

# 2019 **ANNUAL** REPORT

AND FINANCIAL STATEMENTS





**SAS FORTUNE FUND LIMITED**

**2019  
ANNUAL  
REPORT**

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**AND FINANCIAL STATEMENTS**

# CORPORATE INFORMATION

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**The Fund 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)

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**Board of Directors:** Maxwell Logan (Chairman)  
Togbe Afede XIV  
Paul Hammond  
Anthony Degbato  
Kwadwo Asumaning

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**Secretary:** Accra Nominees Limited  
2nd Floor Cedar House  
No. 13 Samora Machel Road  
Asylum Down, Accra

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**Custodian:** SCB Securities Services  
P. O. Box 768  
Accra

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

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**Solicitors:** R. S Agbenoto and Associates  
4th Floor Total House  
25 Liberia Road

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# NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th Annual General Meeting of the Members of SAS Fortune Fund will be held virtually via Zoom on Wednesday September 16, 2020 at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2019 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 confirm the Auditors Remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.

## SPECIAL BUSINESS

1. To amend the name of the company from SAS Fortune Fund Limited to SAS Fortune Fund PLC in accordance with Section 21(b) of the Companies Act 2019, Act 992.
2. To amend the company's Regulations to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.
3. To amend the Fund's Scheme of Particulars on "Redemption/Exit Fees" as follows:

### "Redemption/Exit Fees

The Fund is a long-term growth fund and its objective is to encourage Investors to keep their investment deposit (Shares) in the Fund for at least three (3) years. There is no fee for joining the Fund. However, the following withdrawal charges shall be applied when Investors redeem all or part of the shares within the first three (3) years".

BY ORDER OF THE BOARD  
ACCRA NOMINEES LIMITED  
COMPANY SECRETARIES  
Registered Office,  
Accra.

Dated this 17<sup>th</sup> day of August, 2020

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. 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.

## REGISTERING FOR AND PARTICIPATING IN THE AGM VIA ZOOM

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To register for the AGM:

Enter the following link:

**<https://bit.ly/fortunefundagm2019>**

After registering, you will receive a confirmation email containing information about joining the AGM.

### **1. Raise your hand to either second a motion or ask a question.**

#### **On PC:**

**Click “Participants”. Click “Raise hand” at the bottom of the participants dialogue box.**

#### **On mobile:**

**Tap the three dots labeled “More” on the far right of the controls bar.**

**Tap “Raise hand” to raise your hand.**

**You will be unmuted to perform the action for which your hand was raised.**

### **2. Use the polling feature to vote for or against a motion.**

#### **On PC and mobile:**

**When it is time to vote, the poll will appear on your screen.**

**Tap/click on your preferred option (FOR or AGAINST) to cast your vote.**

#### **When voting ends, the results will be shared on your screen.**

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the SAS Investment Management Head Office at 14th Floor, World Trade Centre, #29 Independence Avenue Accra, or sent via email to [info@sasghana.com](mailto:info@sasghana.com) not later than 48 hours before the appointed time of the meeting (11:00a.m. on Wednesday September 16th, 2020). Failure to submit the forms before the 48-hour deadline will result in the Proxy not being admitted to, or participating in, the meeting. A Proxy Form is provided in the Annual Report.

# CHAIRMAN'S REPORT

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## **Dear Cherished Shareholders,**

I welcome you to our 15th Annual General Meeting of SAS Fortune Fund Ltd. The novel corona virus pandemic has prevented us from holding this meeting physically. However, I am glad we are able to come to you through a virtual medium, which is becoming our new normal. It is a great privilege to deliver this report to you and present to you the Annual Report and Financial Statements of the Fund for the year ended December 31, 2019.

## **GLOBAL ECONOMIC REVIEW**

The global economic activity remained weak in 2019. Momentum in manufacturing activity, in particular, has weakened substantially, to levels not seen since the global financial crisis. Rising trade and geopolitical tensions have increased uncertainty about the global trading system and international cooperation. The tariff war between the United States and China, the introduction of new automobile fuel emission standards in Germany and concerns and apprehensions about sovereign and financial risks that have weighed on domestic demand in Italy took a toll on business confidence, investment decisions, and global trade. Global economy was projected to grow by 3.0 percent in 2019, its lowest level since 2008 to 2009. (World Economic Outlook).

## **LOCAL ECONOMIC REVIEW**

The government continued with its fiscal consolidation efforts in 2019 even though there were still challenges in meeting revenue targets.

The economy of Ghana measured by gross domestic product grew by 6.70% in 2019 compared to 5.40% in 2018. The growth was strongly attributed to oil and strong recovery in the services sector.

Private sector credit grew stronger, supported largely by the well-capitalized banking sector. Inflation continued to be in single digit in 2019; gradually rising from 9.00% in January to 9.50% in April 2019 but reduced to 7.90% in December.

The Ghana cedi was under considerable pressure in the first quarter of 2019, due to high demand, as importers sought to restock their supplies. The cedi at end of year 2019 lost 12.89% against the dollar, 15.60% against the pound sterling and 11.24% against the euro.

The year 2019 also witnessed the Bank of Ghana announcing the completion of the financial sector clean up. The last batch of the savings and loans institutions, which

failed to meet the new capital requirement, had their licenses revoked. The Securities and Exchange Commission also revoked licenses for 53 fund management firms due to various infractions. These actions during the year brought liquidity challenges upon investors of these defunct institutions.

The Monetary Policy Committee (MPC) of Bank of Ghana cut the policy rate by a hundred basis point from 17% at year-end 2018 to 16% at year end 2019. The review was largely attributable to the decline in inflation and relatively stable key indicators of the economy. The Government of Ghana (GoG) also issued longer dated instruments to replace the existing short-term instruments as part of its debt management and restructuring strategy. Accordingly, the two-year treasury note saw an 11% rise to 19.75%. The 91-day Treasury Bill rose marginally to 14.59% while the 182-day bill was up to 15.02% by end of year.

## **THE FUND**

At the end of 2019, the total net assets under management for SAS Fortune Fund Ltd stood at GH¢8.672 million compared to GH¢10.754 million in the previous year. The 19% decrease in the net assets under management is the effect of the general liquidity challenges experienced by investors as a result of the banking sector clean up exercise as I earlier alluded to and the poor performance of the stock market in 2019. Despite the Fund's positive year-to-date performance of 0.01% compared to a negative 12.25% year-to-date performance posted by the GSE composite index, investors' outlook was to invest in fixed income securities as opposed to equity mutual funds during the year. The revocation of licenses of fund management companies by the Securities and Exchange Commission during the year also exacerbated the lack of confidence of the fund management sector and fueled panic withdrawals.

## **CONCLUSION AND OUTLOOK**

Ghana's economy is expected to grow slowly by about 0.9% in 2020. This growth will be the result of weak foreign demand for oil and low oil prices, as well as softening domestic demand due to restrictive measures, job losses, a weaker currency and the ravaging effects of novel corona virus. Government finances is likely to remain vulnerable as a result of volatile commodity prices. The plummeting nature of the Ghana Stock Exchange Composite Index is expected to continue as the effect of the liquidity challenges arising from the banking sector clean up and the ravaging consequence on the economy posed by the novel corona virus linger on. Interest rates are also expected to decline in 2020. The current monetary policy stance of the Bank of Ghana is expected to be maintained as it focuses on controlling inflation and growing the economy.



The year 2020 will be a challenging year however, the manager of the SAS Fortune Fund is poised to rebalance the Fund to make investment gains for the shareholders. We will also continue to provide liquidity to shareholders in their time of need. I would therefore encourage you to continue to buy shares to enjoy the optimum benefit from your investment.

On behalf of the members of the Board of Directors, I wish to sincerely thank you for your confidence in the fund. I would also like to thank you for the privilege you have reposed in us to serve and create value for you.

**MAXWELL LOGAN**  
**Board Chairman**

# SAS FORTUNE FUND LIMITED FUND MANAGER'S REPORT

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## **Dear Cherished Shareholders,**

It is with great pleasure that I welcome you to our 15th Annual General Meeting of the SAS Fortune Fund Limited. With the assistance of technology, we are having this meeting through a virtual platform for the first time since the inception of the Fund in order to observe the protocols regarding the Covid-19 pandemic. My report shall provide you information about the general economic conditions within which the fund operated during the year 2019, and to share with you our expectation for the year 2020.

## **ECONOMY**

Ghana's economy was projected to grow by 7.00% in 2019 but actually grew by 6.50% compared to 6.30% in 2018. The year was a challenging one particularly for the financial services sector as it witnessed the completion of Bank of Ghana's banking reforms, which led to the revocation of licenses of 347 micro finance companies, 39 micro credit companies, and 23 Savings and Loans companies. The Securities and Exchange Commission (SEC) also revoked licenses of 53 fund management firms due to various regulatory violations.

The reforms in the financial services sector generally affected investors' confidence in the sector, which heightened panic withdrawals and exacerbated the liquidity challenge of the sector. In the wake of events, most investors found it prudent to invest in government securities rather than with licenced financial institutions as the Ghana Stock Exchange Composite Index trended downwards while the 91-days and 182-days treasury bills rates inched up slightly by 0.75% and 0.80% respectively in 2019 compared to 2018 rates. The 1-year and 2-year notes increased by 2.41% and 0.25% respectively. The government of Ghana also issued a 20-year treasury bond at the rate of 20.20% during the year. This bond is now the country's cedi denominated treasury bond with the longest tenor ever issued.

The Monetary Policy Committee (MPC) of Bank of Ghana cut the Policy Rate by a hundred basis point from 17.00% at year-end 2018 to 16% at year end 2019. The review was largely attributable to the decline in inflation and fairly stable key indicators of the economy.

## **STOCK MARKET REVIEW**

2019 was a difficult year for the Ghana Stock Exchange (GSE) as it traded in the negative mostly in the year resulting in a 7.38% fall in total market capitalization to GH¢56,623.79million. The GSE Composite Index declined 12.25% compared to 0.30% decline in 2018. The GSE Financial Stock Index also shed 6.23% compared to negative 6.79% in 2018.

The GSE indicated a market of net sellers, with 22 price decliners compared to only 6 advancers. The top riser was Trust Bank Limited (The Gambia), which added 73.91% to close the year at a price of GH¢0.40. Other gains were recorded in Access Bank, up 40.85%, Aluworks, up 25.00%, Ayrton, up 14.29%, GCB, up 10.87% and Ecobank Ghana, up 7.87%. The biggest loser was SIC Insurance, which shed 57.80% to close at a price of GH¢0.08. Other notable losses were seen in Ecobank Transnational, Fan Milk and Ghana Oil Company down 50.00%, 48.50% and 45.51% respectively.

Liquidity remained tight as total turnover contracted 5.6% to GH¢622.07million. Turnover was dominated by a block trade in Ecobank Transactional in August 2019, resulting in 3.49 billion shares worth GH¢349.42million changing hands. Throughout the year, MTN Ghana dominated trading, with daily average turnover of GH¢451,017.15 (47% of total daily average turnover). Other significant contributors to daily turnover were CAL Bank, Standard Chartered Bank, Ghana Oil Company and Ecobank Ghana Limited, which together with MTN Ghana contributed 87% to average daily turnover.

## **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 SAS Fortune Fund posted 0.01% return during the year. This return outperformed both the GSE Composite Index and GSE Financial index, which stood at negative 12.25% and negative 6.23% respectively at the end of the year. As a result of the consistent decline of the GSE Composite Index vis-à-vis the prices of SAS Fortune Fund during the year, the Fund lost 19% of its net assets under management due to shareholder redemptions. The net asset value of the fund decreased from GH¢10.754 million to GH¢8.672 million at the end of the year.

The fund manager has been re-balancing the portfolio in order to churn out a more positive return to shareholders. We will continue to ensure the growth in the asset base of the fund and invest in blue-chip securities. We will also focus on companies with good valuation and stable business models in this time of disruptions caused by Covid-19.

## **2019 OUTLOOK**

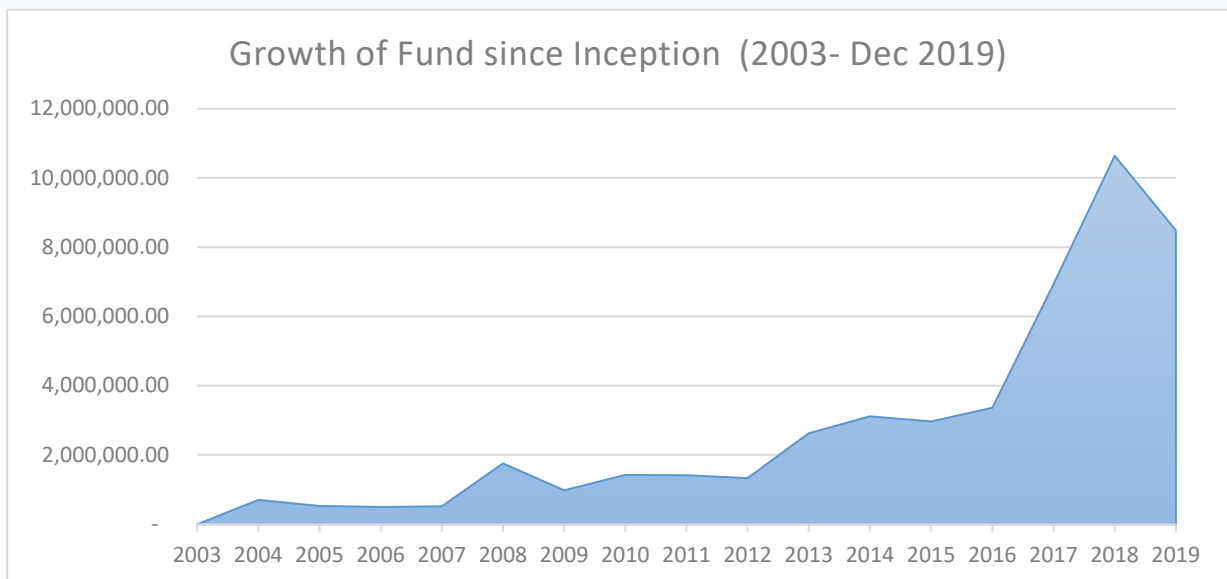
Activity in equity markets is likely to remain relatively depressed, as capital is likely to remain in fixed income alternatives. The yields on government bond issuances will be relatively stable as government will rely heavily on Bank of Ghana's Covid -19 relief bond to finance its expenditure in 2020. While historical trend has shown that the stock market does not thrive during the election year and given that the recent banking crisis is still fresh on the minds of investors, it is still worth noting that stocks are currently undervalued providing unique opportunities for patient capital. We believe the stock market has tapered off enough to provide opportunities for investors with a long-term view particularly the SAS Fortune Fund to consider companies with strong fundamentals, which continue to exhibit high growth potential, a strong balance sheet and high cash generating capacity.

## **ANTHONY DEGBATO**

**Head of Asset Management**

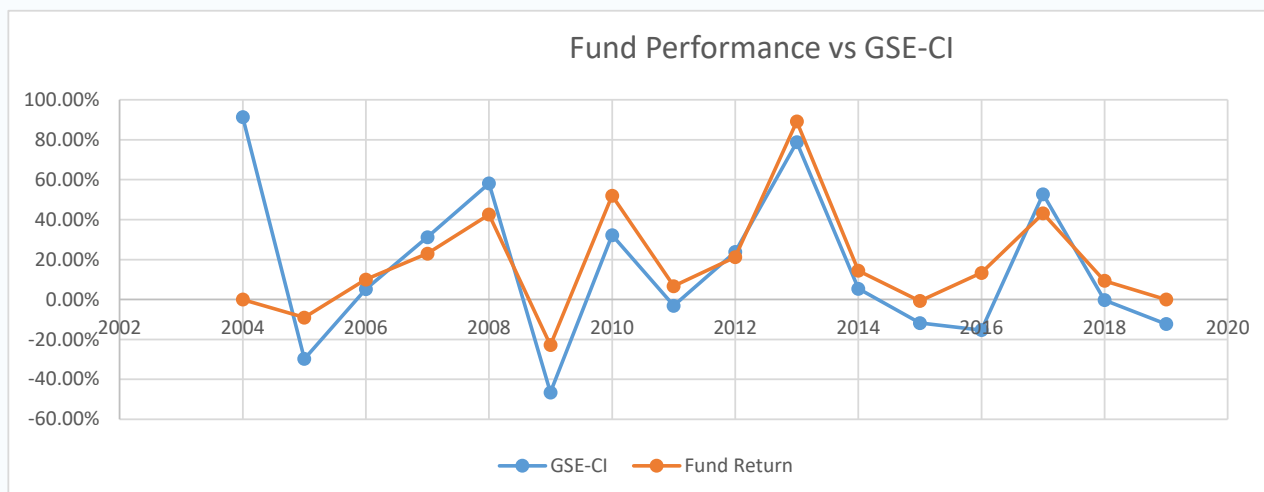
## GROWTH OF FUND SINCE INCEPTION (2003- DEC 2019)

Year	Total Assets (GH¢)
2003	-
2004	702,192.43
2005	522,266.67
2006	495,377.84
2007	518,758.02
2008	1,749,744.75
2009	981,358.61
2010	1,419,678.65
2011	1,416,390.00
2012	1,325,080.06
2013	2,620,672.07
2014	3,113,816.63
2015	2,961,474.55
2016	3,367,093.43
2017	6,935,530.60
2018	10,754,539.00
2019	8,672,993.00



## FUND PERFORMANCE VS GSE-CI

Year	GSE-CI	Fund Return
2004	91.33%	0.00%
2005	-29.72%	-9.00%
2006	5.21%	10.00%
2007	31.21%	23.00%
2008	58.16%	42.54%
2009	-46.58%	-22.78%
2010	32.25%	52.06%
2011	-3.10%	6.68%
2012	23.81%	21.21%
2013	78.81%	89.20%
2014	5.40%	14.40%
2015	-11.77%	-0.71%
2016	-15.33%	13.36%
2017	52.73%	43.16%
2018	-0.29%	9.38%
2019	-12.25%	0.01%





Create the tomorrow you want for your child today with **SAS Fortune Fund**.

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

We, the Directors of the SAS Fortune Fund Limited have pleasure in submitting our annual report together with the audited Financial Statements for the year ended 31st December 2019.

## **STATEMENT OF DIRECTORS' RESPONSIBILITY**

Under the Companies Act 2019 (Act 992), we are responsible, as directors of the company, 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 the International Financial Reporting Standards (IFRS). In preparing these Financial Statements, we are required as directors to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent under the circumstances.

To be fully compliant with the IFRS, we are required to make regular evaluation and assessment of the fair values of the carrying amounts of assets and liabilities of the Fund at each reporting date.

We are also responsible for keeping proper books of accounts, which disclose with reasonable accuracy at any time the financial position of the Fund. We are further responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities through the design and implementation of appropriate internal control structure.

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 stated policies and procedures.

## **NATURE OF BUSINESS**

The Company is licensed by the Securities and Exchange Commission to operate as an authorized 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.

## **GOING CONCERN CONSIDERATIONS**

The attached Financial Statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As directors, we have made the necessary assessment and evaluation of the future capital and other



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

financial requirements of the company and nothing has come to our attention through that evaluative exercise that leads us to conclude that the Fund is not a going concern.

## FINANCIAL RESULTS & INCOME DISTRIBUTION

The results for the year are as set out in the attached Financial Statements. The Fund distributes income to the unit holders through the daily valuation of the fund.

## AUDITORS

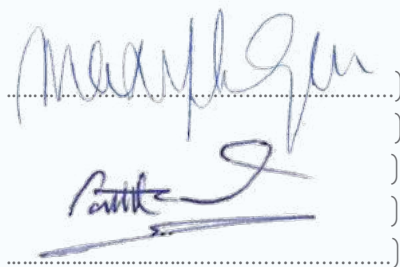
Messrs Nexia Debrah & Co have indicated their willingness to continue in office as auditors in accordance with Section 139 of the Companies Act, 2019 Act 992. We therefore recommend their continued appointment as independent auditors of the Fund.

## MANAGEMENT REPRESENTATION

We certify that the Statements of Investment Assets, Financial Position, Comprehensive Income and Cash Flows referred to in the report of the Auditors together with the notes thereon identified on pages 25 to 40 of this report have been prepared from records, information and representations made by us, the Directors of the SAS Fortune Fund Limited.

So far as we are aware, there is no relevant audit information (ie information needed by the company's auditors in connection with their work and report) of which the company's auditors are unaware and each director has taken reasonable steps that ought to be taken by a director in order to make him/her self-aware of any relevant audit information and to establish that the Fund's auditors are aware of such information.

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended December 31, 2019 and the Statement of Financial Position at that date together with the notes thereon this 4th day of June, 2020.



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

**DIRECTORS**

**ACCRA**

**8th June, 2020**

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



## **OPINION**

We have audited the Financial Statements of SAS Fortune Fund Limited, which comprise the Statement of Financial Position at 31st December 2019, and the Statements of Comprehensive Income, Cash Flows, Investment Assets and Movement in Issued Shares for the year then ended, and the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 40.

*Subject to the comments made in the last paragraph under the section of our report termed “Basis for Opinion”, in our opinion, these Financial Statements give a true and fair view of the financial position of the SAS Fortune Fund Limited at 31st December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner require by the Companies Act, 2019 (Act 992) and the Securities and Exchange Commission Regulations 2003 (L.I. 1728).*

Our report is made solely to the company’s members, as a body, in accordance with section 137(1) of the Companies Act, 2019 (Act 992). 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 auditors’ 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 above.

## **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report dealing with the Auditors’ Responsibilities for the Audit of the Financial Statements.

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

In form and substance, we are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion, having particular regards for the following matters.

### ***Investments past due***

A number of financial placements described as certificates of fixed deposits amounting to GH¢2,131,439 (2018: Gh¢2,065,515) representing about 25% of total investment portfolio (2018: 19%) have gone past their maturity dates and the issuers have been unable to honour their repayment obligations under the terms and tenor of those fixed deposits. Of these investment amounts, GH¢1,388,415 are presently under receivership, following the Financial Sector Clean up exercise undertaken by the Bank of Ghana and the Securities and Exchange Commission. Management is hopeful that the Fund will receive full payment. The Statement of Financial Position is drawn up on the basis and expectation that the full amounts together with any applicable interest will be received in due course. If the company is unable to realise this expectation, or if there arise any inclination that the expectation of the company is misplaced, then a full provision equivalent to GH¢2,131,439 (2018: GH¢2,065,515) will be required to write down the certificates of deposit investments to zero.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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## ***Investments and related matters***

**(GH¢8,689,109)**

Refer to the statement of investment assets.

The investment portfolio of the Fund yields returns and income passively based on the rates of interest/return and the tenor related to each investment type. The investment portfolio has a wide span and is well diversified into asset classes such as Quoted Equity and Certificates of Deposits. The custody of these investments is by Standard Chartered Securities Services who are specifically authorised or nominated for such holding purposes. Investments traded on active markets are marked to those markets at the reporting dates. Money Market investments are recorded at amortised cost.

### ***How the matter was addressed in our audit***

For fixed deposit investments, we inspected investment certificates issued by the investee entities and recomputed earned interest up to the reporting date.

We generally confirmed additions and redemptions to supporting documentation for all investment types. We reviewed independent statements issued by custodial and depository entities and reconciled to the ledgers of the company and tested the valuation of quoted investments to the market.

We also considered the adequacy of the Company's disclosures in respect of those investments.

### **OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the Financial Statements and our auditors' report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We do not have anything to report in this regard.

## **RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

The Directors are responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

## **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

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

- We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards;
- From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Under the Companies Act, 2019 (Act 992) we are required, when carrying out our audit, to consider and report on the certain specific matters. We accordingly report that:

1. 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.
2. In our opinion proper books of accounts have been kept by the Company, as far as appears from our examination of those books; and
3. The Company's balance sheet and profit and loss accounts are in agreement with the books of accounts.

The Engagement Partner on the audit resulting in this independent auditors' report is **Kwame Manu-Debrah (ICAG/P/1264)**.



**(Chartered Accountants)**

**Practice License # ICAG/F/069**

BCB Legacy House  
#1 Nii Amugi Avenue  
East Adabraka, Accra

**9th June, 2020**

**Accra**

Invest, grow and access  
your money at any time with  
**SAS Fortune Fund**

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# SAS FORTUNE FUND LIMITED STATEMENT OF INVESTMENT ASSETS AS AT DECEMBER 31, 2019

QUOTED EQUITY	%Net Assets	Number of Shares	2019 Market Value GH¢	2018 Market Value GH¢
<b>DAIRY PRODUCTS</b>	<b>2.27</b>			
Fan Milk Limited	2.27	47,817	197,006	382,536
<b>BANKING</b>	<b>27.18</b>			
CAL Bank Limited	1.94	189,822	168,942	186,026
Ecobank Ghana Limited	6.20	66,604	538,826	499,530
GCB Bank Limited	8.19	139,622	712,072	642,261
Standard Chartered Bank Ghana Ltd	3.73	17,612	324,061	369,852
Societe Generale Ghana Ltd	1.43	172,451	124,165	129,338
Access Bank Ghana Ltd	5.58	97,000	485,000	344,350
Ecobank Transnational Incorporation (ETI)	0.11	116,320	9,306	18,611
			<b>2,362,372</b>	<b>2,189,968</b>
<b>CONSUMER PRODUCTS</b>	<b>0.35</b>			
PZ Cussons Ghana Limited	0.27	61,812	23,484	25,343
Unilever Ghana (UNIL)	0.08	400	6,560	7,112
			<b>30,044</b>	<b>32,455</b>
<b>PETROLEUM</b>	<b>6.00</b>			
Ghana Oil Company Limited (GOIL)	5.28	269,900	458,830	842,088
Total Petroleum Ghana Limited	0.72	20,800	62,400	70,720
			<b>521,230</b>	<b>912,808</b>
<b>INSURANCE</b>	<b>1.38</b>			
Enterprise Group Limited	1.27	67,055	110,641	150,203
State Insurance Company Limited	0.10	113,500	9,080	21,565
			<b>119,721</b>	<b>171,768</b>
<b>TELECOMMUNICATION</b>	<b>3.77</b>			
MTN	3.77	468,000	327,600	369,720
			<b>327,600</b>	<b>369,720</b>
<b>TOTAL QUOTED EQUITY</b>	<b>40.93</b>	<b>1,848,703</b>	<b>3,557,973</b>	<b>4,059,255</b>

## SAS FORTUNE FUND LIMITED STATEMENT OF INVESTMENT ASSETS (CONTD)

QUOTED EQUITY	%Net Assets	Number of Shares	2019 Market Value GH¢	2018 Market Value GH¢
<b>FIXED INCOME/ SHORT TERM</b>				
182 Day Fixed Deposit Instruments	12.05		1,047,945	3,156,504
182 Day Cocoa Bill	<b>18.07</b>		1,570,722	-
2 Year Treasury Note	-		-	1,004,028
	<b>30.12</b>		<b>2,618,667</b>	<b>4,160,532</b>
Investment under Receivership	15.97		1,388,415	2,065,515
Other Investment	8.55		743,024	-
Cash at Bank and on Call	4.43		384,825	484,019
<b>TOTAL FIXED INCOME/SHORT-TERM</b>	<b>59.07</b>		<b>5,134,932</b>	<b>6,710,066</b>
<b>TOTAL INVESTMENTS</b>	<b>100.00</b>		<b>8,692,905</b>	<b>10,769,321</b>

Investment under receivership refers to certificates of Fixed Deposits (FDs) due from named entities that have gone past their due dates and the issuers were unable to settle their debt obligations to the Fund. These entities have since become casualties and the subject matter of the financial sector clean up exercise undertaken by the Bank of Ghana. The directors are in consultations with the Receiver for the recovery of the amount together with the accrued interest which have been taken into consideration in arriving at the year-end valuation of the investments.

Other Investment refers to Fixed Deposit Investments with a named entity that have gone past due. The directors have taken appropriate legal steps to vindicate the right of the fund and recover the amounts due together with the accrued interest which have been taken into consideration in arriving at the year-end valuation of the investments.

# SAS FORTUNE FUND LIMITED

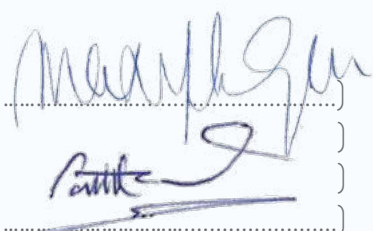
## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	2019 GH¢	2018 GH¢
<b>INCOME</b>			
Investment Income	<b>3</b>	731,104	1,438,572
Other Income	<b>4</b>	34,354	71,670
<b>Total Investment Income</b>		<b>765,458</b>	<b>1,510,242</b>
<b>EXPENSES</b>			
Management Fees		186,742	228,887
Other Operating Expenses	<b>5</b>	67,299	164,297
<b>Total Expenses</b>		<b>254,041</b>	<b>393,184</b>
Net Investment Income		<b>511,417</b>	<b>1,117,058</b>
Net Unrealized Capital Gains/(Losses)	<b>10</b>	(501,278)	(603,273)
Net Income Transferred to Accumulated Income Account		<b>10,139</b>	<b>513,785</b>

# SAS FORTUNE FUND LIMITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Notes	2019 GH¢	2018 GH¢
<b>ASSETS</b>			
Accounts Receivable	8	20,940	19,496
Investment Assets		8,692,905	10,769,321
<b>Total Assets</b>		<b>8,713,845</b>	<b>10,788,817</b>
<b>LIABILITIES</b>			
Accounts Payable	9	40,852	34,278
<b>Total Liabilities</b>		<b>40,852</b>	<b>34,278</b>
<b>NET ASSETS</b>		<b>8,672,993</b>	<b>10,754,539</b>
<b>SHAREHOLDERS' FUND</b>			
Capital Accounts	11	5,989,080	7,650,691
Accumulated Income Account	12	2,683,913	3,103,848
<b>Balance at December 31<sup>st</sup></b>		<b>8,672,993</b>	<b>10,754,539</b>



DIRECTORS

ACCRA

8th June, 2020

# SAS FORTUNE FUND LIMITED

## STATEMENT OF CASHFLOWS

### FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 GH¢	2018 GH¢
<b>INCREASE IN NET ASSETS</b>		
<b>From Operations:</b>		
Net Investment Income before Capital Gains	511,418	1,117,058
Net Unrealized Capital Gain / (Loss)	(501,278)	(603,273)
<b>Net Increase from Operations</b>	<b>10,140</b>	<b>513,785</b>
<b>From Capital Transactions:</b>		
Proceeds Realized From Issue of Shares	422,169	6,260,164
(Loss)/Gains on Redemptions	(430,074)	(287,294)
Cash outflow for Shares Redeemed	(2,083,780)	(2,714,040)
<b>Net cash Inflow/ (outflow) for Capital Transactions)</b>	<b>(2,091,685)</b>	<b>3,258,830</b>
<b>Net Increase/(Decrease) In Assets</b>	<b>(2,085,342)</b>	<b>3,772,615</b>
Net Assets at January 1st	10,754,539	6,981,924
<b>Net Assets at December 31st</b>	<b>8,672,993</b>	<b>10,754,539</b>

## SAS FORTUNE FUND LIMITED STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 No. of shares	2018 No. of shares
Balance at January 1st	12,618,722	8,997,580
Issue of Shares	530,274	7,121,823
	13,148,996	16,119,403
Redemption of Shares	(3,083,102)	(3,500,681)
<b>Net Assets at December 31<sup>st</sup></b>	<b>10,065,894</b>	<b>12,618,722</b>

# SAS FORTUNE FUND LIMITED

## QUOTED EQUITY PORTFOLIO SUMMARY

### AS AT DECEMBER 31, 2019

EQUITY	Position 31/12/18 No. of Sh	Mkt Value 31/12/18 GH¢	Position 31/12/19 No. of Sh	Mkt Value 31/12/19 GH¢	(Sales)/ Purchases DuringYr GH¢	Capital Gain (Loss) GH¢
FML	47,817	382,536	47,817	197,006	-	(185,530)
CAL	189,822	186,026	189,822	168,942	-	(17,083)
EGH	66,604	499,530	66,604	538,826	-	39,296
EGL	67,055	150,203	67,055	110,641	-	(39,562)
ETI	116,320	18,611	116,320	9,306	-	(9,306)
GCB	139,622	642,261	139,622	712,072	-	69,811
GOIL	269,900	842,088	269,900	458,830	-	(383,258)
PZ	61,812	25,343	61,800	23,484	(4.80)	(1,850)
SCB	17,612	369,852	17,612	324,061	-	(45,791)
SOEGH	172,451	129,338	172,451	124,165	-	(5,174)
SIC	113,500	21,565	113,500	9,080	-	(12,485)
<b>TOTAL</b>	<b>20,800</b>	<b>70,720</b>	<b>20,800</b>	<b>62,400</b>	<b>-</b>	<b>(8,320)</b>
UNIL	400	7,112	400	6,560	-	(552)
MTNGH	468,000	369,720	468,000	327,600	-	(42,120)
ACCESS	97,000	344,350	97,000	485,000	-	140,650
<b>At Market</b>	<b>1,848,715</b>	<b>4,059,255</b>	<b>1,848,703</b>	<b>3,557,973</b>	<b>(4.80)</b>	<b>(501,278)</b>
<b>Balance on Unrealized</b>						
<b>Gain/ (Loss) Reserve</b>		(1,952,148)		(1,450,870)		
<b>At Cost</b>		<b>2,107,107</b>		<b>2,107,103</b>		

# SAS FORTUNE FUND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2019

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#### **1. THE REPORTING ENTITY**

##### **1.1 The Company**

SAS Fortune Fund Limited is a limited liability company registered under Ghanaian Legislation. The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund and is regulated under the Unit Trusts and Mutual Funds Regulations L.I 1695.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of the company for the year ended 31<sup>st</sup> December 2019 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

All the material information required by legislation, particularly the Companies Act 2019 (Act 992) and the Securities and Exchange Commission Regulations 2003 (L.I.1728) have also been disclosed or presented in the appropriate context.

##### **2.1 Basis of Presentation**

The company prepares its Financial Statements under the historical cost basis as modified by the revaluation of certain assets and liabilities through the assessment of impairment and measurement of fair value. The Financial Statements are prepared and presented on the basis of accounting policies and conventions applicable to a going concern entity. The directors have carried out the necessary assessment and evaluation of the future capital and other financial requirements of the company and nothing has emerged through that evaluative exercise that can lead to the conclusion that the company is not a going concern.

##### **2.2 Income Recognition**

Income is recognized and recorded in the Financial Statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Company and the related revenue can be reliably measured.

#### **INTEREST INCOME**

The effective interest method is used as basis to recognize interest income in the Statement of Comprehensive Income for all interest - bearing financial instruments. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income. The applicable effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts available over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the related financial asset.



# SAS FORTUNE FUND LIMITED

## NOTES CONTINUED

The effective interest rate is calculated within the context of all estimated cashflows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses.

### **Dividend Income**

Dividend Income is recognized and recorded in the Financial Statements when the company's right to receive it has been established beyond all reasonable doubt.

### **Other Operating Income**

This relates to income accruing from the consequential dimension of the company's operations and is recognised and recorded on the accrual basis.

### **2.3 Fees**

Fees are mainly payable under legislation to the Regulator, Trustee, Fund Managers and the Custodians. This is in the nature of compliance with laws and therefore required audit attention and scrutiny.

#### ***How the matter was addressed in our audit***

We reviewed the basis of computation of management fees and compared with the expectation prescribed by law. These were largely in agreement.

### **2.4 Financial Assets and Liabilities**

Financial Assets and Liabilities are recognized in the balance sheet in accordance with measurement criteria explained below:

#### **2.4.1 Financial Assets**

A financial asset is an asset that is either cash, a contractual right to receive cash, the right to exchange a financial instrument with another accounting entity under potentially favorable terms or an equity instrument of another entity. The financial assets of the company are in two categories namely Investment Held to Maturity, and Available for sale Financial Assets.

#### **A. Held to Maturity Financial Assets**

Held to Maturity assets are non-derivative financial assets with a fixed or determinable payments and tenor in which the company has a positive interest and ability to hold to maturity. Such financial assets are not measured at fair value through profit or loss, but are rather carried at amortised cost using the effective interest method less any impairment losses.

For instance, bills discounted and securities with a fixed redemption date which are purchased with the intention of being held to maturity are initially recognized at cost and subsequently adjusted to give effect to amortization of premiums and discounts on purchase over the period to redemption.

# SAS FORTUNE FUND LIMITED

## NOTES CONTINUED

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### **B. Available for Sale Financial Assets**

Available for Sale Financial Assets are those intended to be held for indeterminate period of time, and which may be sold in response to challenges arising from liquidity, changes in interest rates or other such financial market indices and which have not been classified as assets held to maturity or at fair value through profit and loss.

### **2.4.2 Financial Liabilities**

Financial liabilities are contractual obligations to either deliver cash or another financial asset to another accounting entity, or to exchange financial instrument with another entity on potentially unfavorable terms. These may be measured either at fair value through profit or loss, or at amortized cost depending on their sub-categorization.

#### **A. Financial liabilities at fair value**

These are liabilities which are measured at the current market value through the profit or loss subsequent to their initial recognition.

#### **B. Financial liabilities measured at amortized cost**

Liabilities which are not measured at current market value fall under this category. These are essentially non-trading liabilities which are not quoted in any active market and are therefore measured at amortized cost.

### **2.4.3 Determination of Fair Value**

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter - bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to SAS Midas Fund Limited.

### **2.5 Impairment of Financial Asset**

A financial asset or a group of financial assets is considered impaired only if there is an objective evidence of impairment as a result of one or more event(s) that have occurred after initial recognition of the asset and the event or events have adverse impact on the estimated future cash flow of such financial asset, or group of financial assets.

## SAS FORTUNE FUND LIMITED

### NOTES CONTINUED

The amount of impairment is measured as the difference between the carrying value of the financial asset or group of financial assets and the estimated future cash flows discounted at the original effective interest rate used to originate the financial asset or group of financial assets in question.

Evidence of impairment may include indications that the issuers of Corporate Bonds and Notes as well as Certificates of Deposits in the company's Investments Portfolio are experiencing significant financial difficulty, default or delinquencies in the payment of interest and /or principal. It may also include the fact that those debts maybe restructured to reduce the burden on the issuers.

#### **2.6 Impairment of Non-Financial Asset**

Non-financial assets are assets that have indefinite useful life and are not subject to amortization and are tested annually for impairment. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the Assets Fair Value (Market Value) less cost to sell.

It is the policy of the company to review all non - financial assets that suffer impairment for possible reversal of the impairment at least once within each financial year.

#### **2.7 CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents identified in the Statement of Cash Flows comprise physical cash balances on hand and with other banks as well as highly liquid investments with up to three (3) months maturity from the date of acquisition by the company.

#### **2.8 Equity Investment**

Equity Investments are held for the purposes of both trading and investments.

##### **Unquoted Equity Investments**

Unquoted Equity investments are held at cost or the recorded book valuation of the investee company. Any gains or losses unrealised are transferred to the Capital Surplus Account until fully realised through sale.

##### **Quoted Equity Investments**

Equity investments that are traded on any active market or exchange are regarded as quoted and are marked in value to those markets at the end of the period. Unrealized gains or losses during the period are transferred to the profit and loss account.

# SAS FORTUNE FUND LIMITED

## NOTES CONTINUED

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### **Impairment Test**

The above valuation criteria are implemented subject to any provision for the diminution in the value of any equity investment.

### **2.9 Provisions**

A provision is recognized in the Statement of Financial Position when a legal or constructive obligation as a result of a past transaction or event exist at the reporting date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### **2.10 Capital Accounts and Reserves**

#### **(A) Capital Account**

Capital Account comprises Ghana Cedi amount arising from the issue of shares for cash and any transfers from retained earnings and other surpluses as defined under the Companies Act 2019 (Act 992). These shares are redeemable by holders in the normal course of business subject only to the Company's regulations and the scheme particulars. The process of redemption involves an exchange between the entity and the respective shareholders.

#### **(B) INCOME SURPLUS (RETAINED EARNINGS OR ACCUMULATED INCOME ACCOUNT)**

The Income Surplus account records the cumulative annual profits (after appropriations) available for distribution to shareholders.

### **2.11 Post Balance Sheet Events**

Events subsequent to the reporting date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

## SAS FORTUNE FUND LIMITED NOTES CONTINUED

	2019 GH¢	2018 GH¢
<b>3. Investment Income</b>		
Interest on Bank Deposit	14,466	14,973
Dividend Income	117,327	29,409
Interest on Fixed Deposit	599,311	1,394,190
	<b>731,104</b>	<b>1,438,572</b>
<b>4. Other Operating Income</b>		
Exit Charges	33,769	71,670
Sundry Income	585	-
	<b>34,354</b>	<b>71,670</b>
<b>5. Other Operating Expenses</b>		
Bank Charges	669	1,608
Secretarial Fees	3,542	2,969
Professional Fees	4,725	-
Directors Fees	17,350	13,700
Custodian Fees	12,803	21,986
Audit Fee	14,000	12,600
AGM Expenses	14,210	19,408
Realized Loss	-	5,036
Transaction Charges	-	86,991
	<b>67,299</b>	<b>164,297</b>
<b>6. Realized Loss on the sale of Aluworks shares</b>		
Proceeds from sale of Investment (Shares) Sold		4,843
Average Costs of Investment (Shares) Sold		(9,879)
		<b>(5,036)</b>

# SAS FORTUNE FUND LIMITED

## NOTES CONTINUED

	2019 GH¢	2018 GH¢
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### 7. Redemptions/Withdrawals

	Consideration Paid GH¢	Consideration Paid GH¢	Consideration Paid GH¢
<b>2019</b>	2,513,854	(430,074)	2,083,780
<b>2018</b>	3,001,334	(287,294)	2,714,040

### 8. Accounts Receivable

Receivable from SASIM	3,639	3,639
8% Investment Tax Withheld	7,006	7,006
Sundry Receivable	10,295	8,851
	<b>20,940</b>	<b>19,496</b>

### 9. Accounts Payable

Sundry Accounts Payable	586	586
Custody Fees	2,376	1,530
Secretarial/Management Fees	15,490	18,961
Audit Fees	17,200	13,200
	<b>40,852</b>	<b>34,278</b>

## SAS FORTUNE FUND LIMITED NOTES CONTINUED

	2019 GH¢	2018 GH¢
<b>10. Unrealized Gain/ (Loss) Reserve (Memorandum only)</b>		
Balance at January 1st	1,952,148	2,555,420
Unrealized Gain / (Loss) for the Year		
Charged to Statement of Comprehensive Income	(501,278)	(603,272)
<b>Balance at December 31</b>	<b>1,450,870</b>	<b>1,952,148</b>

	No. of Shares	2019 GH¢	No. of Shares	2018 GH¢
<b>11. Capital Accounts</b>				
Balance at January 1st	12,618,722	7,650,691	8,997,580	4,104,567
Issue of Shares	530,274	422,169	7,121,823	6,260,164
Redemption of Shares	(3,083,102)	(2,083,780)	(3,500,681)	(2,714,040)
<b>Balance At December 31st</b>	<b>10,065,894</b>	<b>5,989,080</b>	<b>12,618,722</b>	<b>7,650,691</b>

	2019 GH¢	2018 GH¢
<b>12. Accumulated Income Account</b>		
Balance at January 1st	3,103,848	2,877,357
Redemptions/Withdrawals	(430,074)	(287,294)
Balance before Transfers	2,673,774	2,590,063
Net Income transferred from Statement of Comprehensive Income	10,139	513,785
<b>Balance as at 31st December</b>	<b>2,683,193</b>	<b>3,103,848</b>

## SAS FORTUNE FUND LIMITED NOTES CONTINUED

### 13. 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.

### 14. INVESTMENT TRANSACTIONS

Total sale of investments in quoted equity was NIL (2018: GH¢ 4,843)

### 15. 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

### 16. COMMISSIONS AND LEVIES

Total Commissions and Stock Exchange Levies was NIL (2018 NIL).





## STANDARD CHARTERED SECURITIES SERVICES

Portfolio Valuation Report as at - 31/12/2019

Safekeeping Account: 2623697A-SAS FORTUNE FUND

FIXED DEPOSIT									
SECURITY NAME	CDS CODE	ISIN	SCB CODE	MKT PRICE	NOMINAL VALUE	CUMULATIVE COST	VALUE [GHS]	% OF TOTAL	
182 DAYS IZWE SAVINGS AND LOANS GH LTD FD AT 25 PCT FM	IZWES2510420		491934	0	1,000,000.00	0	1,048,630.14	100	
<b>TOTAL</b>					<b>1,000,000.00</b>	<b>0.00</b>	<b>1,048,630.14</b>	<b>100</b>	
EQUITY SHARE									
SECURITY NAME	CDS CODE	ISIN	SCB CODE	MKT PRICE	NOMINAL VALUE	CUMULATIVE COST	VALUE [GHS]	% OF TOTAL	
ECOBANK GHANA LIMITED - NPV	EGH	GH0000000680	69942	GHS 8.090000	66,604.00	0	538,826.36	15.14	
GHANA OIL COMPANY LIMITED - NPV	GOIL	GH0000000722	70184	GHS 1.700000	269,900.00	0	458,830.00	12.90	
FAN MILK LIMITED - ORD NPV	FML	GH0000000078	69990	GHS 4.120000	47,817.00	0	197,006.04	5.54	
MTN GHANA - NPV	MTNGH	GHEMTN051541	409478	GHS 0.700000	468,000.00	0	327,600.00	9.21	
PZ CUSSONS GHANA LIMITED - ORD NPV	PZC	GH0000000177	119101	GHS 0.380000	51,800.00	0	23,484.00	0.66	
SOCIETE GENERALE GHANA LIMITED - ORD NPV	SOGEGH	GH0000000201	69927	GHS 0.720000	172,451.00	59,621.43	124,164.72	3.49	
ENTERPRISE GROUP LIMITED - NPV	EGL	GH0000001001	70466	GHS 1.650000	67,055.00	0	110,640.75	3.11	
CAL BANK LIMITED - NPV	CAL	GH0000000649	70042	GHS 0.890000	189,822.00	0	168,941.58	4.75	
ACCESS BANK GHANA - NPV	ACCESS	GHEABG043772	419372	GHS 5.000000	97,000.00	306,563.65	485,000.00	13.63	
GCB BANK LIMITED - NPV	GCB	GH0000000094	70102	GHS 5.100000	139,622.00	0	712,072.20	20.01	
SIC INSURANCE COMPANY LIMITED - NPV	SIC	GH0000000730	69951	GHS 0.080000	113,500.00	0	9,080.00	0.26	
ECOBANK TRANSNATIONAL IN	ETI	TG0000000132	69658	GHS 0.080000	116,320.00	0	9,305.60	0.26	
TOTAL PETROLEUM GHANA LIMITED - NPV	TOTAL	GH0000000144	109647	GHS 3.000000	20,800.00	0	62,400.00	1.75	
STANDARD CHARTERED BANK GHANA LTD - ORD NPV	SCB	GH0000000185	54958	GHS 18.400000	17,612.00	0	324,060.80	9.11	
UNILEVER GHANA - NPV	UNIL	GH0000000219	70259	GHS 16.400000	400	0	6,500.00	0.18	
<b>TOTAL</b>					<b>1,848,703.00</b>	<b>366,185.08</b>	<b>3,557,972.05</b>	<b>100</b>	
TREASURY BILL									
SECURITY NAME	CDS CODE	ISIN	SCB CODE	MKT PRICE	NOMINAL VALUE	CUMULATIVE COST	VALUE [GHS]	% OF TOTAL	
CMB-BL-14/05/20-AS163-6101-0		GHGCM8057531	496640	0	1,095,290.00	999,999.99	1,024,607.85	66.69	
CMB-BL-02/01/20-AS063-6093-0		GHGCM8056129	488373	0	547,345.00	261,301.19	560,730.59	33.31	
<b>TOTAL</b>					<b>1,642,635.00</b>	<b>1,261,301.18</b>	<b>1,642,422.59</b>	<b>100</b>	

## STANDARD CHARTERED SECURITIES SERVICES

### Portfolio Valuation Report as at - 31/12/2019

Safekeeping Account: 2623697A-SAS FORTUNE FUND

#### Summary

DESCRIPTION	NOMINAL VALUE	CUMULATIVE COST	VALUE LCY[GH\$]	% OF TOTAL
FIXED DEPOSIT	1,000,000.00	0.00	1,048,630.14	12.05
EQUITY SHARE	1,848,703.00	366,185.08	3,557,972.05	40.88
TREASURY BILL	1,642,635.00	1,261,301.18	1,642,422.59	18.87
IDEAL 182 DAY RECEIVABLE	227,424.66	0.00	255,774.86	2.94
IDEAL 182 DAY RECEIVABLE	537,963.29	0.00	605,024.47	6.95
IDEAL 182 DAY RECEIVABLE	343,380.82	0.00	387,898.03	4.46
OMEIGA 182 DAY RECEIVABLE	120,492.12	120,492.12	139,718.04	1.61
PROGRESS 182 RECEIVABLE	300,000.00	0.00	337,397.26	3.88
PROGRESS 182 RECEIVABLE	228,421.92	0.00	258,604.90	2.97
PROGRESS 182 RECEIVABLE	130,726.17	0.00	147,022.17	1.69
CASH BALANCE	0.00	0.00	323,532.09	3.72
<b>TOTAL</b>	<b>6,379,746.98</b>	<b>1,747,978.38</b>	<b>8,703,996.60</b>	<b>100.00</b>

## SAS FORTUNE FUND LIMITED

### INFORMATION ON DIRECTORS

The business and affairs of the Fund are managed by the Fund Manager (ie, SAS Investment Management Limited) 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 occupation, other directorships and their affiliations.

Name, Address	Position	Time with Fund	Occupation	Other Affiliates
<b>Independent Directors</b>				
<b>Maxwell Logan (54)</b> The Kingfisher House H/No 741/1, 10th Avenue, Ringway Osu - Accra	Director	Since Inception (June 2004)	Legal Practitioner	Logan and Associates Jescan Construction Limited New Beach Realtors Ltd.
<b>Paul Hammond (69)</b> 4 Ficus Close Community 20 Tema	Director	(August 2013)	Banker	EPH Ventures P.O. Box DS 864 Accra
<b>Kwadwo Asumaning (63)</b> H/No 2B Tsotsoo Agbon Street East Legon-Accra	Director	(July 2018)	I.T Consultant	Africa World Airlines Koabor Investment Koabor Energy Africa Bus. Media
<b>Interested Directors</b>				
<b>Togbe Afede XIV (63)</b> P.O Box KA 16446 Accra	Director	Since Inception (June 2004)	Investment Banker	Strategic African Securities SASIM Strategic Initiatives Ltd Aluworks (Gh) Ltd Africa World Airlines Accra Hearts of Oak
<b>Anthony Degbato (43)</b> P.O.Box 16446 Accra	Director	(July 2018)	Chartered Accountant	SAS Investment Mgt SAS Midas Fund Ltd

# SAS FORTUNE FUND LIMITED

## 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 virtually via Zoom at 11.00 a.m. on Wednesday September 16, 2020 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, 2019 and the Reports of the Directors and Auditors thereon.		
2. To re-elect Directors retiring by rotation: Maxwell Logan Paul Hammond		
3. To approve Directors' remuneration		
4. To confirm the Auditors remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.		
5. To amend the name of the company from SAS Fortune Fund Limited to SAS Fortune Fund PLC in accordance with Section 21(b) of the Companies Act 2019, Act 992.		
6. To amend the company's Regulations to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.		
7. To amend the Fund's Scheme of Particulars on "Redemption/Exit Fees" as follows: "Redemption/Exit Fees The Fund is a long-term growth fund and its objective is to encourage Investors to keep their investment deposit (Shares) in the Fund for at least three (3) years. There is no fee for joining the Fund. However, the following withdrawal charges shall be applied when Investors redeem all or part of the shares within the first three (3) years".		

.....  
Shareholder's Signature

**14th Floor, World Trade Center,  
Independence Avenue, Accra.  
P.O. Box KA 16446, Accra, Ghana.  
t. +233 302 661770/661900/661008  
f. +233 302 663999  
e.info@sasghana.com**

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