



HeritageFund

Solid Growth • Sustainable Income • Long Term Value

FIRSTBANC HERITAGE FUND

**ANNUAL REPORT
2 0 1 5**



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March 16, 2016

Dear Valued Shareholder,

HERITAGE FUND 2015 INVESTMENT REPORT

We present you with our 2015 Annual Report which contains information on the performance, management and operations of the FirstBanC (Heritage Fund) for the year ended December 31, 2015.

Please find contained in this report, Chairman’s statement to shareholders, the fund managers’ report, report of directors and the fund’s audited financial statement for 2015.

We hereby express our profound gratitude to you for being a shareholder of the Heritage Fund and hope that this report reflects your expectations for your investments in the fund.

Investment information and updates on your investments in the Heritage Fund can be accessed on any business day from our Client Services Unit on 0302 250380.

Kind regards,

A handwritten signature in black ink, appearing to read 'Winslow Sackeyfio', with a long horizontal flourish extending to the right.

Winslow Sackeyfio

Fund Manager

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Annual Report Overview

Highlights of Heritage Fund’s performance are as follows:

Description	Total Returns (%)
Heritage Fund	4.23
GSE Composite Index	-11.12

	Beginning Share Price	Ending Share Price
FirstBanC Heritage Fund ¹	GH¢0.3557	GH¢0.3997

¹All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the fund. Current performance may be lower or higher than the performance data cited. For performance data to the most recent month-end, visit our website at www.firstbancgroup.com

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifth (5th) Annual General Meeting of FirstBanc Heritage Fund Limited (the “Company”) will be held at the British Council Auditorium, Accra on Wednesday, April 27th 2016 at 12 noon to transact the following business:

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended December 31, 2015.
2. To re-elect retiring Directors.
3. To consider and approve the remuneration of Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.

Dated this 5th day of April 2016.

By Order of the Board



Ms. Elikem Adadevoh
Company Secretary

NOTE: A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member. In order to be valid for the purpose of the meeting, the PROXY FORM must be completed and deposited at the Company’s registered office, 12th Floor, World Trade Centre, Independence Avenue, Accra, Ghana NOT LESS THAN 48 HOURS before the appointed time of the meeting.



Chairman's Statement to Shareholders

Dear Cherished Shareholders,

On behalf of the Board of Directors, I welcome you to the 5th Annual General Meeting of FirstBanC Heritage Fund Ltd and thank you for your resolute commitment to Heritage Fund as an avenue for your investment. The main business of the day is to present to you the annual reports and the financial statement for the year ended December 31, 2015.

Global Economic Review

Global economic activity in 2015 remained subjugated. The slowdown and rebalancing of China's economy, lower crude oil and other commodities prices and strains in some large emerging economies impacted on the global economy in 2015. Notwithstanding this, some developed countries like United States and Germany witnessed a modest and uneven recovery in the second half of the year after a sluggish performance in the first half. Economic activities in the United States picked up stronger than expected but fell short of expectations in other major economies, most notably Japan and China. The global economy is projected to remain on its crawling-growth path in 2016 at a rate of 3.4%.

The Ghanaian Economy

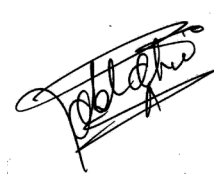
All three sectors of the economy; agricultural, manufacturing and services sectors, expanded in 2015. The Ghana Statistical Service (GSS) data released in October, 2015 pegged the Industry Sector to lead the overall GDP growth with 9.1%, followed by the Services and Agricultural Sectors, with 4.7% and 0.04% respectively. The economy was estimated to expand by 4.1%, a slight increase from the 2014 growth rate of 4.0%. Both the Services and Industry Sectors are expected to increase their share of the overall GDP at the expense of a declining share of the GDP for the Agriculture Sector.

The Market in Review

The Ghana Stock Exchange Composite Index (GSE-CI) at the end of 2014 posted 5.39% in returns. The market went down in 2015 to close at 2,009.52 points representing a return of -11.12% at end of the year 2015. This abysmal performance of the bourse can be attributed to inflationary pressures, and the high interest rate on money market instruments, the latter which led investors to increase their activities in the money market.

We however urge you to continue to have a long term expectation, ignoring daily market moves and not make decisions based on emotions. We are committed to giving you our best in managing your fund.

As always, thank you for investing in Heritage Fund. God bless you all.

A handwritten signature in black ink, appearing to read 'John Bright Kobla Aheto', written over a white rectangular background.

Prof. John Bright Kobla Aheto
Board Chairman



Fund Manager's Report

Seven Years after the global financial crisis, the global economy still continues its recovery at a slow pace. The year 2015 was no exception, as the global investment environment was plagued by major mishaps that took the center stage of global financial markets. Signs of weakness in China's economy sparked extreme levels of volatility in Chinese stocks, triggering policy makers intervention to stabilize the market. This however left investors puzzled about policy directions in the Chinese economy and further sank the market. There was no fun ride for oil as prices slumped due to global demand and supply imbalances, thus fueling sell-offs in the emerging markets. The yellow metal also continued in its downswing for the third year since 2012.

In their quest to seek shelter amid global uncertainty in 2015, investors resorted to high quality assets including treasury instruments and investment grade securities while they relinquished their holdings in the equity markets.

Despite the challenges in the global equity market in 2015, Heritage Fund recorded a return of 4.23% at the end of the year 2015, reflecting the strategic mix between fixed income and equity securities in the portfolio.

Portfolio Performance

In spite of the abysmal performance of the stock market, Heritage Fund made a return of 4.23% at end of 2015 which compares unfavourably with 12.39% recorded for 2014. EGL, FML and GOIL were the main contributors to the returns on the fund supported by returns from the fund's fixed income holdings. On the other hand, all the financial stocks in the portfolio (CAL, EBG, GCB, SCB and SOGEGH) plummeted in value, hence, truncating the returns on the fund. Much of the credit for this positive performance is due to the experience of the management team and good risk control measures adopted by the fund manager.

The fund price witnessed a lot of volatility throughout the year with the price moving upward from GH¢0.39, hitting an all-year high of GH¢0.44, and then falling to GH¢0.41 at the end of 2015, representing a year to date appreciation of 5%.

Total Assets under Management (AUM) grew at the rate of 6.32%, rising from GHC1,456,508.78 to GHC1,548,584.61 as at December 31, 2015. The increase in the fund’s AUM was mainly due to capital appreciation on equities held in the portfolio during the period.

Performance Summary

Comparative Performance Summary				
	2012	2013	2014	2015
HF Year-to-Date Returns	20.90%	58.06%	12.38%	4.23%
GSE Index Returns	23.81%	78.81%	5.40%	-11.12%
Price (GHC)	0.2250	0.3557	0.3997	0.4166
Assets Under Mgt (GHC)	430,350.00	851,547.00	1,456,508.78	1,548,584.61

Table 1: Summary of comparative year-on-year performance

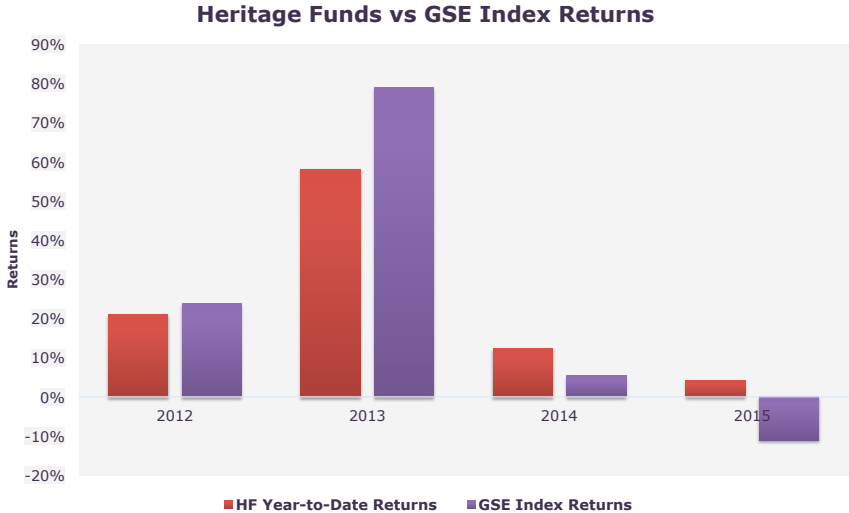


Figure 1: Heritage Fund returns compared with GSE Composite Index returns

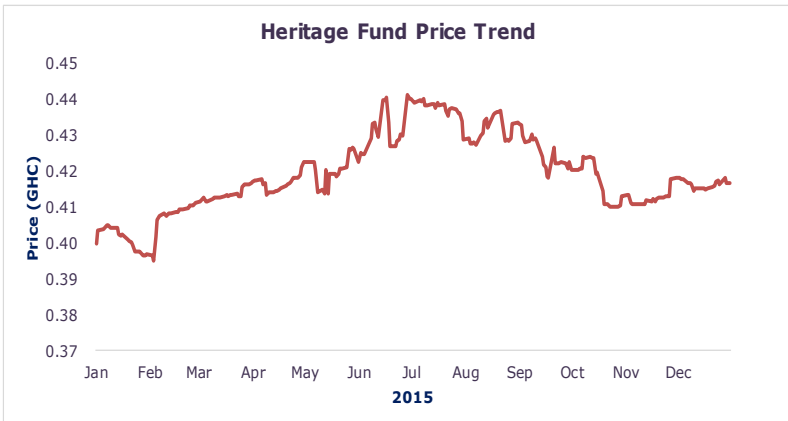


Figure 2: Share price trend during the year

Portfolio Composition

As at December 31, 2015, the asset mix of Heritage Fund consisted of 73% (GHC1,126,057.00) in listed equities, 25% (GHC386,381.96) in fixed income securities and 2% (GHC36,145.65) in cash and equivalents. This is illustrated in the chart below:

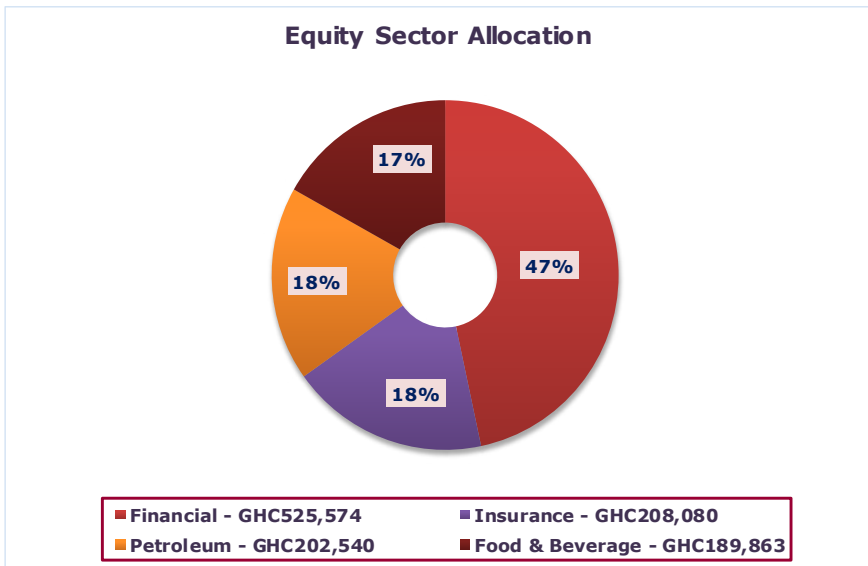


Figure 3: Portfolio mix

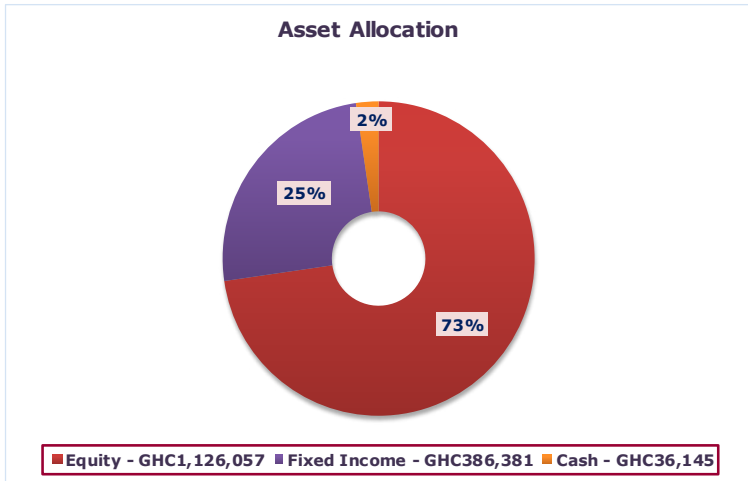


Figure 4: Sectoral allocation of equities

OUTLOOK & STRATEGY

The Fund remains committed to ensuring Solid Growth and Long Term Value and will continue to invest in high value equities while paying attention to those that return regular dividends to the Fund. We expect an improved performance of the Ghana stock market as the money market returns fall and clients move funds to the capital market.

On the fixed income investments, funds would be invested in medium to long term instruments. The Manager will continue to negotiate good rates for fixed income investments to ensure that the fund is well cushioned against shocks in the capital market.

Samuel Annie Asiedu
Chief Investment Officer



REPORT OF THE DIRECTORS TO THE MEMBERS OF **FIRSTBANC HERITAGE FUND LIMITED** ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

The Directors present herewith their report together with the audited financial statements of the Fund for the year ended 31st December 2015

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Fund and of the Financial Statements for that period. In preparing these financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) and complied with the requirements of the Companies Act, 1963 (Act 179).

The Directors are responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activities

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of Heritage Fund investment securities acquired with such monies.

Report on the Financial Statements

Financial Results

The results for the year are shown in the statement of comprehensive income in the financial statements. The Fund recorded a net investment income of GHC97,437 in 2015 as against a net investment income of GHC 68,667 in 2014. The increase in net income is attributed to higher volume of business gains on stocks and dividend income.

Change in Financial Reporting Framework

The Fund for the first time in 2015 moved from using the Ghana National Accounting Standards (GNAS) to International Financial Reporting Standards (IFRS) in the preparation of its financial statements.

Auditors

PKF have indicated their willingness to continue in office as auditors of the Fund and in accordance with section 134(5) of the Companies Act, 1963 (Act 179).

Appreciation

The Board of Directors would like to express its sincere appreciation to members of the Fund for their loyalty, and to the Fund Manager for their service during the year under review.



PROF. JOHN BRIGHT KOBLA AHETO
DIRECTOR



MR. SAMUEL ANNIE ASIEDU
DIRECTOR



Accountants &
business advisers

REPORT OF THE AUDITORS TO THE INVESTORS OF FIRSTBANC HERITAGE FUND LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

Report on the Financial Statements

We have audited the accompanying financial statements of FirstBanC Heritage Fund Limited which comprise the statement of financial position as at 31st December 2015, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and Unit Trust and Mutual Funds Regulations 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith give a true and fair view of the state of affairs of the FirstBanC Heritage Fund Limited as at December 31, 2015 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards, Unit Trust and Mutual Funds Regulations 2001, (L.I. 1965) and the Ghana Companies Act, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

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

- I. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- II. in our opinion proper books of accounts have been kept by the Fund, so far as appears from our examination of those books; and
- III. the Fund's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account

Signed by: F. Bruce-Tagoe (ICAG/P/1087)

For and on behalf of

PKF: (ICAG/F/2016/039)

Chartered Accountants

Farrar Avenue

Accra

4th April 2016

FINANCIAL STATEMENTS

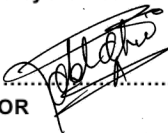
FIRSTBANC HERITAGE FUND LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015 GH¢	2014 GH¢
Cash Flows from Operating Activities		
Net Investment Income	97,437	68,667
Changes in Working Capital		
Changes in Liabilities	<u>(17,057)</u>	<u>13,955</u>
Total Cash Flows from Operating Activities	80,380	82,622
Cash Flows from Investing Activities		
Changes in Available for Sale Equities	(189,495)	(468,663)
Changes in Held to Maturity Securities	<u>49,885</u>	<u>(82,807)</u>
Total Cash Flows from Investing Activities	<u>(139,610)</u>	<u>(551,470)</u>
Cash Flows from Financing Activities		
Changes in Shareholder's Capital	(23,906)	463,397
Changes in Unrealised Gains	<u>115,736</u>	<u>41,765</u>
Total Cash Flows from Financing Activities	91,830	505,162
Net Increase in Cash and Cash Equivalents	32,600	36,314
Cash and Cash Equivalents at 1 January	<u>113,352</u>	<u>77,038</u>
Cash and Cash Equivalents as at 31st December	<u>145,952</u>	<u>113,352</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank Balance	144,847	113,352
Cash at Hand	<u>1,105</u>	<u>-</u>
Cash and Cash Equivalents as at 31st December	<u>145,952</u>	<u>113,352</u>

FIRSTBANC HERITAGE FUND LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2015

	Notes	2015 GH¢	2014 GH¢
ASSETS			
Bank and Cash Balances	2	145,952	113,352
Available for Sale Equities	10	1,126,057	936,562
Held to Maturity Securities	11	<u>386,382</u>	<u>436,267</u>
TOTAL ASSETS		<u>1,658,391</u>	<u>1,486,181</u>
 EQUITY			
Unitholders' Capital		1,250,758	1,274,664
Retained Earnings		237,777	140,340
Net Unrealised Gains		<u>157,501</u>	<u>41,765</u>
TOTAL EQUITY		<u>1,646,036</u>	<u>1,456,769</u>
 LIABILITES			
Payables	17	<u>12,355</u>	<u>29,412</u>
TOTAL LIABILITIES		<u>12,355</u>	<u>29,412</u>
 TOTAL EQUITY AND LIABILITIES		 <u>1,658,391</u>	 <u>1,486,181</u>

Approved by the Board on5th April..... 2016

.....

 DIRECTOR

.....

 DIRECTOR

FIRSTBANC HERITAGE FUND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	<i>Notes</i>	2015 GH¢	2014 GH¢
Investment Income			
Dividend Income	3	33,367	9,465
Interest Income	5	106,801	112,611
Total Income		<u>140,168</u>	<u>122,076</u>
Operating Expenses	7	<u>42,731</u>	<u>53,409</u>
Total Expense		<u>42,731</u>	<u>53,409</u>
Net Investment Income as at 31 December		97,437	68,667
Other Comprehensive Income			
Fair Value Gain/(Loss) of Available for Sale Equities	9	(36,463)	78,650
Total Comprehensive Income		<u>60,974</u>	<u>147,317</u>

FIRSTBANC HERITAGE FUND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	Shareholders' Capital GH¢	Retained Earnings GH¢	Unrealised Gain GH¢	Total GH¢
2015				
Opening Balance	1,274,664	140,340	41,765	1,456,769
Proceeds from Issue of Shares	325,263	-	-	325,263
Net Investment Income	-	97,437	-	97,437
Net Unrealised Gain	-	-	115,736	115,736
Shares Redeemed	(349,169)	-	-	(349,169)
Total	<u>1,250,758</u>	<u>237,777</u>	<u>157,501</u>	<u>1,646,036</u>
2014				
Opening Balance	811,267	71,673	-	882,940
Proceeds from Issue of Shares	660,340	-	-	660,340
Net Investment Income	-	68,667	-	68,667
Unrealised Gain	-	-	41,765	41,765
Shares Redeemed	(196,943)	-	-	(196,943)
Total	<u>1,274,664</u>	<u>140,340</u>	<u>41,765</u>	<u>1,456,769</u>

FIRSTBANC HERITAGE FUND
STATEMENT OF MOVEMENTS IN NET ASSETS
FOR THE YEAR ENDED 31ST DECEMBER 2015

	2015 GH¢	2014 GH¢
INCREASE IN NET ASSETS		
Operations:		
Net Accumulated Investment Income	97,437	68,667
Net Unrealized Gain	8 115,736	41,765
Net Increase in Net Assets Resulting from operations	<u>213,173</u>	<u>110,432</u>
Capital Transactions		
Proceeds from unit issue	325,263	660,340
Units Redeemed	<u>(349,169)</u>	<u>(196,943)</u>
Net Proceeds from Capital Transaction	(23,906)	463,397
Net Increase in Net Assets	<u>213,173</u>	<u>110,432</u>
Total Increase in Net Assets	189,267	573,829
Beginning of Period	<u>1,456,769</u>	<u>882,940</u>
End of Period	<u>1,646,036</u>	<u>1,456,769</u>

STATEMENT OF MOVEMENTS IN ISSUED SHARES
FOR THE YEAR ENDED 31ST DECEMBER, 2015

Shares issued at the beginning of period	4,762,852	3,593,034
Net Shares Issued during the period	893,372	1,670,895
Redemptions during the year	(768,321)	<u>(501,077)</u>
Units in Issue as at December	<u>4,887,903</u>	<u>4,762,852</u>

FIRSTBANC HERITAGE FUND LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Description of the Fund

The name of the mutual fund is FirstbanC Heritage Fund Limited. It is an open-ended equity market mutual fund that was established on 8th December, 2009 with an unlimited duration. The Fund invests in a diversified portfolio of listed and unlisted securities as well as money market instruments. The Fund seeks to achieve long term capital growth for its investors.

b. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board and its Committees, as required by the Institute of Chartered Accountants (Ghana).

c. Basis of Preparation

The financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Ghana Cedi (GHC). The Fund presents its statement of financial position in order of liquidity.

d. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

e. Foreign Currencies

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

FIRSTBANC HERITAGE FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	GH¢	GH¢
2 Bank and Cash Balances		
Contributions Account	(3,211)	(15,700)
Call Account	86,439	75,100
Settlement Account	1,599	19,931
Current Account	(1,618)	4,576
Zenith Heritage Fund Account	(832)	(890)
ADB Heritage Fund Account	3,669	(126)
Zenith Heritage Fund Account	49,776	20,460
Uncleared Cheques	-	395
Ecobank Ghana	9,026	9,606
Cash at hand	1,105	-
Total	<u>145,952</u>	<u>113,352</u>

3 Dividend Income

GCB	10,010	535
Total	1,995	3,661
SCB	1,568	-
GOIL	1,577	-
BOPP	162	-
CAL	1,230	-
EBG	9,521	-
Fan Milk	1,076	1,076
SG-SSB	4,234	-
Ecobank Ghana	1,994	4,193
Total	<u>33,367</u>	<u>9,465</u>

FIRSTBANC HERITAGE FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	GH¢	GH¢
4 Cost of Shares		
BOPP	-	10,120
CAL	-	18,072
EBG	118,361	42,942
EGL	184,063	184,063
FML	101,427	36,559
GCB	134,214	112,194
GOIL	75,373	77,697
SCB	117,822	51,211
SOGEGH	135,495	102,490
TOTAL	113,614	104,296
UNIL	-	7,834
SAMBA	29,952	-
Total	<u>1,010,321</u>	<u>747,478</u>

5 Interest Income	2015	2,014
	GH¢	GH¢
Fixed Deposit		
91 - Day	23,803	7,229
182 - Day	63,844	21,689
270 - Day	0	1,053
365 - Day	19,154	82,640
Total	<u>106,801</u>	<u>112,611</u>

- 6 Back Load
This represents a fee charged investors when they are selling their mutual fund shares within a specified number of years, usually up to 10 years. The fee amounts to a percentage of the value of the shares at the time of sale. The fee percentage is highest in the first year and decreases yearly until the specified holding period ends at which time it drops to a zero.

	2015	2014
	GH¢	GH¢
7 Operating Expenses		
Management Fees	14,634	20,704
Custodian Fees	5,257	2,252
General and Admin. Expenses		
Back Load	5,196	4,881
Transaction Fees	1,300	11,609
Operating Fees	5,677	3,407
Directors Emoluments	5,667	5,556
Auditors Remuneration	5,000	5,000
	<u>42,731</u>	<u>53,409</u>

FIRSTBANC HERITAGE FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	GH¢	GH¢
8 Unrealized Gain/(Loss) on Investments		
CAL	-	7
BOPP	-	130
EBG	22,540	20,916
EGL	24,017	(29,662)
FML	58,068	(17,976)
GCB	(5,354)	18,850
GOIL	(333)	12,355
SCB	679	16,674
SOEGEH	1,817	20,336
TOTAL	13,886	5,658
UNIL	-	(8,371)
NGLD	-	2,848
SAMBA	416	-
Net Unrealised Gain	<u>115,736</u>	<u>41,765</u>

This represents the difference between the market values of the investments at the beginning and the end of the year.

9 Fair Value of Available for Sale Equities

Market value of Investment		1,126,057	936,562
Cost of Investments	4	<u>(1,010,321)</u>	<u>(747,478)</u>
Net Unrealized Gain during the year		115,736	189,084
Prior Period Gains/(Losses)		<u>(152,199)</u>	<u>(110,434)</u>
		<u>(36,463)</u>	<u>78,650</u>

10 Available for Sale Equities

Description of Shares	No. of shares	Price		Market Value	
		GH¢	GH¢	GH¢	GH¢
EBG	20,100	7.01		140,901	
EGL	86,700	2.40		208,080	
FML	21,700	7.35		159,495	
GCB	34,000	3.79		128,860	
GOIL	53,600	1.40		75,040	
SCB	7,270	16.30		118,501	
SOEGEH	171,640	0.80		137,312	
TOTAL	25,000	5.10		127,500	
SAMBA	41,600	0.73		<u>30,368</u>	
Total				<u>1,126,057</u>	

FIRSTBANC HERITAGE FUND
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	GH¢	GH¢
11 Held to Maturity Securities		
91 Day Fixed Income	144,019	98,228
182 Day Fixed Income	242,363	62,772
365 Day Fixed Income	<u> </u>	<u>275,266</u>
	<u>386,382</u>	<u>436,267</u>

12 Taxation

Under section 42 of Securities Industry Law, 1993 P.N.D.C.L.(333), mutual funds are not liable to pay income tax or any other tax including levy in respect of income on profits or gains derived by it from any source.

13 Transactions through Stockbrokers

The Fund's transactions were through the following Stock Brokers

Stock Broker	Company	% of Transaction
FirstBanC Brokerage Services Ltd	FirstBanC Financial Services	100

14 Proceeds from Units Issued

This represents total funds received from investors (unit holders) in return for units issued during the year.

15 Units Redeemed

This represents total units redeemed or funds withdrawn by investors (unit holders) during the year.

16 Financial Risk Management

(a) Objective and Policy

The Fund's objective in managing risk is the creation and protection of shareholder value.

Risk is inherent in the Fund's activities, but it is managed through a process of ongoing controls. identification, measurement and monitoring, subject to risk limits and other controls

The process of risk management is critical to the Fund's continuing profitability.

The Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

(b) Risk Management Structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

(c) Risk Measurement and Reporting System

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models.

The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment. Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

17 Contingencies and Commitments

The Fund operates in the financial service industry and is subject to legal proceedings in the normal course of business. As at the reporting date, there were no potential or threatened legal proceedings, for or against the Fund. There are no contingencies associated with the Fund's compliance or lack of compliance with regulations.

18 Payables

	2015	2014
	GH¢	GH¢
Back Load	1,886	2,164
Management Fees	3,309	9,179
Custodian Fees	3,574	998
Transaction Fees	930	5,147
Operation Expenses	2,656	1,624
Directors' Emoluments	-	5,300
Auditors Fees	-	5,000
	<u>12,355</u>	<u>29,412</u>

FIRSTBANC HERITAGE FUND LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

	2015	2014
	GH¢	GH¢
17 Payables		
Back Load	1,886	2,164
Management Fees	3,309	9,179
Custodian Fees	3,574	998
Transaction Fees	930	5,147
Operation Expenses	2,656	1,624
Directors' Emoluments	-	5,300
Auditors Fees	-	5,000
	<u>12,355</u>	<u>29,412</u>

First BanC Financial Services
12th Floor, World Trade Centre
Independence Avenue
Ridge Ambassadorial Enclave
Ridge, Accra

Attn: Mr. Alexander O. Acheampong

4th April 2016

Dear Sir,

REPORT OF THE CUSTODIAN TO THE INVESTORS OF FIRST BANC HERITAGE FUND

We as Custodians of First BanC Heritage Fund (the Fund) write to confirm to investors, the statement of holdings of the Fund as at the close of business on 31st December 2015.

In our independent opinion on the statement of holdings based on our audit, the statement reflects a true and fair view of the state of affairs of the fund as at 31st December 2015.


Please find attached to this letter, the statement of holdings as at 31st December 2015.

Thank you.

Yours Sincerely,



Eunice Amoo-Mensah
Manager, Investor Services



William Sowah
Head, Investor Services

Corporate Information

BOARD OF DIRECTORS

BOARD OF DIRECTORS

Prof. John B. K. Aheto (Chairman)

Mr. Samuel A. Asiedu

SECRETARY

Alikem Adadevoh

P. O. Box 1464

Osu, Accra

AUDITORS

Messrs PKF

Chartered Accountants

No. C45/2 Valley View

Adabraka

P. O . Box 1219

Accra

SOLICITORS

Lithur Brew & Company

P. O . Box 3865

Cantonments, Accra

BANKERS

Stanbic Bank Ghana Ltd.

Zenith Bank Ghana Ltd.

Agricultural Dev. Bank Ltd.

Ecobank Ghana Ltd.

CUSTODIANS

Stanbic Bank Ghana Limited

Valco Trust House

Castle Road

Accra

REGISTERED OFFICE

12th Floor, World Trade Center

Independence Avenue

P. O . Box 1464, Osu, Accra

Tel: 233-0302-250380/250636

www.firstbancgroup.com

Management Information

SAMUEL ANNIE ASIEDU (CHIEF INVESTMENT OFFICER)



Samuel Annie Asiedu is the Managing Director of FirstBanC Financial Services Ltd and the Chief Investment Officer of the Heritage Fund. He has several years' experience in investment banking and general financial advisory services both in Ghana and UK. His expertise includes financial due diligence reviews, business valuations, mergers and acquisitions, project/investment assessments, capital structuring, venture capital and fund management.

Samuel, prior to joining FirstBanC in 2010, worked with Deloitte & Touché, Ghana as Financial Analyst where he handled several high profile financial advisory engagements including lender, buyer and seller financial due diligence reviews and business valuations.

Samuel holds a BSc Admin. (Accounting Option) from University of Ghana, an MBA (Finance) from University of Hull, UK and a professional qualification with CIMA.



ALEX OWUSU-ACHEAMPONG – HEAD, ASSET MANAGEMENT

Alex is the Head of Asset Management. He is responsible for managing and monitoring Asset Management's investment portfolio. He leads in developing the asset allocation levels aimed at creating a balanced portfolio of investments.

Alex is also responsible for the effective management of Heritage Fund.

He also maintains the database for all client transactions, which is aimed at accurately accounting for deposits and withdrawals made by clients. Again, he ensures that income distributions made to clients' are accurate. He makes investments of funds.

Alex has been with FirstBanC from 2009 to date, initially working as an SME Advisor before joining Asset Management Department in June 2010. Alex holds a Bachelor of Arts degree in Geography and Sociology from the University of Cape Coast and an MBA from Sikkim Manipal University, India.

Before joining FirstBanC, Alex worked as a Project Officer at Association of Ghana Industries (AGI) where he played a key role in the development of the SME Charter of Ghana.



WINSLOW SACKEFIO – FUND MANAGER

Winslow Sackeyfio is the fund manager for Heritage Fund and the Head of Research Department of FirstBanC Financial Services. He is responsible for managing the fund's investment and ensuring that the fund's strategy is aligned with its goals. He also oversees the analysts in the research department and spearheads the media outreach program of the firm with numerous appearances on

radio and television to talk about the financial markets and investments. He also serves as the vice chairman of the Investment and Risk Management Committee of the company. He has written a lot of articles on investment related topics which have been published in financial newspapers.

Before taking the role of Fund Manager of the fund, he worked as an equity research analyst. His roles included providing investment recommendations for the Asset Management, Brokerage and the Pension Department of FirstBanC Financial Services.

Before FirstBanC, Winslow worked for over six years as a Regulatory Officer at the Food and Drugs Board and has conducted over hundred quality audits in pharmaceutical manufacturing facilities both locally and internationally.

Winslow holds a B. Pharm degree in Pharmacy and an Executive MBA in Banking and Finance from the Paris Graduate School of Management. He is currently a level 3 candidate in the Chartered Financial Analyst (CFA) program.

COURAGE ZOIKU – PORTFOLIO ANALYST



Courage Zoiku is part of the Asset Management team, responsible for performing the daily investment management activities of the Unit as a Portfolio Analyst. Prior to joining FirstBanC, Courage Zoiku worked with QFS Securities Limited as a Credit Analyst where he gained expertise in the field of credit and risk management.

Courage holds a Bachelor of Arts degree from the University of Ghana, Legon. He is a Level 2 candidate in the CFA program.



BERNICE FREMPOMAA BOAFO – PORTFOLIO ACCOUNTANT

Bernice is the officer in charge of the management of the collective investment schemes managed by FirstBanC. She is responsible for the entire portfolio accounting functions of the funds.

Prior to joining FirstBanC, Bernice worked with QFS Securities as an Investment Officer, in charge of managing the company's liabilities and assets; where she acquired knowledge in portfolio and risk management.

Bernice holds a Bachelor of Arts degree from the University of Ghana, Legon.

PROXY FORMS

FIRSTBANC HERITAGE FUND

I/We.....
of.....
being a member/members of Heritage Fund Limited hereby appoint

or failing him, the duly appointed Chairman of the meeting as, my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the fund to be held at British Council Hall on Wednesday, 27th April, 2016 at 12:00 noon and 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.

Resolution	For	Against	
1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended December 31, 2015. 2. To Re – elect Directors • John Bright Kobla Aheto • Samuel Annie Asiedu 3. To consider and approve the remuneration of Directors. 4. To authorize the Directors to fix the remuneration of the Auditors.			

Dated thisDay of2016

Signature.....