



STANLIB Cash Trust

Annual Report 2018



STANLIB

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STANLIB

The Manager

Name:	STANLIB Ghana Limited
Country of Incorporation:	Ghana
Registration Number:	CS68127015
Nature of Corporate Form:	Limited liability, wholly-owned Subsidiary of Liberty Holdings Ltd (South Africa)
Registered Office:	Stanbic Heights, 215 South Liberation Link, Airport City, Accra
Principal Place of Business:	Stanbic Heights, 215 South Liberation Link, Airport City, Accra
Date of Incorporation:	12 APRIL 2007
Capitalisation (as at 31 December 2015)	
Authorised:	500,000,000 Shares
Issued:	2,167,843 Shares
Auditor:	Pricewaterhouse Coopers Chartered Accountants No. 12 Airport City UNA Home 3rd Floor, P.M.B CT42 Cantonments Accra



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STANLIB Cash Trust Trustees and Officials, Etc.

TRUSTEES:	Universal Merchant Bank (Ghana) Limited SSNIT Emporium, Liberation Road, Airport City, Accra Post Office Box GP 401, Accra
LEGAL ADVISORS:	Doreen Iliasu Stanbic Bank Ghana Limited Stanbic Heights 215 South Liberation Link Airport City, Accra
INDEPENDENT AUDITORS:	KWGH (Chartered Accountants) 2nd Floor, The Glorious Majesty House Okpoi Gonno, Spintex –Road P. O. Box SK1016 Tema –Ghana
MANAGER:	STANLIB Ghana Ltd Stanbic Heights 215 South Liberation Link Airport City, Accra
BANKERS:	Stanbic Bank Ghana Limited Stanbic Heights 215 South Liberation Link Airport City, Accra

Report of the Manager to the Unitholders of STANLIB Cash Trust

The Manager and the Trustees present the audited financial statements and report on the performance of the STANLIB CASH TRUST for the year ended 31 December 2018.

Nature of Fund

The STANLIB CASH TRUST is an authorised unit trust as defined in the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The Fund offers and redeems units to subscribers and from unit holders respectively on an ongoing basis. Units are sold and redeemed at a price computed in accordance with the terms of the scheme particulars.

Investment Policy and Objectives

The STANLIB Cash Trust is an open-ended unit trust fund. The primary objective of the Fund is to maximise short term income while preserving capital through investing in a portfolio of money market securities including treasury bills, fixed deposits and certificate of deposits and debt securities with maturity not exceeding 13 months.

The Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements, comprising the statement of assets and liabilities at 31 December 2018, income and distribution accounts and statement of movement in net assets for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes

in accordance with the International Financial Reporting Standards and in the manner required by the Securities Industry Act, 2016 (Act 929), the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and the Companies Act, 1963 (Act 179).

These 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 Manager is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust, and ensure that the financial statements comply with the Trust Deed and Securities Industry Act, 2016 (Act 929). The Manager is responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager and the Trustees have made an assessment of the Fund's ability to continue as a going concern and have no reason to believe the Fund will not operate into the foreseeable future. The results for the year are as set out in the financial statements. The Manager and the Trustees consider the state of affairs of the Fund to be satisfactory.

The statement should be read in conjunction with the statement of the auditor's responsibilities as set out on page 13 and 14, the respective responsibilities of the Manager and the auditor in relation to the financial statements.

Report of the Manager to the Unitholders of STANLIB Cash Trust (Cont'd)

PERFORMANCE SUMMARY AS AT 31 DECEMBER, 2018

Historical Performance

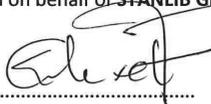
Year/Period	2014	2015	2016	2017	2018	CAGR	Since Inception
Return	22.8%	25.8%	24.5%	19.2%	16.1%	21.7%	17.5%
Bench mark	18.6%	21.9%	24.0%	22.2%	13.6%	19.7%	15.6%

Share Price Information

Description	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
Unit price(GHS)	1.52	1.92	2.38	2.84	3.29
No. of Units	3,466,767	5,536,635	11,829,161	57,785,978	78,758,571
Value (GHS)	5,263,243	10,603,062	28,182,437	163,890,735	259,435,752

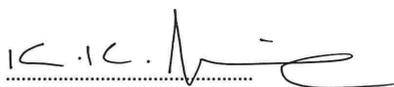
Description	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
Net Assets	5,263,243	10,603,062	28,182,437	163,890,735	259,435,752
No. of Units	3,466,767	5,536,635	11,829,161	57,785,978	78,758,571
Unit price (GHS)	1.52	1.92	2.38	2.84	3.29

Signed on behalf of STANLIB Ghana Limited by:



Director

APRIL 30TH, 2019



Director

30 APRIL, 2019

Report of the Fund Manager to the Unitholders of STANLIB Cash Trust

Introduction

You are welcome to the 2018 Annual General Meeting of the STANLIB Cash Trust (SCT or Fund). The STANLIB Cash Trust returned 16.1%, 250 basis points above the benchmark of 13.6% amidst the tight monetary regime.

Economic outturn

The Ghanaian economy experienced a strong first half in 2018, with Gross Domestic Product (GDP) growth of 5.4%. This was driven by robust growth of 11.1% in the industrial sector, 4.8% in agriculture and a marginal uptick of 0.5% in the services sector. A strong trade position (2.0% trade surplus, 4.2 months import cover) and generally positive investor sentiments saw the Cedi depreciate marginally by 2.4% as at June 2018.

The currency, however, could not hold its own against the major trading currencies in the second half of the year depreciating by 8.4% for the full year 2018. A key factor to the decline of the Cedi was market sentiments with regards to the news of MTN Ghana (MTN) repatriating proceeds from its Initial Public Offer (IPO) to its parent company. Externally, increased FED rates in 2018 saw investors unwind investment positions in emerging and frontier markets, adversely impacting the currency.

Inflation generally remained within the Bank of Ghana (BoG) target of 8-10% in 2018 underpinning the BoG's decision to revise the monetary policy rate downwards. Inflation rate dropped to its lowest since 2013 to 9.3% in November 2018 spurred by the dip in food and non-food inflation. However, year-end inflation inched up marginally to 9.4%, still lower than 12.4% in 2017.

The BoG in 2018 revealed that the banking industry was weak and that it posed a major risk to the financial services sector and the economy. Some of the key concerns were weak corporate governance, inadequate capital, and high non-performing loans. An initiative to clean up the sector resulted in the creation of Consolidated Bank Ghana Limited and a review of the minimum capital requirement to GHS400m. These interventions

by BoG led to a continued flight to safety of assets with increased holdings in Government of Ghana Securities.

The equities market rallied in the first four (4) months of 2018 recording returns of 35.2% as at end of April 2018. Subsequent events such as the MTN IPO offering and increasing short term rates in the United States contributed to a slowdown in stock market momentum. Local and international investors unwound their positions in fundamentally weaker stocks to participate in these events. Furthermore, weakening macroeconomic fundamentals and uncertainty around the outcomes of the banking sector clean-up saw the market plunge to -0.29% at the end of 2018, a chunk of this decline occurring in the last half of 2018.

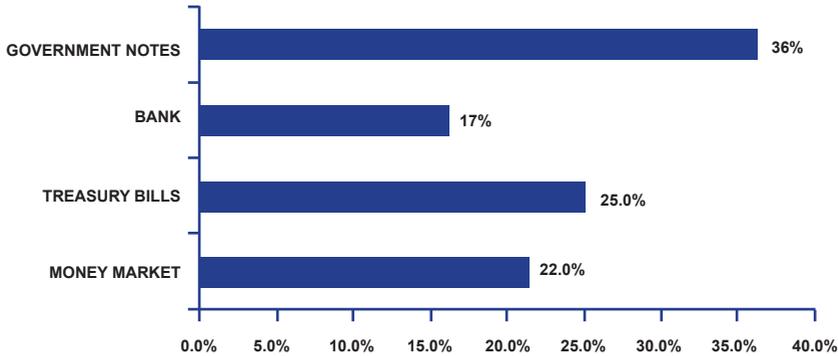
One of the objectives of the governments' debt management strategy was to realign the yield curve and increase the maturity profile. This was expected to reduce short term interest rates and consequently induce private sector growth through lower credit costs. Unfortunately, short term interest rates, averaging 13.3% as at the end of the first half of 2018, came under pressure in the latter part of 2018 and rather increased, averaging 14%. Revenue shortfalls of about Ghs 2.0 billion, a budget deficit hitting 3% of GDP as at September 2018 and the weakening cedi were some factors leading to the rise in short-term interest rates. Interest rates averaged 13.5% in 2018, lower than 14.1% in 2017.

Investments and Performance Portfolio Asset Mix

Assets under management (AUM) as at the end of 2018 were GHS259m up from GHS166m in 2017. This represented year-on-year growth in assets of 57% with earnings contributing 34% to the growth. SCT had 22% of assets in money market instruments with about 61% in Government securities as at the end of 2018. The allocation held in cash and near-cash for liquidity purposes made up 17% of AUM.

Report of the Fund Manager to the Unitholders of STANLIB Cash Trust (Cont'd)

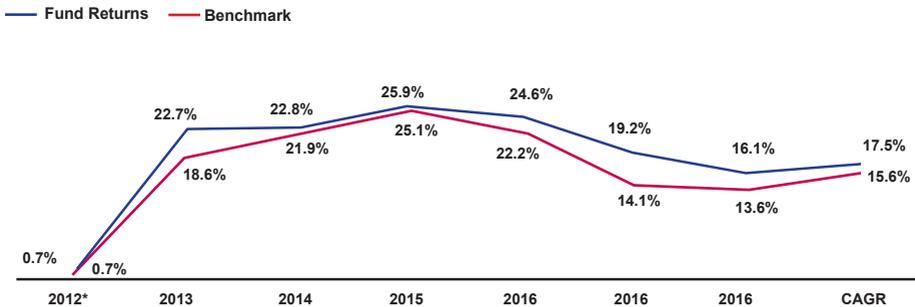
Chart 1: Fund Asset Allocation as at December 31, 2018



Returns

The full year returns for 2018 was 16.1%, 250 basis points above the benchmark return of 13.6%. The tactical investment positions taken in 2017 in 6-month and 1-year papers accounted for the outperformance of the benchmark even though interest rates tapered in 2018. Net investment income for the year increased by 82% to GHS31m from GHS17m in 2017.

Chart 2: Full Year Fund Performance versus the Benchmark (Average 91 Day T-Bill Rate)



*Fund started on 20th December 2012

CAGR – Cumulative Average Growth Rate which is equivalent to annualised average return over the period from 2012 to 2018

Report of the Fund Manager to the Unitholders of STANLIB Cash Trust (Cont'd)

Outlook

Strong industrial performance is expected to drive Ghana's GDP growth target of 5.6% in 2019. The 2019 budget proposes quite ambitious but attainable macroeconomic targets. The overall real GDP growth is targeted at 7.6%, higher than the 2018 expected growth. A significant amount of this growth is expected to stem from the non-oil sector. Government's ability to induce private sector growth and invest in critical infrastructural needs is key to achieving this. The introduction of the fiscal responsibility rule to cap the fiscal deficit to no more than 5.0% of GDP and the introduction of a fiscal council to monitor this are expected to maintain foreign investor confidence as Ghana concludes the IMF Extended Credit Facility (ECF) program.

The positive signals from the banking sector reforms and overall monetary policy moderation in the macro-economic environment saw an upgrade in Ghana's sovereign ratings from B- to B with a stable economic outlook. The credit agency Moody's also lauded the banking sector reforms

and stated that the move would gradually increase confidence in the sector. The Central bank is expected to fully focus on cleaning up the non-bank financial institutions in 2019. This will include the Savings & Loans, Microfinance, Finance houses and Rural banks.

Stock market performance is expected to slowly recover as confidence in the banking sector is restored. However, the performance of the local bourse will be impacted by interest rates and the performance of the greenback against the Ghanaian Cedi. Short-term interest rates are expected to range between 14% - 15% as election spending overruns beckon.

Based on these developments, our strategy in 2019 is to continuously monitor the yield curve and take advantage of short-term high yielding Government papers with 6-13 months to mature in order to extend the weighted portfolio duration but not beyond 180 days.

Thank you
Brenda Kissi
Fund Manager

Report of the Trustees to the Unitholders of STANLIB Cash Trust

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the Manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 16 November, 2011 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Signed on behalf of Universal Merchant Bank (Ghana) Limited by:

.....
Director



30 - 04 - 2019
.....
Date

Report of the Independent Auditors to the Unitholders of STANLIB Cash Trust

Opinion

We have audited the financial statements of STANLIB Cash Trust, which comprise the statement of assets and liabilities as of 31 December 2018, income and distribution account, portfolio statement and capital account for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 17 to 25.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and in the manner required by the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and the Companies Act, 1963 (Act 179).

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 Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no material key audit matters to report.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Securities Industry Act, 2016 (Act 929), the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and the Companies Act, 1963 (Act 179), 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.

In preparing the financial statements, the Manager is responsible for assessing the Trust'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 trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The Manager and the Trustees are responsible for overseeing the Trust's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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.

Report of the Independent Auditors to the Unitholders of STANLIB Cash Trust (Cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Manager.
- Conclude on the appropriateness of Manager'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Trust 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 the Manager and the Trustees 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.

Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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 account have been kept by the Trust, so far as appears from our examination of those books; and the Trust's Statement of Assets and Liabilities and Income and Distribution Account are in agreement with the books of accounts.



Patrick K. Dzakpasu
Practising Certificate Licence No: ICAG/P/1176
For and on behalf of KWGH
Firm Licence Number: ICAG/F/2019/093
Chartered Accountants
Accra, Ghana.

30th April, 2019

STANLIB Cash Trust Statement of Net Assets as of 31 December 2018

	Note	Market Value (GH¢)	% of Net Assets	Market Value (GH¢)	% of Net Assets
Short Term Funds					
Bank balance	11	2,948,750	1.14	491,815	0.30
Financial assets at FVTPL	9	173,756,799	66.97	32,523,271	19.84
Financial assets at amortised cost	10	62,022,372	23.91	124,337,903	75.87
		-----	-----	-----	-----
		238,727,921	92.02	157,352,989	96.01
		-----	-----	-----	-----
Total Investments		238,727,921	92.02	157,352,989	96.01
Other Assets in Excess of Liabilities		20,707,831	7.98	6,537,746	3.99
		-----	-----	-----	-----
Total Net Assets		259,435,752	100.00	163,890,735	100.00
		=====	=====	=====	=====

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Statement of Assets and Liabilities as of 31 December 2018

	2018 GH¢	2017 GH¢
ASSETS		
Total investments	238,727,921	157,352,989
Interest Receivable:		
Fixed deposits	6,520,054	7,376,409
Corporate bonds	240,994	15,599
GOG bonds	6,341,457	595,695
Treasury bills & notes	899,054	290,976
Investment redemption receivable	8,946,755	-
Total Receivables	22,948,314	8,278,679
Total Assets	261,676,235	165,631,668
LIABILITIES		
Accrued fund management fees	1,513,632	1,062,279
Accrued trustee fees	244,327	405,520
Accrued audit fees	31,700	28,400
Payable against redemption of units	379,389	214,170
Other payables	71,435	30,564
Total Liabilities	2,240,483	1,740,933
Net Assets	259,435,752	163,890,735

The financial statements on pages 15 to 21 were approved by **STANLIB Ghana Ltd** and signed on its behalf by:



Director



Director

30 - 04 - 2019

30 - 04 - 2019

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Income and Distribution Account for the Year Ended 31 December 2018

	Note	2018 GH¢	2017 GH¢
INCOME			
Interest Income	6	37,349,547	19,733,484
Other Income	7	88,309	37,755
Total Income		37,437,856	19,771,239
EXPENSES			
Fund Management Fees		5,209,573	2,534,499
Trustees Fees		833,532	405,520
Audit Fees		31,700	28,400
Other Expenses	8	70,962	44,969
Total Expenses		6,145,767	3,013,388
NET INVESTMENT INCOME		31,292,089	16,757,851
		=====	=====

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 GH¢	2017 GH¢
Beginning of period	24,173,594	7,415,743
Net Investment Income for the period	31,292,089	16,757,851
End of period	55,465,683	24,173,594
	=====	=====

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Statement of Movement in Net Assets for the Year Ended 31 December 2018

	2018 GH¢	2017 GH¢
Operations:		
Net investment income	31,292,089	16,757,851
	-----	-----
Net increase in net assets resulting from operations	31,292,089	16,757,851
	-----	-----
Capital Transactions:		
Proceeds from units issued	383,953,295	361,256,519
Value of units redeemed	(319,700,367)	(242,306,072)
	-----	-----
Net proceeds from capital transactions	64,252,928	118,950,447
	-----	-----
Total Increase in Net Assets	95,545,017	135,708,298
	-----	-----
Net Assets:		
Balance as of 1 January	163,890,735	28,182,437
Total Increase in Net Assets	95,545,017	135,708,298
	-----	-----
Balance as of 31 December	259,435,752	163,890,735
	=====	=====

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Statement of Cash Flow for the Year Ended 31 December 2018

	2018 GH¢	2017 GH¢
Cash flows from operating activities		
Net investment income	31,292,089	16,757,851
	-----	-----
	31,292,089	16,757,851
Changes in:		
Increase in receivables	(14,669,635)	(6,782,880)
Increase in payables	499,550	1,485,997
Increase in financial assets at fair value through profit & loss	(141,233,528)	(29,908,527)
Decrease / (Increase) in financial assets at amortised cost	62,315,531	(100,040,825)
	-----	-----
Net Cash used in operating activities	(61,795,993)	(118,488,384)
Cash flows used in financing activities		
Proceeds from sale of units	383,953,295	361,256,519
Redemption of investments	(319,700,367)	(242,306,072)
	-----	-----
Net cash from financing activities	64,252,928	118,950,447
Net increase in cash and cash equivalents	2,456,935	462,063
Balance at 1 January	491,815	29,752
	-----	-----
Balance at 31 December	2,948,750	491,815
	=====	=====
Cash and Cash Equivalents	2,948,750	491,815
	=====	=====

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Statement of Movement in Issued Units for the Year Ended 31 December 2018

	2018	2017
Number of units in issue at 1 January	57,785,978	11,829,162
Number of units issued during the year	125,401,431	135,793,966
	-----	-----
Number of units redeemed during the year	183,187,409 (104,428,838)	147,623,128 (89,837,150)
	-----	-----
Number of units in issue at 31 December	78,758,571	57,785,978
	=====	=====

STANLIB Cash Trust Capital Account for the Year Ended 31 December 2018

	2018 GH¢	2017 GH¢
Value of units in issue at 1 January	139,717,139	20,766,692
Value of units issued during the year	383,953,295	361,256,519
	-----	-----
Value of units redeemed during the year	523,670,434 (319,700,367)	382,023,211 (242,306,072)
	-----	-----
Value of units in issue at 31 December	203,970,067	139,717,139
	=====	=====

The notes on pages 22 to 32 are an integral part of the financial statements.

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

1. TRUST INFORMATION

STANLIB CASH TRUST (SCT) is authorised to operate a Unit Trust under the Securities Industry Act, 2016 (Act 929), and duly licensed by the Securities and Exchange Commission with Licence No. SEC.CIS/UT.12/13. The address and scheme particulars of STANLIB Cash Trust can be found on page 6 of the annual report.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements of STANLIB Cash Trust have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This is the first set of the Trust's annual financial statements in which IFRS 9 Financial Instruments has been applied. Changes to significant accounting policies are described in Note 3.

b. Use of estimates and judgement

The preparation of financial statements in conformity with IFRSs requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements by the Trust.

(a) Financial Instruments

i. Classification and measurement of financial assets and liabilities IFRS 9 'Financial Instruments' became effective for annual periods beginning on

or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Trust's financial assets and financial liabilities as at 1 January 2018. The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

	Original classification under IAS 39	New Classification under IFRS 9	Original carrying amount under IAS 39 GH¢	New carrying amount under IFRS 9 GH¢
Financial assets				
Cash and cash Equivalents	Loans and Receivables	Amortised cost	491,815	491,815
Fixed Deposit	Loans and Receivables	Amortised cost	124,337,903	124,337,903
Government Securities	Available for sale	Fair value through profit & loss (FVPL)	31,799,840	31,799,840
Corporate Bonds	Available for sale	Fair value through profit & loss (FVPL)	723,431	723,431
Total financial assets	Available for sale	Fair value through	157,352,989	157,352,989
Financial Liabilities				
Accrued management fees	Amortised cost	Amortised cost	1,062,279	1,062,279
Accrued trustee fees	Amortised cost	Amortised cost	405,520	405,520
Other payables	Amortised cost	Amortised cost	273,134	273,134
Total financial liabilities			1,062,279	1,740,933

ii. Recognition and initial measurement

The Trust initially recognises financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, the Trust classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not

designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI. All other financial assets of the Trust are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Trust considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; — how the performance of the portfolio is evaluated and reported to the Fund's management; — the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; — how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and — the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Trust has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flow
- Other business model: this includes debt securities and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Trust considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Trust

considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Trust's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Trust were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

The Trust classified financial assets into the following categories

Financial assets at FVTPL:

- Held for trading: derivative financial instruments.
 - Designated as at FVTPL: debt securities. Financial assets at amortised cost:
 - Loans and receivables: cash and cash equivalents
- A financial asset was classified as held-for-trading if:
- it was acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - on initial recognition, it was part of a portfolio that was managed together and for which there was evidence of a recent pattern of short-term profit taking; or
 - it was a derivative, other than a designated and effective hedging instrument.

The Trust designated all debt investments as at FVTPL on initial recognition because it managed these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities were on a fair value basis. A non-derivative financial asset with fixed or determinable payments could be classified as a loan and receivable unless it was quoted in

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

an active market or was an asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

— Held for trading; securities sold short and derivative financial instruments. Financial liabilities at amortised cost:

— This relates to all other liabilities that are not designated at fair value through profit or loss.

iii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Trust recognises loss allowances for ECLs on financial assets measured at amortised cost. The Trust measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

— financial assets that are determined to have low

credit risk at the reporting date; and
— other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Trust's historical experience and informed credit assessment and including forward-looking information.

The Trust assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Trust considers a financial asset to be in default when:

– the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Trust to actions such as realising security (if any is held); or

– the financial asset is more than 90 days past due.

The Trust considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Trust considers this to be B with a stable outlook [Standard & Poor].

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Trust is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Trust expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Trust assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Trust has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Financial assets not classified at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment. A financial asset or a group of financial assets was 'impaired' if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that could be estimated reliably.

Objective evidence that financial assets were impaired included significant financial difficulty of

the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Trust would not otherwise consider, indications that a borrower or issuer would enter bankruptcy, disappearance of an active market for a security or adverse changes in the payment status of the borrower.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continued to be recognised. If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

iv. Derecognition

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Trust neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

The Trust enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substan-

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

tially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognized.

The Trust derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, if any, are shown within borrowings in current liabilities on the Statement of Assets and Liabilities.

(c) Income Recognition

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities

(d) Distribution

STANLIB Cash Trust does not distribute earnings. All earnings are reinvested in the Fund, which impacts on the net asset value of the Fund. Investors seeking to withdraw earnings will have to sell part of their units to realize their earnings.

(e) Accounts Payable

Liabilities are recognised for amounts to be paid in the future for services rendered, whether billed by the supplier or not.

(f) Events after the Reporting Period

Events subsequent to the reporting period date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

(g) Comparatives

Where necessary the comparative information has been restated to agree to the current year presentation.

4. DETERMINATION OF FAIR VALUES

A number of the Trust's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Trust has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Trust measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Trust uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The Trust recognises trans-

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

fers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

The following sets out the Trust's basis of determining fair values of financial instruments.

(i) Cash and cash equivalents

The fair value of cash and cash equivalents approximates their carrying values.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

5. RISK MANAGEMENT OBJECTIVES AND POLICIES

5.1 Financial Risk Management

The Trust generates revenues for unit holders by investing in a portfolio of money market securities including treasury bills, fixed deposits and certificate of deposits and debt securities with maturity not exceeding 13 months. These activities expose the Trust to a variety of financial risks, including credit, liquidity risk and the effects of changes in market interest rates. The Trust's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

The Manager under direction of the STANLIB Ghana Board carries out risk management. The Board works within policies approved by the Trustee and registered with the Securities & Exchange Commission. The Manager reviews the market trends and information available to evaluate the potential exposures. They then arrive at strategies to mitigate these risks. The Board provides the Manager

with guidelines for appropriate investments. These guidelines are reviewed on a regular basis and are within the Collective Investment Scheme regulations issued by the Securities & Exchange Commission.

Unit holder balances are redeemable on demand at an amount equal to a proportionate share of the unit portfolio's net asset value. The balances are carried at the redemption amount that is payable at the balance sheet date if the holder exercised their right to redeem the balances.

5.2 Liquidity Risk

The Trust is exposed to daily cash redemptions of Units. It therefore invests in portfolio of money market securities including treasury bills, fixed deposits and certificate of deposits and debt securities with maturity not exceeding 13 months.

In accordance with the Trust's policy, the Manager monitors the Trust's liquidity position on a daily basis and has developed a comprehensive history of the Trust's daily and/or periodic liquidity requirements. Guided by this history, the Manager maintains sufficient cash and near cash investments to meet the day-to-day redemption requirements.

The table below illustrates the Trust's investments in cash and cash equivalents at 31 December 2017:

The Trust's approach to managing liquidity is to ensure, that it will always have sufficient liquidity to meet its liabilities when due.

5.3 Market risk

Interest rate risk

The Trust is subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. No limits are placed on the ratio of variable rate financial instruments

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

to fixed rate financial instruments. Fixed interest rate financial instruments expose the Trust to fair value interest rate risk. Variable interest rate financial instruments expose the Trust to cash flow interest rate risk. The Trust's fixed interest rate financial instruments are government securities, fixed deposits with financial institutions.

5.4 Credit risk

The Trust takes on exposure to credit risk, which is the risk that counterparty will be unable to pay amounts in full when due. Credit risk arises from cash equivalents and fixed deposits held in banks, interest bearing investments with Government of Ghana and corporate bonds with various entities.

The Government of Ghana has a long term rating of B (Stable) by Standard and Poor's. Government of Ghana has not defaulted on debt obligation in the past. The Trust also undertakes further financial analysis and measures to ensure that the institutions issuing the securities are of sound financial health. Fixed deposit investments are restricted to banking and non-banking financial institutions that meet set financial strength conditions.

The Trust's maximum exposure to credit risk in each of the above categories of assets as at 31 December 2018 is illustrated below:

	2018	2017
	GH¢	GH¢
Cash and Cash Equivalent		
Cash at bank	2,948,750	491,815
Short term investment	32,719,941	85,752,644
	-----	-----
	<u>35,668,691</u>	<u>86,244,459</u>
	=====	=====
	2018	2017
	GH¢	GH¢
Fees payable	2,240,483	1,740,933
	-----	-----
	<u>2,240,483</u>	<u>1,740,933</u>
	=====	=====

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

	2018 GH¢	2017 GH¢
Asset		
Financial assets at fair value through profit & loss	173,756,799	32,523,271
Financial assets at amortized cost	62,022,372	124,337,903
Cash at bank	2,948,750	491,815
Total receivable	22,948,314	8,278,679
	-----	-----
Total Financial Assets	261,676,235	165,631,668
	=====	=====

6. INTEREST INCOME

	2018 GH¢	2017 GH¢
Interest on fixed deposits	19,895,762	17,141,473
Interest on GOG bonds	10,712,330	1,089,708
Interest corporate bonds	669,251	70,483
Treasury bills & notes	6,072,204	1,431,820
	-----	-----
	37,349,547	19,733,484
	=====	=====

7. OTHER INCOME

	2018 GH¢	2017 GH¢
Interest on call deposits	88,309	37,755
	=====	=====

8. OTHER EXPENSES

	2018 GH¢	2017 GH¢
Bank charges	20,598	8,153
AGM expenses	150,364	36,816
	-----	-----
	70,962	44,969
	=====	=====

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

	2018 GH¢	2017 GH¢
GOG bonds	130,058,331	8,033,736
Corporate bonds	20,964,075	723,431
Treasury bills & notes	22,734,393	23,766,104
	-----	-----
	173,756,799	32,523,271
	=====	=====

10. FINANCIAL ASSETS AT AMORTISED COST

	2018 GH¢	2017 GH¢
Fixed Deposit	62,022,372	124,337,903
	-----	-----
	62,022,372	124,337,903
	=====	=====

11. BANK BALANCE

	2018 GH¢	2017 GH¢
Cash at bank	2,948,750	491,815
	-----	-----
	2,948,750	491,815
	=====	=====

12. RELATED PARTIES

STANLIB CASH TRUST is managed by STANLIB Ghana Limited. STANLIB Ghana Limited and Stanbic Bank Limited are related parties, that is, they belong to the same group.

(a) Purchases of units by related parties

The Securities and Exchange Commission requires the Manager of the Trust to guarantee and hold

the initial minimum subscription of 5% of the scheme. The related party investment in Units of the Trust amounted to GH¢ 40,797 (2016: GH¢ 7,454).

(b) Investments in related parties

The Trust invested GH¢ 32,100,000 in securities issued by related parties at the end of the year (2017: GH¢15,180,000)

STANLIB Cash Trust Notes forming part of the Financial Statements for the Year Ended 31 December 2018

	2018 GH¢	2017 GH¢
(c) Service fees		
Service fees to related parties were as follows:		
Management fees	5,209,573 =====	2,534,499 =====
(d) Balances due to related parties		
Fees payable to STANLIB Ghana Limited	5,209,573 =====	2,534,499 =====

13. BID PRICE OF UNITS

The bid price of units on the accounting date ended 31 December 2018 was GH¢3.29 (2017: GH¢2.84).

14. NUMBER OF UNITHOLDERS

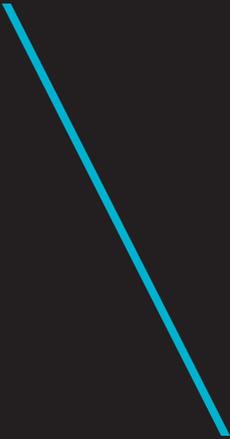
The number of unit-holders as of 31 December 2018 was 4,813 (2017: 2,758).

15. CONTINGENT LIABILITIES

There were no contingent liabilities as of the reporting date, and as of 31 December 2017.



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STANLIB

STANLIB Cash Trust / Proxy Form

Annual General Meeting to be held at the 4th Floor, Stanbic Heights, Airport City, Accra, on Friday, July 12, 2019 at 11.00 a.m.

I/we** _____ being a Unitholder(s) hereby appoint _____ or failing him/her the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 12th July 2019 and at any adjournment thereof

Dated this _____ day of _____ 2019

Unitholder(s) Signature

Resolution	For	Against
1. To receive the Report of the Manager of the Fund for the year 2018.		
2. To consider the Trustees Report and the Report of Auditors for the year ended December 31, 2018.		
3. To receive and adopt the Audited Financial Statements for the year ended December 31, 2018.		
4. To authorise the Manager to fix the remuneration of the Auditor		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

(Do not complete this form if you will attend the meeting)

Tailor made investments

Our suite of products allows us to provide bespoke Investment solutions for individual and institutional investors throughout their lives. Investors gain access to a dynamic investment platform that allows them to switch from one portfolio to another as their investment needs change.

RETIREMENT/PENSION FUNDS

We also offer fund management services to high net-worth individuals seeking specific investment goals such as educational funds, retirement funds, trust funds, etc.

WELFARE FUNDS

We offer fund management services for groups, associations, clubs etc who pool funds together with the intention of meeting their investment needs.

Our services includes fund set up, statement design, template for trust deeds fund rules and individual member accounting or administration.

COLLECTIVE INVESTMENT SCHEMES

STANLIB Cash Trust

The STANLIB Cash Trust is an open-ended unit trust fund. The primary objective of the Fund is to maximise short term income while preserving capital through investing in a portfolio of money market securities.

STANLIB Income Fund Trust

The STANLIB Income Fund Trust ("SIFT" or "the Fund") is an open-ended unit trust fund. The primary objective of the Fund is to maximize short-term income as well as long-term sustainable income and capital appreciation of its assets, through investing in a portfolio of fixed income securities including government treasury bills and notes, fixed deposits and other corporate debt securities.

#ConnectedInvesting

Call us on toll free 18080 (MTN) or 080010009 (Vodafone)
or our Fund Managers on 055 649 5955
for further information

stanlib.com

An image featuring a purple alarm clock with a white face and black numbers, positioned centrally. To its right are four stacks of gold coins, increasing in height from left to right. The background is a dark, textured grey.

STANLIB

