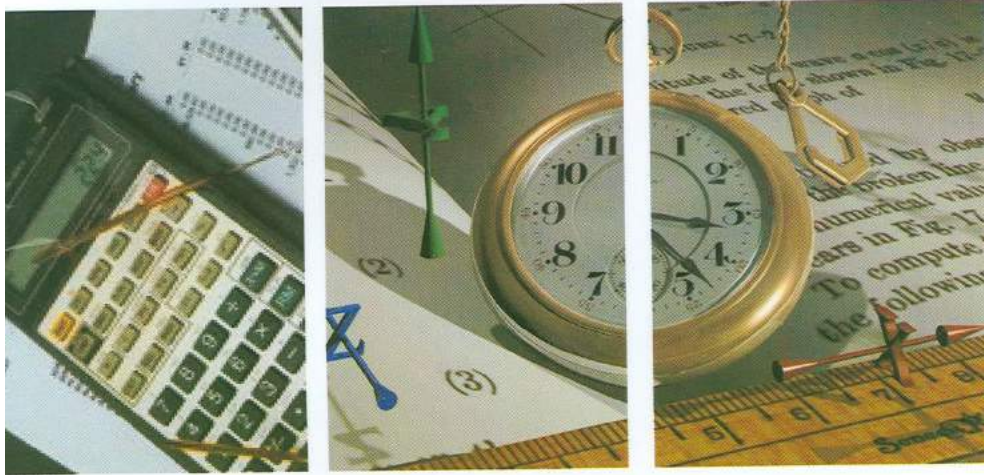


# 2009 ANNUAL REPORT



**SAS** FORTUNE FUND  
An Authorized Mutual Fund Company



**SAS FORTUNE FUND LIMITED**

*REPORTS AND FINANCIAL STATEMENTS*

*DECEMBER 31, 2009*

2009 ANNUAL REPORT

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SAS FORTUNE FUND LIMITED  
FINANCIAL STATEMENTS

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## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED CORPORATE INFORMATION

**The Manager:** SAS Investment Management Ltd. (SAS-IM)  
2<sup>nd</sup> Ridge Link, North Ridge Accra

Tel: +233-21-251546-9  
+233-21-7011770  
Fax: +233-21-251548,  
E-mail: [sasim@sasghana.com](mailto:sasim@sasghana.com)  
Website: [www.sasghana.com](http://www.sasghana.com)

**Directors of the Fund:** Fred Oware (Chairman)  
Maxwell Logan  
Togbe Afede XIV  
Apiigy Afenu (Appointed 25<sup>th</sup> November 2009)  
Noel Addo (Appointed 25<sup>th</sup> November 2009)

**The Custodian:** Barclays Bank of Ghana Ltd  
Barclays House, High Street  
P. O. Box 2949  
Accra

**Independent Auditors:** Nexia Debrah & Co.  
BCB Legacy House  
# 1 Nii Amugi Avenue  
East Adabraka, Accra  
P. O. Box CT 1552  
Cantonments, Accra

**Solicitors** R. S Agbenoto and Associates  
4<sup>th</sup> Floor Mobil House  
25 Liberia Road

**Secretary:** Accra Nominees  
Cedar House  
No. 13 Samora Machel Road  
Asylum Down, Accra

## 2009 ANNUAL REPORT

### NOTICE OF MEETING

NOTICE is hereby given that the **5th Annual General Meeting** of the Members of The SAS Fortune Fund will be held on **Friday, October 29, 2010** at the **British Council Hall, Accra** at **10.00 a.m.** to transact the following ordinary business:-

1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2009 together with the Reports of the Directors and Auditors thereon.
2. To fix Directors' Remuneration for the ensuing year.
3. To re-elect Directors
4. To authorise the Directors to negotiate and determine the remuneration of the Auditors for the ensuing year.

BY ORDER OF THE BOARD

ACCRA NOMINEES LIMITED  
COMPANY SECRETARY

Registered Office,  
Accra.

Dated this 13<sup>th</sup> day of September, 2010

**NOTE:** A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member of the Fund. A proxy form is attached. Executed forms of proxy should be deposited at the Registered Office of the Fund Manager, 2<sup>nd</sup> Ridge Link, North Ridge, Accra, not less than 48 hours prior to the time of the meeting.



## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

You are welcome to the 5<sup>th</sup> Annual General Meeting of the SAS Fortune Fund Limited, during which we will present to you the annual reports for the year ended December 31, 2009. Also, during today's meeting you will be presented with a report from the Fund Manager.

In the year under review, the economy of Ghana continued to experience the effects of the global financial crisis that peaked in mid 2008. The financial bail – out offered by the advanced economies to their institutions that were at the verge of collapse, helped to reduce the anticipated impact of the crisis. However, the overall effects of the crisis continued to impact negatively on the Ghanaian financial system in the first half of the year under consideration.

At the beginning of 2009, the macro economic indicators continued to deteriorate mainly due to the effects of the global financial crisis and the fact that the previous year was an election year which is usually characterized by high domestic fiscal imbalances. Resultantly, inflation at the beginning of the year was relatively high as compared to the immediate past years, having opened the year at 19.86%. The cedi also began the year depreciating at an accelerated rate.

By the beginning of the second half of the year, however, some signs of a rebound in global economic activity had begun to emerge. Although the recovery began sluggishly in advanced countries, in the emerging economies such as Ghana, the rebound was relatively vigorous, mostly driven by buoyant domestic demand. In Ghana, economic activity, which had declined in the first half of the year by 1.2%, increased by 5.6% in the second half of the year. Ghana's Consumer Price Index (CPI) inflation also peaked at 20.74% in June, and gradually reduced to 15.97% at the close of the year.

Improvements in the fiscal situation contributed to the reduction of interest rates. The benchmark 91-day bill rate for example peaked at an average of 25.89% in August 2009, and subsequently dropped to an average of 23.22% p.a. at the end of the year. The attractive interest rates "pulled" a lot of investments to the fixed income instruments, and made equities relatively unattractive.

These developments impacted negatively on the performance of the Ghana Stock Exchange for the year 2009. The GSE All Share Index which is a weighted measure of the performance of all listed equities on the exchange dropped from 10,431.64 points at the beginning of the year to 5,572.34, representing a year-to-date loss of 46.58%. This is compared to a 58.06% gain by the index in the previous year.

The SAS Fortune Fund, being an equity fund, was adversely affected by the decline in price on the stock market, and recorded a 22.78% decline in unit price, from GH¢0.1760 to GH¢0.1359. You will notice that despite recording a decline, your fund outperformed the GSE All-Share Index. This was basically due to prudent diversification strategies employed in the portfolio selection.

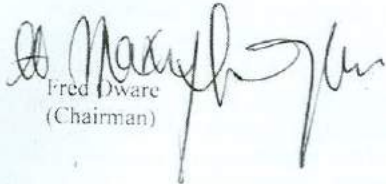
Your fund had a total amount of GH¢955,624 in assets under management at the end of 2009, representing a decline of GH¢756,824.00 or 44% from the previous year's GH¢1,712,448.00. This decline was mainly due to the fact that many shareholders cashed out of the fund to invest in more attractive instruments notably, fixed income instruments.

## 2009 ANNUAL REPORT

We want to assure the shareholders who continued to invest with us during these trying times that, there are very bright prospects ahead for the fund. It is expected that with the coming in force of the new pension's law, the fund size will grow rapidly to take advantage of the attractive investment opportunities that become available from time to time. Our objective is to build a solid fund size to create diversification and reduce any future negative effect on the performance of the fund.

We also want to urge present shareholders to increase their holdings in the Fund to enable us attain our stated objectives.

Thank you once again for choosing SAS Fortune Fund. We wish to urge you to make the Fund your regular investment plan.

  
Fred D'ware  
(Chairman)



## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED FUND MANAGER'S REPORT

Dear Shareholders,

Once again, it is our pleasure to welcome you to the 5<sup>th</sup> Annual General Meeting of the SAS Fortune Fund Limited. This is a time during which we have the opportunity to report on our performance in the immediate past financial year. The report will touch on issues relating to the general economic landscape within which the fund operated for the year 2009, the actual performance of the Fund, and outlook for this year, 2010.

#### ECONOMIC AND MARKET OVERVIEW

The year began with the historic feat of a transfer of power from one party to another. This resulted in the handing over of the baton of the management of the effects of the global financial crisis from one government to a new one. As we are already aware, the world economy went into a crisis which began to show signs in the first quarter of 2009 and peaked in the middle of the year, 2009. The collapse of renowned investment banking firm, Lehman Brothers and the sub prime mortgage market in the United States further, climaxed the financial crisis and worsened the global economic situation. This brought along fiscal and monetary policy challenges in the management of economies all over the world. In the advanced countries, governments resorted to offering financially bailouts to companies which were almost crumbling to their knees to enable them survive the global economic downturn.

As a result of these events, 2009 began on a very difficult note with spill over effects of the financial crisis that emerged in 2008. CPI inflation at the beginning of the year had almost gotten out of hand, having begun the year at 20%. The cedi continued to depreciate at an accelerated rate, having depreciated by an average of about 16.5 % in 2009. Interest rates continued to remain very high in the first half of the year and the prime rate which was the rate at which Central Bank lends to commercial banks was pegged at 18.5% for the most part of the year.

In the second half of the year, the macroeconomic situation began to show signs of improvement as a result of the application of strict fiscal discipline by government. The sluggishness that characterized economic activity in the first three quarters of 2009 gave way to a rebound in the last quarter. Inflation slowed down considerably to close the year at 15.9%.

Interest rates declined significantly from the beginning of year figure of about 35% to about 30%. The yield on the 91-day treasury bill ended the year closing at about 23.22% from the beginning of year's figure of 24.68%. The average yield on the one year note throughout the year was 20.72%.

The rapid depreciation of the cedi against the major currencies was halted. The cedi depreciated against the United States dollar by about 17.21% as compared to the previous year's 20.29 %. The cedi appreciated against the British pound by 24.91% as against the previous year's depreciation of 9.03 %. The country's Gross Domestic Product (GDP) grew by **5.7% in 2009**. This is compared with the previous year's GDP growth rate of **6%**.

The Ghana Stock Exchange was badly affected by the global crisis, as foreign institutional investors began selling off their stocks most often at a significant discount to transfer proceeds abroad. This was mainly due to two main factors which included investors having lost so much on

## 2009 ANNUAL REPORT

their investments abroad and quickly having to liquidate their holdings in Ghana to meet their obligations, and also the fear of losing all their investments from the effects of the financial crisis.

As a result of these factors, in 2009, the Ghana Stock Exchange performance shrunk by 46.58% on a year to year assessment.

There were four rights issues in the last quarter of the year by listed financial institutions, namely SCB, SG-SSB, EBG and CAL. This was to enable them raise additional funds to increase their stated capital in compliance with requirements by the Bank of Ghana. Apart from the rights of SCB and EBG which were over-subscribed the others were not fully subscribed.

### INVESTMENT OBJECTIVE AND POLICY

It is the policy of the Fund to achieve long term growth in capital for its shareholders, by investing a greater proportion of its assets in companies with strong fundamentals, strong growth trends and income generation potential. The fund meets its liquidity obligations by investing in fixed income securities which are short term in nature.

### FUND PERFORMANCE

Due to the unimpressive performance of the Ghana Stock, the Fund did not perform well and closed the year with a loss in value of 22.78% on a year on year comparison. The Fund's beginning of year price of GH¢0.1760 declined to GH¢0.1359 at the close of the year. At the end of the year, the portfolio structure of the fund was 78.4% equities and 21.6% fixed income securities. The fund had seventeen securities in its portfolio at the end of 2009.

Total funds assets under management declined from GH¢1,712,448 at the end of 2008 to GH¢955,624,00, representing a decline of about 44%. This was mainly due to decline in share prices which affected the fund and generated withdrawals. It is our firm commitment to ensure growth in the asset base of the fund which will translate into an increase in share value as a result of prudent fund management practices. We will continue to assess risk in a comprehensive manner to enable us invest in the most profitable long term securities that will lead the way to add value to the Fund.

### ELECTION OF DIRECTORS

During the year under review, two directors received approval from shareholders to serve on the board. They replaced two directors who resigned from the board and we look forward to tapping on the rich experience of these new directors.

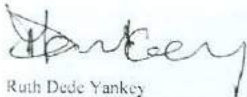
### LOOKING AHEAD

This year and beyond look exciting for your fund, considering recent and anticipated developments within the economy. The Ghana Stock Exchange has shown signs of a rebound and the global economic crisis has begun to recede. The rollout of the new pension scheme is expected to bring a lot of activity into the collective investment scheme industry, thereby leading to growth in asset size, value, and returns. Also, the much expected crude oil production in the last quarter of the year is expected to ease fiscal obligations of government and to further boost the macro economic performance.

## 2009 ANNUAL REPORT

These developments are expected to create attractive economic environment for businesses to grow and also for new business opportunities. We remain poised to take advantage of these opportunities to create more value for your Fund.

Thank you



Ruth Dede Yankey  
Ag (Fund Manager)



## 2009 ANNUAL REPORT

### REPORT OF THE DIRECTORS TO THE MEMBERS OF SAS FORTUNE FUND LIMITED

We the directors have the pleasure in submitting the annual report and audited Financial Statements of SAS Fortune Fund Limited for the year ended December 31, 2009 and report thereon as follows:

As directors, we are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Fund and of the statement of operations for the year. In preparing these financial statements, we have selected suitable accounting policies and applied them consistently, made adjustments and estimates that are reasonable and prudent and followed Accounting Standards acceptable in Ghana.

As directors, we are also responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy at any time its financial position and performance. We are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Nature of business

The Company is licensed by the Securities and Exchange Commission to operate as an authorised mutual fund and is regulated by the Unit Trusts and Mutual Funds Regulations L.I 1695.

There was no change in the nature of business of the company during the year under review.

#### Financial Results & Income Distribution

The results for the year are as set out in the attached financial statements.

The Fund does not distribute income and thus all income earned is reinvested.

#### Auditors

Messrs Nexia Debrah & Co have indicated their willingness to continue in office as auditors in accordance with Section 134(5) of the Companies Code 1963 Act 179.

*A. Berry* )  
..... )  
*Apimvelobo* ) Directors  
..... )  
ACCRA

April 28, 2010

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED

#### STATEMENT OF DIRECTORS' RESPONSIBILITY

Under the Companies Code 1963 (Act 179), the directors of the company are responsible for preparing in respect of each financial year, financial statements which give a true and fair view of the state of affairs of the company, and of its Profit or Loss and Cash Flows for that year in accordance with Accounting Standards acceptable in Ghana. In preparing these financial statements the directors are required to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent.

The directors are responsible for keeping proper books of accounts, which disclose with reasonable accuracy at any time the financial position of the company. The directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

To enable the board to discharge its responsibilities, management has developed and continues to maintain a system of internal controls. The board has ultimate responsibility for the system of internal controls and reviews its operation on an ongoing basis.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the company's policies and procedures.

The financial statements are prepared in accordance with International Accounting Standards (IAS) and incorporate disclosures in line with the accounting philosophy of the company. The financial statements are also based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.



## 2009 ANNUAL REPORT

### REPORT OF THE AUDITORS TO THE MEMBERS OF SAS FORTUNE FUND LIMITED



We have audited the Financial Statements of SAS Fortune Fund Limited for the year ended 31st December, 2009 which are presented herein from pages 12 to 20. The principal accounting policies used in preparing these financial statements are set out on pages 18 to 22.

Our report is made solely to the company's members, as a body, in accordance with section 133 of the Companies Code 1963 (Act 179). The purpose of our audit is to enable us to make a statement to the members of the company on those matters specifically required by law to be mentioned in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body for our audit work, our report, or the opinions we have expressed herein.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The Company's Directors acknowledge on page 10 their responsibility for the preparation and fair presentation of these Financial Statements in accordance with accounting standards applicable in Ghana and for the detection and prevention of fraud or other irregularity. Our responsibility as Auditors is to express an independent opinion on the Financial Statements based on our audit.

#### BASIS OF OPINION

We conducted our audit in accordance with auditing standards. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgment made by the Directors in preparing these Financial Statements, and of whether the accounting policies are appropriate to the company, consistently applied and adequately disclosed.

We planned and performed the audit so as to obtain all the information and explanation, which we considered necessary in order to provide us with sufficient evidence and reasonable assurance that the Financial Statements are free from material misstatements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements and also had regard to the matter referred to below.

#### OPINION

In our opinion, proper books have been kept and the financial statements which are in agreement therewith present fairly, the financial position of the company as at December 31, 2009 and of the results of operations for the year then ended and comply with the International Accounting Standards, the Unit Trusts and Mutual Funds Regulations L.I 1695 and the Companies Code, 1963 (Act 179).

A handwritten signature in black ink, appearing to read "Nexia Debrah &amp; Co.", written over a faint horizontal line.

Nexia Debrah & Co.  
BCB Legacy House  
# 1 Nii Amugi Avenue  
East Adabraka, Accra  
P. O. Box CT 1552  
Cantonments, Accra

April 29, 2010

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2009

<u>QUOTED EQUITY</u>	%Net Assets	Shares	2009 Market Value GH¢	2008 Market Value GH¢
<b>Beverage</b>	<b>0.00</b>			
Accra Breweries Ltd (ABL)	0.00	-	-	18,217
Guinness Ghana Breweries (GGBL)	0.00	-	-	104,540
			-----	-----
			-	<b>122,757</b>
<b>Other Manufacturing</b>	<b>2.74</b>			
Aluworks (ALW)	2.74	61,745	27,168	37,664
			-----	-----
<b>Agro-processing</b>	<b>3.51</b>			
Benso Oil Palm Plantation (BOPP)	3.51	72,645	34,870	72,645
			-----	-----
<b>Dairy Products</b>	<b>4.05</b>			
Fan Milk Ltd (FML)	4.05	7,245	40,210	32,603
			-----	-----
<b>Non – Bank Financial Services</b>	<b>21.15</b>			
Unique Trust Financial (UT)	21.15	1,000,000	210,000	330,000
			-----	-----
<b>Banking</b>	<b>35.17</b>			
CAL Bank (CAL)	1.21	60,094	12,019	36,056
Ghana Commercial Bank (GCB)	3.47	46,522	34,426	51,174
Standard Chartered Bank (SCB)	7.60	2,516	75,480	87,400
SG-SSB Bank (SG-SSB)	2.64	58,144	26,165	18,644
Ecobank (EBG)	13.92	49,338	138,146	142,816
Ecobank Transnational (ETI)	1.65	109,050	16,358	49,073
Home Finance Company (HFC)	4.68	75,000	46,500	46,500
			-----	-----
			<b>349,094</b>	<b>431,663</b>
<b>Consumer Products</b>	<b>1.28</b>			
Patterson Zochonis (PZ)	1.14	10,302	11,332	11,538
Unilever (UNIL)	0.14	400	1,360	1,600
			-----	-----
			<b>12,692</b>	<b>13,138</b>
<b>Petroleum</b>	<b>4.43</b>			
Ghana Oil (Goil)	2.65	155,000	26,350	49,600
Total Ghana Limited (Total)	1.78	2,600	17,680	19,760
			-----	-----
			<b>44,030</b>	<b>69,360</b>

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### SAS FORTUNE FUND LIMITED STATEMENT OF ASSETS AND LIABILITIES (CONTD)

<u>QUOTED EQUITY</u>	%Net Assets	Shares	2009 Market Value GH¢	2008 Market Value GH¢
<b>Insurance</b>	<b>6.06</b>			
Enterprise Insurance (EIC)	2.97	13,411	29,504	42,111
State Insurance Company (SIC)	3.09	113,500	30,645	56,750
			-----	-----
			60,149	98,861
 <b>TOTAL QUOTED EQUITY</b>	 <b>78.41</b>	 1,837,512	 <b>778,213</b>	 <b>1,208,691</b>
			-----	-----
<b>FIXED INCOME/ SHORT TERM</b>				
1 Year Commercial Paper	0.00		-	161,988
91 Day Treasury Bill	20.63		204,438	341,375
			-----	-----
	20.63		204,438	503,363
Cash at Bank and on Call	0.96		9,519	51,731
			-----	-----
<b>TOTAL FIXED INCOME/SHORT-TERM</b>	<b>21.59</b>		<b>213,957</b>	<b>555,094</b>
			-----	-----
 <b>TOTAL INVESTMENTS</b>	 <b>100.00</b>		 <b>992,500</b>	 <b>1,763,785</b>
			=====	=====

**2009 ANNUAL REPORT**

**SAS FORTUNE FUND LIMITED  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 2009 (CONT'D)**

	Note	2009 GH¢	2008 GH¢
<b>ASSETS</b>			
Total Investments		992,500	1,763,785
<b>RECEIVABLES</b>			
Interest Receivable	8	-	1,411
Others (Schedule A)		9,487	5,486
<b>Total Receivables</b>		<u>9,487</u>	<u>6,897</u>
<b>Total Assets</b>		<u><b>1,001,987</b></u>	<u><b>1,770,682</b></u>
<b>LIABILITIES</b>			
Accrued Expenses Payable		11,975	6,271
Due To Brokers		-	34,450
Others (Schedule B)		34,388	17,513
<b>Total Liabilities</b>		<u>(46,363)</u>	<u>(58,234)</u>
<b>NET ASSETS</b>		<u><b>955,624</b></u>	<u><b>1,712,448</b></u>
<b>SHAREHOLDERS' FUND</b>			
Capital Accounts	9	1,005,216	1,464,706
Accumulated Income Account		(49,592)	247,742
<b>Balance at December 31st</b>		<u><b>955,624</b></u>	<u><b>1,712,448</b></u>

*A. Agyemang* )  
*A. Agyemang* )  
*A. Agyemang* )  
 ACCRA ) Directors ;

April 28, 2010



## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED INCOME AND DISTRIBUTION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2009

	Notes	2009 GH¢	2008 GH¢
<b>Investment Income</b>			
Dividend Income		31,725	11,984
Interest Income	2	71,544	79,780
Other Income	3	15,489	7,670
		-----	-----
<b>Total Investment Income</b>		<b>118,758</b>	<b>99,434</b>
		-----	-----
<b>Expenses</b>			
Management Fees		19,875	37,522
Other Expenses	4	28,931	33,802
		-----	-----
<b>Total Expenses</b>		<b>48,806</b>	<b>71,324</b>
		-----	-----
Net Investment Income before Capital Gains		69,952	28,110
Net Realised Capital Gain/ (Loss)	5	(40,198)	14,910
Gain/ (Loss) paid on Redemptions	6	25,980	(76,882)
		-----	-----
Net Investment Income		55,734	(33,862)
Unrealised Gain/ (Loss)	7	(353,068)	194,514
		-----	-----
Net Income/ (Loss) Transferred to - Accumulated Income Account		<b>(297,334)</b>	<b>160,652</b>
		=====	=====

### ACCUMULATED INCOME ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 GH¢	2008 GH¢
Balance at January 1st	247,742	87,090
Net Income Transferred From Income and Distribution Account	(297,334)	160,652
	-----	-----
<b>Balance at December 31<sup>st</sup></b>	<b>(49,592)</b>	<b>247,742</b>
	=====	=====



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### SAS FORTUNE FUND LIMITED STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2009

INCREASE IN NET ASSETS	2009 GH¢	2008 GH¢
<b>From Operations:</b>		
Net Investment Gains Before Capital Gains	69,952	28,110
Net Realised Capital Gain	(40,198)	14,910
Net Unrealised Gain/ (Loss)	(353,068)	194,514
(Loss)/Gains on Redemptions	25,980	(76,882)
	-----	-----
<b>Net Increase / (Decrease) From Operations</b>	<b>(297,334)</b>	<b>160,652</b>
	-----	-----
<b>From Capital Transactions:</b>		
Proceeds From Issue of Shares	191,229	1,374,058
Cash outflow for Shares Redeemed	(650,719)	(339,375)
	-----	-----
<b>Net cash outflow for Capital Transactions</b>	<b>(459,490)</b>	<b>1,034,683</b>
	-----	-----
<b>Net Increase/(Decrease) In Assets</b>	<b>(756,824)</b>	<b>1,195,335</b>
Net Assets at January 1st	1,712,448	517,113
	-----	-----
<b>Net Assets at December 31st</b>	<b>955,624</b>	<b>1,712,448</b>
	=====	=====

### STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 No. of Shares	2008 No. of Shares
Balance at January 1st	10,457,417	4,180,916
Issue of Shares	1,203,836	8,199,851
	-----	-----
	11,661,253	12,380,767
Redemption of Shares	(4,027,249)	(1,923,350)
	-----	-----
<b>Net Shares Outstanding at December 31<sup>st</sup></b>	<b>7,634,004</b>	<b>10,457,417</b>
	=====	=====

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED PORTFOLIO SUMMARY AS AT DECEMBER 31, 2009

Equity	Position 31/12/08 No. of Sh.	Mkt Value 31/12/08 GH¢	Position 31/12/09 No. of Sh.	Mkt Value 31/12/09 GH¢	(Sales)/ Purchases During Yr GH¢	Capital Gain (Loss) GH¢
ABL	151,810	18,217	-	-	(16,699)	(1,727)
ALW	61,745	37,664	61,745	27,168	-	(10,496)
BOPP	72,645	72,645	72,645	34,870	-	(37,775)
CAL	60,094	36,056	60,094	12,019	-	(24,037)
EBG	31,737	142,816	49,338	138,146	26,874	(31,544)
FML	7,245	32,603	7,245	40,210	-	7,607
GOIL	155,000	49,600	155,000	26,350	-	(23,250)
GCB	46,522	51,174	46,522	34,426	-	(16,197)
GGBL	52,270	104,540	-	-	(65,860)	(38,680)
SCB	2,300	87,400	2,516	75,480	6,264	(18,184)
SG-SSB	13,810	18,644	58,144	26,165	12,210	(4,689)
ETI	109,050	49,073	109,050	16,358	-	(32,716)
HFC	75,000	46,500	75,000	46,500	-	-
UT	1,000,000	330,000	1,000,000	210,000	-	(120,000)
PZ	10,302	11,538	10,302	11,332	-	(206)
UNIL	400	1,600	400	1,360	-	(240)
EIC	13,411	42,111	13,411	29,504	-	(12,607)
SIC	113,500	56,750	113,500	30,645	-	(26,105)
<b>TOTAL</b>	<b>2,600</b>	<b>19,760</b>	<b>2,600</b>	<b>17,680</b>	<b>-</b>	<b>(2,080)</b>
	-----	-----	-----	-----	-----	-----
At Market	<b><u>1,979,441</u></b>	<b><u>1,208,691</u></b>	<b><u>1,837,512</u></b>	<b><u>778,213</u></b>	<b><u>(37,211)</u></b>	<b><u>393,267</u></b>
Balance on Unrealised						
Exchange Reserve		(229,039)		178,370		
		-----		-----		
At Cost		<b><u>979,652</u></b>		<b><u>956,583</u></b>		

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

#### I. Accounting Policies

The following is a summary of accounting policies consistently followed by the Fund in the preparation of its financial statements. The preparation of the financial statements is in conformity with generally accepted accounting principles.

##### a) Securities Valuation

Securities listed on the Ghana Stock Exchange are valued at the last quoted official market price at the end of the year. Unlisted securities are valued at the average of the latest bid and offer prices. Fixed-income securities are valued at the historical cost plus accrued interest. Where market prices are not readily available or the values as determined are not considered to represent true market values, a fair value is determined by the Manager under the direction of the Board of Directors of the Fund.

##### b) Security Transactions

Security transactions are recorded on a trade date basis. Realized Capital Gains and Losses are determined on an identified cost basis.

##### c) Income

Interest income is recognized on an accrual basis. Dividend Income is recorded if the qualifying date falls within the year under review. Other income is recorded when received rather than earned.

##### d) Foreign Exchange

The financial statements have been prepared using the Ghana Cedi as the functional currency. All foreign currency transactions are converted into Ghana Cedis at the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currencies are translated into Ghana Cedis at the rate of Exchange ruling on the Balance Sheet date.

	2009 GH¢	2008 GH¢
2. Interest Income		
Interest on Call Deposit	933	29,485
Interest on Fixed Deposit	70,611	50,294
Interest on Bonds	-	-
	-----	-----
	<u>71,544</u>	<u>79,779</u>

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED

	2009 GH¢	2008 GH¢
<b>3. Other Income</b>		
Exit Charges (Refer to Note 12)	15,489	7,670
	<u>          </u>	<u>          </u>
<b>4. Other Expenses</b>		
Advertising	1,515	16,213
Custodian Fees	4,873	7,058
Audit Fee	4,000	3,000
Printing Costs	4,870	1,821
Commissions & Levies	878	1,288
Secretarial Fees	1,380	1,380
VAT on Audit Fees	450	-
Licenses	-	500
AGM Expenses	1,200	300
Postage	8,354	2,242
Interest Receivable written off	1,411	-
	<u>28,931</u>	<u>33,802</u>
	<u>          </u>	<u>          </u>
<b>5. Realised Gain on Investments</b>		
Proceeds from Sale of Investment (Shares)	82,559	128,545
Average Costs of Investment (Shares) Sold	(68,417)	(106,245)
Transfer from Unrealised Gain/ (Loss)	(54,340)	(7,390)
	<u>(40,198)</u>	<u>14,910</u>
	<u>          </u>	<u>          </u>
<b>6. Gain on Redemption</b>		
Cost of Shares Redeemed	650,720	339,467
Consideration paid to Exiting shareholders	(624,740)	(416,349)
	<u>          </u>	<u>          </u>
<b>Gain/ (Loss) on Redemption</b>	<u>25,980</u>	<u>(76,882)</u>
	<u>          </u>	<u>          </u>

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED

	2009 GH¢	2008 GH¢
<b>7. Unrealised Gain/ (Loss) Reserve</b>		
Balance at January 1st	229,039	41,915
Unrealised Gain / (Loss) for the Year Charged to Income & Distribution A/c	(353,068)	194,514
Realised Gain on Sale of Investment Transferred to Realised Gain on Invest	(54,340)	(7,390)
	<u>          </u>	<u>          </u>
Balance at December 31st	<u><u>(178,369)</u></u>	<u><u>229,039</u></u>
<b>8. Interest Receivable</b>		
Call Interest	-	1,411
	<u>          </u>	<u>          </u>
	<u><u>-</u></u>	<u><u>1,411</u></u>
<b>9. Capital Accounts</b>		
	<u>2009</u>	<u>2008</u>
	<u>No. of Shares</u>	<u>No. of Shares</u>
	<u>GH¢</u>	<u>GH¢</u>
Balance at January 1st	10,457,417	4,180,916
Issue of Shares	1,203,836	8,199,851
Redemption of Shares	(4,027,249)	(1,923,350)
	<u>          </u>	<u>          </u>
Balance At December 31	<u><u>7,634,004</u></u>	<u><u>10,457,417</u></u>
	<u>          </u>	<u>          </u>
	<u><u>1,464,706</u></u>	<u><u>430,023</u></u>
	<u>          </u>	<u>          </u>
	<u><u>191,229</u></u>	<u><u>1,374,058</u></u>
	<u>          </u>	<u>          </u>
	<u><u>(650,719)</u></u>	<u><u>(339,375)</u></u>
	<u>          </u>	<u>          </u>



## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED

#### 10. Taxation

Under current Ghanaian legislation, mutual funds are not subject to taxes on income or capital gains. However, the required taxes are paid for investments done in jurisdictions where taxes on income or gains on investments apply.

#### 11. Investment Transactions

Total purchases and sale of investments in quoted equity were GH¢45,348 and GH¢ 82,559 respectively. (2008: GH¢749,229 and GH¢128,545 respectively).

#### 12. Redemption/ Exit Fees

The Fund is a long-term growth fund and its objective is to encourage shareholders to remain in the fund for at least three (3) years. The following withdrawal charges apply when investors redeem all or part of their shares within the first three (3) years.

REDEMPTION WITHIN YEAR(S)	CHARGES
1	3%
2	2%
3	1%
3+	None

#### 13. Transactions through Affiliates

The entire Fund's equity transactions were done through Strategic African Securities Limited, a company related to SAS Investment Management Limited, the Manager of the Mutual Fund.

#### 14. Commissions and Levies

Total Commissions and Stock Exchange Levies were GH¢878 at an average rate of 1.25%. (2008: GH¢1,513 at 1.18%).

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED

#### SCHEDULES

	2009	2008
	GH¢	GH¢
<b>A. RECEIVABLES</b>		
<b>Others</b>		
Suspense	13	5,487
Custody Fees	9,474	-
	<u>9,487</u>	<u>5,487</u>
	<u><u>9,487</u></u>	<u><u>5,487</u></u>
<b>B. LIABILITIES</b>		
<b>Accrued Expenses</b>		
SASIM Payable Account	7,975	3,271
Audit Fees	4,000	3,000
	<u>11,975</u>	<u>6,271</u>
	<u><u>11,975</u></u>	<u><u>6,271</u></u>
Others		
Managers' Account:		
<i>Printing &amp; Stationery</i>	-	48
<i>Postage</i>	4,140	-
Directors' Fees Accrued	16,660	16,660
Uncredited Capital Contributions	-	805
Outstanding Redemptions	13,588	-
	<u>34,388</u>	<u>17,513</u>
	<u><u>34,388</u></u>	<u><u>17,513</u></u>

CUSTODIAN REPORT

Barclays Securities Services,  
Barclays House  
High Street  
PO Box GP 2949  
Accra, Ghana

April, 12<sup>th</sup> 2010

Tel: +233 (0)21 669258  
+233 (0)21 664901-4  
Fax: +233 (0)21 667681

NEXIA DEBRAH & CO  
AUDIT & ASSURANCE  
P.O BOX CT 1552  
CANTONMENTS  
ACCRA

Our ref.SASMutualReport1209

**BARCLAYS**

Dear Sir,

REPORT OF THE CUSTODIAN TO THE INVESTORS OF SAS MUTUAL FUND

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I. 1695 and attach a statement of holdings of securities in custody with Barclays Bank of Ghana Limited for the above fund as at 31<sup>st</sup> December, 2009.

Respective Investment Restrictions Imposed on the fund and the responsibility of custodians

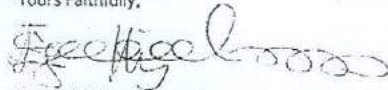
Pages 20 to 22 of the fund's prospectus specify the funds Investment restrictions. Our responsibility is to express an independent opinion on the statement of holdings based on our audit.

Opinion

In our opinion, the statement of holdings is in agreement therewith and give a true and fair view of the state of affairs of the fund as at December 31, 2009 and the Manager of SAS Mutual Fund has managed the fund for the full year ended December 31, 2009 in accordance with;

- (a) The limitations Imposed on the investment and borrowing powers of the Manager; and
- (b) Provisions pursuant to the above mentioned regulations.

Yours Faithfully,



Samuel Eghan  
Head of Custody  
Barclays Securities Services Ghana

Barclays Bank Of Ghana Limited  
Registered Office: Barclays House, High Street PO Box GP 2949, Accra Ghana

## 2009 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED REPORT OF THE CUSTODIANS RE: SAS FORTUNE FUND LIMITED

As of Date 31/12/2009

Account SASMASTER

BBGN/ SAS FORTUNE FUND

Classification EQ1B

LISTED EQUITIES

Security Code	Name	Settled Position	Market (GHS)	Valuation GHS	% Total Valuation
ALW	ALUWORKS GHANA LTD	61,745	0.4400	27,167.80	2.76
BOPP	BENSO OIL PALM PLANTATIONS	72,645	0.4800	34,869.60	3.55
CAL	CAL BANK LIMITED	60,094	0.2000	12,018.80	1.22
EBC Rights	EBG RIGHTS ISSUE	9,667	2.7800	26,874.26	2.73
EBG	ECOBANK GHANA LIMITED	39,671	2.8000	111,078.80	11.29
ETI	ECOBANK TRANSNATIONAL INC.	109,050	0.1500	16,357.50	1.66
EIC	ENTERPRISE INSURANCE	13,411	2.2000	29,504.20	3.00
FML	FANMILK GHANA LIMITED	7,245	5.5500	40,209.75	1.66
GCB	GHANA COMMERCIAL BANK	46,022	0.7400	34,056.28	3.46
GOIL	GHANA OIL COMPANY LIMITED	155,000	0.1700	26,350.00	2.68
HFC	HFC BANK GHANA LIMITED	75,000	0.6200	46,500.00	4.73
TOTAL	TOTAL PETROLEUM GHANA LTD	2,600	6.8000	17,680.00	1.80
PZ	PATTERSON ZOCHONIS GH. LTD	10,302	1.1000	11,332.20	1.15
SCB	STANDARD CHARTERED BANK	2,300	30.0000	69,000.00	7.02
SCB Rights	SCB LIMITED RIGHTS ISSUE	216	29.0000	6,264.00	0.64
SIC	STATE INSURANCE CO. LTD	113,500	0.27000	30,645.00	3.12
SSB	SG - SSB LIMITED	27,620	0.45000	12,429.00	1.26
SSB Rights	SG - SSB LIMITED RIGHTS ISSUE	30,524	0.50000	15,262.00	1.55
UNIL	UNILEVER GHANA LIMITED	400	3.40000	1,360.00	0.14
UT	UT FINANCIAL SERVICES	1,000,000	0.21000	210,000.00	21.35
				778,959.19	79.20

Classification GDV

FIXED DEPOSITS

Security Code	Name	Settled Position	Market (GHS)	Valuation GHS	% Total Valuation
BOND	FINANCIAL SERVICES 91DAYS FD	100,000,000	1.01808	101,808.18	10.35
NDK	91 DAY FD	100,000,000	1.02795	102,794.52	10.45
				204,602.70	20.80
<b>GRAND TOTAL</b>				<b>983,561.89</b>	<b>100.00</b>

BANK BALANCE AS AT 31/12/2009

Accounts Balance

4,949

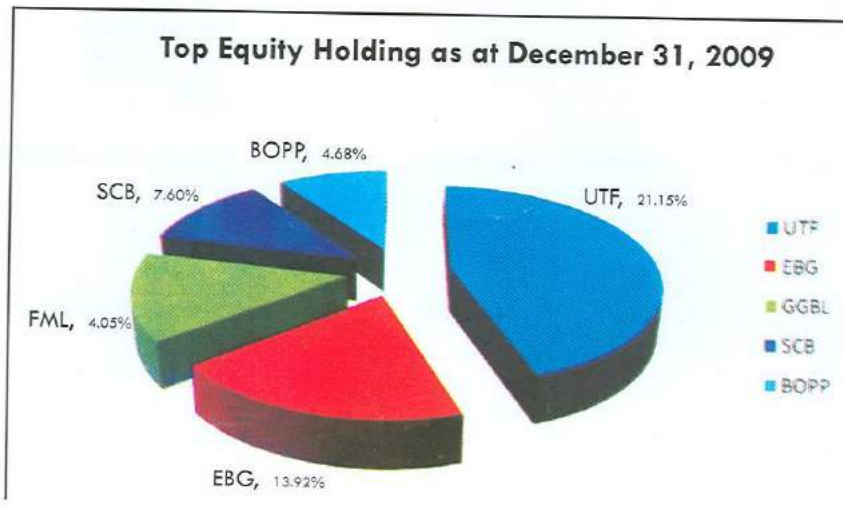
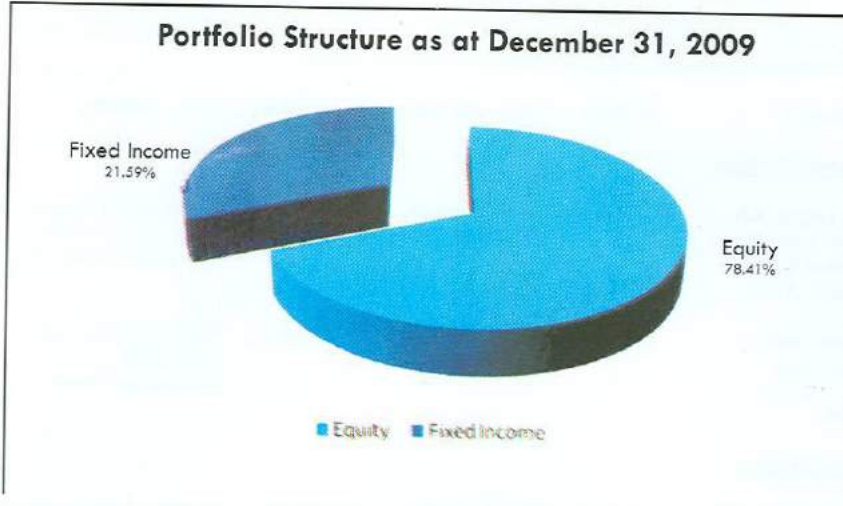


**SAS FORTUNE FUND LIMITED  
DIRECTORS AND OFFICERS INFORMATION**

The business and affairs of the Fund are managed by the Fund Manager under the direction of the Fund's Board of Directors and the Fund's officers. The table below lists the directors and officers of the Fund and their principal occupations, other directorships and their affiliations.

<b>Name, Address</b>	<b>Position</b>	<b>Time with Fund</b>	<b>Occupation</b>	<b>Other Affiliates</b>
<b><u>Independent Directors</u></b>				
<b>Maxwell Logan (44)</b> Plot.5 & 8, Tabon Street Sedco House Annexe North-Ridge, Accra	Director	Since Inception (June 2004)	Legal Practitioner	Logan and Associates Office Support Project New Beach Realtors Ltd.
<b>Fred Oware (60)</b> Equatorial Plaza 54 Old Achimota Road Accra	Director	Since Inception (June 2004)	Consultant	Manna Heights Hotel Choice FM Plus Image Printers
<b><u>Interested Directors</u></b>				
<b>Togbe Afede XIV (50)</b> P.O Box KA 16446 Accra	Director	Since Inception (June 2004)	Investment Banker	Strategic African Securities SASIM Strategic Initiatives Aluworks (Gh) Ltd Procredit National Theatre Bank of Ghana Accra Hearts of SAPP
<b>Apiigy Afene (51)</b> 2 <sup>nd</sup> Ridge Link North Ridge Accra	Director	November 2009	Chartered Accountant	Strategic African Securities
<b>Noel Addo (45)</b> 2 <sup>nd</sup> Ridge Link North Ridge Accra	Director	November 2009	Economist & Chartered Accountant	Strategic African Securities

## 2009 ANNUAL REPORT



**SAS FORTUNE FUND LIMITED**  
*An Authorized Mutual Fund Company*

**PROXY FORM**

I/We ..... of .....

being a Shareholder of the above-named Company hereby appoint

..... of .....

or failing him ..... of

as my/our Proxy to vote for me/us and on my/our behalf at an **Annual General Meeting** of the Shareholders to be held on **29<sup>th</sup> October, 2010 at the British Council Hall** or at any adjournment thereof.

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

RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the Financial Statements of the Fund for the year ended December 31, 2009 and the Reports of the Directors and Auditors thereon.		
2. To approve Directors' remuneration.		
3. To re-elect directors retiring by rotation:		
• Mr. Maxwell Logan		
• Mr Adigy Afenu		
4. To authorize the Directors to fix the remuneration of Auditors.		

.....  
 Shareholder's Signature





# SAS FORTUNE FUND LIMITED

*An Authorized Mutual Fund Company*

## ADMISSION CARD

To the Annual General Meeting of Members to be held on  
Friday, October 29, 2010 at the British Council Hall, Accra, at 10.00 a.m.

NOTE:

- a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- b) Shareholders or their proxies are requested to sign the admission card before attending this meeting.

.....  
Name of Shareholder

.....  
Signature

.....  
Date

## 2009 ANNUAL REPORT



## 2009 ANNUAL REPORT



**SAS**  
**FORTUNE FUND**  
*...Invest today!*



**SAS FORTUNE FUND**

2nd Ridge Link, North Ridge

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Accra, Ghana

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+ 233-30-7011 770/4

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Website:[www.sasghana.com](http://www.sasghana.com)