Enhanced Equity Beta Fund

Annual Report | 2023

Enhanced Equity Beta Fund

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Corporate Information

BOARD OF DIRECTORS	Kofi Adusei Koduah-Sarpong Bright Asare Bediako Hannah Bertilla Acquah Joseph Ankah Kobina Nketsia Yankey Salihu Ibrahim Salihu
REGISTERED OFFICE	4th Floor, The Rhombus, Plot 24 Tumu Avenue Kanda Estate PMB 59 Osu – Accra Tel: 030-222 7712/ 030-222 7698 Email: assetmanagement@blackstargroup.ai
FUND MANAGER	Black Star Advisors 4th Floor, The Rhombus Plot 24 Tumu Avenue Kanda Estate, Accra Email: assetmanagement@blackstargroup.ai
CUSTODIAN	Fidelity Bank Ghana Limited Ridge Tower, Ridge, Accra PMB 43, Cantonments, Accra, Ghana Email: fbglcustody@myfidelitybank.net
AUDITOR	John Kay and Co 7th Floor, Trust Towers Farrar Avenue P. O. Box KIA 16088 Airport - Accra Email: info@johnkay.net
SOLICITOR	Lawfields Consulting. #799/3, 5th Crescent Asylum Down, Accra (off Ring Road) PMB CT 244, Accra, Ghana Email: kanaba@lawfieldsconsulting.com

Notice Of Annual General Meeting (AGM)

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of the Shareholders of the Enhanced Equity Beta Fund PLC will be held virtually on Friday 19th July, 2024, at 11:30 a.m. to transact the following business:

Ordinary Business

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended 31st December, 2023.
2. To re-elect Directors retiring by rotation
3. To authorize the Directors to fix the remuneration of the Auditors for the year ending 31st December, 2024.
4. To approve the Board of Directors' Fees.

Special Business

5. To Amend the scheme particular of EEBF to remove exit loads.

Dated this 26th June, 2024
BY ORDER OF THE BOARD

Lawfields Consulting
Company Secretary

Notes

1. Members may join the meeting and participate by virtual means via Microsoft Teams. All members will be sent a registration link (via SMS) in order to permit those who wish to participate virtually to do so.

2. A member is entitled to attend and vote or may appoint a proxy to attend or participate virtually through the Microsoft Teams link. Such proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via email to **admin@lawfieldsconsulting.com** or deposited at the 4th Floor, Rhombus building not less than 48 hours before the meeting.

3. A copy of the Proxy Form can be downloaded from **https://www.blackstargroup.ai** and may be filled and sent via email to **admin@lawfieldsconsulting.com** not less than forty-eight (48) hours before the commencement of the meeting.

4. The appointment of the proxy will not prevent a member from subsequently attending and voting at the meeting or participating via online participation. Where a member attends the meeting in person or participates online, the proxy's appointment shall be deemed to be revoked.

5. Electronic versions of the Company's Annual Reports consisting of the Financial Statement and Auditor's Reports for the year ended 31st December 2023 may be accessed at the Company's website at **https://www.blackstargroup.ai**

6. Members are also encouraged to send in any questions in advance of the AGM by mailing them to **clientservices@blackstargroup.ai** . Answers to the questions will be provided at the AGM.

Access and Registration for Virtual AGM:

1. To enable members to register for the AGM, the Company shall send to all members a registration link via email and/or by text message. Members are required to provide relevant information to complete the registration process.

2. Members will receive a confirmation email and/or text message containing information about joining the virtual meeting.

Chairman's Statement

Dear Shareholders,

In 2023, the global economy surpassed expectations by maintaining growth despite recession fears. However, inflation remained a persistent challenge, prompting central banks like the Bank of England, the European Central Bank, and the US Federal Reserve to raise interest rates.

The US job market remained strong, with unemployment near record lows, especially in service industries. However, wage growth lagged behind inflation. The stock market's performance varied, with growth stocks outperforming value stocks by 29.57% in 2023.

Recession fears characterised 2023 from the onset. However, sentiment improved as inflation showed signs of peaking, and central banks hinted at slowing rate hikes. Despite this, the potential for a recession lingered, with many experts predicting a downturn in late 2023 or early 2024, impacting investment decisions.

A bright spot emerged in the form of Artificial Intelligence (AI). Rapid advancements and increased adoption of AI across industries brought optimism to equity markets. Investors viewed AI as a potential driver of future economic growth and productivity gains. While its long-term impact remains uncertain, AI's early influence helped counterbalance economic concerns in 2023.

In summary, 2023 was a mixed year. Economic growth was surprising, but inflation and rising interest rates caused concern. The outlook for 2024 remains uncertain, with a potential recession on the horizon. However, the emergence of AI as a potential economic game-changer offers hope for future investment opportunities.

In Ghana, the economy navigated a complex landscape in 2023 marked by challenges and opportunities. Persistent inflation eroded purchasing power, and economic growth fell short of previous years. The nation also underwent its first-ever domestic debt restructuring.

Inflation was a significant challenge, squeezing household budgets and impacting real returns. The Bank of Ghana's monetary tightening measures reduced inflation from a 25-year high of 54.1% to 23.2%. While impressive, continued efforts are needed to anchor inflation firmly. Despite these challenges, the economy showed resilience, ending the year with a 2.9% growth rate, exceeding the IMF's estimated target of 2.3%.

While necessary for addressing fiscal challenges, the domestic debt restructuring has negatively impacted financial markets. Liquidity was scarce, and investor confidence was weak. The fixed-income market, which had seen strong growth, experienced a 57% decline in trading volumes. With limited options, many investors turned to treasury bills.

Seeking diversification, investors also turned to the equities market. The Ghana GSE Composite Index recorded a 36% return (GHS), making Ghana equities the fourth best-performing asset class tracked by Black Star.

Despite immediate challenges, the long-term benefits of a sustainable debt profile and a stable fiscal environment could pave the way for future economic growth. In 2024, while the US economy may face a slowdown, the technology sector is expected to remain resilient. Companies with innovative solutions and strong fundamentals are well-positioned to capture market share and drive growth.

We are cautiously optimistic for the Ghanaian economy. Successful conclusion of restructuring negotiations, implementation of the debt restructuring programme and continued efforts to control inflation could create a more favourable investment climate. We remain committed to actively monitoring economic developments and managing your investments to achieve your long-term financial goals.

On behalf of the Board of Directors, I sincerely thank you for your unwavering trust and confidence in our fund.

Chairman's Statement

We remain dedicated to delivering exceptional performance and upholding the highest standards of integrity and transparency in our investment practices.

	6-Month	12-Months
Ghana Equities (GHETR)	20.4%	55.9%
Financial Equities (FSI)	7.2%	23.3%
Non- Financial Equities (NFSI)	28.3%	67.4%
S&P 500 (USD)	8.04%	26.29%
NASDAQ 100 (USD)	10.85%	53.81%
Government Bonds (DBI)	15.78%	18.43%
Treasury Bills (TI)	13.16%	31.67%
USD/GHS	4.91%	15.57%
Inflation	8.70%	23.20%

GHETR-Ghana Equity Total Return Index; FSI- Financial Stock Index; NFSI- Non-Financial Stock Index; DBI- Domestic Bond Index; TI- Treasury Index

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Fund Summary

Investment Objective

The Enhanced Equity Beta Fund (EEBF) invests in global equities with a bias towards technology. EEBF recognizes the world's transition into the 4th industrial revolution and pays attention to sectors and companies that will play key roles in the future.

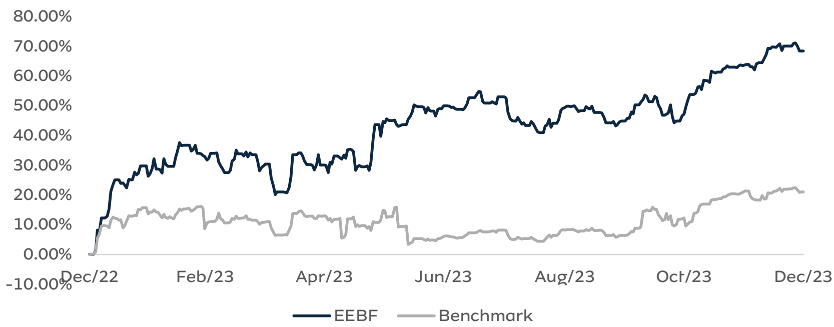
Fund Manager's Commentary

How did the Fund Perform?

For the 12 months ended December 31, 2023, the Enhanced Equity Beta Fund generated a net return of 68.50% to its shareholders, outperforming its benchmark by 47.49%. Assets under management also increased from GHS 2.05 million to GHS 18.43 million, representing an 8.99x growth.

Cumulative Performance: Inception October 2021, Through December 31, 2023

Initial Investment of GH¢ 10,000= GH¢ 21,000.00



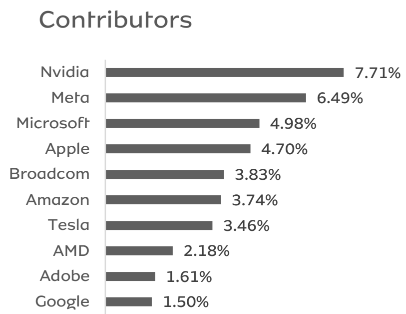
	One Year	Two Year	Three Year
Enhanced Equity Beta Fund	68.50%	91.89%	110.00%
Benchmark	21.01%	8.92%	31.94%

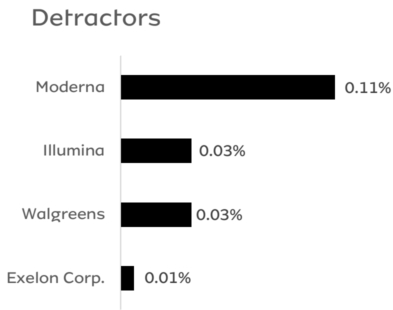
The benchmark for the fund is a custom benchmark comprising 60% of the S&P 500 Total Return and 40% of the of the Domestic Bond Index which tracks all issued Government of Ghana bonds with more than one year to maturity.

What factors influenced performance?

The technology sector saw a significant increase in performance, with the "magnificent seven" stocks (Apple, Amazon, Google, Microsoft, Meta, Tesla & Nvidia) collectively surging over 111%. This was possible mainly due to the artificial intelligence boom, particularly the use of generative AI technology which fuelled gains in technology stocks. Cooling inflation in the United States also contributed to the performance of US equities overall.

Fund Summary





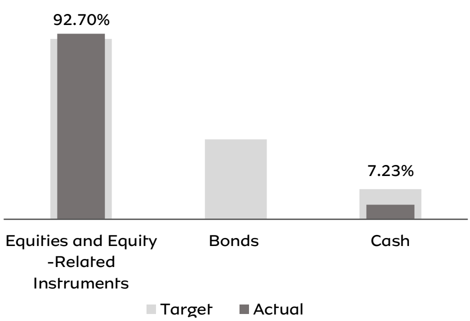
Portfolio Positioning at Period End

The Fund maintained a 92.70% allocation to equities, positioning the portfolio to potentially benefit from the forecasted positive economic growth in the United States. The technology sector remains the largest weighting within the equity allocation.

Sector exposures

	As Of 31 December 2023
Information Technology	45.99%
Communication Services	13.96%
Consumer Discretionary	13.33%
Consumer Staples	6.34%
Health Care	6.18%
Industrials	4.58%
Utilities	1.11%
Financials	0.49%
Energy	0.46%
Real Estate	0.26%

Asset Allocation



Top ten (10) exposures

Apple	8.55%
Microsoft	7.98%
Amazon	4.48%
Broadcom	3.84%
Meta	3.57%
Nvidia	3.49%
Tesla	3.41%
Google	4.66%
Costco	2.15%
Adobe	2.00%

Looking ahead, the manager will maintain a bias toward US equity, favoring tech exposure (90%). This strategic allocation aims to capture growth opportunities within the tech sector, supported by rigorous analysis and selection of high-quality stocks, while balancing risk through diversification across various industries. We continue to monitor and explore emerging trends in the global market that will shape the future of investment including but not limited to robotics, IOTs, cybersecurity, blockchain, cloud computing and biotechnology.

Report Of Directors

In accordance with section 136 of the Companies Act, 2019 (Act 992), the directors have the pleasure of presenting their report and the financial statements of the company for the period ended 31 December 2023.

Directors' Responsibility Statement

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2023, the statement of profit or loss for the period ended, the statement of changes in equity for the period ended, statement of movement in net assets for the period ended, statement of cash flows for the period ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

The directors' responsibilities include designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

Financial Statement And Dividend

The results for the period ended are set out in the financial statements from pages 8-13. The Fund does not distribute dividends. All income earned are reinvested. The mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effect of compounding.

Total investment as at 31 December is made up as follows:

	2023 GH¢	2022 GH¢
Equities	16,517,385	2,132,013
Government Bonds	-	56,435
Cash	1,284,024	261,402
Total Investments	**33,618,009**	**26,865,794**

Below are the asset allocation percentages as at the end of the year

	2023 (%)	2022 (%)
Equities	93%	87%
Government Bonds	-	2%
Cash	7%	11%
Total Investments	**100**	**100**

Report Of Directors

Nature Of Business

Enhanced Equity Beta Fund Plc is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

Enhanced Equity Beta Fund Plc ("The Fund") is an open-ended balanced mutual fund established under Ghana's laws with an unlimited duration. The Fund will invest in varying volumes of listed equities and equity-related instruments and bonds across global markets. The investment objective of the Fund is to provide steady long-term capital appreciation through investments in a globally diversified portfolio of listed equities and equity-related instruments and bonds. In addition, a small portion of the Fund shall be invested in short-dated fixed-income securities for liquidity management purposes. The Fund will invest across global markets to achieve optimal diversification with minimal volatility.

Interest Register

During the period under review, no director had any interest in contracts and proposed contracts with the company, hence there were no entries recorded in the Interests Register as required by sections 194 (6), 195 (1)(a) and 196 of the Companies Act 2019, (Act 992).

Auditor's Remuneration

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs John Kay & Co. agreed with the directors to charge a fee exclusive of VAT, Covid Levy, NHIL and GET Fund amounting to GH 20,000.

Corporate Social Responsibility

The company did not contribute to corporate social responsibility during the year under review.

Building The Capacity Of Directors

The directors participated in corporate governance training organised by the Securities and Exchange Commission to develop their capacity to effectively maintain corporate governance as required by the Securities Industries Laws, Regulations, Guidelines, and Directives.

Approval Of Financial Statements

The financial statements of the company as indicated above were approved by the board of directors on ....15/04/24.......... and are signed on its behalf by:

………………………………	………………………
Kofi Adusei Koduah-Sarpong	Bright Asare Bediako
Chairman	Director

Independent Auditor’s Report

Opinion

We have audited the accompanying financial statements of Enhanced Equity Beta Fund Plc, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss for the period ended, the statement of changes in equity for the period ended, statement of movement in net assets for the period ended, statement of cash flows for the period ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 14-28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Enhanced Equity Beta Fund Plc as at 31 December 2023, the Fund’s financial performance and its movement in net assets for the period ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 16 of the financial statements, which describes unrealized valuation gains on the fund’s investments in Exchange Traded Funds/Equities. Our opinion is not modified in respect of this matter.

Key Audit Matters

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We have determined that, there are no matters to report under key audit matters.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process. In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor’s Report

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Mutual Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Fund as far as it appears from our examination of those books.

The engagement partner on the audit resulting in this Independent Auditor's Report is **Gilbert Adjetey Lomofio (P/No-ICAG/P/1417)**

John Kay & Co
……………………………………
For and on behalf of John Kay & Co. (ICAG/F/2024/128)
Chartered Accountants
Accra

John Kay & Co.
15 APR 2024
P.O. Box 16088 KIA, Accra

………15/04………2024

Statement Of Financial Assets

As At
31 December 2023

	Shares	Price Per Shares USD	Market Value GH¢	Percentage of Net Assets %
Equities				
Developed Market Equities	3387	410	16,517,385	93
Debt Securities				
Government Bonds	-	-	-	-
Cash and cash equivalent				
Cash	-	-	1,284,024	7
	3387	**410**	**17,801,409**	**100**

Statement Of Financial Position

As At
31 December 2023

Assets	Note(s)	2023 GH¢	2022 GH¢
Financial assets at FVTOCI	8	16,517,385	2,188,448
Other receivables	9	654,171	3,271
Cash and cash equivalent	10	1,284,024	261,402
Total Assets		**18,455,580**	**2,453,121**

Represented By:			
Members' fund	11	18,382,547	2,402,336
Liabilities			
Account payable	12	73,033	50,785
Total Members' Fund and Liabilities		**18,455,580**	**2,453,121**

....
Kofi Adusei Koduah-Sarpong
Chairman

....
Bright Asare Bediako
Director

Statement Of Profit Or Loss And Other Comprehensive Income

For the Year Ended
31 December 2023

Income	Note(s)	2023 GH¢	2022 GH¢
Investment Income	13	20,832	4,577
Dividend Income		19,039	3,187
Other Income	14	178,711	2,480
Total Income		**218,582**	**10,244**

Expenses			
Management Fees		179,463	29,175
Custody Fees		12,921	2,101
Audit Fees		20,000	8,000
Directors' Fees		7,222	
Other Expenses	15	53,017	19,965
Total operating expenses		**272,623**	**59,241**
Operating profit		**(54,041)**	**(48,997)**

Other Comprehensive Income			
Unrealised gain / (loss)	16	2,794,108	(283,757)
Total Other Comprehensive Income		**2,794,108**	**(283,757)**
Total Comprehensive Income		**2,740,067**	**(332,754)**

The notes on pages 20-33 form an integral part of these financial statements.

Statement Of Changes In Equity

For the Year Ended
31 December 2023

2023	Capital Transactions GH¢	Investment Income GH¢	Valuation Reserve GH¢	Total GH¢
At 1 January	2,728,731	(55,439)	(270,956)	2,402,336
Net Income from operations	-	(54,041)	-	(54,041)
Share Issue	14,462,811	-	-	14,462,811
Share Redemption	(1,222,667)	-	-	(1,222,667)
Changes in fair value	-	-	2,794,108	2,794,108
At 31 December	**15,968,875**	**(109,480)**	**2,523,152**	**18,382,547**

2022	Capital Transactions GH¢	Investment Income GH¢	Valuation Reserve GH¢	Total GH¢
At 1 January	174,700	(6,442)	12,801	181,059
Net Income from operations	-	(48,997)	-	(48,997)
Share Issue	2,637,672	-	-	2,637,672
Share Redemption	(83,641)	-	-	(83,641)
Changes in fair value	-	-	(283,757)	(283,757)
At 31 December	**2,728,731**	**(55,439)**	**(270,956)**	**2,402,336**

The notes on pages 20-33 form an integral part of these financial statements.

Statement Of Movements In Net Assets

For the Year Ended
31 December 2023

Changes in net assets from operations	2023 GH¢	2022 GH¢
Net Investment Income	(54,041)	(48,997)
Changes in fair value	2,794,108	(261,070)
Exchange gain/loss on currency	-	(22,687)
Net change in net assets from operations	**2,740,067**	**(332,754)**

Change in net assets from capital transactions		
Proceeds from Issue of Shares	14,462,811	2,637,672
Share Redemption	(1,222,667)	(83,641)
Net change in net assets from capital transactions	**13,240,144**	**2,554,031**
Net additions to net assets	**15,980,211**	**2,221,277**

Analysis of changes in cash and cash Equivalents for the period		
At 1 January	2,402,336	181,059
At 31 December	15,980,211	2,221,277
At 31 December	**18,382,547**	**2,402,336**

The notes on pages 20-33 form an integral part of these financial statements.

Statement Of Cash Flows

For the Year Ended
31 December 2023

Cash flow from Operating Activities	2023 GH¢	2022 GH¢
Income for the year	(54,041)	(48,997)
Adjustment for:		
Investment Income (Non-Cash)	-	(353)
Changes in Fair Value	(2,794,057)	260,417
Other comprehensive income	2,794,108	(283,757)
	(53,990)	**(72,690)**
Change in:		
Account Receivables	(650,900)	140,555
Account Payables	22,248	43,900
Net cash flow from operating activities	**(682,642)**	**111,765**
Cash Flow from Investing Activities		
(Purchases) / Sales from financial Asset	(11,534,880)	(2,410,697)
Cash flows from investing activities	**(11,534,880)**	**(2,410,697)**
Cash Flow from Financing Activities		
Issue of units	14,462,811	2,637,672
Amount paid on redemption of units	(1,222,667)	(83,641)
Net cash flows from financing activities	**13,240,144**	**2,554,031**
Net increase (decrease) in cash and cash equivalents	**1,022,622**	**255,099**
Analysis of changes in cash and cash Equivalents for the period		
At 1 January	261,402	6,303
Net additions to net assets	1,022,622	255,099
At 31 December	**1,284,024**	**261,402**

Notes to Financial Statements

1. Reporting Entity

Enhanced Equity Beta Fund Plc is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

Enhanced Equity Beta Fund Plc ("The Fund") is an open-ended balanced mutual fund established under Ghana's laws with an unlimited duration. The Fund will invest in varying volumes of listed equities and equity-related instruments and bonds across global markets. The investment objective of the Scheme is to provide steady long-term capital appreciation through investments in a globally diversified portfolio of listed equities and equity-related instruments and bonds. In addition, a small portion of the Fund shall be invested in short-dated fixed-income securities for liquidity management purposes. The Fund will invest across global markets to achieve optimal diversification with minimal volatility.

2. Basis of Accounting

a. Basis of preparation

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

b. Functional and presentation currency

These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.

c. Use of estimates and judgement

In preparing these financial statements, the Fund's management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. Significant Accounting Policies

The following principal accounting policies have been consistently applied during the period in the preparation of the Mutual Fund's financial statements.

a. Investments income recognition

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable and interest paid or payable are recognised in the profit or loss as interest income or interest expense, respectively.

Notes to Financial Statements

b. **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market-place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Notes to Financial Statements

Financial assets (cont'd)

(a) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item.

(b) Debt instruments classified as at FVTOCI

Corporate bonds held by the Company are classified as at FVTOCI. Fair value is determined in the manner described in note 3(d)iii. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to Financial Statements

Financial assets (cont'd)

(c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

(d) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3(d)iii

Notes to Financial Statements

Financial assets (cont'd)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment's revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to Financial Statements

Financial assets (cont'd)

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1.The financial instrument has a low risk of default,

2.The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

3.Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Notes to Financial Statements

Financial assets (cont'd)
The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guaranteed contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In
assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1.significant financial difficulty of the issuer or the borrower;

2.a breach of contract, such as a default or past due event;

3.the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

4.it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

5.the disappearance of an active market for that financial asset because of financial difficulties.

Notes to Financial Statements

Financial assets (cont'd)

iv. Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward--looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.
If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Notes to Financial Statements

Financial assets (cont'd)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

(e) Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

(f) Transfer values

Transfer values represent the capital sums paid to and from the fund based on when the member liability is accepted or discharged.

(g) Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the Fund in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions

(h) Fees and commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

4. New And Amended Standards Effective For The Current Period

During the year under review, there were a number of new standards, amendments to standards and interpretations issued that were effective for the current reporting period, but do not have any impact on the funds reporting and therefor are not disclosed in these financial statements.

Notes to Financial Statements

5. New And Revised Standards In Issue Not Yet Effective

There were a number of new standards, amendments to standards and interpretations issued but were not effective, for the current reporting period, the fund does not opt for early adoption of those standards and hence are not disclosed in these financial statements.

6. Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

7. Key Contractors

a. Fund Managers

The Directors of the Fund appointed Black Star Advisors, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Fund's investment management policy manual. Under that investment management agreement, Black Star Advisors receives a management fee of 2.50% per annum of the Fund's average daily Net Assets Value attributable to members of the Fund. The management fees incurred during the period amounted to GH¢ 179,464. Included in the payables as at 31 December 2023 were fund management fees payable of GH¢ 36,444.

b. Fund Custodians

The Directors of the Fund appointed Fidelity Bank Ghana Limited, Custody Services a Limited Liability Company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.18% of the net asset value attributable to members of the Fund, a Eurobond Transaction Fee of USD 50 and Other Securities Transaction Fee of GH¢ 15,680. The Custodian fees charged during the period amounted to GH¢ 12,921. Included in the payables as at 31 December 2023 for custodian fees payables of GH¢ 4,987.

Notes to Financial Statements

8. Financial Assets at FVTOCI

Analysis of changes in fair value of financial instrument

2023	Balance 1/1/23 GH¢	Purchases/ Sales at cost GH¢	Accrued Interest GH¢	Interest Received GH¢	Changes in Fair Value GH¢	Value 31/12/23 GH¢
GOG Bonds	56,435	(56,435)	-	-	-	-
Equities	2,132,013	11,591,315	-	-	2,794,057	16,517,385
	2,188,448	**11,534,880**	**-**	**-**	**2,794,057**	**16,517,385**

2022	Balance 1/1/22 GH¢	Purchases/ Sales at cost GH¢	Accrued Interest GH¢	Interest Received GH¢	Changes in Fair Value GH¢	Value 31/12/23 GH¢
GOG Bonds	37,815	(225)	6,087	(5,734)	18,492	56,435
Equities	-	2,410,922	-	-	(278,909)	2,132,013
	37,815	**2,410,697**	6,087	**(5,734)**	**(260,417)**	**2,188,448**

9. Other Receivables	2023 GH¢	2022 GH¢
Coupons receivable	6,585	3,271
Maturity receivable	67,588	-
Cash in transit (Cedi to USD)	579,998	-
	654,171	**3,271**

10. Cash And Cash Equivalents		
Cash and bank balances	1,284,024	261,402
	1,284,024	**261,402**

11. Members' Fund		
Opening Balance	2,402,336	181,059
Net Investment Income	(54,041)	(48,997)
Movement on shares	13,240,144	2,554,031
Investment reserve	2,794,108	(283,757)
	18,382,547	**2,402,336**

Notes to Financial Statements

12. Account Payable	2023 GH¢	2022 GH¢
Custody Fees	4,987	997
Management Fee	36,444	30,036
Audit Fees	20,000	8,000
Audit Fees (VAT)	4,380	1,752
Director's fee payable	7,222	-
Other payable	-	10,000
	73,033	**50,785**

13. Interest Income		
Government Bonds and Notes	2,793	3,638
Call Interest	18,039	939
	20,832	**4,577**

14. Other Income		
Exit load income	26,959	2,480
Reclassification Adjustments	151,752	-
	178,711	**2,480**

15. Other Expenses		
Registration and Licence	22,760	1,000
AGM cost	8,357	6,721
Transaction cost	15,681	10,492
VAT on audit fees	4,380	1,752
Advertisement	355	-
Bank charges	1,484	-
	53,017	**19,965**

16. Unrealised Gain Or Loss		
Unrealised gains /loss on investments	2,794,057	(261,070)
Unrealised gains/loss on currency	51	(22,687)
	2,794,108	**(283,757)**

Notes to Financial Statements

17. Taxation
Income of an approved unit trust scheme or mutual fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended

18. Financial Risk Management
a) Asset/Portfolio/Credit risk
Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund.

The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the Fund's investment policy statement.

b) Liquidity risk
Liquidity risk is the risk that the Fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Fund's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial asset

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)
Government Bonds	-	-	-	-
Financial Liabilities				
Government Bonds	-	73,033	-	83,516
Expenses Payable	-	-	-	-

c) Fair value of financial assets and liabilities
Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the Directors expect would be available to the Company at the balance sheet date. The fair values of the Company's financial assets and liabilities approximate the respective carrying amounts. The fair value hierarchy is as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data The fair values of the Company's investments at FVTPL

d) Market risk
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

Notes to Financial Statements

e) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Scheme's policy over equity price risk is to minimise its exposure to equities and only deal with equities that meets the standards set out in the SEC guidelines and the Scheme's investment policy statement. Keen attention is paid to the equity market to realize capital gains on equity securities.

f) Interest Rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology, and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of Fund behaviour. Operational risks arise from all of the Fund's operations and are faced by all mutual Funds.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Fund's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of the following policies and standards;

- governing rules;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Directors.

19. Events After Reporting Period

There were no events after the reporting period.

20. Approval of the Financial Statements

The financial statements were approved by the directors of the fund and authorized for issue on…………15/04/24…………………..2024

Proxy Form

I/We……………………………………………………….of…………………………………………………..being a member(s) of The Enhanced Equity Beta Fund (the "Company") hereby appoint……………………………….…of……………………………………as my/our proxy to attend on my/our behalf, the 3rd Annual General Meeting of the Shareholders of Enhanced Equity Beta Fund will be held virtually on Wednesday 19th July 2024 at 11:30 a.m. for the following purposes and to vote on my/our behalf on matters as directed below:

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

Resolution	For	Against	Abstain
1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended 31st December, 2023;			
2. To re-elect Directors retiring by rotation;			
3. To authorize the Directors to fix the remuneration of the Auditors for the year ending 31st December, 2024;			
4. To approve the Board of Directors' fees.			
5. To Amend the scheme particular of EEBF to remove exit loads.			

Shareholder's Signature: ……………..............………….. Date …………..……………...…2024

Notes

1. A proxy need not be a Shareholder of the Fund.

2. Unless otherwise instructed, the proxy will vote as he sees fit.

3. To be valid, this form must be signed and sent via email to assetmanagement@blackstargroup.ai or deposited at 4th Floor, Rhombus building not less than forty-eight (48) hours before the commencement of the meeting.

4. In the case of joint holders, the signature of only one of the joint holders is required.

5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.

6. The completion of and return of a proxy form does not prevent a shareholder from attending the meeting and voting thereat.

Enhanced
Equity
Beta
Fund

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