

# 2010 ANNUAL REPORT



**SAS** FORTUNE FUND

An Authorized Mutual Fund Company

**SAS**  
**FORTUNE FUND LIMITED**

**REPORTS AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

SAS FORTUNE FUND LIMITED  
CORPORATE INFORMATION

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

Tel: +233-302-251546-9  
+233-302-7011770  
Fax: +233-302-251548, 7011774  
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  
Noel Addo (Resigned 4/11/2010)  
Kweku Ricketts Hagan (Appointed 18/10/2010)

**The Custodian:** Standard Chartered Securities Services  
Head Office  
P. O. Box 768  
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

SAS FORTUNE FUND LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the **6th Annual General Meeting** of the Members of SAS Fortune Fund will be held on **Wednesday, September 14, 2011** 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, 2010 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 19<sup>th</sup> day of July, 2011

**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.

## 2010 ANNUAL REPORT

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

Dear Shareholders,

I am extremely delighted to welcome you to the 6<sup>th</sup> Annual General Meeting of SAS Fortune Fund Limited, and to present to you the annual reports and the accounts, which include a report from the Fund Manager for the year ended December 31, 2010.

As I begin to give you this year's annual account of your fund, I am wondering how best to sum up a good year for the Ghanaian economy, the impressive performance of the Ghana stock Exchange (GSE), the stability of the Ghanaian cedi against the major external trading currencies, the conducive investment climate being enjoyed in Ghana in recent years and the remarkable appreciation of your fund in 2010.

We entered the year 2010, with a great deal of momentum, inflation declined from double-digits (15.97%) in December 2009 to single-digit inflation (8.59%) by December 2010. This enabled the Central Bank to bring down the prime rate from 18% to around 13.5% by the end of the period under review. The government ran a very tight fiscal policy that paid off in 2010, coupled with high global commodity prices that benefitted the country from its cocoa and gold exports. The cedi has also remained reasonably stable.

The 2010 financial year, was therefore an improvement for investors on the capital market compared to the previous year. The GSE All Share index ended the year at 7,369.21, an increase of 32.25% over the previous year. The GSE was characterized by exceptionally bullish market for most of the stocks and they enjoyed a resurgence of interest in the market by investors. This has resulted in investor confidence returning to the market.

Your Fund benefited tremendously from the improved performance of the GSE and recorded a gain of 49.60% as compared to negative 22.78% suffered in the previous year. The value of the fund also increased from GH¢ 955,624 in 2009 to GH¢ 1,382,485 in 2010.

We remain very positive about the outlook of your fund, as the world markets continue to recover from the global recession and the government's prudent economic policy begins to pay dividend, the market will become vibrant and the Fund will increase in value and returns. Also, the current development in the pensions industry, as a result of the new pensions act, is expected to generate new opportunities in the Investment Management space.

However, the Fund will be able to achieve its set out goals, if we are able to mobilize additional investments into the Fund. I therefore encourage you to stick to the regular investment plan for investing in the Fund. This will enable us to continue to build and diversify the Fund effectively.

During the year, we welcomed one new director Mr. Kweku Ricketts-Hagan to serve on the board. Mr. Kweku Ricketts-Hagan came to replace Mr. Noel Addo who resigned from the board. Mr. Kweku Ricketts-Hagan joined our board in October 2010, and he brings a very rich and diverse leadership experience to our team, and I look forward to his contributions. In a year marked by challenge, opportunity and growth, I would like to thank our Shareholders for their trust in us and the Board of Directors for their guidance and counsel, and the Management team for their hardwork and determination to add value to your fund.

Once again, we thank you for choosing SAS Fortune Fund as part of your regular investment plan.



Fred Oware  
(Chairman)

## SAS FORTUNE FUND LIMITED FUND MANAGER'S REPORT

Dear Shareholders,

It is our pleasure to welcome you to the 6<sup>th</sup> Annual General Meeting of the SAS Fortune Fund Limited. This report will touch on issues relating to the general economic landscape within which the fund operated for the year 2010, the actual performance of the fund, and the outlook for this year 2011. There was a general improvement in the Fund's performance, which can be mainly attributed to the performance of the Ghana Stock Exchange (GSE) during the year under review.

### ECONOMIC AND MARKET OVERVIEW

The year 2010 was an eventful year with the receding of the global economic crisis which occurred in 2009 leading to various economies recovering slightly from the downturn suffered. Prudent economic measures put in place by the government resulted in a decline in the inflation rate. Ghana also benefited from favourable world market conditions for our exports especially Gold and Cocoa. The Country also joined the league of oil producing countries in December, which has led to investor interest in Ghana's economy.

Inflation decline from 15.97% in December 2009 to 8.58% in December 2010, the lowest since June 1992 in line with the Bank of Ghana (BOG) expectations. In response the BOG anticipating continuous reduction in inflation reduced its prime rate from 18% in 2009 to 13.5% by the start of the second half of 2010 and maintained the same rate to close the year 2010. There was a general decline in interest rates as a result of reduction in the prime rate. The rate for the 91 day bill decline from 21.28% p.a to 12.25% p.a. The 182-day bill decreased from 24.16% p.a to 12.64% while the 1-year and 2-year notes dropped from 20% p.a and 23.10% to 12.65% and 12.70% p.a respectively. The maintenance of tight fiscal policy by the government further strengthened the downward movement in the benchmark rates. As a result investor interest in the money market waned and turned towards the stock market which was showing signs of recovery.

The Ghana cedi remained fairly stable throughout the year. It depreciated by 2.62%, 6.7% and 1.34% against the British Pound, the Euro and US dollar respectively. The rise in investment inflows into the oil industry supported the stability of the cedi against these major trading currencies.

Investor confidence in the stock market was renewed following a revamp of the market. This translated into an upsurge in demand for some stocks. The GSE all-share index recorded a yield of 32.25% at the end of 2010.

Seventeen (17) listed companies witnessed price gains with GCB being the highest gainer with 264.86%. Twelve (12) companies recorded decline while eight (8) maintained their prices. Enterprise Group Limited (EGL) and Fan Milk Limited (FML) held bonus issues in the year under review in line with their restructuring strategies. There was no rights issue. Market Capitalization increased by 26.19% from GH¢15,941.92 million in 2009 to GH¢20,116.70 million in 2010.

**INVESTMENT OBJECTIVE AND POLICY**

The investment objective of the Fund is to achieve long-term capital growth for its shareholders, by investing a greater portion of its assets in companies with strong fundamentals, strong growth trends and strong income generation potential. The fund meets its liquidity obligations by investing in short term fixed income securities.

**FUND PERFORMANCE**

Owing to the remarkable performance of the GSE and our professional expertise the Fund ended the year with a 49.60% appreciation in price to close at GH¢0.1856 per share. This compares favourably with the 22.78% decline suffered in 2009, due to the economic downturn. At the end of the year, the portfolio structure was 79.88% equities, 14.66% fixed income securities and 4.24% cash. The Fund had 17 securities in its portfolio at the end of 2010.

Total Fund assets under management increased from GH¢955,624 at the end of 2009 to GH¢1,382,485 at the end of the 2010.

We are committed to growing the asset base of the Fund through our prudent Fund management practices, which will translate to increment in the share price of the Fund. 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, a director received approval from shareholders to serve on the board. He replaced another director who resigned from the board. We are looking forward to tapping on his rich experience.

**LOOKING AHEAD**

The future looks bright for your Fund following the rebound of the Ghana Stock Exchange. The new pension scheme is expected to bring a lot of activity into the collective investment scheme industry. This is anticipated to increase growth in asset, size, value and returns. The crude oil production which started in the last quarter of 2010 is expected to ease fiscal obligations of government and to further boost the macro economic performance.

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 and other opportunities to create more value for your Fund.

Thank you.



Ruth Dede Yankey  
(AG. Fund Manager)



# 2010 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, 2010 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.



.....)  
.....)  
.....)

Directors

AOCRA

April 30, 2011

**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.

## 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, 2010 which are presented herein from pages 11 to 21. The principal accounting policies used in preparing these financial statements are set out on pages 17 to 21.

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 8 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.

### 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, 2010 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 blue ink, appearing to read "Nexia Debrah &amp; Co.", written over a horizontal line.

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

April 30, 2011

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2010**


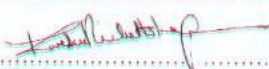
<u>QUOTED EQUITY</u>	%Net Assets	Number of Shares	2010 Market Value GH¢	2009 Market Value GH¢
<b>Other Manufacturing</b>	<b>0.52</b>			
Aluworks (ALW)	0.52	61,745	7,409	27,168
<b>Agro-processing</b>	<b>3.81</b>			
Benso Oil Palm Plantation (BOPP)	3.81	72,645	54,484	4,870
<b>Dairy Products</b>	<b>7.45</b>			
Fan Milk Ltd (FML)	7.45	43,470	106,502	40,210
<b>Non – Bank Financial Services</b>	<b>0.00</b>			
Unique Trust Financial (UT)	0.00	-	-	210,000
<b>Banking</b>	<b>56.33</b>			
CAL Bank (CAL)	1.30	60,094	18,629	12,019
Ghana Commercial Bank (GCB)	33.00	174,422	470,939	34,426
Standard Chartered Bank (SCB)	7.95	2,516	113,623	75,480
SG-SSB Bank (SG-SSB)	2.60	58,144	37,212	26,165
Ecobank (EBG)	10.36	49,338	148,014	138,146
Ecobank Transnational (ETI)	1.15	109,050	16,358	16,358
Home Finance Company (HFC)	0.00	-	-	46,500
			<b>804,775</b>	<b>349,094</b>
<b>Consumer Products</b>	<b>1.03</b>			
Patterson Zochonis (PZ)	0.87	10,302	12,362	11,332
Unilever (UNIL)	0.16	400	2,276	1,360
			<b>14,638</b>	<b>12,692</b>
<b>Petroleum</b>	<b>4.97</b>			
Ghana Oil (Goil)	3.15	155,000	44,950	26,350
Total Ghana Limited (Total)	1.82	2,600	26,000	17,680
			<b>70,950</b>	<b>44,030</b>

**FORTUNE FUND LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES (CONTD)**

<u>QUOTED EQUITY</u>	%Net Assets	Number of Shares	2010 Market Value GH¢	2009 Market Value GH¢
<b>Insurance</b>	5.76			
Enterprise Insurance (EIC)	2.34	67,055	33,528	29,504
State Insurance Company (SIC)	3.42	113,500	48,805	30,645
			-----	-----
			82,333	60,149
			-----	-----
<b>TOTAL QUOTED EQUITY</b>	<b>79.88</b>	<b>980,281</b>	<b>1,141,091</b>	<b>778,213</b>
			-----	-----
<b>FIXED INCOME/ SHORT TERM</b>				
91 Day Fixed Deposit	14.66		209,519	204,438
			-----	-----
Cash at Bank and on Call	14.66		209,519	204,438
	5.46		78,036	9,849
			-----	-----
<b>TOTAL FIXED INCOME/SHORT-TERM</b>	<b>20.12</b>		<b>287,555</b>	<b>214,287</b>
			-----	-----
<b>TOTAL INVESTMENTS</b>	<b>100.00</b>		<b>1,428,646</b>	<b>992,500</b>
			=====	=====

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 2010 (CONT'D)**

	Note	2010 GH¢	2009 GH¢
<b>ASSETS</b>			
Total Investments		1,428,646	992,500
<b>RECEIVABLES</b>			
Others (Schedule A)		343	9,487
<b>Total Receivables</b>		<u>343</u>	<u>9,487</u>
<b>Total Assets</b>		<b>1,428,989</b>	<b>1,001,987</b>
<b>LIABILITIES</b>			
Accrued Expenses Payable		12,340	11,975
Others (Schedule B)		34,164	34,388
<b>Total Liabilities</b>		<u>46,504</u>	<u>46,363</u>
<b>Net Assets</b>		<u><b>1,382,485</b></u>	<u><b>955,624</b></u>
<b>SHAREHOLDERS' FUND</b>			
Capital Accounts		1,005,581	1,005,216
Accumulated Net Income Account		376,904	(49,592)
Balance at December 31		<u>1,382,485</u>	<u>955,624</u>

  
 ..... )  
  
 ..... )  
 ACCRA

Directors

April 30, 2011

## 2010 ANNUAL REPORT

### SAS FORTUNE FUND LIMITED INCOME AND DISTRIBUTION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	Notes	2010 GH¢	2009 GH¢
<b>Investment Income</b>			
Dividend Income		41,364	31,725
Interest Income	2	36,414	71,544
Other Income	3	3,606	15,489
		-----	-----
<b>Total Investment Income</b>		<b>81,384</b>	<b>118,758</b>
		-----	-----
<b>Expenses</b>			
Management Fees		27,650	19,875
Other Charges	4	23,142	28,931
		-----	-----
<b>Total Expenses</b>		<b>50,792</b>	<b>48,806</b>
		-----	-----
Net Investment Income before Capital Gains		30,592	69,952
<b>Add/Less:</b>			
Net Realised Capital Gain/ (Loss)	5	20,918	(40,198)
Gain/ (Loss) on Redemptions		(22,722)	25,980
		-----	-----
<b>Net Investment Income</b>		<b>28,788</b>	<b>55,734</b>
		-----	-----
Net Unrealised Gain/ (Loss)		397,708	(353,068)
		-----	-----
<b>Net Income/ (Loss)</b>		<b>426,496</b>	<b>(297,334)</b>
		=====	=====

### ACCUMULATED INCOME ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 GH¢	2009 GH¢
Balance at January 1st	(49,592)	247,742
Net Income Transferred From Income and Distribution Account	426,496	(297,334)
	-----	-----
<b>Balance at December 31<sup>st</sup></b>	<b>376,904</b>	<b>(49,592)</b>
	=====	=====

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF MOVEMENT IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>INCREASE IN NET ASSETS</b>	<b>2010</b>	<b>2009</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>From Operations:</b>		
Net Investment Gains Before Capital Gains	30,592	69,952
Net Realised Capital Gain	20,918	(40,198)
Net Unrealised Gain/ (Loss)	397,708	(353,068)
Gain/ (Loss) on Redemptions	(22,722)	25,980
	-----	-----
<b>Net Increase / (Decrease) From Operations</b>	<b>426,496</b>	<b>(297,334)</b>
	-----	-----
<b>From Capital Transactions:</b>		
Proceeds From Issue of Shares	248,870	191,229
Cash outflow for Shares Redeemed	(248,505)	(650,719)
	-----	-----
<b>Net cash Inflow/ (outflow) for Capital Transactions</b>	<b>365</b>	<b>(459,490)</b>
	-----	-----
<b>Net Increase/(Decrease) In Assets</b>	<b>426,861</b>	<b>(756,824)</b>
	-----	-----
Net Assets at January 1st	955,624	1,712,448
	-----	-----
<b>Net Assets at December 31st</b>	<b>1,382,485</b>	<b>955,624</b>
	=====	=====

**STATEMENT OF MOVEMENT IN ISSUED SHARES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>2010</b>	<b>2009</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Balance at January 1st	7,634,004	10,457,417
Issue of Shares	1,513,666	1,203,836
	-----	-----
	9,147,670	11,661,253
Redemption of Shares	(1,699,803)	(4,027,249)
	-----	-----
<b>Net Shares Outstanding at December 31<sup>st</sup></b>	<b>7,447,867</b>	<b>7,634,004</b>
	=====	=====



**SAS FORTUNE FUND LIMITED**  
**PORTFOLIO SUMMARY**  
**AS AT DECEMBER 31, 2010**

Equity	Position 31/12/09 No. of Sh.	Mkt Value 31/12/09 GH¢	Position 31/12/10 No. of Sh.	Mkt Value 31/12/10 GH¢	(Sales)/ Purchases During Yr GH¢	Capital Gain (Loss) GH¢
ALW	61,745	27,168	61,745	7,409	-	(19,759)
BOPP	72,645	34,870	72,645	54,484	-	19,614
CAL	60,094	12,019	60,094	18,629	-	6,610
EBG	49,338	138,146	49,338	148,014	-	9,868
FML	7,245	40,210	43,470	106,502	-	66,292
GOIL	155,000	26,350	155,000	44,950	-	18,600
GCB	46,522	34,426	174,422	470,939	221,670	214,843
SCB	2,516	75,480	2,516	113,623	-	38,143
SG-SSB	58,144	26,165	58,144	37,212	-	11,047
ETI	109,050	16,358	109,050	16,358	-	-
HFC	75,000	46,500	-	-	(36,638)	(9,862)
UT	1,000,000	210,000	-	-	(240,780)	30,780
PZ	10,302	11,332	10,302	12,362	-	1,030
UNIL	400	1,360	400	2,276	-	916
EIC	13,411	29,504	67,055	33,528	-	4,024
SIC	113,500	30,645	113,500	48,805	-	18,160
TOTAL	2,600	17,680	2,600	26,000	-	8,320
At Market	<u>1,837,512</u>	<u>778,213</u>	<u>980,213</u>	<u>1,141,091</u>	<u>(55,748)</u>	<u>418,626</u>
Balance on Unrealised						
Exchange Reserve		178,370		(300,655)		
At Cost		<u>956,583</u>		<u>840,436</u>		

**SAS FORTUNE FUND LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**1. 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.

**2. Interest Income**

	2010 GH¢	2009 GH¢
Interest on Call Deposit	106	933
Interest on Fixed Deposit	36,308	70,611
	<u>36,414</u>	<u>71,544</u>

## SAS FORTUNE FUND LIMITED

	2010 GH¢	2009 GH¢
<b>3. Other Income</b>		
Exit Charges (Refer to Note 11)	<u>3,606</u>	<u>15,489</u>
<b>4. Other Expenses</b>		
Advertising	1,038	1,515
Custodian Fees	2,948	4,873
Audit Fee	5,000	4,000
Printing Costs	3,250	4,870
Commissions & Levies	4,043	878
Secretarial Fees	1,415	1,380
VAT on Audit Fees	600	450
AGM Expenses	1,560	1,200
Postage	3,288	8,354
Interest Receivable written off	-	1,411
	<u>23,142</u>	<u>28,931</u>
<b>5. Realised Gain/ (Loss) on Investments</b>		
Proceeds from Sale of Investment (Shares)	277,418	82,559
Average Costs of Investment (Shares) Sold	(337,816)	(68,417)
Transfer from Unrealised Gain/ (Loss) Reserve	81,316	(54,340)
	<u>20,918</u>	<u>(40,198)</u>
<b>6. Gain/ (Loss) on Redemption</b>		
Cost of Shares Redeemed	248,505	650,720
Consideration paid to Exiting shareholders	(271,227)	(624,740)
	<u>(22,722)</u>	<u>25,980</u>

## SAS FORTUNE FUND LIMITED

	2010 GH¢	2009 GH¢
<b>7. Unrealised Gain/ (Loss) Reserve</b>		
Balance at January 1st	(178,369)	229,039
Unrealised Gain / (Loss) for the Year		
Charged to Income & Distribution A/c	397,708	(353,068)
Realised Gain on Sale of Investment		
Transferred to Realised Gain/ (Loss) on Invest	81,316	(54,340)
	<u>300,655</u>	<u>(178,369)</u>

8. Capital Accounts	<u>2010</u>		<u>2009</u>	
	<u>No. of Shares</u>	<u>GH¢</u>	<u>No. of Shares</u>	<u>GH¢</u>
Balance at January 1st	7,634,004	1,005,216	10,457,417	1,464,706
Issue of Shares	1,513,666	248,828	1,203,836	191,229
Redemption of Shares	(1,699,803)	(248,505)	(4,027,249)	(650,719)
<b>Balance At December 31</b>	<u>7,447,867</u>	<u>1,005,581</u>	<u>7,634,004</u>	<u>1,005,216</u>

**9. 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.

**SAS FORTUNE FUND LIMITED****10. Investment Transactions**

Total purchases and sale of investments in quoted equity were GH¢221,670 and GH¢ 277,418 respectively. (2009: GH¢45,348 and GH¢82,559 respectively).

**11. 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.

<b>REDEMPTION WITHIN YEAR(S)</b>	<b>CHARGES</b>
1	3%
2	2%
3	1%
3+	NONE

**12. 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.

**13. Commissions and Levies**

Total Commissions and Stock Exchange Levies were GH¢878 at an average rate of 1.25%. (2009: GH¢878 at 1.25%).

## SAS FORTUNE FUND LIMITED

## SCHEDULES

	2010 GH¢	2009 GH¢
<b>A. RECEIVABLES</b>		
<b>Others</b>		
Others	343	13
Custody fees		9,474
	<u>343</u>	<u>9,487</u>
<b>B. LIABILITIES</b>		
<b>Accrued Expenses</b>		
SASIM Payable Account	7,340	7,975
Audit Fees	5,000	4,000
	<u>12,340</u>	<u>11,975</u>
<b>Others</b>		
Postage	-	4,140
Uncredited Contributions	2,460	-
Directors' Fees Accrued	16,660	16,660
Outstanding Redemptions	15,044	13,588
	<u>34,164</u>	<u>34,388</u>

Nexia Debrah & Co.  
Konuah House, Number 5,  
Off Cola Street  
Kokomlemle, Accra.

26<sup>th</sup> April, 2011.

Dear Sir,

**Re: Request to confirm items held in Custody for and on behalf of SAS Fortune Fund Limited**

We refer to your letter dated April 19, 2011 and advise SAS Fortune Fund's assets under Custody as at 31<sup>st</sup> December, 2010.

Below are the accounts with balances as at end December 31, 2010.

Account Number	Account Type	Currency	Balance
0105004289900	Current	GHS	50,606.33
0105004289901	Call	GHS	13,804.20

Also find enclose securities held by SAS Fortune Fund for the period under review, we confirm that none of the items held by us on behalf of SAS Fortune Fund is pledged, mortgaged or otherwise encumbered in any way.

Yours Sincerely,



for Samuel Eghan

Head, Investors and Intermediaries  
Standard Chartered Bank Ghana Limited

Standard Chartered Bank Ghana Ltd.  
Head Office  
P.O. Box 768 Accra Ghana

Tel (233-21) 664591-8, 7692 10-221  
Fax (233-21) 667751, 663580  
Telex 2671 (SCBACCGH)  
Cable STANCHART

Member of Standard Chartered Bank Group

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

As of Date 31/12/2010

Account SASMASTER

BBGN/ SAS FORTUNE FUND

Classification Security Code	EQ1B Name	LISTED EQUITIES			Valuation GHS	% Total Valuation
		Settled Position	Market (GHS)			
BOPP	BENSO OIL PALM PLANTATIONS	72,645	0.750000	54,483.75	4.77	
UGL	UNILEVER GHANA LIMITED	400	5.690000	2,276.00	0.20	
AGL	ALUWORKS GHANA LIMITED	61,745	0.120000	7,409.40	0.65	
CAL	CAL BANK LIMITED	60,094	0.310000	18,629.14	1.63	
PZ	PATTERSON ZOCHONIS (GH) LTD	10,302	1.200000	12,362.40	1.08	
EIC	ENTERPRISE INSURANCE	67,055	0.500000	33,527.50	2.94	
GOIL	GHANA OIL COMPANY LIMITED	155,000	0.290000	44,950.00	3.94	
EBG	ECOBANK GHANA LIMITED	49,338	3.000000	148,014.00	12.97	
SSB	SG - SSB LIMITED	58,144	0.640000	37,212.16	3.26	
TOTAL	TOTAL PETROLEUM GHANA LTD	2,600	10.000000	26,000.00	2.28	
SCB	STANDARD CHARTERED BANK	2,516	45.160000	113,622.56	9.96	
FML	FANMILK GHANA LIMITED	43,470	2.450000	106,501.50	9.33	
ETI	ECOBANK TRANSNATIONAL INC.	109,050	0.150000	16,357.50	1.43	
SIC	STATE INSURANCE CO. LTD	113,500	0.430000	48,805.00	4.28	
GCB	GHANA COMMERCIAL BANK	174,422	2.700000	470,939.40	41.27	
				1,141,090.31		

Classification GDV

FIXED DEPOSITS

Security Code	Name	Settled Position	Market (GHS)	Valuation (GHS)	% Total Valuation
NDK	91 DAY FD	40,432.38	1.02795	41,926.16	20.28
BOND	FINANCIAL SERVICES 91DAYS FD	62,243.84	1.01808	62,428.87	30.19
BOND	FINANCIAL SERVICES 91DAYS FD	100,000.00	1.01808	102,420.55	49.53
				206,775.58	
<b>GRAND TOTAL</b>				<b>1,347,866</b>	<b>100.00</b>

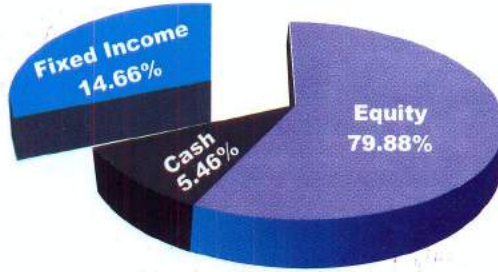
Accounts Balance

BANK BALANCE AS AT 31/12/20010

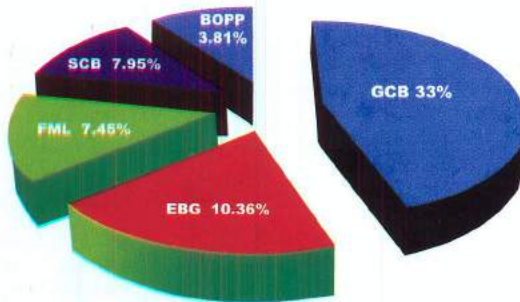
64,411



**Portfolio Structure as at December 31, 2010**



**Top Equity Holding as at December 31, 2010**



**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 (45)</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 (61)</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 (51)</b> P.O Box KA 16446 Accra	Director	Since Inception (June 2004)	Investment Banker	Strategic African Securities SASIM Strategic Initiatives Aluworks (Gh) Ltd  National Theatre Bank of Ghana Accra Hearts of Oak SAPP
<b>Apligy Afenu (52)</b> 2 <sup>nd</sup> Ridge Link North Ridge Accra	Director	November 2009	Chartered Accountant	Strategic African Securities
<b>Kweku Ricketts Hagan (48)</b> 2 <sup>nd</sup> Ridge Link North Ridge Accra	Director	October 2010	Financial Economist	Strategic African Securities African World Airline World Trade Centre Accra

**SAS FORTUNE FUND LIMITED**  
**NOTICE OF MEETING**  
  
**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 the duly appointed Chairman of the meeting 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 Wednesday September 14, 2011 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, 2010 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. Apiigy 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  
Wednesday, September 14, 2011 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**

**SAS**  
**FORTUNE FUND**  
*...invest today!*

**SAS FORTUNE FUND**

2nd Ridge Link, North Ridge  
P. O. Box KA 16446  
Accra, Ghana

Tel: +233-302-251 546/7/9  
+233-302-7011 770/4  
Fax: +233-302-251548  
E-mail: [info@sasghana.com](mailto:info@sasghana.com)  
Website: [www.sasghana.com](http://www.sasghana.com)