

# 2011 ANNUAL REPORT



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

# **SAS**

## ***FORTUNE FUND LIMITED***

### REPORTS AND FINANCIAL STATEMENTS

DECEMBER 31, 2011



# SAS FORTUNE FUND LIMITED

## FINANCIAL STATEMENTS

### CONTENTS

	<b>PAGE</b>
Corporate Information	2
Notice of Meeting	3
Chairman's Letter to Shareholders	4-5
Fund Manager's Report	6-8
Report of the Directors	9
Statements of Directors' Responsibility	10
Report of the Auditors	11-12
Statement of Assets and Liabilities	13-15
Income and Distribution Account	16
Statement of Movements in Net Assets and Issued Shares	17
Portfolio Summary	18
Notes to the Financial Statements	19-22
Report of the Custodian	23-24
Information on Directors and Officers	26

## SAS FORTUNE FUND LIMITED CORPORATE INFORMATION

**The Manager:** SAS Investment Management Ltd. (SAS-IM)  
14<sup>th</sup> Floor, WTCA Building, Indep. Avenue, Accra

Tel: +233-302-661770/2/008/880

+233-302-661900

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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  
Kweku Ricketts Hagan

**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 7<sup>th</sup> Annual General Meeting of the Members of The SAS Fortune Fund will be held on Wednesday, August 29, 2012 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, 2011 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 SECRETARIES**

Registered Office,  
Accra.

Dated this 17<sup>th</sup> day of July 2012

**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, 14<sup>th</sup> Floor, World Trade Centre Accra Building, not less than 48 hours prior to the time of the meeting.

## SAS FORTUNE FUND LIMITED

### CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

It gives me a great pleasure to welcome you to the 7<sup>th</sup> Annual General Meeting of SAS Fortune Fund Limited, and to thank you for choosing SAS Fortune Fund as part of your regular investment plan. We as usual will present to you the annual reports and the accounts, which include a report from the Fund Manager for the year ended December 31, 2011.

The recovery from the global recession for many advanced countries stood at a standstill, because of the Euro Zone crisis, that threatened to breakup the Euro Zone, the impact of which may be worse than the last recession. Economies like ours are not usually seen to be directly affected by these global crisis but we are not immune to what happens in the developed world. Credit crunch in the European markets make economies like ours vulnerable to the crisis. The Ghanaian economy however continues to show good prospects as a result of the government's prudent macroeconomic policy.

We started the year 2011, with the same unrelenting inflation targeting policy by the Central bank that saw inflation further declining from 9.8% at the beginning of the year to 8.58% at the end of the year. This enabled the Central Bank to bring down the prime rate from 13.5% to 12.5% by the end of the period under review. The government continued its tight fiscal discipline and the growth prospects of the economy remained very strong with real GDP of 14.4%, emanated from the country's production of oil in commercial quantities. The growth in cocoa and gold also contributed immensely to the economy in 2011. However, there was a mixed fortune for the cedi, which remained reasonably stable against the major currencies until the third quarter of the year, when fast rising imports, decline in foreign inflow and the loss of confidence in the cedi's prospects in the domestic market, resulted in the depreciation of the cedi by 8.26% on a year to date basis.

The 2011 financial year, was a bearish one for the Ghanaian capital market

compared to the previous year. The GSE Composite index ended the year at 969.03, a decrease of 3.10%. The GSE was characterized by exceptionally bearish market for most of the financial stocks which dropped in value by 13.7%. This had a serious knock on investor confidence in the market.

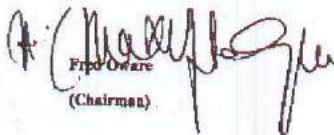
The value of the fund increased from GH¢ 1,382,485 in 2010 to GH¢ 1,390,011 in 2011, even though your Fund was affected by the downward trend of the GSE and recorded a negative return 6.59%.

However, we continue to remain positive about the outlook of your fund and the market space, as the economy continues to show great prospects, low inflation assured in coming years and investor confidence returns to the market and continues to grow. We expect the market to be vibrant going forward and the Fund to increase in value and returns. Also, we are strongly positioning ourselves through strategic and prudent management to take advantage of some of the new opportunities evolving for Investment Managers in the new pensions industry.

Once again, I would like to reiterate that the Fund will be able to achieve its goals, if we are able to pool additional investments into the Fund. I therefore encourage you to continue with your regular investment plan for investing in the Fund. This helps us to build and diversify the Fund effectively for you.

I would like to take this opportunity to thank you for your unwavering trust in us.

Thank you

  
Fred Oware  
(Chairman)



## SAS FORTUNE FUND LIMITED FUND MANAGER'S REPORT

Dear Shareholders,

It is our pleasure to welcome you to the 7<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 2011, the actual performance of the fund, and the outlook for 2012.

### ECONOMIC OUTLOOK

The Ghanaian economy in 2011 performed well in spite of the uncertainties and declining consumer confidence in the global economy. The government continued its prudent economic measures which yielded a further decline in the inflation rate. Ghana also benefited from favourable world market conditions for our exports especially Gold and Cocoa. The Jubilee Oil Fields which started production in December 2010 produced 30 million barrels of oil in 2011. According to an Economist Intelligence Unit (EIU) survey conducted for fund manager AD Invest, in Ghana and other African countries has revealed 25% of global institutional investors expect more investment returns in Ghana over the next three years.

The country has recorded some significant improvements in its Gross Domestic Product (GDP) over the last five years. Ghana's GDP grew by 5.7% in 2007, 7.3% in 2008, 4.1% in 2009 and 7.7% in 2010. In 2011, Real GDP grew by 13.6% boosted by debut commercial oil production or 8% excluding oil.

Inflation rate experienced a marginal decline from 9.8% in the beginning of the year to 8.58% at year end. The Bank of Ghana reduced its policy rate by 100 basis points from 13.5% in 2010 to 12.5% by close of year 2011. The easing of inflation combined with the reduction in policy rate, commercial banks responded likewise resulting in downward trend in lending rates. Average base rate declined to 22.8% in November 2011 from 25.8% in December 2010. The yield on 91 day bill declined from 12.23% p.a in 2010 to 10.66% p.a in 2011. The 182-day bill decreased from 12.64% p.a to 12.40% while the 1-year and 2-year notes dropped from 12.65% p.a and 12.70% to 11.30% and 12.40% p.a respectively. In line with expectation of further fall in inflation, investors demand for government securities shifted towards long-dated instruments in the last quarter of 2011.

Even though total inward transfers through the banks went up by 48.3% over the corresponding period of 2010, the Ghana cedi depreciated in the year to November by 4.5% against the US dollar, compared with 0.6% in November 2010. The debuted \$444 million oil revenue failed to support the stability of the cedi against our major trading currencies.

## STOCK MARKET REVIEW

The GSE witnessed bearish conditions in 2011 fueled mainly due to significant decline of financial stocks by 13.7%. Compared with a record yield of 32.25% in 2010, the GSE Composite Index closed the year in red at 3.10%. Twelve (12) listed companies witnessed price gains with TOTAL being the highest gainer with 98.3%. Eighteen (18) companies recorded declines while six (6) maintained their prices. PZ Cussons Ghana Ltd (PZ) and Trust Bank Ltd (The Gambia) made bonus issues in 2011 in line with their restructuring strategies. Guinness Ghana Limited (GGBL) made rights issue whilst two equities namely Accra Breweries Ltd (ABL) and CFAO were delisted from the market. Tullow Oil and Accra Hearts of Oak did Initial Public Offering (IPO). Market Capitalization increased from GH¢20,147.55 million in 2010 to GH¢47,336.61 million in 2011.

## 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

The GSE ended the year in red at 3.10%. Financial stocks continued to mar investors' sentiment. The fund replicated the bearish performance of the market ending the year down by 6.59% at a per share price of GH¢0.1899. The economic downturn due to the weakened global economy continues to weigh heavily on the performance of the market. The fund reduced its investments in equities whilst marginally increasing its investment in fixed income to seek high yielding fixed deposits from good institutions with strong balance sheets. At the end of the year, the portfolio structure was 69.72% equities, 26.82% fixed income and 3.46% cash. The Fund had 14 securities in its portfolio at the end of 2011.

The value of the fund increased from GH¢ 1,382,485 in 2010 to GH¢ 1,390,011 in 2011.

Going forward, we will continually monitor macro-economic indicators and focus on identifying companies offering high dividend yield with stable business models. We strongly believe that growing the asset under management through our prudent fund management practices will improve the net asset value 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.

## LOOKING AHEAD

Going forward, the GSE Composite Index is expected to rebound in 2012 with most analysts predicting a 15% return by year end. The market has started recovery following the 2011 dip on the backdrop of solid earnings from banks and other sectors.

The National Pensions Regulatory Authority through Bank of Ghana is expected to release the second tier pension monies to service providers for investment in quarter two which will boost capital market activities.

With the directive to listed companies to increase their minimum issued shares to 100 million by close of the year liquidity is expected to improve significantly.

The introduction of the Ghana Alternative Market targeting SMEs in the second half of the year is expected to increase liquidity in the market and further widen the availability of investment opportunities in the market.

Even though 2012 is an election year, monetary policies in the medium term will aim to avoid eroding the macroeconomic gains which will propel the market higher and further improve market activities. We anticipate further increase in policy rate which will drive the yield on government securities up. We expect Jubilee Fields to reach its daily crude oil production target of 120,000 barrels which is anticipated to ease fiscal obligations of government and to further boost the macro economic performance.

In our view, the above developments will serve as catalyst to economic growth and offer attractive investment opportunities.

### Conclusion

Given our positive long term view of the market, we are optimistic that SAS Fortune fund is well structured and positioned for growth in ensuing year and we are glad you are part of the fund.

Thank you.



.....  
**Mumuni Haruna**  
**(Fund Manager)**

## 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, 2011 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.

*R. A. Akin*  
.....)  
*[Signature]* **Directors**  
.....)

ACCRA  
**April 26, 2012**

## 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 31<sup>st</sup> December, 2011 which are presented herein from pages 13 to 22. The principal accounting policies used in preparing these financial statements are set out on pages 19 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 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**

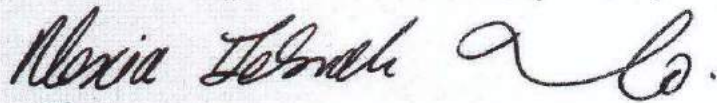
We conducted our audit in accordance with auditing standards. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgment made by the Directors in preparing these 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, 2011 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).



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

**April 27, 2012**

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2011**

<u>QUOTED EQUITY</u>	%Net Assets	2011 Number of Shares	2010 Market Value GH¢	Market Value GH¢
<b>Other Manufacturing</b>	<b>0.57</b>			
Aluworks (ALW)	0.57	61,745	8,027	7,409
			-----	-----
<b>Agro-processing</b>	<b>0.00</b>			
Benso Oil Palm Plantation (BOPP)	0.00	0	-	54,484
			-----	-----
<b>Dairy Products</b>	<b>7.29</b>			
Fan Milk Ltd (FML)	7.29	43,470	103,024	106,502
<b>Banking</b>	<b>52.30</b>			
CAL Bank (CAL)	1.19	60,094	16,826	18,629
Ghana Commercial Bank (GCB)	22.84	174,422	322,681	470,939
Standard Chartered Bank (SCB)	8.10	2,516	114,428	113,623
SG-SSB Bank (SG-SSB)	1.94	58,144	27,328	37,212
Ecobank (EBG)	17.46	49,338	246,708	148,014
Ecobank Transnational (ETI)	0.77	109,050	10,905	16,358
			-----	-----
			<b>738,876</b>	<b>804,775</b>
<b>Consumer Products</b>	<b>1.24</b>			
Patterson Zochonis (PZ)	1.05	61,812	14,835	12,362
Unilever (UNIL)	0.19	400	2,656	2,276
			-----	-----
			<b>17,491</b>	<b>14,638</b>
<b>Petroleum</b>	<b>7.16</b>			
Ghana Oil (Goil)	3.51	155,000	49,600	44,950
Total Ghana Limited (Total)	3.65	2,600	51,558	26,000
			-----	-----
			<b>101,158</b>	<b>44,030</b>



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

<b><u>QUOTED EQUITY</u></b>	<b>%Net Assets</b>	<b>Number of Shares</b>	<b>2011 Market Value GH¢</b>	<b>2010 Market Value GH¢</b>
<b>Insurance</b>	<b>5.02</b>			
Enterprise Insurance (EIC)	1.80	67,055	25,481	33,528
State Insurance Company (SIC)	3.22	113,500	45,400	48,805
	-----	-----	-----	-----
			70,881	82,333
			-----	-----
<b>TOTAL QUOTED EQUITY</b>	<b>73.58</b>		<b>1,039,456</b>	<b>1,141,091</b>
	-----		-----	-----
<b>FIXED INCOME/ SHORT TERM</b>				
91 Day Fixed Deposit	23.72		335,035	209,519
	-----		-----	-----
	<b>23.72</b>		335,035	209,519
Cash at Bank and Call	2.70		38,143	78,036
	-----		-----	-----
<b>TOTAL FIXED INCOME/SHORT-TERM</b>	<b>26.42</b>		<b>369,589</b>	<b>287,555</b>
	-----		-----	-----
<b>TOTAL INVESTMENTS</b>	<b>100.00</b>		<b>1,412,635</b>	<b>1,428,646</b>
	=====		=====	=====

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 2011 (CONT'D)**

	Note	2011 GH¢	2010 GH¢
<b>ASSETS</b>			
Total Investments		1,412,635	1,428,646
<b>RECEIVABLES</b>			
Others (Schedule A)		343	343
<b>Total Receivables</b>		<b>343</b>	<b>343</b>
<b>Total Assets</b>		<b>1,412,978</b>	<b>1,428,989</b>
<b>LIABILITIES</b>			
Accrued Expenses Payable		6,030	12,340
Others (Schedule B)		16,937	34,164
<b>Total Liabilities</b>		<b>22,967</b>	<b>46,504</b>
<b>Net Assets</b>		<b>1,390,011</b>	<b>1,382,485</b>
<b>SHAREHOLDERS' FUND</b>			
Capital Accounts	8	1,182,137	1,005,581
Accumulated Net Income Account		208,874	376,904
<b>Balance at December 31</b>		<b>1,390,011</b>	<b>1,382,485</b>

*A. A. A. A.*  
 .....)

*[Signature]*  
 .....)

**DIRECTORS**

**ACCRA**

**April 26, 2012**

**SAS FORTUNE FUND LIMITED  
INCOME AND DISTRIBUTION ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Notes	2011 GH¢	2010 GH¢
<b>Investment Income</b>			
Dividend Income		30,855	41,364
Interest Income	2	50,787	36,414
Other Income	3	4,204	3,606
		-----	-----
<b>Total Investment Income</b>		<b>85,846</b>	<b>81,384</b>
		-----	-----
<b>Expenses</b>			
Management Fees		27,800	27,650
Other Charges	4	24,413	23,142
		-----	-----
<b>Total Expenses</b>		<b>52,213</b>	<b>50,792</b>
		-----	-----
Net Investment Income before Capital Gains		33,633	30,592
<b>Add/Less:</b>			
Net Realised Capital Gain/ (Loss)	5	5,811	20,918
Gain/ (Loss) on Redemptions	6	(62,764)	(22,722)
		-----	-----
Net Investment Income		<b>(23,320)</b>	<b>28,788</b>
Net Unrealised Gain/ (Loss)	7	(145,710)	397,708
		-----	-----
Net Income/ (Loss)		<b>(169,030)</b>	<b>426,496</b>
		=====	=====

**ACCUMULATED INCOME ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 GH¢	2010 GH¢
Balance at January 1st	376,904	(49,592)
Net Income Transferred From Income and Distribution Account	(169,030)	426,496
	-----	-----
<b>Balance at December 31<sup>st</sup></b>	<b>207,874</b>	<b>376,904</b>
	=====	=====

**SAS FORTUNE FUND LIMITED**  
**STATEMENT OF MOVEMENT IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>INCREASE IN NET ASSETS</b>	<b>2011</b>	<b>2010</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>From Operations:</b>		
Net Investment Gains Before Capital Gains	33,633	30,592
Net Realised Capital Gain	5,811	20,918
Net Unrealised Gain/ (Loss)	(145,710)	397,708
Gain/ (Loss) on Redemptions	(62,764)	(22,722)
	-----	-----
<b>Net (Decrease)/ Increase from Operations</b>	<b>(169,030)</b>	<b>426,496</b>
	-----	-----
<b>From Capital Transactions:</b>		
Proceeds from Issue of Shares	422,567	248,870
Cash outflow for Shares Redeemed	(246,011)	(248,505)
	-----	-----
<b>Net cash Inflow/ (outflow) for Capital Transactions</b>	<b>176,556</b>	<b>365</b>
	-----	-----
<b>Net Increase/(Decrease) In Assets</b>	<b>7,526</b>	<b>426,861</b>
Net Assets at January 1st	1,382,485	955,624
	-----	-----
<b>Net Assets at December 31st</b>	<b>1,390,011</b>	<b>1,382,485</b>
	=====	=====

**STATEMENT OF MOVEMENT IN ISSUED SHARES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011</b>	<b>2010</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Balance at January 1st	7,447,867	7,634,004
Issue of Shares	1,970,401	1,513,666
	-----	-----
	9,418,268	9,147,670
Redemption of Shares	(1,447,329)	(1,699,803)
	-----	-----
<b>Net Shares Outstanding at December 31<sup>st</sup></b>	<b>7,970,939</b>	<b>7,447,867</b>
	=====	=====

**SAS FORTUNE FUND LIMITED**  
**PORTFOLIO SUMMARY**  
**AS AT DECEMBER 31, 2011**

Equity	Position 31/12/10 No. of Sh.	Mkt Value 31/12/10 GH¢	Position 31/12/11 No. of Sh.	Mkt Value 31/12/11 GH¢	(Sales)/ Purchases During Yr GH¢	Capital Gain (Loss) GH¢
ALW	61,745	7,409	61,745	8,027	-	618
BOPP	72,645	54,484	-	-	(60,295)	5,811
CAL	60,094	18,629	60,094	16,826	-	(1,803)
EBG	49,338	148,014	77,338	246,708	100,482	(1,788)
FML	43,470	106,502	43,470	103,024	-	(3,478)
GOIL	155,000	44,950	155,000	49,600	-	4,650
GCB	174,422	470,939	174,422	322,681	-	(148,258)
SCB	2,516	113,623	2,516	114,428	-	805
SG-SSB	58,144	37,212	58,144	27,328	-	(9,884)
ETI	109,050	16,358	109,050	10,905	-	(5,453)
PZ	10,302	12,362	61,812	14,835	-	2,473
UNIL	400	2,276	400	2,656	-	380
EIC	67,055	33,528	67,055	25,481	-	(8,047)
SIC	113,500	48,805	113,500	45,400	-	(3,405)
TOTAL	2,600	26,600	2,600	51,558	-	25,558
	-----	-----	-----	-----	-----	-----
At Market	<b>980,281</b>	<b>1,141,091</b>	<b>987,146</b>	<b>1,039,456</b>	<b>40,187</b>	<b>(141,821)</b>
	=====	=====	=====	=====	=====	=====
Balance on Unrealised						
Exchange Reserve		(300,655)		(178,306)		
		-----		-----		
At Cost		<b>840,436</b>		<b>861,150</b>		
		=====		=====		

**SAS FORTUNE FUND LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**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.

	<b>2011</b>	<b>2010</b>
<b>2. Interest Income</b>	<b>GH¢</b>	<b>GH¢</b>
Interest on Call Deposit	427	106
Interest on Fixed Deposit	50,360	36,308
	-----	-----
	<b>50,787</b>	<b>36,414</b>
	=====	=====

## SAS FORTUNE FUND LIMITED

	2011 GH¢	2010 GH¢
<b>3. Other Income</b>		
Exit Charges (Refer to Note 11)	4,204	3,606
	<u>=====</u>	<u>=====</u>
<b>4. Other Expenses</b>		
Advertising	426	1,038
Custodian Fees	3,674	2,948
Audit Fee	5,750	5,600
Printing Costs	4,650	3,250
Commissions & Levies	2,826	4,043
Secretarial Fees	2,070	1,415
AGM Expenses	2,077	1,560
Postage	2,940	3,288
	<u>-----</u>	<u>-----</u>
	<b>24,413</b>	<b>23,142</b>
	<u>=====</u>	<u>=====</u>
<b>5. Realised Gain/ (Loss) on Investments</b>		
Proceeds from Sale of Investment (Shares)	60,295	277,418
Average Costs of Investment (Shares) Sold	(78,457)	(337,816)
Transfer from Unrealised Gain/ (Loss) Reserve	23,973	81,316
	<u>-----</u>	<u>-----</u>
	<b>5,811</b>	<b>20,918</b>
	<u>=====</u>	<u>=====</u>
<b>6. Gain/ (Loss) on Redemption</b>		
Cost of Shares Redeemed	246,011	248,505
Consideration paid to Exiting Shareholders	(308,775)	(271,227)
	<u>-----</u>	<u>-----</u>
<b>Gain/ (Loss) on Redemption</b>	<b>(62,764)</b>	<b>(22,722)</b>
	<u>=====</u>	<u>=====</u>

## SAS FORTUNE FUND LIMITED

	2011 GH¢	2010 GH¢
<b>7. Unrealised Gain/ (Loss) Reserve</b>		
Balance at January 1st	300,655	(178,369)
Unrealised Gain / (Loss) for the Year		
Charged to Income & Distribution A/c	(145,710)	397,708
Realised Gain on Sale of Investment		
Transferred to Realised Gain/ (Loss) on Invest	23,361	81,316
	-----	-----
	<b>178,306</b>	<b>300,655</b>
	=====	=====

**8. Capital Accounts**

	<u>2011</u>		<u>2010</u>	
	No. of Shares	GH¢	No. of Shares	GH¢
Balance at January 1st	7,447,867	1,005,581	7,634,004	1,005,216
Issue of Shares	1,970,401	422,567	1,513,666	248,870
Redemption of Shares	(1,447,329)	(246,011)	(1,699,803)	(248,505)
	-----	-----	-----	-----
<b>Balance At December 31</b>	<b>7,970,939</b>	<b>1,182,137</b>	<b>7,447,867</b>	<b>1,005,581</b>
	=====	=====	=====	=====

**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.

**10. Investment Transactions**

Total purchases and sale of investments in quoted equity were GH¢100,482 and GH¢ 60,295 respectively. (2010: GH¢221,670 and GH¢277,418 respectively).



## SAS FORTUNE FUND LIMITED

### 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.

REDEMPTION WITHIN YEAR(S)	CHARGES
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¢1,112 at an average rate of 1.95%. (2010: GH¢1,112 at 1.25%).



April 24, 2012

The Manager  
 Nexia Debrah & Co. Audit & Assurance  
 P.O. Box CT 1552  
 Cantonments, Accra  
 Ghana

Our ref: SASareport2011

Dear Sir,

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

We refer to your letter dated April 17, 2012 and enclose the list of all assets held in our custody on behalf of SAS Fortune Fund Limited as at 31<sup>st</sup> December, 2011.

Below are the accounts balances as at end December 31, 2011.

Account Number	Account Name	Currency	Book Balance	Cr_ Dr Indicator
010500429900	SCGN/SAS FORTUNE FUND	GHS	130.00	Cr
0104004289901	SCGN/SAS FORTUNE FUND A/C	GHS	34,553.82	Cr

We also confirm none the assets so held by ourselves on behalf of SAS Fortune Fund Limited are pledged, mortgaged or otherwise encumbered in any way.

Thank you.

Yours Sincerely,

Samuel Eghan  
 Head, Investments 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 789210-221  
 Fax: (233-21) 667751, 668560  
 Telex: 2671 (SCBACC GH)  
 Cable: STANCHART

Member of Standard Chartered Bank Group

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

As of Date 31/12/2011

Account SASMASTER

BBGN/ SAS FORTUNE FUND

Classification EQIB

## LISTED EQUITIES

Security Code	Name	Settled Position	Market (GHS)	Valuation GHS	% Total Valuation
GOIL	GHANA OIL COMPANY LIMITED	155,000	0.320000	49,600.00	3.61
EBG	ECOBANK GHANA LIMITED	77,338	3.190000	246,708.22	17.95
SSB	SG - SSB LIMITED	58,144	0.470000	27,327.68	1.99
ETI	ECOBANK TRANSNATIONAL INC.	109,050	0.100000	10,905.00	0.79
PZ	PATTERSON ZOCHONIS (GH) LTD	61,812	0.240000	14,834.88	1.08
GCB	GHANA COMMERCIAL BANK	174,422	1.850000	322,680.70	23.48
SIC	STATE INSURANCE CO. LTD	113,500	0.400000	45,400.00	3.30
MOGL	TOTAL PETROLEUM GHANA LTD	2,600	19.830000	51,558.00	3.75
SCB	STANDARD CHARTERED BANK	2,516	45.480000	114,427.68	8.33
UNIL	UNILEVER GHANA LIMITED	400	6.640000	2,656.00	0.19
ALW	ALUWORKS GHANA LIMITED	61,745	0.130000	8,026.85	0.58
FML	FANMILK GHANA LIMITED	43,470	2.370000	103,023.90	7.50
CAL	CAL BANK LIMITED	60,094	0.280000	16,826.32	1.22
EIC	ENTERPRISE INSURANCE	67,055	0.380000	25,480.90	1.85
				1,141,090.31	75.62

Classification GDV

## FIXED DEPOSITS

Security Code	Name	Settled Position	Market (GHS)	Valuation GHS	% Total Valuation
NDK	91 DAY FD	107,102.65	0.000000	110,345.07	8.03
DALEX	91DAY FIXED DEPOSIT	103,739.73	0.000000	106,803.61	7.77
BOND	FINANCIAL SERVICES 91DAYS FD	115,540.30	0.000000	117,885.93	8.58
				335,034.6	24.38

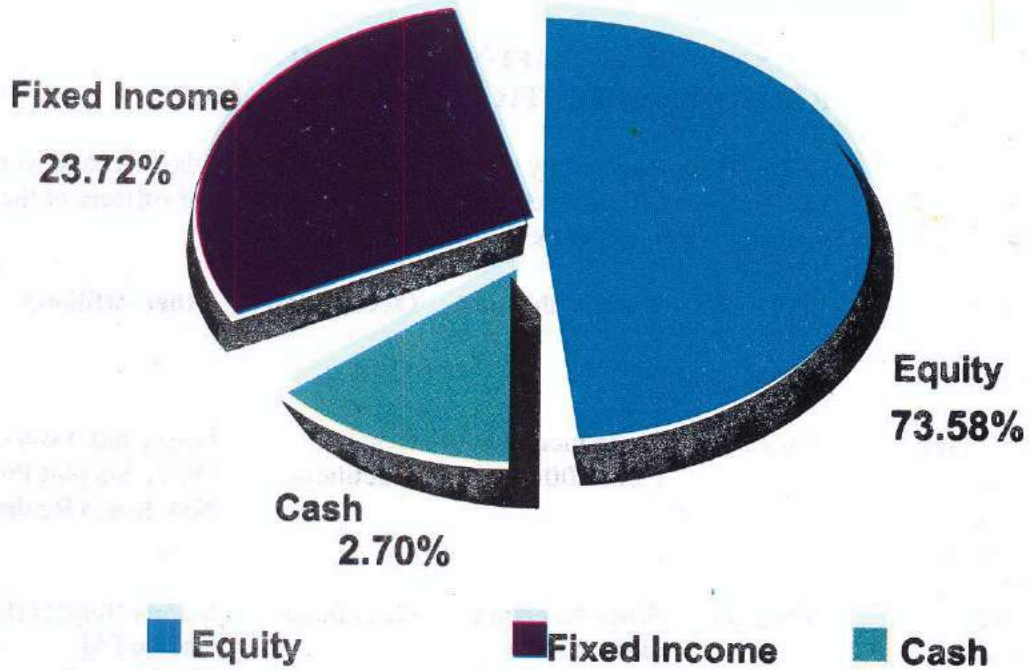
**GRAND TOTAL****1,347,866****100.00**

BANK BALANCE AS AT 31/12/2011

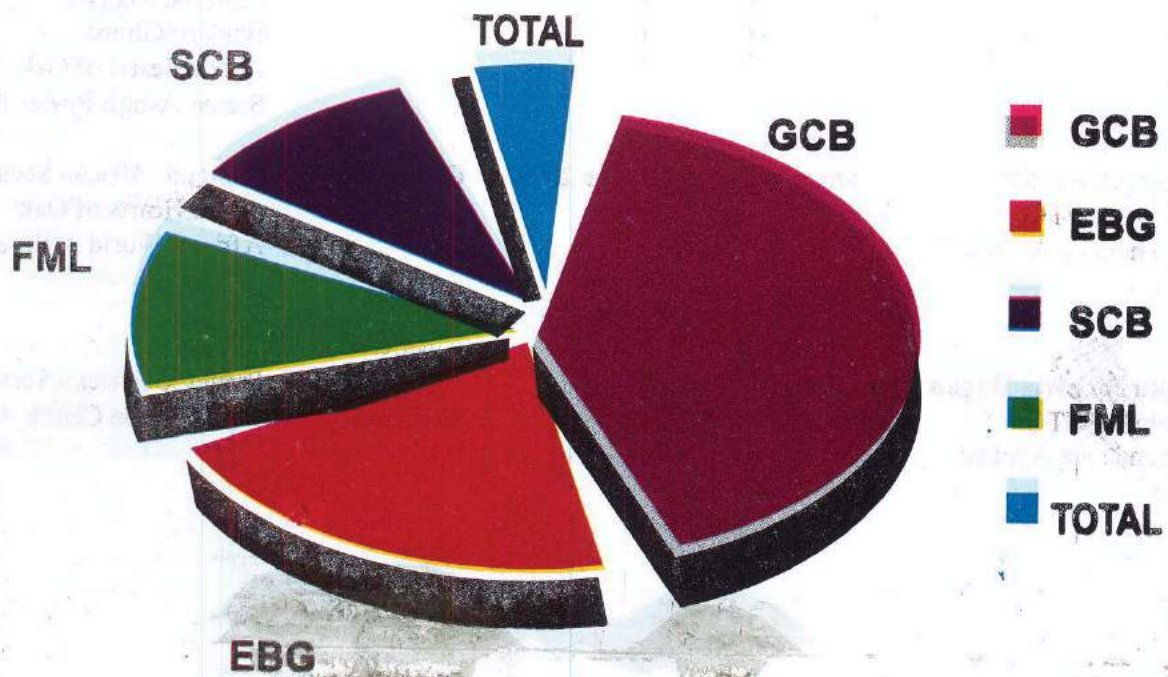
Accounts Balance

**34,683.82**

Portfolio Structure as at December 31, 2011



Portfolio Structure as at December 31, 2011



## 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.

Name, Address	Position	Time with Fund	Occupation	Other Affiliates
<b><u>Independent Directors</u></b>				
<b>Maxwell Logan (46)</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 (62)</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 (52)</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 Sunon Asogli Power Plant
<b>Apiigy Afenu (52)</b> 14 <sup>th</sup> Floor, WTCA Independence Avenue Accra	Director	November 2009	Chartered Accountant	Strategic African Securities Accra Hearts of Oak African World Airline
<b>Kweku Ricketts Hagan (48)</b> 14 <sup>th</sup> Floor, WTCA Independence Avenue Accra	Director	October 2010	Financial Economist	Strategic African Securities World Trade Centre Accra



# SAS FORTUNE FUND LIMITED

An Authorised 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> August, 2012 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, 2011 and the Reports of the Directors and Auditors thereon.		
2. To approve Directors' remuneration.		
3. To re-elect directors retiring by rotation:		
• Togbe Afede XIV		
• Mr Apigy Afenu		
4. To authorize the Directors to fix the remuneration of Auditors.		

.....  
Shareholder's Signature







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

**ADMISSION CARD**

To the Annual General Meeting of Members to be held on  
Wednesday, August 29, 2012 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**

**14<sup>th</sup> Floor, WTCA Building**

**Independence Avenue**

**P. O. Box 16446, Accra-Ghana**

**Tel: + 233-302-661772**

**+ 233-302-661008**

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**E-mail: [info@sasghana.com](mailto:info@sasghana.com)**

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

**PRINT LINK - 0244-658935**