



**SAS FORTUNE FUND LIMITED**

**ANNUAL REPORT**  
AND FINANCIAL STATEMENTS  
December 31, 2014

SAS Fortune Fund

celebrates  
**10th**  
ANNIVERSARY

We wish to thank our cherished clients  
for being part of our success story.

**Happy 10th Anniversary!**

Whether you are saving for home, retirement or your child's education or for any reason, SAS Finance group offers you investment strategies that will **HELP YOUR MONEY GROW.**

## SAS-NIB Collaboration

Investing with SAS just got easier!  
**YOU CAN TOP-UP YOUR FORTUNE FUND**  
at the World Trade Centre Ground floor.

For enquiries, Call: **0302 661008 / 661990**

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## SAS FORTUNE FUND LIMITED

# NOTICE OF MEETING

NOTICE is hereby given that the 10th Annual General Meeting of the Members of The SAS Fortune Fund will be held on Thursday August 27, 2015 at the College of Physicians and Surgeons, Ridge, 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, 2014 together with the Reports of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To fix Directors' Remuneration for the ensuing year
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 27th day of July, 2015

**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, 14th Floor Accra World Trade Centre, Independence Avenue, Accra, not less than 48 hours prior to the time of the meeting.

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## SAS FORTUNE FUND LIMITED

# CORPORATE INFORMATION

The Manager: SAS Investment Management Ltd. (SAS-IM)  
14th Floor WTCA Building, Indep. Avenue, Accra  
Tel: +233-302-661770/2/008/880  
+233-302-661900  
Fax: +233-302-663999  
E-mail: [sasim@sasghana.com](mailto:sasim@sasghana.com)  
Website: [www.sasghana.com](http://www.sasghana.com)

Directors of the Fund: Maxwell Logan (Chairman)  
Togbe Afede XIV  
Apiigy Afenu  
Nana Soglo Alloh  
Paul Hammond

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  
4th Floor Total House  
25 Liberia Road

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



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SAS FORTUNE FUND LIMITED

# CHAIRMAN'S STATEMENT TO SHAREHOLDERS

Dear Shareholders,

When weighing your investment options in the past year, you again placed your trust in SAS Fortune Fund to create value for you. On behalf of SAS Fortune Fund, I would like to thank you for your trust and the confidence you repose in us and to also welcome you to the 10th Annual General Meeting. Significantly, I wish to share with you some highlights on the macro environment in which the fund operated during the year.

The world economic growth in the year 2014 was 3.3%, and just around the same growth rates for the previous two years. This indicates a trend of continuing post-financial crisis pattern of slow recovery. Global recovery was also hindered by some new challenges, including a number of unexpected shocks, such as the heightened geopolitical conflicts in various areas of the world.

The recovery in the new European Union (EU) member States gained further ground in 2014. Inflation in the region hit record lows in 2014, thanks to lower food and energy prices; it is estimated to have been negative in a number of countries and is expected to remain very low in 2015. Labour markets continued to improve. In those with flexible currencies, interest rates were reduced to record lows and in 2015, monetary policy should remain accommodative.

Ghana's economy faced major challenges in the form of about 40% currency depreciation, deepening energy crisis, deteriorating macroeconomic imbalance and rising inflation and interest rates during the year 2014. The private sector was badly hit by these challenges during the year and culminating into reduced economic activity and also impacting negatively on economic growth. Business confidence in the country as a result, fell significantly in 2014, mainly because of the challenges mentioned. With the energy crisis anticipated to continue in 2015, business confidence will continue to fall, with most firms recording a reduction in employment.

Provisional gross domestic product (GDP) figures issued by the Ghana Statistical Services suggest that the economy expanded by 4.2% in 2014, less than the growth of 7.3% recorded in 2013. The drivers of growth came from the service sectors, which contributed 50.2% of the economy, followed by industry and agriculture at 28.4% and 19.9% respectively. The banking sector remained robust with a 42.2% increase in total assets over the year to December 2014; reducing the non-performing loans (NPL) ratio from 12.0% to 11.3%; and substantial operating capital (17.9% capital adequacy ratio) above the prudential limit of 10%. Nevertheless, the cost of credit continued to increase, as the spread between lending and deposit saving rates remained over 20%. The 91-day instrument traded at 25.8% in December 2014, up from 19.2% in December 2013; and the average lending rate by the banking sector was 29% in December 2014, up from 25.6% in December 2013.

Over the medium term, the economy is expected to recover mainly by higher oil and gas production, combined with increased private sector and public infrastructure investments, as well as an improved macroeconomic framework and political stability.

At the end of the year 2014, the total net asset value of SAS Fortune Fund was GH¢3,126,788, and representing about 20% increase over the previous year's total net asset value of GH¢2,604,739. The increase in fund values is attributed to your confidence in the fund. The Fortune Fund posted a return of 14.40% at the end of the year 2014 as against the return on Ghana Stock Exchange Composite Index of 5.4%. The Fund still remained an attractive investment vehicle for our shareholders and potential shareholders.

In spite of the economic challenges, we are confident and remain positive about the future prospect of the economy vis-à-vis the market in which the Fund operates. It is always a Buy Decision when prices are low and shareholders and investors are encouraged to buy more shares now in order to reap the benefit of increased prices in the future.

Thank you.  
Maxwell Logan  
Chairman

## SAS FORTUNE FUND LIMITED

# FUND MANAGER'S REPORT

Dear Shareholders,

It is our pleasure again to welcome you to the 10th Annual General Meeting of the SAS Fortune Fund Limited. The fund managers' report dwells on the general economic conditions within which the fund operated during the year and the outlook for 2015.

### ECONOMY

The economy witnessed numerous challenges ranging from the depreciation of the cedi against the US Dollar, the British Pounds Sterling and the Euro at the end of the year under review. For instance the cedi depreciated 48.04% against the US Dollar, the major trading currency thus making it very difficult to purchase goods denominated in dollar. The economy was also faced with deteriorating commodity prices as well as the rapid declining of oil prices. Inflation rate also increased from 13.80% to 17.00%. The 91-days and 182-days treasury bills increased by 34.29% and 41.53% respectively in 2014. The rates on these treasury bills against the return on the stock market indicated that investors found it economically prudent to invest in these money market instruments rather than on the stock market vis-à-vis Fortune Fund. The economy also experienced unstable power supply (dumsor) to industries and households. This affected businesses that heavily depended on power supply for the production of goods and services.

Overall, Ghana's investment climate slowed down resulting from the economic challenges. As disposable incomes were affected by these challenges, investors' propensity to invest into the fund also slowed down.

### STOCK MARKET REVIEW

Trading activity, both volume and value declined at the end of the year as compared to 2013. A total of 169,864,133 shares valued at GH¢312,877,322 was traded on the exchange in 2014 as compared to 312,994,312 shares valued at GH¢456,140,650 traded in 2013 which represents 45.73% and 31.41% decrease in volume and value traded respectively. At the end of 2014, the losers outweighed the gainers. Sixteen (16) equities recorded gains whilst seventeen (17) equities recorded losses. HFC and MAC topped the gaining side by adding GH¢0.54 and GH¢1.50 respectively, to close at GH¢1.50 and GH¢4.50, representing a 56.25% and 50.00% appreciation in price. On the other hand, ACI and PZC, the highest losers fell by GH¢0.04 and GH¢0.49 respectively, to end the year at GH¢0.02 and GH¢0.30, representing a -66.67% and -62.03%.

At the end of year, the banking sector maintained its dominance on the Ghana Stock Exchange. It traded 109,359,785 shares out of the total market volume of 169,864,133 shares. This represents 64.38% of the total volume traded on the market.

The GSE Composite Index closed the year at 5.40% compared to 78.81% in 2013, as a result of losses in some companies with large market capitalization.

### 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 unit price of the SAS Fortune Fund increased by GH¢0.0636, from GH¢0.4346 at the beginning of the year to close at GH¢0.4982. This represents a total return of 14.40% at the end of 2014. The fortune fund outperformed the GSE-Composite Index but not against the GSE-financial Index at the end of the year. Even though the performance of the GSE-Composite Index and Fortune Fund did not match that of last year's, it is recommended that investors buy more shares of the fund when the prices are low. This was somehow depicted in the value of the fund increasing from GH¢2,592,755 in 2013 to GH¢3,115,027 in 2014.

We will continue to ensure the growth in the asset base of the fund and also invest the assets of the fund in high value stocks as well as those that return regular dividends to the Fund. We will also continue to monitor the overall economic indicators and to take advantage of investment opportunities of companies with good valuation and stable business models.

Further, we will re-balance the portfolio of the fund if the need be with a view to maximize returns for our shareholders.

### FUTURE OUTLOOK

With the intervention of IMF, it is expected that the program boosts economic growth and helps cut poverty by restoring macroeconomic stability through tighter fiscal discipline, strengthening public finances, and slowing inflation. Lower inflation and interest rates, combined with a more stable exchange rate would help support private sector activity and ultimately culminate into economic growth.

As inflation and interest rates drop, there will be a rippling effect that will be seen in the activity of the stock market. In other words, investors will be attracted to the stock market thereby creating some excitement in the market.

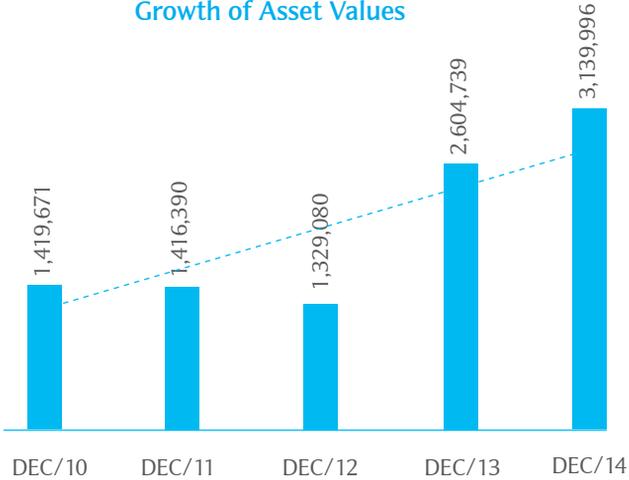
We are pleased to inform our cherished shareholders that we have also entered into a collaboration with National Investment Bank (NIB) to do deposit collection on our behalf. Going forward, shareholders can conveniently top up their investment with the NIB teller at the ground floor – Convention Centre, World Trade Centre.

As we look into 2015, we expect the market to thrive. However, we will continue to select stocks with good fundamentals, healthy profitability and good dividend payout for 2015 which we believe will translate into suitable returns for our shareholders.

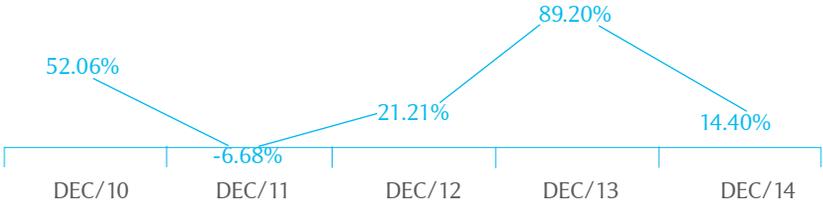
Thank you.  
Anthony A. Degbato  
Fund Manager

# SAS Fortune Fund

### Growth of Asset Values



### Yearly Performance



# 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, 2014 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.



Director  
ACCRA  
21<sup>ST</sup> MAY 2015

## 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 has indicated their willingness to continue in office as auditors in accordance with Section 134(5) of the Companies Code 1963 Act 179.



Director  
ACCRA  
21<sup>ST</sup> MAY 2015

## 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 they 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.

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.



SAS FORTUNE FUND LIMITED

# FINANCIAL STATEMENTS



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# 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, 2014 which are presented herein from pages 16 to 26. The principal accounting policies used in preparing these financial statements are set out on pages 22 to 26.

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 12 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, 2014 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).



Signed by  
K. Manu-Debrah (ICAP/P/1264)

On behalf of  
Nexia Debrah & Co. (ICAG/F/069)  
Chartered Accountants  
BCB Legacy House  
# 1 Nii Amugi Avenue  
East Adabraka, Accra  
P. O. Box CT 1552  
Cantonments, Accra

## SAS FORTUNE FUND LIMITED

# STATEMENT OF INVESTMENT ASSETS AS AT DECEMBER 31, 2014

QUOTED EQUITY	%Net Assets	Number of Shares	2014 Market Value GH¢	2013 Market Value GH¢
<b>Other Manufacturing</b>	<b>0.04</b>			
Aluworks (ALW)	0.04	61,745	1,235	3,087
<b>Dairy Products</b>	<b>7.27</b>			
Fan Milk Ltd (FML)	7.27	43,470	228,217	287,771
<b>Banking</b>	<b>56.79</b>			
CAL Bank (CAL)	1.93	60,094	60,695	58,291
Ecobank (EBG)	18.72	77,338	587,769	433,866
Ecobank Transnational (ETI)	0.98	109,050	30,534	20,720
Ghana Commercial Bank (GCB)	23.53	139,422	738,937	676,197
Standard Chartered Bank (SCB)	9.78	15,096	307,204	225,534
SG-SSB Bank (SG-SSB)	1.85	58,144	58,144	43,608
			<b>1,783,282</b>	<b>1,458,216</b>
<b>Consumer Products</b>	<b>0.73</b>			
Patterson Zochonis (PZ)	0.59	61,812	18,543	48,831
Unilever (UNIL)	0.14	400	4,280	7,324
			<b>22,824</b>	<b>56,155</b>
<b>Petroleum</b>	<b>10.26</b>			
Ghana Oil (Goil)	6.22	186,000	195,300	165,540
Total Ghana Limited (Total)	4.04	20,800	126,880	105,248
			<b>322,180</b>	<b>270,788</b>
<b>Insurance</b>	<b>5.07</b>			
Enterprise Insurance (EIC)	3.73	67,055	117,346	126,063
State Insurance Company (SIC)	1.34	113,500	41,995	44,265
			<b>159,341</b>	<b>170,328</b>
<b>TOTAL QUOTED EQUITY</b>	<b>80.16</b>	<b>1,013,926</b>	<b>2,517,079</b>	<b>2,246,346</b>

## SAS FORTUNE FUND LIMITED

# STATEMENT OF INVESTMENT ASSETS AS AT DECEMBER 31, 2014 (CONTD)

	%Net Assets	Number of Shares	2014 Market Value GH¢	2013 Market Value GH¢
<b>FIXED INCOME/ SHORT TERM</b>				
91 Day Treasury Bill	13.47		422,808	123,769
182 Day Treasury Bill	3.66		114,955	209,612
	<u>17.13</u>		<u>537,763</u>	<u>333,381</u>
Cash at Bank and on Call	2.71		85,154	25,012
<b>TOTAL FIXED INCOME/SHORT-TERM</b>	<u>19.84</u>		<u>622,917</u>	<u>358,393</u>
<b>TOTAL INVESTMENTS</b>	100.00		<u>3,139,996</u>	<u>2,604,739</u>

# SAS FORTUNE FUND LIMITED

## STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2014

ASSETS	Notes	2014 GH¢	2013 GH¢
Sundry Accounts Receivable (Schedule A)		11,039	16,150
Investment Assets		3,139,996	2,604,739
<b>Total Assets</b>		<b>3,151,035</b>	<b>2,620,889</b>
<b>LIABILITIES</b>			
Accrued Expenses Payable Others (Schedule B)		7,587	7,874
		16,660	20,260
<b>Total Liabilities</b>		<b>24,247</b>	<b>28,134</b>
<b>NET ASSETS</b>		<b>3,126,788</b>	<b>2,592,755</b>
<b>SHAREHOLDERS' FUND</b>			
Capital Accounts	8	1,430,166	1,133,226
Accumulated Income Account		1,696,622	1,459,529
<b>Balance at December 31st</b>		<b>3,126,788</b>	<b>2,592,755</b>



Director

ACCRA  
21<sup>ST</sup> MAY 2015



Director

ACCRA  
21<sup>ST</sup> MAY 2015

# SAS FORTUNE FUND LIMITED

## INCOME AND DISTRIBUTION ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2014

ASSETS	Notes	2014 GH¢	2013 GH¢
<b>Investment Income</b>			
Dividend Income		106,738	83,953
Interest Income	2	162,840	58,849
Other Income	3	12,097	7,733
<b>Total Investment Income</b>		<b>281,675</b>	<b>150,535</b>
<b>Expenses</b>			
Management Fees		63,924	50,666
Other Expenses	4	34,058	29,768
<b>Total Expenses</b>		<b>97,982</b>	<b>80,434</b>
Net Investment Income before Capital Gains		183,693	70,101
Net Realised Capital Gain	5	-	94,650
Gain/ (Loss) paid on Redemptions	6	(217,333)	(222,687)
Net Investment Income		(33,640)	(57,936)
Net Unrealised Gain/	7	270,733	1,084,221
Net Income/ (Loss) Transferred to Accumulated Income Account		<b>237,093</b>	<b>1,026,285</b>

## ACCUMULATED INCOME ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 GH¢	2013 GH¢
Balance at January 1st	1,459,529	433,244
Net Income Transferred From Income and Distribution Account	237,093	1,026,285
<b>Balance at December 31st</b>	<b>1,696,622</b>	<b>1,459,529</b>

## SAS FORTUNE FUND LIMITED

### STATEMENT OF MOVEMENT IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 GH¢	2013 GH¢
<b>INCREASE IN NET ASSETS</b>		
From Operations:		
Net Investment Gains Before Capital Gains	183,693	70,101
Net Realised Capital Gain	-	94,650
Net Unrealised Gain	270,733	1,084,221
(Loss)/Gains on Redemptions	(217,333)	(222,687)
<b>Net Increase From Operations</b>	<b>237,093</b>	<b>1,026,285</b>
<b>From Capital Transactions:</b>		
Proceeds From Issue of Shares	775,819	665,898
Cash outflow for Shares Redeemed	(478,879)	(390,239)
<b>Net cash Inflow/ (outflow) for Capital Transactions</b>	<b>296,940</b>	<b>275,659</b>
<b>Net Increase/ (Decrease) In Assets</b>	<b>534,033</b>	<b>1,301,944</b>
Net Assets at January 1st	2,592,755	1,290,811
<b>Net Assets at December 31st</b>	<b>3,126,788</b>	<b>2,592,755</b>

## STATEMENT OF MOVEMENT IN ISSUED SHARES

FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 No. of Shares	2013 No. of Shares
Balance at January 1st	6,542,175	6,244,852
Issue of Shares	1,669,396	1,902,600
	<b>8,241,571</b>	<b>8,147,452</b>
Redemption of Shares	(1,480,200)	(1,605,277)
<b>Net Assets at December 31st</b>	<b>6,761,371</b>	<b>6,542,175</b>

# SAS FORTUNE FUND LIMITED

## PORTFOLIO SUMMARY

AS AT DECEMBER 31, 2014

Equity	Position	Mkt Value	Position	Mkt Value	(Sales)/	Capital
	31/12/13 No. of Sh.	31/12/13 GH¢	30/12/14 No. of Sh.	30/12/14 GH¢	Purchases During Yr GH¢	Gain (Loss) GH¢
ALW	61,745	3,087	61,745	1,235	-	(1,852)
CAL	60,094	58,291	60,094	60,695	-	2,404
EBG	77,338	433,866	77,338	587,769	-	153,903
EGL	67,055	126,063	67,055	117,346	-	(8,717)
ETI	109,050	20,720	109,050	30,534	-	9,814
FML	43,470	287,772	43,470	228,217	-	(59,555)
GCB	139,422	676,197	139,422	738,937	-	62,740
GOIL	186,000	165,540	186,000	195,300	-	29,760
PZ	61,812	48,831	61,812	18,543	-	(30,287)
SCB	15,096	225,534	15,096	307,204	-	81,670
SG-SSB	58,144	43,608	58,144	58,144	-	14,536
SIC	113,500	44,265	113,500	41,995	-	(2,270)
TOTAL	20,800	105,248	20,800	126,880	-	21,632
UNIL	400	7,324	400	4,280	-	(3,044)
At Market	<b>1,013,926</b>	<b>2,246,346</b>	<b>1,013,926</b>	<b>2,517,079</b>	-	<b>270,733</b>
Balance on Unrealised						
Gain/(Loss) Reserve		<u>(1,439,446)</u>		<u>(1,710,179)</u>		
At Cost		<u>806,900</u>		<u>806,900</u>		

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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

	2014 GH¢	2013 GH¢
Interest on Call Deposit	849	795
Interest on fixed Deposit	161,991	58,054
	<u>162,840</u>	<u>58,849</u>

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 GH¢	2013 GH¢
<b>3. Other Income</b>		
Exit Charges (Refer to Note 11)	12,097	7,733
<b>4. Other Expenses</b>		
Advertising	906	562
Custodian Fees	7,300	4,964
Audit Fee	7,000	6,900
Printing Costs	-	4,200
Commissions & Levies	-	3,279
Secretarial Fees	2,350	2,070
AGM Expenses	14,153	4,954
Postage	2,349	2,839
	<b>34,058</b>	<b>29,768</b>
<b>5. Realised Gain on Investments</b>		
Proceeds from Sale of Investment (Shares)	-	168,150
Average Costs of Investment (Shares) Sold	-	(54,250)
Transfer from Unrealised Gain/ (Loss)	-	(19,250)
		<b>94,650</b>
<b>6. Gain/(Loss) on Redemption</b>		
Cost of Shares Redeemed	478,879	390,239
Consideration paid to Exiting shareholders	(696,212)	(612,926)
Gain/(Loss) on Redemption	<b>(217,333)</b>	<b>(222,687)</b>

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 GH¢	2013 GH¢
<b>7. Unrealised Gain/ (Loss) Reserve</b>		
Balance at January 1st	1,439,446	374,475
Unrealised Gain / (Loss) for the Year		
Charged to Income & Distribution A/c	270,733	1,084,221
Realised Gain on Sale of Investment		
Transferred to Realised Gain on Invest	-	(19,250)
Balance at December 31	<u>1,710,179</u>	<u>1,439,446</u>

### 8. Capital Accounts

	2014 No. of Shares	2014 GH¢	2013 No. of Shares	2013 GH¢
Balance at January 1st	6,542,175	1,133,226	6,244,852	857,567
Issue of Shares	1,699,396	775,819	1,902,600	665,898
Redemption of Shares	(1,480,200)	(478,879)	(1,605,277)	(390,239)
Balance At December 31st	<u>6,761,371</u>	<u>1,430,166</u>	<u>6,542,175</u>	<u>1,133,226</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.

### 10. Investment Transactions

Total sale of investments in quoted equity was Nil. (2013: GH¢168,150).

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2014

#### 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 was Nil (2013: GH¢3,279).

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

SCHEDULES	2014 GH¢	2013 GH¢
<b>A. RECEIVABLES</b>		
Others	394	394
8% Investment Tax Withheld	7006	7,006
Accounts Receivable – SASIM	3,639	8,750
	<u>11,039</u>	<u>16,150</u>
<b>B. LIABILITIES</b>		
Accrued Expenses Payable		
Custody Fees	-	457
Secretarial Fees	587	517
Audit Fees	7,000	6,900
	<u>7,587</u>	<u>7,874</u>
<b>Others</b>		
Directors' Fees Accrued	16,660	16,660
Outstanding Redemptions	-	3,600
	<u>16,660</u>	<u>20,260</u>

May 20, 2015.

The Manager  
SAS Fortune Fund  
2<sup>nd</sup> Ridge Link, North Ridge  
P.O. Box KA 16446  
Accra

Dear Sir,

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF SAS FORTUNE FUND LIMITED – DECEMBER 31, 2014**

Standard Chartered Bank Ghana Limited confirms the investment holding for SAS FORTUNE FUND LIMITED as at December 31, 2014 as follows:

EQUITIES			
Security Name	Position	Market Price	Valuation
P2 CUSSONS GHANA LIMITED	81,832.00	0.30	18,543.60
TOTAL PETROLEUM GHANA LIMITED	20,800.00	6.10	126,880.00
GCB BANK LIMITED	139,422.00	5.30	738,936.60
SOCIETE GENERALE GHANA LIMITED	56,144.00	1.00	56,144.00
ENTERPRISE GROUP LIMITED	67,055.00	1.75	117,846.25
FAN MILK LIMITED	43,470.00	5.25	228,217.50
ECONOMY TRANSNATIONAL IN	109,050.00	0.18	30,534.00
STANDARD CHARTERED BANK GHANA LTD	35,096.00	20.55	907,203.60
SIC INSURANCE COMPANY LIMITED	111,500.00	0.37	41,995.00
ECONOMY GHANA LIMITED	77,538.00	7.60	587,758.80
UNILEVER GHANA	400.00	10.70	4,280.00
CAL BANK LIMITED	60,094.00	1.01	60,694.94
GHANA OIL COMPANY LIMITED	186,000.00	-1.05	195,300.00
ALLWORKS LIMITED	63,745.00	0.02	1,234.90
<b>Classification Total</b>	<b>1,013,926.00</b>		<b>2,517,079.19</b>
FIXED DEPOSITS			
Security Name	Position	Valuation	
91 DAY BIK FD @ 27.00% FROM 21.10.2014 TO 20.01.2015	100,000.00	106,721.51	
91 DAY DALEX LTD FD @ 29.00% FROM 13.11.2014 TO 12.02.2015	57051.32	61221.32	
91 DAY DALEX LTD FD @ 29.00% FROM 19.11.2014 TO 18.02.2015	90226.42	96749.91	
91 DAY DALEX LTD FD @ 29.00% FROM 18.11.2015 TO 17.02.2015	74886.58	80300.98	
91 DAY DALEX LTD FD @ 29.00% FROM 10.10.2014 TO 09.01.2015	72558.46	77804.54	
182 DAY BEGE CAPITAL LTD FD @ 31.00% FROM 10.09.2014 TO 11.03.2015	104,969.32	114,954.35	
<b>Classification Total</b>	<b>499,691.90</b>	<b>537,762.61</b>	

SUMMARY			
DESCRIPTION	NOMINAL VALUE	VALUE LCY(GHS)	% OF TOTAL
EQUITY	1,013,926.00	2,517,079.19	80.24
FIXED DEPOSITS	499,691.90	537,762.61	17.14
CASH		82,070.38	2.62
<b>Total</b>		<b>3,136,912.18</b>	<b>100</b>

Yours Faithfully,



Beverly Frimpong

Director, Investors & Intermediaries, Sales

## 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
<i>Independent Directors</i>				
Maxwell Logan (48) Plot.5 & 8, Tabon Street Sedco House Annex North-Ridge, Accra	Director	Since Inception (June 2004)	Legal Practitioner	Logan and Associates Office Support Project New Beach Realtors Ltd.
Nana Soglo Allo IV (56) No. 44 Nii Bonnie St Dzorwulu	Director	August 2013	Legal Practitioner	Alloh & Partners P. O. Box NT 478 Accra
Paul Hammond (63) M65 Jam Close Community 20 Tema	Director	August 2013	Banker	Greenfield Microfinance P.O Box DS 864 Accra
<i>Interested Directors</i>				
Togbe Afede XIV (57) 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 Oak SAPP
Apiigu Afenu (56) M7 Manet Cottage Spintex Road Baatsona	Director	November 2009	Chartered Accountant	Strategic African Securities Africa World Airline Accra Hearts of Oak

# 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 the 10th Annual General Meeting of the Shareholders to be held on Thursday August 27, 2015 at the College of Physicians and Surgeons, Ridge, Accra 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, 2014 and the Reports of the Directors and Auditors thereon.		
2. To re-elect Directors retiring by rotation: Mr. Paul Hammond		
Nana Sogloh Alloh IV		
3. To approve Directors' remuneration		
4. To authorize the Directors to fix the remuneration of the Auditors.		

.....

Shareholder's Signature



# SAS | Finance Group



## SAS FINANCE GROUP

Securities Trading | Asset Management | Corporate Finance  
| Pension Fund | Investment Research |  
Wealth Management | Treasury Bills

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