE 2014**

(UNAUDITED)

FUND INFORMATION

Board of Directors

Tony Oteng Gyasi
Christine Dowuona-Hammond
Kwesi Amonoo-Neizer
Kobina Asmah
Emmanuel Dugbatey Kitcher
Nana Kumapremereh Nketiah

Registered Office

45 West Airport Road
Airport Residential Area
Accra, Ghana

Auditors

UHYVoscon Chartered Accountants
No. C806/4, Boundary Road, Tudu, Accra
Adjacent to City Paints Supply
P.O. Box LA 476
La, Accra.

Manager

Omega Capital Limited
45 West Airport Road
Airport Residential Area
Accra, Ghana
P.O. Box CT8818
Cantonments-Accra

Solicitor

Joseph Amoako Jnr.
P.O. Box CT1136
Cantonments-Accra

Custodian

HFC Bank Limited
35 6th Avenue, North Ridge
P.O. Box CT4603
Cantonments-Accra

Bankers

Zenith Bank (Gh) Limited
Stanbic Bank Limited

CONTENTS

.....	
Fund Information	4
.....	
Directors Report	6
.....	
Financial Highlights	7
.....	
Portfolio Manager's Report	9
.....	
Statement Of Net Assets	13
.....	
Statement Of Assets And Liabilities	14
.....	
Statement Of Income And Distributions	15
.....	
Statement Of Movement In Net Assets	16
.....	
Notes To The Financial Statements	17
.....	
Directors Information	23
.....	

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting the financial statements of Omega Equity Fund for the half year ended June 30, 2014.

Statement Of Directors' Responsibilities

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

The Directors are responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy at any time, a true and fair view of the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature Of Business

The nature of business of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities acquired with such monies.

The Fund is a long term open ended fund primarily involved in investing in a diversified portfolio of equity and some fixed income securities to meet the liquidity needs of the Fund and to achieve superior returns.

Financial Results

The results for the half year ended June 30, 2014 are set out below:

	2014 GH¢	2013 GH¢
Interest Income	11,124	871
Management and Operational Expenses	(3,950)	(195)
Transfer To Accumulated Net Investment Income	7,175	676

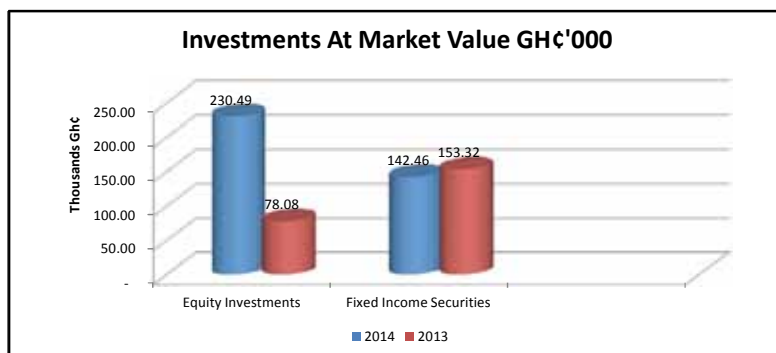
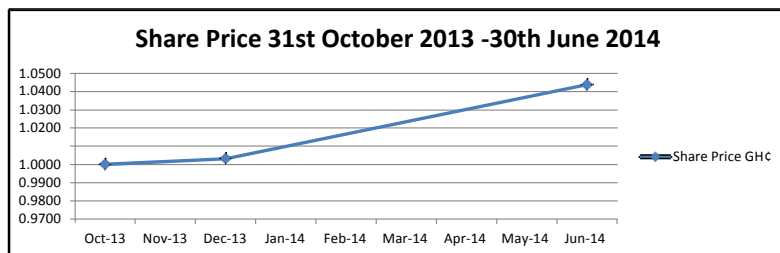
FINANCIAL HIGHLIGHTS

Performance Summary

Share Price Information

	31-Oct-2013	31-Dec-2013	30-Jun-2014
Share Price GH¢	1.0000	1.0032	1.0437
Number Of Shares	212,050	243,024	376,997.16
NAV GH¢	212,050.00	243,802.79	393,482.86

Performance from 31st October 2013 to 30th June 2014



Top Five Equity Holdings

	2014	Nov-Dec 2013
Mega African Capital Ltd	24%	--
Mechanical Lloyd	14%	14%
Standard Chartered Bank	12%	14%
Benso Oil Palm Plantation	5%	0%
Societe Generale Ghana	3%	5%
Total	59%	32%

PORTFOLIO MANAGER'S REPORT

Dear Valued Shareholders, I am glad to present to you the first report on the Omega Equity Fund, after a successful Initial Public Offer (IPO) in October 2013.

Overview of the Macroeconomic Environment

Ghana's economy has maintained commendable growth trajectory with an average annual growth of about 6.0% over the past six years. The GDP reached 7.1% in 2013 after peaking at 15 % in 2011. However, the Ghanaian economy faced fiscal pressures stemming from rising wage bill, high interest payments, low revenue collection and a rapid depreciation of the cedi against the major trading currencies. Also, fuel and utility prices rose significantly leading to a rise in inflation. Inflation rose from 13.5% in December 2013 to 15.3% in July, 2015. Similarly, interest rate rose and remained high throughout the first half of the year. The Monetary Policy Committee (MPC) at its meeting held in July 2014 also increased the Monetary Policy Rate from 18% to 19% to contain the elevated risks to inflation.

During the first quarter of the year, yields on money market instruments were fairly stable compared to the higher yields recorded in the second quarter of 2014. The 91- day Treasury bill rate rose to 24.08% from its previous 19.22% (indicating a 4.84% rise) while the 182- day Treasury bill rate rose to 21.28% from its previous 18.66% (indicating a 2.62% rise) from the beginning of this year. The 1 year GOG note also was 22.5% by the end of June from its initial 17% in January indicating a 5.5% increase by close of the first half of the fiscal year.

Investment Objective

The Omega Equity Fund is a long-term open-ended fund that seeks to deliver superior returns in the long-term by investing in a diversified portfolio of equities and some fixed income securities to meet the liquidity needs of the Fund.

Macroeconomic Outlook

It is expected that Ghana will continue to experience a high interest rate environment in 2014 as the Government tries to reduce its high fiscal deficit given the rapid depreciation of the cedi against the major trading currencies in the first half of 2014. The current account deficit is projected to remain above 10% this year, but reduce in the medium- term as the international price of gold and cocoa increases.

Inflation will remain a major risk for the rest of 2014 and likely to remain above

the Bank of Ghana target of 12 ± 2.5 due to the removal of petroleum subsidies and its related high price adjustments, and the expected automatic revision of the utility prices.

Labor agitations and strikes are likely to keep the government borrowing more from the domestic market to meet its high wage bill and rising interest payment in the medium term. However, GDP growth outlook continues to be promising as Ghana commences the production of gas and explores new oil fields. Government has announced its intention to opt for an International Monetary Fund programme this year. If successful, the programme is likely to help Ghana stabilize its currency with additional inflows from the donor community.

Financial Market Review

Sentiments on the Ghanaian Financial market were dampen in the wake of deteriorating macro-economic conditions. Rising interest rate, heightening pricing pressures and persistent currency weakness continue to impact negatively on the market.

The Ghana equity market generated a total return of 10.64% which compares adversely with a return of 56.74% in the same period of 2013. The worst hit was the consumer sector with stocks such as Unilever Ghana –UNIL, Guinness Ghana –GGBL and PZ Cussons recording significant losses and pulling down the broad market index.

In contrast, the banking stocks are taking advantage of the higher interest rate environment to improve their performance leading to impressive earnings results. Accordingly, the financial stock index closed the half year on a high note of 17.68% outperforming the GSE Composite Index.

On the fixed income front, huge budget deficit financing and mounting pricing pressures generated uncertainties which drove up yields. Investors demand for higher yields were on the back of the further weakening of the Ghanaian cedi and the demand for higher risk premiums. Accordingly, the yield on the benchmark 91-day Treasury bill increased from 19.23% in January 2014 to 24.09% as at the end of the June, 2014. Similarly, the yields on the 182-day and 1 year bond increased to 21.28% and 22.50% from 19.18% and 17.00% respectively at the beginning of the year.

Portfolio Review

Fund Performance

The Fund returned 4.26% as at Half Year- 2014 which compares unfavorably with the Fund's benchmark (GSE Composite Index) return of 10.64%. The return though

below benchmark was driven by gains in Benso Oil Palm Plantation- BOPP (40%), Standard Chartered Bank –SCB (21%) and Societe Generale Ghana –SOGEGH (18%). The lone laggard in the Omega Equity Fund portfolio was Mechanical Lloyd –MLC with a negative return of 43%.

Fund Growth

Total Funds under management as at the end of half year 2014 stood at GH¢393,811, representing an increase of 86% over the fund value since inception of GH¢212,050. Net investment returns accounted for 19% of the growth in fund size with deposits accounting for 81%. During the period under review, additional funds to the tune of GH¢146,929 was received while an amount of approximately GH¢4,000 was withdrawn.

Fund Shareholding

The number of shareholders who invested in the Fund increased significantly from 73 shareholders since inception of the Fund to 314 shareholders as at the end of June, 2014 representing an increase of 330%.

Fund Asset Mix

As at Half Year 2014, the Omega Equity Fund portfolio structure was as follows; 59% in Equities, 36% in Fixed Deposits and Treasuries and 5% in Cash.

Outlook and Strategy

In the second half of 2014, we expect the performance of the Ghanaian market to remain sluggish. Concerns about the economy and currency weaknesses will impact adversely on the activities on the Ghanaian Bourse.

Given the high interest rate regime, we will favor investments in banking stocks who have taken advantage of the high yields to boost their performance. We will also look for opportunities in listed equities across Africa

Again, given the deteriorating outlook for inflation and the local currency, interest rates are expected to trend upwards. Thus our strategy would be to take positions in the shorter end of the yield curve to take advantage of rising yields.

Conclusion

I would like to welcome our new shareholders to the Fund and thank all our investors for entrusting your long-term funds' with Omega Capital Ltd. We encourage you to develop a regular investment plan to grow your wealth in the long-term. God bless us all.

Your Portfolio Manager



**FINANCIAL
STATEMENTS**

STATEMENT OF NET ASSETS

(All amounts are in GH¢)

	Notes	2014 GH¢	% of Net Assets	Nov-Dec 2013	% of Net Assets
ASSETS:					
EQUITY INVESTMENTS					
Benso Oil Palm Plantation	12	19,917	5%	608	0%
Mechanical Lloyd	12	56,250	14%	33,266	14%
Mega African Capital Ltd.	12	93,000	24%		
Societe Generale Ghana	12	12,450	3%	11,250	5%
Standard Chartered Bank	12	48,870	12%	32,956	14%
Total Equities		230,487	59%	78,080	32%
SHORT TERM FUNDS					
Fixed Deposits	7a	142,458	36%	153,324	63%
Cash And Bank Balances	8	21,371	5%	12,553	5%
Total Short Term Funds		163,830	42%	165,877	68%
Total Assets		394,317	100%	243,957	100%
CURRENT LIABILITIES					
Accounts Payable And Accruals	10	(834)	0%		0%
Total Net Assets Attributable To Shareholders		393,483	100%	243,957	100%

The accounting policies and notes form an integral part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in GH¢)

	Notes	2014 GH¢	% of Net Assets	Nov-Dec 2013	% of Net Assets
ASSETS					
Equity Investments In Ghana	9	230,487	59%	78,080	32%
Fixed Income Investments	7	142,458	36%	153,324	63%
		372,945	95%	231,404	
Cash And Bank Balances	8	21,371	5%	243,957	5%
Total Assets		394,317	100%	243,957	100%
CURRENT LIABILITIES					
Accounts Payable And Accruals	10	(834)		(154)	
Net Assets		393,483		243,803	
Expense Ratio		1.00%		0.08%	

The financial statements were signed on behalf of the Board of Directors on 28th August 2014 by:

Kwesi Amonoo-Neizer

Director
(Kwesi Amonoo-Neizer)

Nana Kwumapremereh Nketiah

Director
(Nana Kwumapremereh Nketiah)

The accounting policies and notes form an integral part of these financial statements.

STATEMENT OF INCOME AND DISTRIBUTION

(All amounts are in GH¢)

	Notes	2014 GH¢	2013 GH¢
INVESTMENT INCOME			
Interest Income	3	16,616	3,197
Dividend Income	4	834	-
Total Income		17,450	3,197
OPERATING EXPENSES			
Other Operating Expenses	5	(867)	(195)
Investment Management Expenses	6	(3,082)	-
Total Operating Expenses		(3,950)	3,002
Net Investment Income/(Loss)		13,500	3,002
Realized Gain On Sale Of Equities		(6,325)	(2,326)
Unrealized Gain On Investments			
Increase In Net Assets Attributable To Members From Operations		7,175	676
ACCUMULATED INCREASE IN NET ASSET			
Opening Balance		676	
Net Increase In Net Assets For The Period		7,175	676
Closing Balance		7,851	676

The accounting policies and notes form an integral part of these financial statements.

STATEMENT OF MOVEMENT IN NET ASSETS

(All amounts are in GH¢)

	Notes	2014	Nov-Dec 2013
INCREASE IN NET ASSETS			
Increase In Net Assets From Operations		7,175	676
Net Increase In Net Assets From Operations		7,175	676
CAPITAL TRANSACTIONS			
Proceeds From Share Issue		146,882	243,127
Shares Redeemed		(4,377)	
Net Proceeds From Capital Transactions		142,505	243,127
Total Increase In Net Assets For The Period		149,680	243,803
Net Assets At Beginning Of Period		243,803	
Net Assets At Close Of Period		393,483	243,803

STATEMENT OF MOVEMENT IN ISSUED SHARES

	2014 No. of shares	Nov-Dec 2013 No. of shares
Shares Issued Within The Year	138,191	243,024
Shares Redeemed During The Year	(4,218)	
Net Shares Issued	133,973	243,024
	243,024	-
Units Outstanding At End Of Year	376,997	243,024

The accounting policies and notes form an integral part of these financial statements.

1. REPORTING ENTITY

Omega Equity Fund started operations on 30th October 2013 as an authorized mutual fund. The Fund seeks to deliver superior returns in the long-term by investing in a diversified portfolio of stocks and fixed income securities. The Fund invests in equity securities trading on the Ghana Stock Exchange and any other regulated market as well as fixed income securities such as Corporate Bonds, Fixed Deposits and Government debt instruments.

All securities purchased by the Fund present minimal credit risk in the opinion of the Manager (Omega Capital Limited) acting under the supervision of the Directors. In the interest of prudence and efficient management of the Fund, the Manager will maintain prudent levels of liquidity.

The Manager is responsible for the actual management of the Fund's portfolio and constantly reviews the holding of the Fund in the light of its research analysis and research for other relevant services. The Fund pays the Investment Manager a monthly management fee of 1.5% per annum for services provided to the Fund. The fee is based on the daily net assets of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis Of Presentation

The financial statements of Omega Equity Fund have been prepared in accordance with Ghana National Accounting Standards (GNAS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities.

b) Functional And Presentation currency

The company's investors are mainly from Ghana, with the subscriptions and redemptions of the units denominated in Ghana Cedis. All amounts have been rounded to the nearest cedi unless otherwise stated.

c) Valuation Of Investments

Securities traded on an organized market are valued at the last available market price on the relevant valuation day. Securities that are actively traded on the over the counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities and assets for which

market prices are not readily available are valued at fair value as determined in good faith by or under the direction of the Board. Short term debt securities having maturity of 90 days or less are valued at amortized cost.

Interest Income is recognized on accrual basis. Interest income comprises interest on treasury bills and certificates of deposit. The recognition of interest ceases when the payment of interest or principal is in doubt. Interest is then included in income only when it is received. Commissions and fees are credited to income when earned.

Investment Transactions on the Ghana Stock Exchange and other African Stock Markets are recorded on the trade date. Realized gains and losses on the sale of investment securities are determined on the identified cost basis.

e) Cash And Cash Equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks. Bank overdrafts are shown under current liabilities in the balance sheet.

f) Fixed Deposits

Fixed deposits are stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions against fixed deposits are made having regard to specific risks.

No provisions for doubtful debts have been made for the period under review.

g) Income Distribution

The Fund did not distribute any income for the year under review. All income earned has been reinvested.

3. Interest Income

	2014	Nov-Dec 2013
Interest On Bank Accounts	390	252
Interest On Fixed Deposits	16,226	2,945
	16,616	3,197

4. Dividends

	2014	Nov-Dec 2013
Listed Dividends-Ghana	834	
	834	-

4. Unrealized Gain On Equity Investments

	2014	Nov-Dec 2013
Market Value Of Investments	230,487	78,080
Less Cost Of Investments	(239,139)	(80,407)
Total Unrealized Gain	(8,652)	(2,326)
Less Total Unrealized Gains Last Year	2,326	
Unrealized Gain For The Period	(6,325)	(2,326)

5. Other Operating Expenses

	2014	Nov-Dec 2013
Administrative Expenses	475	
Bank Charges		40
Custodial Fees	392	154
	867	195

6. Fund Management Fees

	2014	Nov-Dec 2013
Fund Management Fees	3,082	
	3,082	-

7. Fixed Income Investments

	2014	Nov-Dec 2013
7a) Fixed Deposits		
Fixed Deposits	134,529	151,294
Interest Receivable	7,930	2,030
	142,458	153,324
7b) Treasury Bills		
Treasury Bills-1 YR Bills		
Interest Receivables-T'Bills		
Total Fixed Income Investments	142,458	153,324

8. Cash And Bank Balances

	2014	Nov-Dec 2013
Balances With Zenith Bank	14,968	6,194
Balances With Hfc Bank	6,403	6,359
	21,371	12,553

9. Investment In Equities

In Ghana:	2014	Nov-Dec 2013
Benso Oil Palm Plantation	19,917	608
Mechanical Lloyd	56,250	33,266
Mega African Capital Ltd	93,000	
Societe Generale Ghana	12,450	11,250
Standard Chartered Bank	48,870	32,956
	230,487	78,080

10. Accounts Payable And Accruals

	2014	Nov-Dec 2013
Custody Fees Payable	212	154
Management Fees Payable	622	
Professional Fees Payable		
	834	154

11. Directors' Shareholding

Name	Number of Shares	% Holdings
Anthony Oteng Gyasi	20,000.00	5.31%
Kobina Asmah*	10,000.00	2.63%
Kwesi Amonoo-Neizer*	8,302.67	2.20%
Emmanuel Dugbatey Kitcher*	5,000.00	1.31%
Christine Dowuona-Hammond	1,674.18	0.44%
Nana Kumapremereh Nketiah	1,227.00	0.33%
	46,203.85	12.22%

- * Emmanuel Dugbatey Kitcher holds the shares jointly with Alice Naomi Kitcher
 Kwesi Amonoo-Neizer jointly holds shares with Rita Amonoo-Neizer
 Kobina Asmah jointly holds shares with Stephanie Asmah

12. Market Value Of Equity Investments

	2014				Nov-Dec 2013	
	Number of Shares	Price @ June 30, 2014	Cost GH¢	Market Value GH¢	Cost GH¢	Market Value GH¢
Benso Oil Palm Plantation	7,690.00	2.59	19,805	19,917	736	608
Mechanical Lloyd	187,500.00	0.30	70,736	56,250	33,304	33,266
Mega African Capital Ltd	30,000.00	3.10	93,077	93,000	-	-
Societe Generale Ghana	15,000.00	0.83	11,441	12,450	11,441	11,250
Standard Chartered Bank	2,700.00	18.10	44,079	48,870	34,926	32,956
			239,139	230,487	80,407	78,080

13

	Valuation As At 1 Jan 2014	Pur-chases	Sales	Valuation As At 30 June 2014	Fair Value Changes	
	GH¢	GH¢	GH¢	GH¢	GH¢	
Benso Oil Palm Plantation	608	19,069		19,677	19,917	240
Mechanical Lloyd	33,266	37,433		70,699	56,250	(14,449)
Mega African Capital Ltd	-	93,077		93,077	93,000	(77)
Societe Generale Ghana	11,250	-		11,250	12,450	1,200
Standard Chartered Bank	32,956	9,153		42,109	48,870	6,761
	78,080	158,732	-	236,812	230,487	(6,325)

DIRECTORS INFORMATION

Board of Directors

The Directors of the Omega Equity Fund are:

Name	Anthony Oteng-Gyasi
Address	P.O. Box SC 241, Tema
Position	Chairman
Time with Fund	9 months
Other Affiliations	Director: Tropical Cable & Conductor Ltd Director: Western Rod & Wire Ltd Director: Electronic Supplies & Engineering Services Ltd
Occupation	Managing Director

Name	Kwesi Amonoo-Neizer
Address	P.O. Box 1047 Kaneshie
Position	Director
Time with Fund	9 months
Other Affiliations	Chairman, Omega Capital Limited Director of Omega Equity Fund Director of OAK Partners Limited Director of Mega African Limited Director of Metropolitan Insurance Director of Haradali Capital, Tanzania Director of Mechanical Llyod
Occupation	Investment Banker

Name	Christine Dowuona-Hammond
Address	Faculty of Law, University of Ghana Legon
Position	Director
Time with Fund	9 months
Other Affiliations	Director of Omega Equity Fund
Occupation	Legal Practitioner

Name	Nana Kumapremereh Nketiah
Address	P.O. Box 1104 Tema
Position	Director
Time with Fund	9 months
Other Affiliations	Director, Omega Capital Limited Director, Omega Equity Fund Director, Kumapremereh Resources Limited Director, Acorn Properties Limited Director, Hagion Properties Limited Director, Via Dela Rosa Courts
Occupation	Investment Banker

Name	Emmanuel Dugbatey Kitcher
Address	P.O. Box CE 11553 Tema
Position	Director
Time with Fund	9 months
Other Affiliations	Director, Omega Equity Fund Limited Director, ZIGMA Investment Club Director, Nyanba Medical Centre
Occupation	Associate Director

Name	Kobina Asmah
Address	P.O.Box KN 854, Kaneshie,
Position	Director
Time with Fund	9 months
Other Affiliations	Director: Print Aid Foundation
Occupation	Managing Director



Omega Capital Limited

No. 45 West Airport Road,
Airport Residential Area, Accra
P. O. Box, CT 8818, Cantonments - Accra.
Tel: +233 302 734744
Email: equityfund@omegacapital.com.gh

